INTRACOM HOLDINGS S.A.

Annual Report
for the Year 2011 (1st January – 31st December 2011)
in accordance with Law 3556/2007

Contents

The attached annual financial statements of the Group and the Company have been approved for issue by the Board of Directors on 29th March 2012.

THE CHAIRMAN OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS & DEPUTY MANAGING DIRECTOR
S.P. KOKKALIS ID No AI 091040/05.10.2009	**D.C. KLONIS** ID No. AK 121708/07.10.2011

THE CHIEF ACCOUNTANT

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

A) Directors' Statements

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

The members of the Board of Directors, of INTRACOM HOLDINGS SA

1. Socrates P. Kokkalis, Chairman & Managing Director,
2. Dimitrios C. Klonis, Vice Chairman and Deputy Managing Director,
3. Georgios A. Anninos, Member of the Board of Directors

In our above mentioned capacity declare that:

As far as we know:

a. the parent company and consolidated annual financial statements for the year 01/01/2011 to 31/12/2011 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of 'INTRACOM HOLDINGS SA' and of the undertakings included in consolidation, taken as a whole, and

b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of the Company and of the undertakings included in the consolidation, taken as whole, including a description of the major risks and uncertainties they confront.

CHAIRMAN & MANAGING DIRECTOR

S. P. KOKKALIS

ID No AI 091040/05.10.2009

VICE CHAIRMAN &

DEPUTY MANAGING DIRECTOR

D.C. KLONIS

ID No. AK 121708/07.10.2011

MEMBER OF THE BOARD

G. A. ANNINOS

ID No. AE 550167/17.04.2007

B) Board of Directors' Report

Annual Report

for the Year 2011 (1st January – 31st December 2011)

in accordance with Law 3556/2007

FINANCIAL RESULTS – ACTIVITY REVIEW

The 2011 was a year of continued deterioration of the financial crisis and unstable macroeconomic environment. The prolonged recession and lack of development dynamics has limited the turnover of most of the group companies.

Thus, the consolidated Group sales in 2011 amounted to € 519,3 mn compared to € 575,4 mn in 2010 (decrease by 9,7%). The largest decreases came from the construction industry, while Hellas Online, despite the poor conditions managed to increase its revenues with a turnover of € 224,6 mn. compared to € 200,5 m. in 2010.

The Group remains in operating profitability with operating profit (EBITDA) € 49,2 mn. compared to € 63,2 mn. in 2010. Important in shaping the operational profitability was the participation of both the Group Hellas Online, which increased its operating profit to € 61,1 mn. from € 48,8 mn. in 2010, and the Group INTRAKAT that despite the reduced turnover increased the EBITDA from € 10,3 mn. to € 10,6 mn. and recorded a profit before taxes of € 3,4 mn

In terms of income before taxes (EBT), the group reported losses € 60,4 mn versus € 38,8 mn. loss. The deterioration of the results is mainly due to the rationalization of the financial statements, firstly of IT SERVICES, which in view of its merger with INTRASOFT INTERNATIONAL recorded extraordinary write-off of assets, and secondarily to impairment of the parent company's subsidiary and affiliate.

The parent company's sales amounted to € 2,4 mn. The results were burdened by other operating expenses amounting to € 10,7 mn relating to impairment of subsidiaries and affiliates. Thus, the loss before tax amounted to € 19,3 mn compared to € 9,7 mn in 2010.

Total shareholders' equity at 31/12/2011 amounted to € 397,3 mn compared to € 452,8 mn at 31/12/2010. The total borrowings of the Group amounts in 31/12/2011 at € 330,7 mn, a decrease of € 20,4 mn (31/12/2010: € 351,1 mn)

Key financial ratios depicting the Group's and Company's financial condition in a static format are as follows:

a. Financial Structure Ratios	**GROUP**	**COMPANY**
Current Assets/Total Assets	36,7%	3,4%
Total Equity/Total Liabilities	62,7%	851,1%
Total Equity/Fixed Assets	77,4%	493,5%
Current Assets/Short-term Liabilities:	87,8%	45,0%

b. Profitability Ratios	**GROUP**	**COMPANY**
EBITDA/Sales	9,5%	-657,1%
Gross Profit/Sales	12,4%	20,2%
Sales/Total Equity	130,71%	0,55%

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

MAIN EVENTS

Within 2011**, INTRAKAT** continued the construction of infrastructure projects, among which is the Peloponnesus motorway (Corinth-Tripoli-Kalamata) with a € 1,1 billion budget performed by the Joint-venture "Moreas" , the new psychiatric clinics in Katerini and Corfu (€ 7 mn.) and the Ionian General Clinic of EUROMEDICA with a € 10,9 mn budget. Furthermore, in 2011-2012, the company will construct an energy producing Wind Park in Boeotia's Prefecture with a € 33 mn budget.

On March 2011 INTRASOFT International has been awarded a contract worth € 9 mn. to develop software for the Council of the European Union. The four-year contract is INTRASOFT's International first with the Council of the EU.

On April 2011 INTRASOFT International was chosen to provide the European Commission with a broad range of information technology (IT) services with a potential estimated value of € 30 mn. over the next 4 years. The work will be carried out under the ESP DESIS II Framework Contract, the European Commission's biggest framework contract in the IT area.

Furthermore, INTRASOFT International has been awarded a new contract to provide services to the Romanian Ministry of Finance over the next 3 years. This new 3-year contract is worth € 3 mn, of which INTRASOFT International will receive € 1 mn for the implementation of the next phase of EMCS (Excise Movement Control System). In addition, INTRACOM IT SERVICES Denmark has been awarded by the Moroccan Ministry of Finance a contract with an approximate value of € 0,6 mn for the implementation of an advanced risk-analysis system for the National Tax Collection Agency of the Moroccan Government.

Finally, in the framework of the Group’s geographical expansion new contracts have been signed with Dutch and New Zealand Custom Services.

Following the successful completion of the required elaborate qualification procedure by the United States Army, **INTRACOM Defense Electronics** has been selected for the procurement of electronic subsystems of PATRIOT air defense systems. The first contract has a value of approximate $1 mn. and duration of twelve months, while additional orders are expected. Moreover, contract awards are continuing from Northrop Grumman to INTRACOM Defense Electronics for manufacturing of electronic modules of the AN/APG-68(V)9 radar for the F-16 aircraft to meet needs of the global market. The new award to INTRACOM Defense Electronics refers to a $2.2 mn. and duration until September 2012. In the same agreement the expansion of the cooperation is foreseen until the end of 2012 with further expansion of the project to $5.3 mn. On June 2011 the company has undertaken from RAYTHEON a $30,1 mn. project for the manufacturing of PATRIOT subsystems. The contract, awarded after international competition, is expected to be completed by the end of 2014. Finally, on September 2011 the company expanded its cooperation with RAYTHEON Missile Systems, with a $1.9 mn contract, in the frame of the RAM (Rolling Airframe Missile) surface-to-air missile program. Deliveries will be completed by December 2012 and an option of $3.1 mn is included in the contract.

On May 2011, INTRACOM TELECOM announced its collaboration with Magyar Telekom, the largest telecommunications services provider in Hungary for the provision of Intracom Telecom's innovative Point-to-Multipoint wireless system, WiBAS. Furthermore, the company through its subsidiary Intracom Svyaz in Russia signed two new contracts of equal value with MTS for a total of $60 mn. The first contract is for the supply of INTRACOM TELECOM's OmniBAS Native Ethernet Radio platform and INTRALINK Radio Relay systems. The second contract is for the supply and build-out of MTS's next generation Mobile Backhaul network in two macro regions, based on Tellabs equipment.

Finally, in June 2011 Intracom S.A. Holdings announced that the time period for the exercise of its put option right for the sale of its 49% participation in Intracom S.A. Telecom Solutions to JSC Concern Sitronics has been extended from 30th June 2011 to 30th June 2012.

On 9 September 2011 the Board of Directors of Hellas online SA and Attica Telecommunications SA decided the merger of the two companies by absorption of the latter by the former as its 100% subsidiary with the Transformation Balance Sheet dated 30th June 2011.

POST BALANCE SHEET EVENTS

The trans-border merger through absorption of the Intracom IT Services by its 99,99% subsidiary Intrasoft International S.A. based in Luxembourg was completed on 2 January 2012. The new company has been registered in Luxembourg Chamber of Commerce.

GOALS AND PERSPECTIVES

The quintessential in the Group's strategy has always been the enhancement of its international presence. INTRACOM Group has established its leading position through international activities and strategic alliances, and especially nowadays, among the deep fiscal crisis of the greek economy, we believe that the international positioning is the only perspective.

From then on, the Group companies are heavily investing in cutting edge technology in such a way that, with flexible business schemes and competitive know how, to be able to meet the challenges of the ever-changing global market and to be repositioned promptly and efficiently.

The merger of INTRASOFT INTERNATIONAL SA with INTRACOM IT SERVICES is part of the Group's strategy to enhance its activity in international markets.

INTRAKAT, the construction arm of INTRACOM HOLDINGS GROUP, has shown considerable resistance to the adverse financial conjunctures. The company's strategy for 2012 includes the enhancement of its position in the construction market, focusing on sectors with high growth potential. These sectors primarily include Niche Markets where the Group has specialization (Natural Gas, Fiber Optics, Special Steel Structures etc), Green Energy Projects through its specialized Subsidiaries (Photovoltaic Systems, Wind Projects, Waste to Energy), Public Sector Infrastructure Projects and Self financed Projects & PPPs in Infrastructure, Telecommunication, Real Estate & Energy Projects. Finally, through strategic cooperation with international companies the Group aims to enhance its activities in Poland, Romania and Cyprus by targeting infrastructure, telecommunication, environmental and energy projects and expand its activities in new markets abroad, Middle East (Syria, Libya), Balkan countries.

The new merged organization, the Group **INTRASOFT INTERNATIONAL S.A.** is expected to deploy in the most efficient manner the accumulated European experience and to lead the Group to further development in the Greek and global market. The Group will give priority to vertical solutions & services having the potential of world-wide appreciation and will put in place a global sales organization by exploiting global sales channel to leverage the strengths of the company's offering. The global alliances with IBM in Customs and Oracle in Taxation are still strategic priorities. The company's major tactical targets for 2012 are to follow opportunities in the United Kingdom, Bulgaria and the Nordics through local subsidiaries, to establish partners network and follow specific opportunities in Africa & UAE, to put special focus on projects funded by the World Bank and to enhance local sales capacity in Denmark and Romania. Finally, the Company develops a new service offering in the Telecom Business Support Systems area.

H INTRACOM DEFENSE ELECTRONICS ELECTRONICS is Greece's leading defense electronics supplier with emphasis on Communications and Electronics systems. The company participates in a large number of national, multinational, European and NATO R&D programs. Within the current unstable financial environment the company's goals include the enhancement of the company's export orientation in the U.S. International Patriot Air & Missile Defense Programs, as well as in other U.S. Defense Programs, the expansion of its presence and marketing activities for the supply of own communications products and solutions to customers in Africa and Middle East, and the establishement of synergies and agreements with leading international Defense Companies to introduce its communications product portfolio in their own integrated Defense Platforms & Solutions for effective common marketing and promotion in third-countries

HELLAS ONLINE Group holds a solid position among alternative providers in Greek market and is dynamically and healthily growing. Having as growth drivers the first place in net additions of LLU customers, efficient operational management, focused investments in infrastructure and customer service, the company managed to present in a difficult economic environment, high rates of revenue growth. The Group aims at increasing its ULL customer base, to grow its revenue and EBITDA and to further improve its key financial data. Furthermore, the company intends to extend its Commercial agreement with Vodafone for 3-5 years and to introduce Cloud Services for the first time in Greek market

INTRACOM TELECOM Group plans expansion of direct sales and VAR network in Europe, CIS, Africa, APAC and S. America, to launch new Wireless products (OmniBAS-XR, Ultralink, WiBas FO), and finally to win first deals in ICT infrastructure Operation and expand Cloud service offering in Greece and the Balkans

RISKS AND UNCERTAINTIES

<u>Financial risk factors</u>

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

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

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise are analyzed below.

Market risk

Foreign exchange risk

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

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

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

Price risk

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

Cash flow and fair value interest rate risk

Interest rate risk has been hedged partly by converting a significant part of the borrowings from floating to fixed rate The interest-rate risk arises mainly from the fact that almost all of the Group's borrowings carry floating interest rates. The Group assesses that during the current year, interest rate risk is limited since it is expected that interest rates will remain stable in the medium-term.

Credit risk

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

Regarding credit risk related to cash deposits, the Group collaborates with financial institutions of high credit rating focusing on Greek market to ensure the stability of Greek banking system which share the same interests.

Liquidity risk

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

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities.

The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use.

The available undrawn borrowing facilities to the Group, are sufficient to address any potential shortfall in cash.

SIGNIFICANT RELATED PARTY TRANSACTIONS

(Article 2 rule 7/448/11.10.2007 of Capital Market Commission)

The company's significant transactions with related parties as defined in International Accounting Standard 24 relate to transactions with its subsidiaries and affiliates (related companies according to article 42e of L. 2190/20) and companies in which the major shareholder of INTRACOM HOLDINGS holds an interest share, which are presented in the tables below:

Income & Receivables Period 1/1-31/12/2011
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	SALES OF FIXED ASSET	DIVIDENDS	RECEIVABLES
INTRAKAT SA	428	294	-	-	1.901
INTRACOM I.T. SERVICES SA	178	440	-	-	615
INTRASOFT INTERNATIONAL SA (GR)	681	67	-	-	418
INTRACOM DEFENSE SA	156	-	-	-	195
HELLAS ON LINE A.E.	255	1.388	-	-	418
ATTICA TELECOMMUNICATIONS SA	250	-	-	-	-
OTHER SUBSIDIARIES	2	7	-	-	61
Sum	1.950	2.196	0	0	3.608
ASSOCIATES					
INTRACOM TELECOM SA	121	2	-	-	1.920
INTRACOM LTD SKOPJE	-	-	-	-	750
Sum	121	2	0	0	2.670
OTHER RELATED PARTIES					
INTRALOT	-	126	-	-	1.151
OTHER RELATED PARTIES	4	6	-	-	3
Sum	4	132	0	0	1.154
TOTAL	2.075	2.330	0	0	7.432

Income & Receivables Period 1/1-31/12/2010
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	SALES OF FIXED ASSET	DIVIDENDS	RECEIVABLES
INTRAKAT SA	414	283	-	-	1.476
INTRACOM I.T. SERVICES SA	71	-	8	-	-
INTRASOFT INTERNATIONAL SA (GR)	781	64	-	-	700
INTRACOM DEFENSE SA	316	-	-	200	937
HELLAS ON LINE A.E.	204	1.322	-	-	3.577
ATTICA TELECOMMUNICATIONS SA	450	-	-	-	2.628
OTHER SUBSIDIARIES	2	2	-	-	51
Sum	2.238	1.671	8	200	9.369
ASSOCIATES					
INTRACOM TELECOM SA	285	287	-	-	1.955
INTRACOM LTD SKOPJE	-	-	-	-	750
Sum	285	287	0	0	2.705
OTHER RELATED PARTIES					
INTRALOT	-	153	-	-	1.025
SPORTNEWS AE	13	10	-	-	167
OTHER RELATED PARTIES	-	3	-	-	2
Sum	13	166	0	0	1.194
TOTAL	2.536	2.124	8	200	13.268

Expenses & Payables Period 1/1-31/12/2011
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	PAYABLES
IN MAINT SA	358	45	-	45
INTRADEVELOPMENT SA	-	-	-	41
INTRACOM I.T. SERVICES SA	140	-	-	877
HELLAS ON LINE A.E.	7	-	-	218
OTHER SUBSIDIARIES	12	-	-	8
Sum	517	45	0	1.189
ASSOCIATES				
INTRACOM TELECOM SA	-	-	-	4.730
OTHER ASSOCIATES	-	-	-	27
Sum	0	0	0	4.757
OTHER RELATED PARTIES				
KARAISKAKIS AE	241,00			149
OTHER RELATED PARTIES	-	-	-	8
Sum	241	0	0	157
TOTAL	758	45	0	6.103

Expenses & Payables Period 1/1-31/12/2010
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	PAYABLES
IN MAINT SA	307	20	3	11
INTRADEVELOPMENT SA	-	-	-	41
INTRACOM I.T. SERVICES SA	140	-	-	705
HELLAS ON LINE A.E.	7	-	-	216
OTHER SUBSIDIARIES	-	-	-	-
Sum	454	20	3	973
ASSOCIATES				
INTRACOM TELECOM SA	6	-	-	3.415
OTHER ASSOCIATES	-	-	-	27
Sum	6	0	0	3.442
OTHER RELATED PARTIES				
OTHER RELATED PARTIES	26	-	-	80
Sum	26	0	0	80
TOTAL	486	20	3	4.495

In relation to the above transactions:

The Company's income from services comes mainly from the provision of administrative, accounting, legal and computer support services.

The purchases from IN MAINT SA relate to maintenance of facilities and networks, and purchases from INTRACOM IT SERVICES SA relate to IT services and maintenance of systems and computer software.

The transactions have taken place under normal market conditions.

Directors' remuneration and key management compensation amounted to € 1.317 during the year 2011 in comparison to € 2.103 during the previous year. There was no outstanding receivable or payable to directors as at 31st December 2011.

Paiania, 29 March 2012

The Board of Directors

C) Independent Auditors' Report

To the Shareholders of INTRACOM HOLDINGS S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of INTRACOM HOLDINGS S.A., which comprise the separate and consolidated balance sheet as of 31 December 2011, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of INTRACOM HOLDINGS S.A. and its subsidiaries as of 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of c.L. 2190/1920.

b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

Athens, 30 March 2012

Maria N. Charitou
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15161

SOL CERTIFIED PUBLIC ACCOUNTANTS Crowe Horwath

Associated Certified Public Accountants s.a.
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3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

D) Annual Financial Statements

In accordance with International Financial Reporting Standards

As adopted by the European Union

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

Contents

(All amounts in €'000)

Balance Sheet

		Group		Company	
ASSETS	**Note**	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Non-current assets					
Property, plant and equipment	6	345.038	362.394	22.211	25.425
Goodwill	7	68.393	68.387	-	-
Intangible assets	8	44.890	56.604	3	7
Investment property	9	54.773	68.368	66.952	65.768
Investments in subsidiaries	10	-	-	263.118	250.098
Investments in associates	11	103.871	110.844	102.900	115.900
Available - for - sale financial assets	13	10.838	11.191	9.621	9.470
Deferred income tax assets	14	8.569	5.236	-	-
Long-term loans	15	10.026	8.706	10.026	8.706
Trade and other receivables	16	6.510	6.009	39	39
		652.908	**697.740**	**474.870**	**475.411**
Current assets					
Inventories	17	36.819	44.166	-	-
Trade and other receivables	16	268.446	367.125	11.377	17.900
Construction contracts	18	18.313	12.374	-	-
Financial assets at fair value through profit or loss	19	105	187	-	-
Current income tax assets		11.326	10.166	-	-
Cash and cash equivalents	20	42.852	34.994	5.504	4.048
		377.861	**469.012**	**16.881**	**21.948**
Total assets		**1.030.769**	**1.166.753**	**491.752**	**497.359**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	21	187.567	187.567	187.567	187.567
Share premium	21	194.204	194.204	194.204	194.204
Reserves	22	186.732	186.351	147.725	147.725
Retained earnings		(215.157)	(155.942)	(89.447)	(70.174)
		353.345	412.180	440.048	459.322
Non-controlling interest		43.954	40.637	-	-
Total equity		**397.299**	**452.817**	**440.048**	**459.322**
LIABILITIES					
Non-current liabilities					
Borrowings	23	156.512	158.328	12.917	13.699
Deferred income tax liabilities	14	2.728	3.089	1.005	1.140
Retirement benefit obligations	24	6.416	5.215	262	335
Grants	25	21.210	20.888	-	-
Derivative financial instruments	26	1.668	1.241	-	-
Provisions	27	1.429	1.939	-	-
Trade and other payables	28	12.970	13.387	-	-
		202.933	**204.087**	**14.185**	**15.174**
Current liabilities					
Trade and other payables	28	236.684	291.457	9.468	7.456
Current income tax liabilities		5.667	5.175	-	-
Construction contracts	18	2.426	8.190	-	-
Borrowings	23	174.216	192.805	27.883	13.840
Grants	25	3.870	5.432	-	-
Provisions	27	7.673	6.790	168	1.568
		430.537	**509.848**	**37.518**	**22.864**
Total liabilities		**633.470**	**713.935**	**51.703**	**38.037**
Total equity and liabilities		**1.030.769**	**1.166.752**	**491.752**	**497.359**

The notes on pages 22 to 89 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Comprehensive Income

		Group		Company	
	Note	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Sales		519.292	575.384	2.420	2.898
Cost of goods sold	29	(455.021)	(496.163)	(1.932)	(2.421)
Gross profit		**64.271**	**79.220**	**488**	**477**
Selling and research costs	29	(40.520)	(43.250)	(66)	(123)
Administrative expenses	29	(60.249)	(67.695)	(7.446)	(8.927)
Other operating income	31	11.291	17.824	3.157	3.130
Other gains/ (losses) - net	32	1.219	(2.170)	(112)	(160)
Impairment losses from investments	10, 11	(4.996)	-	(13.779)	(3.524)
Operating loss		**(28.985)**	**(16.069)**	**(17.758)**	**(9.127)**
Finance expenses	33	(31.449)	(21.626)	(2.048)	(1.153)
Finance income	33	1.426	1.018	547	608
Finance income /(expenses) - net		**(30.023)**	**(20.608)**	**(1.502)**	**(545)**
Share of losses of associates		(1.399)	(2.127)	-	-
Loss before income tax		**(60.407)**	**(38.804)**	**(19.260)**	**(9.672)**
Income tax income / (expense)	34	789	(7.077)	(13)	(88)
Loss for the year		**(59.618)**	**(45.881)**	**(19.273)**	**(9.761)**
Other comprehensive income :					
Fair value losses on available for sale financial assets , net of tax	13	(218)	(1.376)	(1)	(5)
Currency translation differences, net of tax		(862)	(169)	-	-
Cash flow hedges	26	445	(805)	-	-
Other comprehensive income for the year, net of tax		**(635)**	**(2.350)**	**(1)**	**(5)**
Total comprehensive income for the year		**(60.253)**	**(48.231)**	**(19.274)**	**(9.766)**
Loss attributable to:					
Equity holders of the Company		(50.708)	(30.531)	(19.274)	(9.761)
Non-controlling interest		(8.910)	(15.350)	-	-
		(59.618)	**(45.881)**	**(19.274)**	**(9.761)**
Total comprehensive income attributable to:					
Equity holders of the Company		(51.242)	(32.100)	(19.274)	(9.766)
Non-controlling interest		(9.011)	(16.131)	-	-
		(60.253)	**(48.231)**	**(19.274)**	**(9.766)**
Losses per share for loss attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	35	(0,38)	(0,23)	(0,14)	(0,07)
Diluted	35	(0,38)	(0,23)	(0,14)	(0,07)

The notes on pages 22 to 89 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Changes in Equity - Group

		Attributable to equity holders of the Company					
	Note	Share capital	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2010		377.148	186.224	(120.177)	443.195	57.300	500.495
Loss for the year		-	-	(30.530)	(30.530)	(15.350)	(45.881)
Fair value losses on available for sale financial assets	13	-	(859)	-	(859)	(518)	(1.376)
Currency translation differences		-	(280)	-	(280)	112	(168)
Cash flow hedge	26	-	(430)	-	(430)	(375)	(805)
Total comprehensive income for the year		**-**	**(1.568)**	**(30.530)**	**(32.099)**	**(16.131)**	**(48.230)**
Distribution of treasury shares	21	4.622	-	(3.955)	667	159	826
- value of employee services	21	-	45	-	45	-	45
Dividend		-	-	-	-	(2)	(2)
Effect of change in interest held in subsidiary		-	(5)	(55)	(60)	81	21
Acquisition of subisidiaries		-	171	(171)	-	(338)	(338)
Transfer	22	-	1.485	(1.054)	431	(431)	0
		4.622	1.696	(5.234)	1.084	(532)	552
Balance at 31 December 2010		**381.771**	**186.351**	**(155.942)**	**412.180**	**40.637**	**452.817**
Balance at 1 January 2011		381.771	186.351	(155.942)	412.180	40.637	452.817
Loss for the year		-	-	(50.708)	(50.708)	(8.910)	(59.618)
Fair value losses on available for sale financial assets	13	-	(136)	-	(136)	(82)	(218)
Currency translation differences		-	(645)	-	(645)	(217)	(862)
Cash flow hedge	26	-	247	-	247	199	445
Total comprehensive income for the year		**-**	**(534)**	**(50.708)**	**(51.242)**	**(9.011)**	**(60.253)**
Dividend		-	-	-	-	(2)	(2)
Effect of change in interest held in subsidiaries / joint ventures	10, 12	-	(2)	(7.178)	(7.180)	12.142	4.962
Disposal of subisidiaries	10	-	(6)	6	-	(225)	(225)
Transfer	22	-	923	(1.336)	(413)	413	-
		-	915	(8.508)	(7.593)	12.328	4.735
Balance at 31 December 2011		**381.771**	**186.732**	**(215.157)**	**353.345**	**43.954**	**397.299**

Analysis of other reserves is presented in note 22.

The notes on pages 22 to 89 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Changes in Equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2010		377.148	147.730	(56.617)	468.261
Loss for the year		-	-	(9.761)	(9.761)
Fair value losses on available for sale financial assets	13	-	(5)	-	(5)
Total comprehensive income for the year		**-**	**(5)**	**(9.761)**	**(9.766)**
Treasury shares	21	4.622	-	(3.796)	826
		4.622	-	(3.796)	826
Balance at 31 December 2010		**381.771**	**147.725**	**(70.174)**	**459.322**
Balance at 1 January 2011		381.771	147.725	(70.174)	459.322
Loss for the year		-	-	(19.273)	(19.273)
Fair value losses on available for sale financial assets	13	-	(1)	-	(1)
Total comprehensive income for the year		**-**	**(1)**	**(19.273)**	**(19.274)**
Balance at 31 December 2011		**381.771**	**147.725**	**(89.447)**	**440.048**

Analysis of other reserves is presented in note 22.

The notes on pages 22 to 89 are an integral part of these financial statements

(All amounts in €'000)

Cash Flow Statement

		Group		Company	
	Note	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Cash flows from operating activities					
Cash generated from operations	36	100.601	55.044	1.489	(5.923)
Interest paid		(29.801)	(21.669)	(2.048)	(1.153)
Income tax paid		(4.855)	(1.484)	(197)	(95)
Net cash generated from / (used in) operating activities		**65.945**	**31.891**	**(756)**	**(7.171)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(34.746)	(55.332)	(42)	(58)
Purchase of investment property		(19)	(396)	(5)	(2)
Purchase of intangible assets		(21.864)	(28.165)	-	(2)
Proceeds from sale of PPE		749	5.585	-	3.737
Proceeds from sale of investment property		1.692	3.269	-	969
Proceeds from sale of intangible assets		-	942	-	-
Acquisition of available-for-sale financial assets	13	(152)	(52)	(152)	-
Proceeds from sale of financial assets at fair value trough profit or loss		4	-	-	-
Acquisition of subsidiary, net of cash acquired		-	(1.013)	-	-
Increase of interest in joint ventures	12	105	-	-	-
Disposal of subsidiaries	10	151	415	-	-
Establishment of subsidiary/Share capital increase by subsidiary	10	5.072	95	(10.000)	(15.589)
Purchase of associates	11	(69)	(297)	-	-
Dividends received		2	-	-	200
Loans granted		(879)	-	(879)	-
Interest received		926	626	47	216
Net cash from investing activities		**(49.026)**	**(74.322)**	**(11.030)**	**(10.528)**
Cash flows from financing activities					
Dividends paid to Company's shareholders		(19)	(43)	(19)	(43)
Dividends paid to non-controlling interest		(2)	(2)	-	-
Proceeds from borrowings		23.689	42.822	14.000	15.100
Repayments of borrowings		(40.687)	(30.618)	-	(3.098)
Proceeds from grants	25	11.125	5.764	-	-
Repayments of finance leases		(3.166)	(5.140)	(739)	(357)
Net cash from financing activities		**(9.061)**	**12.783**	**13.242**	**11.602**
Net (decrease) / increase in cash and cash equivalents		**7.858**	**(29.647)**	**1.456**	**(6.097)**
Cash and cash equivalents at beginning of year		34.994	64.641	4.048	10.146
Cash and cash equivalents at end of year	20	**42.851**	**34.994**	**5.504**	**4.048**

The notes on pages 22 to 89 are an integral part of these financial statements.

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

1. General Information

INTRACOM Holdings 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 the subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects in the telecommunications, defence, public administration, and banking & finance industries and has also activities in the construction sector and the telecommunications sector. The parent company operates as a holding company.

The Group operates in Greece, Luxembourg, U.S.A, Bulgaria, Romania, as well as in other foreign countries.

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

These financial statements have been approved for issue by the Board of Directors on 29 March 2012 and are subject to approval by the Annual General Meeting of the Shareholders.

2. Summary of Significant Accounting Policies

Basis of Preparation

These financial statements consist of the stand alone financial statements of Intracom Holdings S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

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

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

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

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

Standards and Interpretations effective for 2011

IAS 24 (Revised) "Related Party Disclosures"

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

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

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programmes"

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 13 "Fair Value Measurement" (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 "Stripping costs in the production phase of a surface mine" (Effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "*Consolidated and Separate Financial Statements*". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "*Investments in Associates*" and IAS 31 "*Interests in Joint Ventures*" regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "*Investments in Associates and Joint Ventures*" replaces IAS 28 "*Investments in Associates*". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

Consolidated Financial Statements

(a) Business Combinations and Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operational policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less impairment in the Company's standalone financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(b) Joint Ventures

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

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

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

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

(c) Associates

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

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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

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

Segmental Reporting

The segments are determined on the basis of internal information reviewed by the management of the Group and are reported in the financial statements based on this internal component classification.

Foreign Currency Translation

(a) Functional and Presentation Currency

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

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Group Companies

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

(1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are recognised through other comprehensive income as a separate component of equity and are transferred to income statement upon disposal of these entities.

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

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

Investment Property

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

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

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

Property, Plant and Equipment

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

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

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

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

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

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

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

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Leases

(a) Finance leases

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

(b) Operating Leases

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

Goodwill

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognized.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

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

Intangible Assets

The caption 'intangible assets' includes:

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

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

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

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

Impairment of Non-Financial Assets

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

Financial Assets

i) Classification

The group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses the classification at each reporting date.

(a) Financial Assets at Fair Value trough Profit or Loss

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

(b) Loans and Receivables

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

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

(c) Held-to-Maturity Investments

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

(d) Available-for-Sale Financial Assets

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

ii) Recognition and Measurement

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

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Impairment losses recognised in profit or loss are not reversed through profit or loss.

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

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

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

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivatives to hedge interest rate risks. These derivatives are initially recognised on balance sheet at fair value on the date the contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices and discounted cash flow models.

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

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

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

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

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

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

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

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

The derivative financial instruments of the Group at 31 December 2011 include interest rate swaps (IRS) and interest rate caps.

Inventories

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

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

Trade Receivables

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

Factoring

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

Cash and Cash Equivalents

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

Non-current Assets Held for Sale and Discontinued Operations

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

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

For the sale to be highly probable:

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

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

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

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

Share Capital

Ordinary shares are classified as equity.

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

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

Borrowings

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

Borrowing Costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Current Income Tax

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

Trade Payables

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

Deferred Income Tax

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

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

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Employee benefits

(a) Pension Obligations

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

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

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

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

(b) Termination Benefits

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

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

(c) Share-Based Plans

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

Government Grants

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

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

Provisions

Provisions are recognized when:

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

(a) Warranties

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

(b) Compensated Absences

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

(c) Loss-making Contracts

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

Revenue Recognition

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

(a) Sales of Goods

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

(b) Sales of Services

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

(c) Construction Contracts

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

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

(d) Interest

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

(e) Dividends

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

Dividend Distribution

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

Earnings per Share

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

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

Roundings

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

3. Financial Risk Management

Financial Risk Factors

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

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

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise are analyzed below.

(a) Market Risk

Foreign exchange risk

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

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

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

(All amounts in €'000)

The following table presents the sensitivity of the Group's net results in possible fluctuations of the foreign exchange rates for the years 2011 and 2010. This analysis takes into consideration borrowings and cash and cash equivalents of the Group, as well as trade receivables and payables in USD as at 31st December 2011 and 2010 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2011	Effect on net results 31/12/2010
3,00%	(50)	323
6,00%	(100)	647
9,00%	(151)	970
12,00%	(201)	1.293

The following table presents the sensitivity of the Company's net results in possible fluctuations of the foreign exchange rates for the years 2011 and 2010. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31st December 2011 and 2010 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2011	Effect on net results 31/12/2010
3,00%	(2)	(2)
6,00%	(3)	(4)
9,00%	(5)	(7)
12,00%	(6)	(9)

Price risk

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

Cash flow and fair value interest rate risk

The interest-rate risk has been partly mitigated through the conversion of a significant part of borrowings into fixed rate, while it is estimated that during the current financial year the specific risk will be limited since it is expected that interest rates will remain rather stable in the medium-term.

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2011 and 2010. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2011 and 2010 respectively.

(All amounts in €'000)

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net results 31/12/2011	Effect on net results 31/12/2010
25,00	(732)	(813)
50,00	(1.464)	(1.626)
75,00	(2.197)	(2.439)
100,00	(2.929)	(3.252)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2011	Effect on net results 31/12/2010
25,00	1	6
50,00	1	12
75,00	2	18
100,00	3	24

The following tables present the sensitivity of the Company's net results in possible fluctuations of the interest rates for the years 2011 and 2010. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2011 and 2010 respectively.

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net results 31/12/2011	Effect on net results 31/12/2010
25,00	(94)	(61)
50,00	(189)	(122)
75,00	(283)	(183)
100,00	(378)	(244)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2011	Effect on net results 31/12/2010
25,00	-	-
50,00	-	-
75,00	1	1
100,00	1	1

(All amounts in €'000)

(b) Credit Risk

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

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

(c) Liquidity Risk

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

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The available undrawn borrowing facilities to the Group are sufficient to address any potential shortfall in cash.

On 31 December 2011 current and non-current borrowings of the Group amounted to 53% (2010: 55%) and 47% (2010: 45%) of total borrowings respectively. The decrease in short-term borrowings has resulted from the amendment of the maturity of medium-term bond loans initiated in prior years. In addition to the above, it must be noted that further action is taken by the Group in order to replace the borrowings of several Group companies, currently financed through short-term facilities, with medium-term bond loans.

Capital Risk Management

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

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

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Total borrowings (Note 23)	330.728	351.133	40.800	27.539
Less: Cash and cash equivalents (Note 20)	(42.852)	(34.994)	(5.504)	(4.048)
Net borrowings	**287.876**	**316.140**	**35.296**	**23.491**
Equity	397.299	452.817	440.048	459.322
Total capital employed	**685.175**	**768.957**	**475.344**	**482.812**
Gearing ratio	42,01%	41,11%	7,43%	4,87%

Fair Value Estimation

The Group provides the required disclosures relating to fair value measurement through the hierarchy into three levels.

On 31 December 2011 the Group had:
- Financial assets at fair value through profit or loss of €105 which are classified in Level 1.
- Derivative financial instruments of €1.668 which are classified in Level 2.
- Available-for-sale financial assets out of which €629 are classified in Level 1 and €10.209 are classified in Level 3.

On 31 December 2010 the Group had:
- Financial assets at fair value through profit or loss of €187 which are classified in Level 1.
- Derivative financial instruments of €1.241 which are classified in Level 2.
- Available-for-sale financial assets out of which €847 are classified in Level 1 and €10.344 are classified in Level 3.

The fair value of financial instruments traded in active markets is based on quoted market rates at the balance sheet date ('Level 1').

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on observable market data at the balance sheet date ('Level 2').

If the fair values of financial instruments that are not traded in an active market are based on valuation methods and assumptions that are not mainly based on observable market data, the instruments are classified in Level 3. Investments in shares, which are not publicly traded and for which the fair value cannot be reliably estimated, are presented at cost less impairment. There were no significant changes in the instruments included in Level 3 during the year.

4. Critical Accounting Estimates and Judgments

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

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

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

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

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

(All amounts in €'000)

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

5. Segment Information

At 31 December 2011, the Group is organised into five segments:

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

The segment information for the year ended 31 December 2011 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales	3.561	128.780	46.567	127.044	224.644	2.607	533.204
Inter-segment sales	(25)	(4.632)	(12)	(6.848)	(446)	(1.949)	(13.912)
Sales from external customers	**3.536**	**124.148**	**46.556**	**120.196**	**224.198**	**658**	**519.292**
Operating profit / (loss)	(4.784)	(17.641)	(2.587)	6.989	(5.636)	(5.325)	(28.985)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**(4.737)**	**(13.267)**	**(584)**	**10.130**	**61.067**	**(3.425)**	**49.185**
Depreciation (note 29)	(47)	(4.374)	(2.003)	(3.142)	(66.704)	(1.900)	(78.170)
Impairment of receivables (note 29)	(31)	(2.867)	(341)	(30)	(7.946)	-	(11.215)
Impairment of inventory (note 29)	-	-	(372)	(27)	-	-	(399)
Impairment of investment property and intangibles assets (note 29)	-	(2.455)	-	-	-	-	(2.455)
Finance income (note 33)	21	15	51	772	10	556	1.426
Finance expenses (note 33)	(3)	(6.685)	(220)	(5.810)	(16.680)	(2.051)	(31.449)
Share of (loss) / profit of associates	(1.454)	-	-	55	-	-	(1.399)
Income tax	(23)	(952)	200	(2.407)	3.987	(15)	789
Total assets	**104.619**	**133.326**	**109.024**	**187.489**	**350.082**	**146.229**	**1.030.769**
Total assets include:							
Invetsments in associates (note 11)	102.900	-	-	971	-	-	103.871
Non-current assets*	129	28.207	50.296	56.434	278.752	99.277	513.094
Additions in Non-current assets* (notes 6, 7, 8 and 9)	34	3.375	626	1.234	35.407	61	40.737
Total liabilities	**789**	**121.808**	**27.751**	**110.506**	**321.375**	**51.241**	**633.470**

* Includes PPE, investment property, intangible assets and goodwill.

(All amounts in €'000)

The segment information for the year ended 31 December 2010 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales	5.407	148.183	43.292	191.833	200.497	3.032	592.244
Inter-segment sales	-	(5.978)	(8)	(8.360)	(268)	(2.245)	(16.860)
Sales from external customers	**5.407**	**142.205**	**43.284**	**183.473**	**200.228**	**787**	**575.384**
Operating profit / (loss)	124	3.921	414	8.826	(19.953)	(9.401)	(16.069)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**175**	**6.778**	**2.540**	**12.166**	**48.789**	**(7.294)**	**63.154**
Depreciation (note 29)	(51)	(2.857)	(2.126)	(3.341)	(68.742)	(2.107)	(79.223)
Impairment of receivables (note 29)	(12)	(1.475)	-	(4.626)	(9.294)	-	(15.407)
Impairment of inventory (note 29)	(8)	(225)	(440)	-	-	-	(673)
Impairment of investment property and intangibles assets (note 29)	-	(496)	-	-	-	-	(496)
Finance income (note 33)	20	-	111	266	5	616	1.018
Finance expenses (note 33)	(3)	(3.968)	23	(5.013)	(11.505)	(1.159)	(21.626)
Share of (loss) / profit of associates	(1.888)	-	-	(239)	-	-	(2.127)
Income tax	(17)	(2.941)	(433)	(2.912)	(643)	(130)	(7.077)
Total assets	**109.282**	**158.050**	**111.099**	**245.556**	**404.176**	**138.589**	**1.166.752**
Total assets include:							
Invetsments in associates (note 11)	109.802	-	-	1.042	-	-	110.844
Non-current assets*	153	31.700	51.686	60.219	310.732	101.264	555.754
Additions in Non-current assets* (notes 6, 7, 8 and 9)	83	7.645	514	6.893	55.418	62	70.616
Total liabilities	**645**	**118.872**	**44.780**	**148.747**	**363.151**	**37.739**	**713.935**

* Includes PPE, investment property, intangible assets and goodwill.

The activities of the parent company Intracom Holdings SA, as well as its assets and liabilities are included under the column 'Other'. The assets consist primarily of property, plant and equipment and investment property.

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

	1/1 - 31/12/2011	**1/1 - 31/12/2010**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	49.185	63.154
Depreciation	(78.170)	(79.223)
Finance cost - net (note 33)	(30.023)	(20.608)
Loss from associates	(1.399)	(2.127)
Loss before income tax	**(60.407)**	**(38.804)**

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

(All amounts in €'000)

Information per geographical area:

Sales	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Greece	355.951	406.920
European Community	111.768	136.003
Other European countries	1.464	846
Other countries	50.108	31.614
Total	**519.292**	**575.384**

Non-current assets*	**31/12/2011**	**31/12/2010**
Greece	594.418	636.720
European Community	18.286	26.979
Other countries	4.261	2.899
Total	**616.965**	**666.598**

* Includes property, plant and equipment (PPE), investment property, intangible assets, goodwill and investments in associates.

Sales are allocated based on the country in which the customer is located. Assets are allocated based on their geographical location.

Sales per category	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Sales of products	75.124	65.973
Sales of goods	320	2.777
Revenue from services	356.699	357.869
Revenue from construction contracts	87.149	148.765
Total	**519.292**	**575.384**

(All amounts in €'000)

6. Property, Plant and Equipment

Group

	Land - buildings	Machinery	Vehicles	Telecommunications Equipment	Furniture & other equipment	Prepayments and assets under construction	Total
Cost							
Balance at 1 January 2010	132.522	43.935	3.037	293.204	28.237	5.801	506.737
Exchange differences	(14)	(4)	2	36	29	(2)	48
Additions	168	1.242	97	20.645	1.632	14.118	37.903
Disposals	(237)	(3.124)	(247)	(322)	(505)	(105)	(4.539)
Acquisition of subsidiaries / businesses	-	-	-	-	-	34	34
Disposal of subsidiaries / businesses	(18)	(12)	-	(0)	(220)	-	(250)
Reclassifications	681	118	(2)	12.471	250	(13.518)	-
Transfer to investment property (Note 9)	(6.340)	-	-	-	-	-	(6.340)
Transfer from investment property (Note 9)	1.522	-	-	-	-	-	1.522
Balance at 31 December 2010	128.284	42.155	2.887	326.035	29.423	6.330	535.114
Balance at 1 January 2011	128.284	42.155	2.887	326.035	29.423	6.330	535.114
Exchange differences	(9)	(7)	1	24	10	(0)	21
Additions	1.555	972	96	8.234	367	7.627	18.851
Disposals / Write-offs	(108)	(2.198)	(238)	(1.536)	(14.384)	(38)	(18.502)
Increase of Interest in joint ventures	-	1	-	-	3	-	4
Disposal of subsidiaries	(24)	(103)	(16)	-	(39)	-	(182)
Reclassifications	1.457	428	-	7.870	(32)	(10.018)	(295)
Transfer from investment property (Note 9)	14.640	-	-	-	-	-	14.640
Balance at 31 December 2011	145.795	41.249	2.730	340.628	15.349	3.900	549.651
Accumulated depreciation							
Balance at 1 January 2010	22.732	22.454	1.392	61.907	22.756	-	131.241
Exchange differences	(2)	(3)	(0)	21	18	-	34
Depreciation	2.379	3.248	406	36.975	1.700	-	44.708
Disposals	-	(1.422)	(182)	(181)	(488)	-	(2.274)
Disposal of subsidiaries	(18)	(4)	-	(0)	(176)	-	(198)
Reclassifications	-	-	-	(152)	152	-	-
Transfer to investment property (Note 9)	(829)	-	-	-	-	-	(829)
Transfer from investment property (Note 9)	37	-	-	-	-	-	37
Balance at 31 December 2010	24.299	24.272	1.616	98.570	23.962	-	172.720
Balance at 1 January 2011	24.299	24.272	1.616	98.570	23.962	-	172.720
Exchange differences	(2)	(6)	1	20	8	-	20
Depreciation	2.593	2.987	335	38.616	1.548	-	46.080
Disposals Write-offs	(100)	(1.918)	(151)	(853)	(14.150)	-	(17.172)
Increase of Interest in joint ventures	-	1	-	-	2	-	2
Disposal of subsidiaries	(7)	(42)	(15)	-	(32)	-	(96)
Reclassifications	-	-	-	(35)	1	-	(34)
Transfer from investment property (Note 9)	3.093	-	-	-	-	-	3.093
Balance at 31 December 2011	29.877	25.293	1.786	136.318	11.339	-	204.612
Net book amount at 31 December 2010	**103.985**	**17.883**	**1.271**	**227.465**	**5.461**	**6.330**	**362.394**
Net book amount at 31 December 2011	**115.918**	**15.956**	**944**	**204.310**	**4.010**	**3.900**	**345.038**

(All amounts in €'000)

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

	Land - buildings	Machinery	Vehicles	Telecommunications Equipment	Furniture & other equipment	Total
31/12/2010						
Cost	601	15.620	4.592	757	988	22.557
Accumulated depreciation	(62)	(3.838)	(1.485)	(276)	(50)	(5.712)
Net book amount	**539**	**11.782**	**3.107**	**481**	**937**	**16.845**
31/12/2011						
Cost	601	15.620	2.043	560	1.009	19.832
Accumulated depreciation	(83)	(5.013)	(371)	(254)	(185)	(5.907)
Net book amount	**518**	**10.606**	**1.671**	**306**	**824**	**13.925**

Company

	Land - buildings	Machinery	Vehicles	Furniture & other equipment	Prepayments and assets under construction	Total
Cost						
Balance at 1 January 2010	33.351	891	128	8.383	-	42.753
Additions	7	-	33	4	14	58
Disposals	-	-	(2)	(23)	-	(25)
Transfer to investment property (Note 9)	(3.180)	-	-	-	-	(3.180)
Balance at 31 December 2010	**30.178**	**891**	**159**	**8.364**	**14**	**39.606**
Balance at 1 January 2011	30.178	891	159	8.364	14	39.606
Additions	-	-	-	2	40	42
Write-offs	-	-	-	(4.681)	-	(4.681)
Transfer to investment property (Note 9)	(2.601)	-	-	-	-	(2.601)
Reclassifications	54	-	-	-	(54)	-
Balance at 31 December 2011	**27.631**	**891**	**159**	**3.685**	**-**	**32.367**
Accumulated depreciation						
Balance at 1 January 2010	6.543	813	107	6.100	-	13.564
Additions	613	25	17	506	-	1.160
Disposals	-	-	(2)	(15)	-	(17)
Transfer to investment property (Note 9)	(526)	-	-	-	-	(526)
Balance at 31 December 2010	**6.630**	**839**	**122**	**6.591**	**-**	**14.181**
Balance at 1 January 2011	6.630	839	122	6.591	-	14.181
Depreciation charge	547	10	6	361	-	924
Write-offs	-	-	-	(4.456)	-	(4.456)
Transfer to investment property (Note 9)	(494)	-	-	-	-	(494)
Balance at 31 December 2011	**6.683**	**848**	**128**	**2.496**	**-**	**10.156**
Net book amount at 31 December 2010	**23.548**	**52**	**37**	**1.773**	**14**	**25.425**
Net book amount at 31 December 2011	**20.948**	**43**	**31**	**1.189**	**-**	**22.211**

(All amounts in €'000)

Furthermore, during 2010, the Company entered into a sale and lease back agreement of a fixed asset with net book value as at 31/12/2011 amounting to €15.698, which is included in property, plant and equipment. The leaseback transaction is treated as finance lease with a 12 year duration (see note 23).

7. Goodwill

	Group
Balance at 1 January 2010	65.788
Acquisition of subsidiaries	2.600
Balance at 31 December 2010	**68.387**
Balance at 1 January 2011	68.387
Exchange differences	6
Balance at 31 December 2011	**68.393**

Goodwill resulted from the acquisition of the companies listed below and is allocated to cash generating units (CGUs) as follows:

	31/12/2011	31/12/2010
Intrasoft International SA	11.361	11.361
Hellas online AE	30.219	30.219
Attica Telecommunications	18.107	18.107
IT Services Denmark A/S	2.217	2.212
Intrakat s.a.- construction segments	3.562	3.562
Prisma - Domi ATE	326	326
AMBTILA Enterprises Ltd	2.600	2.600
	68.393	**68.388**

In order to assess whether there is goodwill impairment as at 31 December 2011, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated, and no impairment loss resulted.

The recoverable amount of goodwill from the above companies was determined based on value-in-use calculations. The value-in-use reflects the present value of future expected cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU.

During the current year, the company Attica Telecommunications SA (a subsidiary by 100% of Hellas online SA) was merged through absorption with Hellas online SA. The operation of the absorbed company has been defined as the CGU. This operation relates to services of leased circuits.

The key assumptions used for value-in-use calculation are based on past performance as well as on expectations of the future development of operation and are consistent with external factors.

(All amounts in €'000)

8. Intangible Assets

Group

	Software	Internally-generated software	Customer acquisition costs	Trade name	Customers Relationships	Other	Total
Cost							
Balance at 1 January 2010	69.117	6.514	40.126	7.672	16.424	317	140.170
Exchange differences	(4)	5	-	(1)	2	-	2
Additions	2.189	4.677	20.162	-	-	-	27.028
Disposals	(968)	(12)	-	-	-	-	(980)
Reclassifications	796	(796)	-	-	-	-	-
Balance at 31 December 2010	71.130	10.388	60.288	7.671	16.426	317	166.221
Balance at 1 January 2011	71.130	10.388	60.288	7.671	16.426	317	166.221
Exchange differences	1	10	-	2	1	-	13
Additions	2.822	1.505	17.526	-	-	11	21.864
Disposals / write-offs	(6.277)	(920)	-	-	-	(267)	(7.463)
Disposal of subsidiaries / businesses	(5)	-	-	-	-	-	(5)
Reclassifications	8.066	(7.989)	(10)	-	-	230	296
Balance at 31 December 2011	75.737	2.994	77.804	7.673	16.427	291	180.926
Accumulated amortisation							
Balance at 1 January 2010	41.382	939	28.057	-	4.663	298	75.338
Exchange differences	(1)	2	-	-	-	-	1
Amortisation charge	9.438	74	22.449	-	1.840	17	33.818
Disposals	(25)	(12)	-	-	-	-	(37)
Impairment	496	-	-	-	-	-	496
Balance at 31 December 2010	51.289	1.003	50.506	-	6.503	315	109.617
Balance at 1 January 2011	51.289	1.003	50.506	-	6.503	315	109.617
Exchange differences	-	9	-	-	-	-	9
Amortisation charge	10.547	241	19.007	-	1.840	2	31.637
Disposals / write-offs	(6.276)	(920)	-	-	-	(267)	(7.462)
Impairment	2.205	-	-	-	-	-	2.205
Disposal of subsidiaries / businesses	(4)	-	-	-	-	-	(4)
Reclassification	35	-	(10)	-	-	9	34
Balance at 31 December 2011	57.796	333	69.503	-	8.343	60	136.036
Net book amount at 31 December 2010	**19.841**	**9.385**	**9.782**	**7.671**	**9.923**	**2**	**56.604**
Net book amount at 31 December 2011	**17.941**	**2.661**	**8.301**	**7.673**	**8.084**	**231**	**44.890**

(All amounts in €'000)

Company

	Software	Total
Cost		
Balance at 1 January 2010	1.973	1.973
Additions	2	2
Balance at 31 December 2010	1.975	1.975
Balance at 1 January 2011	1.975	1.975
Balance at 31 December 2011	1.975	1.975
Accumulated amortisation		
Balance at 1 January 2010	1.964	1.964
Amortisation charge	4	4
Balance at 31 December 2010	1.968	1.968
Balance at 1 January 2011	1.968	1.968
Amortisation charge	4	4
Balance at 31 December 2011	1.972	1.972
Net book amount at 31 December 2010	**7**	**8**
Net book amount at 31 December 2011	**3**	**3**

(All amounts in €'000)

9. Investment Property

	Group	Company
Cost		
Balance at 1 January 2010	62.777	73.123
Exchange differences	139	-
Additions	396	2
Acquisition of subsidiaries/ businesses	2.655	-
Transfer to assets held for sale	7.369	-
Disposals	(3.220)	-
Transfer from PPE (Note 6)	6.340	3.180
Transfer to PPE (Note 6)	(1.522)	-
Balance at 31 December 2010	74.934	76.305
Balance at 1 January 2011	74.934	76.305
Exchange differences	65	-
Additions	19	5
Disposals	(1.413)	-
Transfer to PPE (Note 6)	(14.640)	-
Transfer from PPE (Note 6)	-	2.601
Balance at 31 December 2011	58.964	78.910
Accumulated depreciation		
Balance at 1 January 2010	5.160	9.114
Exchange differences	26	-
Transfer to PPE (Note 6)	(37)	-
Transfer from PPE (Note 6)	829	526
Depreciation charge	696	897
Disposals	(109)	-
Balance at 31 December 2010	6.565	10.537
Balance at 1 January 2011	6.565	10.537
Exchange differences	16	-
Transfer to PPE (Note 6)	(3.093)	-
Transfer from PPE (Note 6)	-	494
Depreciation charge	453	927
Impairment	250	-
Balance at 31 December 2011	4.191	11.958
Net book amount at 31 December 2010	**68.368**	**65.768**
Net book amount at 31 December 2011	**54.773**	**66.952**

Rental income from investment properties for 2011 amounted to €1.644 and €3.157 for the Group and the Company respectively (2010: €1.918 and €2.930 for the Group and the Company respectively).

(All amounts in €'000)

10. Investments in Subsidiaries

The movement in investments in subsidiaries is analyzed as follows:

	31/12/2011	31/12/2010
Balance at the beginning of the year	250.098	237.088
Share capital increases	13.800	15.891
Treasury shares	-	643
Impairment	(779)	(3.524)
Balance at the end of the year	**263.118**	**250.098**

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

		31/12/2011		31/12/2010	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intracom SA Information Technology	Greece	100%	52.407	100%	52.407
Intracom SA Defence Electronic Systems	Greece	100%	71.151	100%	71.151
Intrakat SA	Greece	61,76%	22.030	62,24%	22.030
Intracom Holdings International Ltd	Cyprus	100%	6.352	100%	7.132
Intracom Group USA Inc	USA	2,91%	65	2,91% (**)	65
Hellas on Line SA	Greece	53,28%	111.113	49,25% (*)	97.313
			263.118		**250.098**

(*) The total shareholding as at 31 December 2011 is 57,24% through the participation of subsidiaries of the Group (2010: 53,40 %).

(**) The total shareholding as at 31 December 2011 is 100% through the participation of subsidiaries of the Group.

The above list contains only the direct investments in subsidiaries. A list of all the direct and indirect interests in subsidiaries is presented in note 41.

Year 2011

Sub-group Intrakat SA

On 5 January 2011, the subsidiary company Intrakat S.A. disposed of its entire holding (51%) in the subsidiary company KEPA Attikis S.A. for the consideration of €214. The activities of the company as well as the result from the disposal were not material for the Group. This transaction resulted in a decrease of the non-controlling interest by €225, while the net cash inflow was €151.

On 17 November 2011, the sub-group Intrakat SA disposed of 176.750 treasury shares held by its subsidiary company Eurokat, resulting in the decrease of the Company's shareholding to 61,76%. The net cash outflow from the disposal was €71 for the Group.

Intrasoft International SA

In August 2011, treasury shares of Intrasoft International SA representing a non-controlling interest of 0,24% were cancelled. As a result, the Group's subsidiary Intracom IT Services holds the 100% of the shares in the Group's subsidiary Intrasoft International SA. The effect on the non-controlling interest was €42.

Hellas online SA

On 9 September 2011 the Board of Directors of Hellas online SA and Attica Telecommunications SA decided the merger of the two companies by absorption of the latter by the former as its 100% subsidiary with the Transformation Balance Sheet dated 30th June 2011. The merger was approved by the Ministry of Development, Competitiveness and Shipping on 29 December 2011 pursuant to the provisions of articles 69-78 of Codified Law 2190/20, combined with the provisions of Law Decree 1297/72. As a result of the above, Hellas online has incorporated in its standalone statement of financial position of 31 December 2011 the assets and liabilities of the subsidiary in their carrying amounts.

The share capital increase of the subsidiary Hellas online was completed on 21 November 2011 and was partially covered with the issuance of 24.162.701 new ordinary shares with a nominal value of €0,30 each at an issue price of €1,15 each. Total funds raised by Hellas online amounted to €27.787. The Company contributed €22 mil. in total (€10 mil. in 2011 and €12 mil. in 2010). Moreover, certain Group's subsidiaries contributed €787, while the non-controlling interest contributed €5 mil. Following this transaction, the total shareholding, direct and indirect through other subsidiaries, amounts to 53,28% and 57,24% respectively.

The share capital increase was a common control transaction and resulted in a loss of €7,1 mil. and a profit of €12,1 mil. recognized directly in retained earnings attributable to the Company's shareholders and the non-controlling interest respectively.

Moreover, certain obligations of Hellas online SA to the Company amounting to €3,8 mil. and to Intrakat SA amounting to €6,2 mil. were capitalized through the issuance of 8.695.652 new preference shares with a nominal value of €0,30 each at an issue price of €1,15 each with abolition of pre-emption rights of the existing shareholders in favour of the creditors. The preference shares are non-voting, non-convertible into common shares and the subsidiary has no obligation for redemption. The preference shares are entitled to interest of 6% on the issue price.

During the current year the Company pledged 10 mil. shares in Hellas online for the securitization of loan obligations.

Year 2010

Hellas online SA

During 2010, Intracom Holdings paid the amount of €12.000 to its subsidiary Hellas online SA ("HoL") for the purposes of a future share capital increase. The share capital increase was completed in 2011.

Intracom Holdings International Ltd

During 2010, the subsidiary Intracom Holdings International Ltd made a share capital increase of €3.826, in which Intracom Holdings participated by contributing this amount.

On 31 December 2010, the Company performed an impairment test of its shareholding in the subsidiary and recorded a loss of € 3.524.

Intracom Group USA

In December 2010, the subsidiary company Intracom Group USA, subsidiary to Intracom Holdings International Ltd., proceeded to a share capital increase amounting to €65, with Intracom Holdings participating in this increase directly.

Fornax RT

In February 2010, the subsidiary company Intracom Technologies Ltd disposed of its entire holding (67%) in the subsidiary company Fornax RT for the consideration of €360. The activities of the company as well as the result from the disposal were not material for the Group. This transaction resulted in a decrease of the non-controlling interest by €11, while the net cash inflow arose to €200.

Unibrain Inc

In March 2010, the subsidiary company Hellas online SA disposed of its entire holding (100%) in the subsidiary company Unibrain Inc for the total amount of €845. The activities of the company as well as the result from the disposal were not material for the Group. The net cash inflow deriving from the sale totaled to €171.

Dialogos SA

In June 2010, the subsidiary company Intracom IT Services SA disposed of its entire holding (39,5%) in the subsidiary company Dialogos SA for €265. The activities of the company as well as the result from the disposal were not material for the Group. This transaction resulted in a decrease of the non-controlling interest by €327, while the net cash inflow arose to €143.

Eurokat SA

In April 2010, Intrakat SA transferred part of its shareholding in the subsidiary company Eurokat ATE for €243. As a result, the shareholding has decreased from 94,38% to 54,38% and non-controlling interests increased by €246. Prior to this, there was a share capital decrease of the subsidiary resulting in a decrease of non-controlling interests by €56.

Databank AE

During the third quarter of 2010, the subsidiary company Databank reduced its share capital by €2.042. As a result, the non-controlling interests decreased by €204.

Intrakat SA sub-Group

During 2010 and in connection with Intrakat subgroup, the share capital increase of the subsidiary company Fracasso Hellas SA took place. As a result, the non-controlling interests increased by €45.

(All amounts in €'000)

11. Investments in Associates

	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at the beginning of the year	**110.844**	**113.316**	**115.900**	**115.900**
Additions	69	297	-	-
Transfer to subsidiary	-	(70)	-	
Share of loss	(1.538)	(1.998)	-	-
Effect of tax, dividends and exchange differences	(508)	(702)	-	-
Impairment	(4.996)	-	(13.000)	-
Balance at the end of the year	**103.871**	**110.844**	**102.900**	**115.900**

The direct shareholding of the Company in associates relates to Intracom SA Telecommunication Services.

On 31 December 2011 Intracom Holdings SA performed an impairment test of its investment in the associate Intracom Telecom SA, since there were indications that its carrying value exceeded its recoverable amount. The recoverable amount was estimated using the value-in-use method. As a result of the impairment test, an impairment loss of €4.996 and €13.000 was recognized for the Group and the Company respectively. The impairment losses were recognized in the consolidated and separate income statement of the year 2011 in line "Impairment losses from investments".

Information about the Group's associates is presented below:

2011

Name	Country of incorporation	Assets	Liabilities	Equity	Revenue	Profit / (Loss)	Interest Held
INTRACOM SA TELECOMMUNICATIONS	Greece	465.160	238.374	226.786	255.293	(2.255)	49,00%
ALPHA MOGILANY	Poland	5.812	3.994	1.818	-	(422)	25,00%
I.C.C. S.A. Construction Company	Greece	2.696	2.147	549	2.005	36	50,00%
Mobile Composting S.A.	Greece	180	6	174	-	(5)	24,00%
		473.848	**244.521**	**229.327**	**257.298**	**(2.646)**	

2010

Name	Country of incorporation	Assets	Liabilities	Equity	Revenue	Profit / (Loss)	Interest Held
INTRACOM SA TELECOMMUNICATIONS	Greece	552.456	322.427	230.029	256.409	(5.145)	49,00%
ALPHA MOGILANY	Poland	6.846	4.484	2.363	-	(263)	25,00%
I.C.C. S.A. Construction Company	Greece	2.847	2.334	513	1.196	(295)	50,00%
		562.149	**329.244**	**232.904**	**257.605**	**(5.703)**	

(All amounts in €'000)

12. Joint Ventures

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

	31/12/2011	31/12/2010
Assets		
Non-current assets	900	1.508
Current assets	28.330	27.106
	29.230	28.613
Liabilities		
Non-current liabilities	15	30
Current liabilities	31.513	32.117
	31.529	32.146
Equity	(2.298)	(3.533)
Income	39.386	49.489
Expenses	(37.875)	(48.409)
Profit (after tax)	**1.512**	**1.080**

On 1 April 2011, ELTER SA transferred its entire holding (50%) in the joint venture "ELTER-INTRAKAT IONIOS KLINIKI" to Eurokat SA, a subsidiary of Intrakat SA. The net cash inflow from the transfer was €99, while the effect on the Group's results was not material.

On 4 July 2011, Athinaiki Techniki SA transferred its entire holding in the joint venture Athinaiki Techniki – "J/V Archirodon Hellas ATE – Prisma Domi ATE" to Prisma – Domi ATE, a subsidiary of Intrakat SA, resulting in the increase of the Group's holding in the joint venture from 10% to 40%. The effect on the Group's results was not material. The effect on the Group's equity was €110. This transaction resulted in a decrease of the non-controlling interest by €54, while the net cash inflow was €6.

Information for the Group's interests in joint ventures is included in note 41.

13. Available-for-Sale Financial Assets

	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at the beginning of the year	11.191	12.562	9.470	9.520
Additions	152	52	152	-
Fair value losses	(218)	(1.376)	(1)	(5)
Impairment (Note 32)	(287)	(46)	-	(46)
Balance at the end of the year	**10.838**	**11.191**	**9.621**	**9.470**
Non current Assets	**10.838**	**11.191**	**9.621**	**9.470**

(All amounts in €'000)

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Listed securities:				
- equity securities	629	847	5	6
Unlisted securities:				
- equity securities	10.209	10.344	9.616	9.464
	10.838	**11.191**	**9.621**	**9.470**

Investments in unlisted shares are shown at cost less impairment.

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

Available-for-sale financial assets include a 3,44% shareholding in Hellenic Energy and Development SA amounting to €2.197 and a 13,33% shareholding in Moreas SA amounting to €6.751.

14. Deferred Income Tax

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

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Deferred tax assets	(8.569)	(5.236)	-	-
Deferred tax liabilities	2.728	3.089	1.005	1.140
	(5.841)	**(2.148)**	**1.005**	**1.140**

The gross amounts are as follows:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Deferred tax assets:				
To be recovered after more than 12 months	(15.446)	(13.200)	(52)	(75)
To be recovered within 12 months	(2.823)	(5.534)	(14)	(14)
	(18.270)	**(18.734)**	**(66)**	**(89)**
Deferred tax liabilities				
To be settled after more than 12 months	9.101	12.417	1.068	1.225
To be settled within 12 months	3.327	4.170	3	4
	12.429	**16.587**	**1.071**	**1.228**
	(5.841)	**(2.148)**	**1.005**	**1.140**

(All amounts in €'000)

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

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Balance at the beginning of the year	(2.148)	(4.457)	1.140	1.071
Exchange differences	1	(22)	-	-
Charged/ (credited) to profit or loss (note 34)	(3.660)	2.238	(135)	68
Change of Interest in joint ventures	(30)	-	-	-
Acquisition of subsidiary	-	93	-	-
Disposal of subsidiaries	(6)	-	-	-
Balance at the end of the year	**(5.841)**	**(2.148)**	**1.005**	**1.140**

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

Group

Deferred tax assets:

	Provisions / Impairment losses	Tax losses	Other	Total
Balance at 1 January 2010	(3.914)	(8.926)	(5.425)	(18.265)
Exchange differences	-	1	(23)	(21)
Charged / (credited) to profit or loss	739	(1.233)	(71)	(565)
Disposal of subsidiaries	-	-	117	117
Balance at 31 December 2010	**(3.174)**	**(10.158)**	**(5.402)**	**(18.734)**
Balance at 1 January 2011	(3.174)	(10.158)	(5.402)	(18.734)
Exchange differences	-	(3)	(1)	(3)
Charged / (credited) to profit or loss	622	193	(251)	563
Change of interest in joint ventures	-	-	(98)	(98)
Disposal of subsidiaries	-	-	3	3
Balance at 31 December 2011	**(2.553)**	**(9.967)**	**(5.750)**	**(18.270)**

Deferred tax liabilities:

	Trade name & Customers relationships	Accrued Income	Accelerated tax depreciation	Other	Total
Balance at 1 January 2010	3.986	2.747	4.657	2.418	13.808
Exchange differences	-	-	(1)	-	(1)
Charged / (credited) to profit or loss	(357)	881	142	2.137	2.803
Disposal of subsidiaries				(23)	(23)
Balance at 31 December 2010	**3.629**	**3.628**	**4.799**	**4.531**	**16.587**
Balance at 1 January 2011	3.629	3.628	4.799	4.531	16.587
Exchange differences	-	-	1	4	5
Charged / (credited) to profit or loss	(700)	(2.430)	1.122	(2.215)	(4.223)
Change of interest in joint ventures	-	-	-	68	68
Disposal of subsidiaries	-	-	(9)	-	(9)
Balance at 31 December 2011	**2.929**	**1.198**	**5.913**	**2.388**	**12.429**

(All amounts in €'000)

Company

Deferred tax assets:

	Provisions	Total
Balance at 1 January 2010	(93)	(93)
Charged to profit or loss	5	5
Balance at 31 December 2010	**(89)**	**(89)**
Balance at 1 January 2011	(89)	(89)
Charged to profit or loss	23	23
Balance at 31 December 2011	**(66)**	**(66)**

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance at 1 January 2010	1.164	1	1.165
Charged to profit or loss	1	63	64
Balance at 31 December 2010	**1.165**	**64**	**1.228**
Balance at 1 January 2011	1.165	64	1.228
Credited to profit or loss	(97)	(61)	(157)
Balance at 31 December 2011	**1.068**	**3**	**1.071**

The Company has not recognized deferred tax asset on the losses of the previous and the current year. These losses amount to €25.185.

15. Long-Term Loan Receivables

In 2008, 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 (1m Euribor plus 4,0% margin).

During the current year the Company participated in the issue of new subordinated bonds by Moreas SA paying the amount of €879.

The amount recorded on the balance sheet as at 31 December 2011 consists of the initial capital plus capitalized interest of the period 2008-2011.

(All amounts in €'000)

16. Trade and Other Receivables

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Trade receivables	194.165	240.607	296	809
Less: provision for impairment	(38.626)	(37.625)	-	-
Trade receivables - net	155.539	202.982	296	809
Prepayments	18.477	23.554	-	-
Receivables from related parties (Note 39)	14.598	17.678	7.432	13.268
Prepaid expenses	9.561	9.663	98	24
Accrued income	40.888	57.028	45	36
Other receivables	35.893	62.230	3.546	3.801
Total	**274.956**	**373.134**	**11.416**	**17.938**
Non-current assets	6.510	6.009	39	39
Current assets	268.446	367.125	11.377	17.900
	274.956	**373.134**	**11.416**	**17.938**

The significant decrease in other receivables of the Group as at 31 December 2011 was due to VAT received of approximately €19.8 mil and grants received of approximately €5.7mil.

(All amounts in €'000)

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

Ageing analysis of trade receivables

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Total	155.539	202.982	296	809
Not past due and not impaired at the balance sheet date	63.690	107.035	159	161
Impaired at the balance sheet date	41.398	39.002	-	-
Provision made for the following amount:	(38.626)	(37.625)	-	-
	2.772	1.377	-	-
Not impaired at the balance sheet date but past due in the following periods:				
< 90 days	25.836	21.346	5	4
90-180 days	14.544	14.702	103	101
180-270 days	10.643	11.075	5	4
270-365 days	10.443	8.315	6	98
1- 2 years	6.243	13.153	16	296
>2 years	21.369	25.979	-	145
	89.077	94.570	136	647
Total trade receivables	**155.539**	**202.982**	**296**	**809**

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

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

	Group	Company
Balance at 1 January 2010	23.053	-
Exchange differences	5	-
Provision for impairment (Note 29)	15.407	-
Receivables written-off during the year	(778)	-
Unused amounts reversed	(62)	-
Balance at 31 December 2010	**37.625**	-
Exchange differences	39	-
Provision for impairment (Note 29)	11.215	-
Receivables written-off during the year	(8.264)	-
Disposal of subsidiaries	(721)	
Unused amounts reversed	(1.267)	-
Balance at 31 December 2011	**38.626**	-

(All amounts in €'000)

Trade and other receivables are analyzed in the following currencies:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Euro (EUR)	236.257	329.112	11.416	17.938
US Dollar (USD)	25.900	24.359	-	-
Polish Zloty (PLN)	6.852	7.998	-	-
Romanian Lei (RON)	4.484	3.757	-	-
Jordan Dinar (JOD)	149	5.407	-	-
Danish Corona (DKK)	218	1.389	-	-
Other	1.097	1.113	-	-
	274.956	**373.134**	**11.416**	**17.938**

17. Inventories

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Raw materials	20.767	24.504	-	-
Semifinished goods	8.156	7.498	-	-
Finished goods	7.351	8.598	-	-
Work in progress	1.477	1.219	-	-
Merchandise	1.468	4.337	-	-
Other	232	318	-	-
Total	**39.451**	**46.473**	**-**	**-**
Less: Provisions for obsolete inventories				
Raw materials	1.959	1.566	-	-
Semifinished goods	373	370	-	-
Finished goods	299	359	-	-
Merchandise	1	12	-	-
	2.633	**2.307**	**-**	**-**
Net realisable value	**36.819**	**44.166**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance 1 January 2010	1.820	-
Provision for impairment (Note 29)	673	-
Amount of provision reversed during the year	(187)	
Balance 31 December 2010	**2.307**	**-**
Provision for impairment (Note 29)	399	-
Amount of provision reversed during the year	(73)	-
Balance 31 December 2011	**2.633**	**-**

(All amounts in €'000)

18. Construction Contracts

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Assets				
Contracts in progress at the balance sheet date:				
Receivables from construction contracts	18.313	12.374	-	-
Total	**18.313**	**12.374**	**-**	**-**
Liabilities				
Contracts in progress at the balance sheet date:				
Liabilities from construction contracts	2.426	8.190	-	-
Total	**2.426**	**8.190**	**-**	**-**
Accumulated contract costs plus accumulated recognised profits less accumulated recognised losses	473.772	533.926	-	-
Less: Progress billings	(457.884)	(529.742)	-	-
Construction contracts	**15.887**	**4.184**	**-**	**-**

19. Financial Assets at Fair Value through Profit or Loss

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Balance at the beginning of the year	187	298	-	-
Disposals	(4)	-	-	-
Fair value adjustments (Note 32)	(79)	(111)	-	-
Balance at the end of the year	**105**	**187**	**-**	**-**

All investments relate to equity securities of companies listed in Athens Stock Exchange Market.

20. Cash and Cash Equivalents

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

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash at bank and in hand	29.303	23.914	463	489
Short-term bank deposits	13.549	11.079	5.041	3.559
Total	**42.852**	**34.994**	**5.504**	**4.048**

(All amounts in €'000)

The effective interest rate on short-term bank deposits for the Company was 1,80% (2010: 1,99%).

Cash and cash equivalents are analysed in the following currencies:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Euro (EUR)	29.841	21.664	372	372
US Dollar (USD)	4.175	4.986	72	97
Japanese Yen (JPY)	3.190	3.100	3.190	3.100
Romanian Lei (RON)	4.138	4.205	1.866	474
Bulgarian Leva (BGN)	844	424	-	-
Other	664	615	4	5
	42.852	**34.994**	**5.504**	**4.048**

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

21. Share Capital

	Number of shares	Share capital	Share premium	Treasury shares	Total
Balance at 1 January 2010	131.945.181	187.567	194.204	(4.622)	377.149
Treasury shares	1.080.815	-	-	4.622	4.622
Balance at 31 December 2010	**133.025.996**	**187.567**	**194.204**	**-**	**381.771**
Balance at 1 January 2011	133.025.996	187.567	194.204	-	381.771
Balance at 31 December 2011	**133.025.996**	**187.567**	**194.204**	**-**	**381.771**

On 31 December 2010 and 31 December 2011 the Company's share capital amounts to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

Treasury shares

During 2010, the Company granted 1.080.836 treasury shares to Group employees the cost of which was €4.622. As a result, since 31 December 2010 the Company does not possess any treasury shares.

The charge to the income statement from the free distribution of treasury shares for the Group and the Company in 2010 was €826 and €183 respectively.

Share options

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

(All amounts in €'000)

A summary of share options granted is as follows:

Share options	**2011**	**2010**
Outstanding at 1 January	14.300	99.160
Expired	(14.300)	(84.860)
Outstanding at 31 December	**-**	**14.300**

During 2007, a subsidiary company granted to executives 220 share options which are based on its share price, giving the right to the executives to exchange the share options with a determined amount of cash at the end of the vesting period (31 March 2010). The total charge in the consolidated income statement in 2010 is €183 (liability €138 and equity €45).

As of 2011 and onwards, neither the Group nor the Company has granted any share options.

22. Other Reserves

Group

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Fair value reserves	Total
Balance at 1 January 2010	30.211	8.099	122.765	56.797	(29.822)	(1.826)	186.224
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(859)	(859)
Exchange differences	-	-	-	-	-	(280)	(280)
Fair value loss on cash flow hedge	-	-	-	-	-	(430)	(430)
Disposal of subsidiaries	-	206	-	-	(35)	-	171
Transfers between reserves	263	-	1.720	-	812	(1.315)	1.480
Stock options	-	-	-	-	45	-	45
Balance at 31 December 2010	**30.474**	**8.305**	**124.485**	**56.797**	**(29.000)**	**(4.710)**	**186.351**
Balance at 31 December 2011	30.474	8.305	124.485	56.797	(29.000)	(4.710)	186.351
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(136)	(136)
Exchange differences	-	-	-	-	-	(645)	(645)
Fair value gain on cash flow hedge	-	-	-	-	-	247	247
Disposal of subsidiaries	(6)	-	-	-	-	-	(6)
Change in minority interest of subsidiaries	-	-	-	-	3	(5)	(2)
Transfers between reserves	181	-	733	-	8	-	923
Balance at 31 December 2011	**30.649**	**8.305**	**125.218**	**56.797**	**(28.988)**	**(5.250)**	**186.732**

Company

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Fair value reserves	Total
Balance at 1 January 2010	26.719	8.069	55.990	56.981	(28)	147.730
Fair value loss on available-for-sale financial assets	-	-	-	-	(5)	(5)
Balance at 31 December 2010	**26.719**	**8.069**	**55.990**	**56.981**	**(33)**	**147.725**
Balance at 31 December 2011	26.719	8.069	55.990	56.981	(33)	147.725
Fair value loss on available-for-sale financial assets	-	-	-	-	(1)	(1)
Balance at 31 December 2011	**26.719**	**8.069**	**55.990**	**56.981**	**(34)**	**147.725**

(a) Statutory reserve

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

(b) Special reserve

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

(c) Tax free reserve

Tax-free reserves under special laws

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

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

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

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

(d) Fair value reserve

It includes the amount of €796 which relates to fair value losses from cash flow hedges, the amount of €859 which relates to fair value losses from available for sale investments and foreign exchange currency differences.

(All amounts in €'000)

23. Borrowings

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Non-current borrowings				
Bank loans	4.661	4.772	3.098	3.098
Finance lease liabilities	11.595	13.272	9.819	10.601
Bond loans	140.256	140.284	-	-
Total non-current borrowings	**156.512**	**158.328**	**12.917**	**13.699**
Current borrowings				
Bank loans	150.194	169.376	17.098	13.098
Bond loans	11.762	19.589	-	-
Other loans	10.000	-	10.000	-
Finance lease liabilities	2.260	3.840	785	742
Total current borrowings	**174.216**	**192.805**	**27.883**	**13.840**
Totsl borrowings	**330.728**	**351.133**	**40.800**	**27.539**

The loans of the Group and Company are analyzed in the following currencies:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Euro	321.918	345.556	40.800	27.539
US dollar (USD)	3.926	2.587	-	-
Danish Corona (DKK)	-	1.410	-	-
Polish Slot	2.603	1.574	-	-
Other	2.281	6	-	-
	330.728	**351.133**	**40.800**	**27.539**

The contractual undiscounted cash flows of the non-current borrowings, excluding finance leases (including interest payments), are as follows:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Between 1 and 2 years	29.146	31.198	3.277	3.176
Between 2 and 3 years	131.424	36.691	-	-
Between 3 and 5 years	-	91.702	-	-
	160.570	**159.591**	**3.277**	**3.176**

As at December 2011 the subsidiary companies had bond loans with weighted average floating interest rate of 6,59% (2010: 4,27%).

The weighted average interest rate for all the other borrowings of the Group and the Company for 2011 was approximately 7,06% and 7,09% respectively (2010: 4,60% and 5,26% respectively).

(All amounts in €'000)

Long-term borrowings of the Group relates mainly to the syndicated loan of the subsidiary Hellas online SA of €144,5 mil.. On 2 August 2011 the majority of the Bondholders granted their written consent for the amendment of the bond loan, while the replacement of the bonds was completed on 18 November 2011. This amendment modifies the repayment terms, setting the 27th October 2014 as the maturity date of the last installment and increases the margin from 3% to 5% valid from 27th April 2011 until expiry.
The repayment of the loan, after the amendment, will be in 5 installments, of which the first 4 installments will repay 20% of the total loan and the last installment payable on the expiration date (27th of October 2014) will repay the remaining 80%. The first installment is due on 27 April 2012.

Securities relating to the above borrowings are disclosed in note 38.

Finance leases

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	2.917	4.585	1.303	1.293
Between 2 and 5 years	6.824	7.884	5.229	5.179
More than 5 years	7.895	8.681	7.564	8.484
Total	17.635	21.150	14.096	14.957
Less: Future finance charges on finance leases	(3.781)	(4.038)	(3.492)	(3.614)
Present value of finance lease liabilities	**13.855**	**17.112**	**10.604**	**11.343**
Present value of finance lease liabilities:				
Not later than 1 year	2.260	3.840	785	742
Between 2 and 5 years	5.025	5.864	3.541	3.373
More than 5 years	6.569	7.408	6.278	7.228
Total	**13.855**	**17.112**	**10.604**	**11.343**

During 2010 the Company has signed a sale and leaseback agreement for a building. From the transaction, the Company has received €11.700 that is shown under "Proceeds from borrowings" in the cash flow statement of the prior year.

24. Retirement Benefit Obligations

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Balance sheet obligations for:				
Pension benefits	**6.416**	**5.215**	**262**	**335**
Income statement charge				
Pension benefits (Note 30)	**3.291**	**2.840**	**286**	**123**

(All amounts in €'000)

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

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Present value of unfunded obligations	6.478	6.164	241	427
Unrecognised actuarial gains / (losses)	(62)	(949)	21	(92)
Liability on the balance sheet	**6.416**	**5.215**	**262**	**335**

The amounts recognized in the income statement are determined as follows:

	Group		Company	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Current service cost	686	908	44	47
Interest cost	297	306	24	22
Net actuarial losses recognised during the year	785	545	3	3
Past-service cost	154	3	-	-
Losses on curtailment	1.367	1.078	215	52
Total, included in staff costs	**3.291**	**2.840**	**286**	**123**

Total charge is allocated as follows:

	Group		Company	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Cost of goods sold	1.866	1.666	-	-
Selling costs	542	524	-	-
Administrative expenses	884	650	286	123
	3.291	**2.840**	**286**	**123**

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

	Group		Company	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Balance at the beginning of the year	5.214	4.880	335	298
Total expense charged to the income statement	3.291	2.840	286	123
Contributions paid	(2.089)	(2.448)	(358)	(86)
Disposal of subsidiary	-	(58)	-	-
Balance at the end of the year	**6.416**	**5.214**	**262**	**335**

(All amounts in €'000)

The principal actuarial assumptions used are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
Discount rate	4,6% - 5,4%	5,60%	5,20%	5,60%
Future salary increases	2,5% - 4,5%	4,00%	2,50%	4,00%

25. Grants

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Balance at the beginning of the year	26.320	24.549	-	-
Additions	5.404	11.485	-	-
Depreciation charge (note 31)	(6.644)	(9.714)	-	-
Balance at the end of the year	**25.080**	**26.320**	-	-
Current portion	3.870	5.432	-	-
Non-current portion	21.210	20.888	-	-
Total	**25.080**	**26.320**	-	-

The grants relate to subsidies from the "Society of Information" and "Development Law" to the subsidiary company Hellas online for the expansion of its telecommunications network.

Apart from the current year's additions, the Group also received the amount of €5.721, relating to prior year's additions.

26. Derivative Financial Instruments

	Group		Nominal Value	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash flow hedge	**Υποχρεώσεις**	**Υποχρεώσεις**		
Interest rate swaps	1.406	948	27.485	29.875
Interest rate caps	262	293	38.985	44.375
Total	**1.668**	**1.241**	**66.470**	**74.250**
Non-current liabilities	**1.668**	**1.241**		
	1.668	**1.241**		

The derivative contracts are used to hedge the exposure to variability in cash flows attributable to interest rate risk arising from the bond loan of a subsidiary. During the current year the hedge accounting was terminated and part of the cumulative losses was transferred to profit or loss. The remaining amount of losses recognized in equity (note 22) will be gradually transferred in profit or loss during the repayment of the related bond loan.

The amount of €872 relating to fair value losses of derivatives is included in other finance costs.

(All amounts in €'000)

The movement in reserve of €445 relates to fair value gains amounting to €264, as well as losses of €181 transferred to profit or loss, as mentioned above.

The derivative financial instruments are recognized as non-current assets / liabilities when the remaining period to maturity exceeds 12 months and as current assets / liabilities when the remaining period to maturity is less than 12 months.

The Group's exposure to credit risk as at 31 December 2011 equals the carrying value of the derivative financial instruments as presented in the balance sheet.

27. Provisions

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Current liabilities	7.673	6.790	168	1.568
Non- current liabilities	1.429	1.939	-	-
Total	**9.102**	**8.729**	**168**	**1.568**

Group

	Warranties	Unused compensated absences	Unaudited tax years	Other	Total
Balance at 1 January 2010	1.054	826	1.773	6.898	10.551
Additional provisions	420	825	540	3.498	5.282
Unused amounts reversed	-	-	-	(158)	(158)
Provisions used during the year	(696)	(759)	(654)	(4.807)	(6.916)
Disposal of subsidiary	-	-	(29)	-	(29)
Balance at 31 December 2010	**778**	**892**	**1.629**	**5.430**	**8.729**
Balance at 1 January 2011	778	892	1.629	5.430	8.729
Additional provisions	378	890	761	4.524	6.553
Unused amounts reversed	-	-	(1.047)	(1.457)	(2.505)
Provisions used during the year	(336)	(825)	(75)	(2.440)	(3.675)
Balance at 31 December 2011	**820**	**957**	**1.268**	**6.056**	**9.102**

The amount €6.056 of other provisions as at 31 December 2011 includes inter alia the amount of €1.877 for the recognition of losses from loss making contracts and the amount of €2.227 for accrued employee benefits. The corresponding amount as at 31 December 2010 includes the amount of €1.020 for the recognition of losses from loss making contracts and the amount of €2.148 for accrued employee benefits.

(All amounts in €'000)

Company

	Unused compensated absences	Other	Total
Balance at 1 January 2010	68	1.500	1.568
Balance at 31 December 2010	**68**	**1.500**	**1.568**
Balance at 1 January 2011	68	1.500	1.568
Unused amounts reversed	-	(1.208)	(1.208)
Provisions used during the year	-	(192)	(192)
Balance at 31 December 2011	**68**	**100**	**168**

28. Trade and Other Payables

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Trade payables	82.740	129.746	1.246	1.246
Prepayments from customers	43.943	56.412	-	-
Deffered income	19.332	20.199	-	-
Amounts due to related parties (Note 39)	58.180	62.305	6.103	4.495
Accrued expenses	11.448	11.457	729	138
Social security and other taxes	6.105	7.204	377	570
Other liabilities	27.907	17.521	1.014	1.007
Total	**249.655**	**304.844**	**9.468**	**7.456**
Non-current liabilities	12.970	13.387	-	-
Current liabilities	236.684	291.457	9.468	7.456
	249.655	**304.844**	**9.468**	**7.456**

Non-current liabilities as at 31 December 2011 include an amount of €12.970 that relates to deferred income (31 December 2010: €13.387).

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

(All amounts in €'000)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Euro (EUR)	216.876	259.479	9.389	7.381
US Dollar (USD)	24.476	37.536	22	22
Romanian Lei (RON)	1.607	1.274	-	-
Polish Zloty (PLN)	3.317	1.534	-	-
Bulgarian Leva (BGN)	700	578	-	-
Jordan Dinar (JOD)	942	3.492	-	-
Other	1.737	951	57	53
	249.655	**304.844**	**9.468**	**7.456**

29. Expenses by Nature

	Note	Group		Company	
		1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Employee benefits	30	122.166	133.401	3.084	4.470
Inventory cost recognised in cost of goods sold		65.744	81.784	-	-
Depreciation of PPE	6	46.080	44.708	924	1.160
Depreciation of investment property	9	453	696	927	897
Amortisation of intangible assets	8	31.637	33.818	4	4
Impairment of intangible assets		2.205	-	-	-
Impairment of investment properties		250	-	-	-
Impairment of inventories	17	399	673	-	-
Repairs and maintenance		2.540	2.619	436	382
Operating lease payments		6.030	9.040	-	-
Subcontractors' fees		76.029	100.835	-	-
Impairment of receivables	16	11.215	15.407	-	-
Telecommunications cost		111.613	104.794	-	-
Transportation and travelling expenses		5.588	6.505	326	881
Third party fees		29.554	28.012	613	1.080
Advertisement		7.376	9.945	510	245
Other		36.912	34.870	2.619	2.351
Total		**555.790**	**607.107**	**9.444**	**11.471**
Split by function:					
Cost of goods sold		455.021	496.163	1.932	2.421
Selling and research costs		40.520	43.250	66	123
Administrative expenses		60.249	67.694	7.446	8.927
		555.790	**607.107**	**9.444**	**11.471**
Split of depreciation amd amortisation by function:					
Cost of goods sold		62.413	64.323	206	227
Selling and research costs		1.336	1.036	-	-
Administrative expenses		14.420	13.864	1.648	1.834
		78.170	**79.223**	**1.855**	**2.061**

(All amounts in €'000)

30. Employee Benefits

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Wages and salaries	95.587	104.907	2.508	3.754
Social security costs	21.231	23.438	243	354
Other employers' contributions and expenses	1.119	1.022	47	56
Share options granted to employees / treasury shares (Note 21)	-	1.009	-	183
Pension costs - defined contribution plans	135	606	-	-
Pension costs - defined benefit plans (Note 24)	3.291	2.840	286	123
Other post-employment benefits	802	1.319	-	-
Less: capitalisations to assets under construction	-	(1.740)	-	-
Total	**122.166**	**133.401**	**3.084**	**4.470**

31. Other Operating Income

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Dividend income	2	2	-	200
Rental income	1.644	1.918	3.157	2.930
Depreciation of grants received (Note 25)	6.644	9.714	-	-
Other income from grants	130	76	-	1
Insurance compensations	36	2.626	-	-
Other	2.835	3.487	-	-
Total	**11.291**	**17.824**	**3.157**	**3.130**

32. Other Gains / (Losses) – Net

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Gains / (losses) from sale of PPE	25	(410)	-	1
Gains / (losses) from sale of investment property	278	(811)	-	-
Fair value losses of financial assets at fair value through profit or loss	(79)	(111)	-	-
Impairment of available-for-sale financial assets	(287)	(46)	-	(46)
Losses from write-off of PPE	(226)	-	(226)	-
Losses from sale of subsidiaries	-	(7)	-	-
Write offs / impairment of other receivables	(1.058)	-	(1.067)	-
Negative goodwill from acquisition of businesses	185	193	-	-
Net foreign exchange gains / (losses)	55	(18)	-	15
Income from unused provision of trade receivables	1.267	-	-	-
Other	1.058	(960)	1.181	(130)
Total	**1.219**	**(2.170)**	**(112)**	**(160)**

(All amounts in €'000)

33. Finance Expenses / (Income) - Net

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Finance expenses				
Interest and related expense				
- Bank borrowings	12.131	8.880	1.464	862
- Bond loans	10.103	6.835	-	-
- Finance leases	871	709	585	291
- Letters of credit and related costs	2.339	2.222	-	
- Net foreign exchange gains / (losses)	8	(305)	-	-
- Swaps: cash flow hedge, transfer from equity	182	-	-	-
- Other	5.815	3.284	-	-
	31.449	21.626	2.048	1.153
Finance income				
Interest income	(897)	(610)	(47)	(216)
Interest income from loans	(528)	(392)	(500)	(392)
Other	-	(16)	-	
	(1.426)	(1.018)	(547)	(608)
Finance expenses / (income) - net	**30.023**	**20.608**	**1.502**	**545**

34. Income Tax

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Current tax	2.871	4.839	147	20
Deffered tax (Note 14)	(3.660)	2.238	(135)	68
Total	**(789)**	**7.077**	**13**	**88**

According to the new tax law 3943/2011, the corporate income tax rate of legal entities is set at 20% for 2011 onwards. Prior to the implementation of the new income tax regime, the corporate income tax rate of legal entities was 24% for 2010 and it would be gradually reduced as follows: 23% for 2011, 22% for 2012, 21% for 2013 and 20% for 2014 onwards. Moreover, a 25% withholding tax is imposed on profits distributed by Greek legal entities, which exhausts the tax liability of the beneficiaries and is imposed on distribution of profits approved after 1 January 2012. Specifically for profits distributed within 2011, the withholding tax rate is 21%.

The effect of the change in the applicable income tax rate resulted in a tax expense of €246 and €5 recorded in the Group's and the Company's profit or loss respectively.

Tax returns are filed annually. With respect to the financial years up to and including 2010, the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. From the financial year 2011 and onwards, the tax returns are subject to the Audit Tax Certificate process. Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Audit Tax Certificate:

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994, which is issued after the tax audit by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm not later than the 10th day of the 7th month after the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

Unaudited tax years

The parent company has not been tax audited for the financial year 2010. During the current year, the Company settled the unaudited years 2008 and 2009 pursuant to the provisions of article 18 of Law 4002/2011 and the articles 1-13 of Law 3888/2010 and additional taxes of €147,5 resulted which were recorded in the results of the current year and were fully paid within 2011.

The financial years for which the Company and its subsidiaries have not been audited and, therefore, the tax liabilities for these open years have not been finalized, are presented in note 41. The cumulative provision for unaudited tax years amounts to €1.268 for the Group.

The parent and the Greek companies in the Group have been under the tax audit of the statutory auditors, pursuant to the provisions of article 82 paragraph 5 of Law 2238/1994. The audit is still in progress and the tax compliance report is expected to be issued after the publication of the annual financial statements of year 2011. The Group's Management does not expect that significant additional tax liabilities will arise, in excess of these provided for and disclosed in the financial statements.

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

	Group		Company	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Loss before tax	(60.407)	(38.804)	(19.260)	(9.672)
Tax calculated at tax rates applicable to Greece	(12.081)	(9.313)	(3.852)	(2.321)
Income not subject to tax	(1.168)	(879)	-	(56)
Expenses not deductible for tax purposes	11.265	11.766	3.335	615
Differences in tax rates	(246)	830	(5)	-
Utilisation of previously unrecognised tax losses	-	(49)	-	-
Income tax effect from prior years' tax losses that cannot be carried forward	-	749	-	-
Tax losses for which no deferred tax asset was recognised	560	2.543	535	1.851
Prior years' taxes	930	615	-	-
Special Tax Contribution N.3845/2010	-	609	-	-
Other	(48)	206	-	-
Tax charge / (income)	**(789)**	**7.077**	**13**	**88**

35. Earnings / (Losses) per Share

Basic earnings / (losses) per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 21).

	Group		Company	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Loss attributable to equity holders of the Company	(50.708)	(30.530)	(19.273)	(9.761)
Weighted average number of ordinary shares in issue (thousands)	133.026	131.648	133.026	132.472
Basic earnings / (losses) per share (€ per share)	**(0,38)**	**(0,23)**	**(0,14)**	**(0,07)**

Diluted Earnings / (Losses) per Share

Diluted earnings / (losses) 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.

(All amounts in €'000)

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Loss attributable to equity holders of the Company	(50.708)	(30.530)	(19.273)	(9.761)
Weighted average number of ordinary shares in issue (thousands)	133.026	131.648	133.026	132.472
Diluted earnings / (losses) per share (€ per share)	**(0,38)**	**(0,23)**	**(0,14)**	**(0,07)**

From the calculation of the weighted average number of ordinary shares of diluted earnings, no difference has occurred in relation to basic earnings per share.

36. Cash Generated from Operations

		Group		Company	
	Note	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Loss for the year		(59.618)	(45.881)	(19.273)	(9.761)
Adjustments for:					
Tax		(789)	7.077	13	88
Depreciation of PPE	6	46.080	44.708	924	1.160
Amortisation of intangible assets	8	31.637	33.818	4	4
Depreciation of investment property	9	453	696	927	897
Impairment of investment property	29	250	-	-	-
Impairment of intangible assets	29	2.205	496	-	-
Loss / (Profit) on sale of PPE	32	(25)	410	-	(1)
Loss from write-offs of PPE	32	226	-	226	-
(Loss) / Profit from the sale of investment property	32	(278)	811	-	-
Fair value losses of financial assets at fair value through profit or loss	32	79	111	-	-
Impairment of available-for-sale financial assets	32	287	46	-	46
Impairment of investments	10, 11	4.996	-	13.779	3.524
Loss on disposal of subsidiary	10	20	7	-	-
Negative goodwill from acquisition of subsidiaries	32	(185)	(193)	-	-
Distribution of treasury shares	21	-	826	-	183
Employees share option scheme	21	-	45	-	-
Interest income	33	(1.426)	(1.018)	(547)	(608)
Interest expense	33	31.449	21.626	2.048	1.153
Dividend income	31	(2)	-	-	(200)
Depreciation of grants received	31	(6.644)	(9.714)	-	-
Share of profit from associates and joint ventures	11	1.538	1.998	-	-
Exchange loss / (gain)		(2.160)	253	-	-
		48.093	**56.124**	**(1.898)**	**(3.513)**
Changes in working capital					
Decrease in inventories		7.348	2.773	-	-
(Increase)/ decrease in trade and other receivables		89.943	(14.889)	2.829	(513)
Increase/ (decrease) in trade and other payables		(46.356)	12.438	2.031	(1.934)
Increase / (decrease) in provisions		373	(1.793)	(1.400)	-
Increase/ (decrease) in retirement benefit obligations		1.202	392	(73)	37
		52.509	**(1.079)**	**3.387**	**(2.409)**
Cash generated from operations		**100.602**	**55.044**	**1.489**	**(5.923)**

(All amounts in €'000)

37. Commitments

Capital commitments

As at the balance sheet date there were capital commitments for Property, plant and equipment of €4.350 for the Group (2010: €8.253).

Operating lease commitments

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Up to 1 year	5.875	3.984	185	313
From 2 to 5 years	16.142	7.018	143	227
More than 5 years	9.792	4.651	-	-
	31.810	**15.653**	**328**	**540**

38. Contingencies / Outstanding Legal Cases

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

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Guarrantees for advance payments	29.081	50.360	25.380	47.229
Guarrantees for good performance	145.668	167.089	134.359	152.113
Guarrantees for participation in contests	22.214	23.479	20.224	10.126
Other	22.776	14.588	6.003	9.775
	219.740	**255.516**	**185.965**	**219.243**

The Company has given guarantees to banks for subsidiaries' loans amounting to €322.581.

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

<u>Outstanding legal cases</u>

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 have been reduced to €9 mil., following relevant appeals of the Company and ministerial decisions. Subsequently, according to a decision by the administrative court of appeal of Piraeus, the above mentioned penalties and rebates were cancelled. According to the Company's legal advisers the appeal exercised by the Greek State against the previous decision by the administrative court of appeal of Piraeus will not succeed and hence there will be no surcharge on the Company.

On 4 March 2008 specific major shareholders of Teledome S.A. took legal action against Intracom Holdings, Hellas Online and members of the Management, requesting among others, to abolish the earlier decision of key management personnel (Board of Directors and General Meeting) of the Group for the annulment of the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €141 mil. is claimed from the parent company and the subsidiary, for the loss and the moral damage that the plaintiffs allege to have suffer. The Group's management and its lawyers assess that the possibility of any material liabilities arising for the Group in relation to this case is very low.

The Hellas Online Group is in dispute, which is under examination by EETT (Hellenic Telecommunications and Post Commission), with OTE SA regarding certain charges of the latter which are claimed to be unlawful. In relation to this case, the company disputed charges of €2.825 as at 31 December 2011, for which a provision of an equal amount has been recorded.

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

(All amounts in €'000)

39. Related Party Transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Sales of goods / services:				
To subsidiaries	-	-	1.949	2.237
To associates	1.607	3.032	121	285
To other related parties	1.294	6.389	4	13
	2.901	**9.421**	**2.073**	**2.536**
Purchases of goods / services:				
From subsidiaries	-	-	517	457
From associates	8.744	8.809	-	6
From other related parties	476	140	242	26
	9.220	**8.948**	**758**	**489**
Rental income:				
From subsidiaries	-	-	2.197	1.671
From associates	321	722	2	287
From other related parties	270	306	132	166
	591	**1.028**	**2.331**	**2.124**
Dividend income:				
From subsidiaries	**-**	**-**	**-**	**200**

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Purchases of fixed assets:				
From subsidiaries	-	-	45	20
From associates	7.499	19.423	-	-
	7.499	**19.423**	**45**	**20**
Disposals of fixed assets:				
To subsidiaries	-	-	-	8
To associates	1	-	-	-
	1	**-**	**-**	**8**

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

(All amounts in €'000)

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

	Group		Company	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Receivables from related parties				
From subsidiaries	-	-	3.608	9.369
From associates	10.775	7.908	2.670	2.705
From other related parties	3.823	9.770	1.154	1.195
	14.598	**17.678**	**7.432**	**13.268**
Payables to related parties				
To subsidiaries	-	-	1.189	973
To associates	57.263	61.571	4.757	3.442
To other related parties	917	734	157	80
	58.180	**62.305**	**6.103**	**4.495**

Key Management compensations

During 2011, a total of €1.317 and €1.678 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations (2010: €2.103 and €2.383 respectively). As at 31 December 2011 there were not any receivables or payables from / to Directors with regards to the Company. The Group has outstanding receivables from Directors amounting to €233 (2010: €0).

40. Post-Balance Sheet Events

The trans-border merger through absorption of the 100% subsidiary of the Group Intracom IT Services by its 100% subsidiary Intrasoft International S.A. based in Luxembourg was completed on 2 January 2012. As a result, the Company's direct shareholding in the absorbing company is 99,99%.

(All amounts in €'000)

41. Subsidiaries

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

31 December 2011

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2010
*	HELLAS ON LINE	Greece	53,28% (note 1)	Full	2010
*	Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Intracom Group USA	USA	100,00%	Full	From establishment - 2010
	- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment - 2010
*	Intracom IT Services	Greece	100,00%	Full	2005- 2010
	- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2010
	- Data Bank SA	Greece	90,00%	Full	2010
	- Intracom IT Services Middle East & Africa	Jordan	80,00%	Full	2010
	- Intracom IT Services Denmark AS	Denmark	100,00%	Full	2008 - 2010
	- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2010
	- Intrasoft International SA	Luxemburg	100,00%	Full	2008-2010
	- Intrasoft SA	Greece	99,00%	Full	2008-2010
	- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2010

Note 1: The total shareholding in Hellas on Line is 57,24% through the participation of subsidiary companies of the Group.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intrakat SA	Greece	61,76%	Full	-
- Inmaint SA	Greece	62,00%	Full	2010
- Intracom Construct SA	Romania	96,54%	Full	2009-2010
-Oikos Properties SRL.	Romania	100,00%	Full	2007-2010
-Rominplot SRL	Romania	99,99% (note 2)	Full	2010
- Eurokat SA	Greece	54,38%	Full	2010
-J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	18,00%	Proportional	2010
-J/V EUROKAT-PROTEUS ATEE (sewer system of PAIANIA)**	Greece	27,19%	Proportional	-
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2010
-SC Plurin Telecommunications SRL	Romania	99,00% (note 3)	Full	2008-2010
-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2010
-Ambtila Enterprises Limited	Cyprus	100,00%	Full	2007-2010
-A. Katselis Energiaki SA	Greece	50,00%	Proportional	2009-2010
- Intradevelopment SA	Greece	100,00%	Full	2010
- Fracasso Hellas AE Design & construction of road safety systems	Greece	55,00%	Full	2010
-Prisma - Domi ATE	Greece	50,00%	Full	2010
'-Mobile Composting SA	Greece	12,00%	Equity	-
-J/V Athinaiki Techniki s.a.- "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Department East Macedonia & Thraki)	Greece	40,00%	Proportional	2010
-J/V VIOTER s.a. - Prisma Domi ATE constructor (Sewages process facilities & subpipe of Ag.Theodorous municipality)	Greece	10,00%	Proportional	2010
-J/V/ NOEL s.a. - Prisma Domi ATE - (Wind park in "Driopi")	Greece	17,50%	Proportional	2010
-J/V Prisma - Domi ATE - Mesogeios ES SA - (operation & mainten. of biolog.wastewater treatment In Oinofita-Schimatari)**	Greece	25,00%	Proportional	2010
-Intrapower SA Company of Energy Works	Greece	75,00%	Full	2010
-Intra - Phos S.A. Alternative energy	Greece	42,00%	Full	-
-ICC ATE	Greece	50,00%	Equity	2010
J./V. Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2010
J./V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2010
J./V. Panthessalikon Stadium	Greece	15,00%	Equity	2008-2010
J./V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2010
J./V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2010
J./V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2010
J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	57,50%	Equity	2005-2010
J./V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2010
J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2010
J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2010
J./V. Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2010
J./V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49,00%	Proportional	2010
J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2010
J./V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2010
J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50,00%	Proportional	2010

Note 2: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

Note 3: The total shareholding in SC Plurin Telecommunications SRL is 100% through the participation of another subsidiary.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2010
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13,33%	Proportional	2008-2010
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2010
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2010
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica South Region	Greece	49,00%	Proportional	2010
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2010
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	77,19%	Proportional	2010
J./V. Eurokat-ETVO- Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2010
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2010
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2007-2010
J/V Intrakat - Elter - (dam construction in Filiatra)	Greece	50,00%	Proportional	2010
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1)	Greece	60,00%	Proportional	2010
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2010
J/V Elter ATE - Intrakat - Nea Messimvria project	Greece	50,00%	Proportional	2010
J/V Intrakat - Filippos SA - Anthipolis project	Greece	50,00%	Proportional	-
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Filothei & Kifissias Aven. Network construction)	Greece	24,00%	Proportional	-
J/V Intrakat-Mavridis (Carrefour hypermarket Chalkidiki)**	Greece	99,00%	Proportional	-
J/V Intrakat-G.D.L. Texniki EPE 'J/V Damp Filiatra'**	Greece	70,00%	Proportional	-

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intracom Telecom Solutions SA	Greece	49,00%	Equity	2009-2010
-Intracom Bulgaria S.A.	Bulgaria	100,00%	Full	1998-2010
-Intracom Svyaz Ltd.	Russia	100,00%	Full	From establishment - 2010
-Intracom Doo Skopje	FYROM	100,00%	Full	2010
-Intralban Sha	Albania	95,00%	Full	2005-2010
-Intrarom S.A.	Romania	66,70%	Full	2008-2010
-Sitronics Intracom India PL	India	100,00%	Full	2010
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	2008-2010
- Intracom Middle East L.L.C.	United Arab Emirates	100,00%	Full	Not applicable
- Connklin Corporation	USA	100,00%	Full	2001-2010
- Intracom Telecom solutions S.R.L.	Moldova	100,00%	Full	Not applicable
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2010
- E-Teleserv doo Belgrade	Serbia	100,00%	Full	From establishment - 2010
- Intracom doo Armenia	Armenia	100,00%	Full	2010
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	2008-2010
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	2008-2010
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	Full	Not applicable

* Direct shareholding

(**) These companies have been included in the Group for the first time in the current year but were not included in the corresponding year of 2010.

The company KEPA Attikis SA was included in the consolidated financial statements for the year 2010, but not in the current year's financial statements.

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

(All amounts in €'000)

31 December 2010

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

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

(All amounts in €'000)

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intrakat SA	Greece	62,24%	Full	2009
	- Inmaint SA	Greece	62,00%	Full	2009
	- KEPA Attica SA	Greece	51,00%	Full	2005-2009
	- Intracom Construct SA	Romania	96,54%	Full	2009
	-Oikos Properties SRL.	Romania	100,00%	Full	2007-2009
	-Rominplot SRL**	Romania	99,99% (note 2)	Full	-
	- Eurokat SA	Greece	54,38%	Full	2007-2009
	-J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	18,00%	Proportional	2007-2009
	- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2009
	-SC Plurin Telecommunications SRL	Romania	99,00% (note 3)	Full	2008-2009
	-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2009
	-Ambtila Enterprises Limited **	Cyprus	100,00%	Full	2006-2009
	-A. Katselis Energiaki SA**	Greece	50,00%	Proportional	2008-2009
	- Intradevelopment SA	Greece	100,00%	Full	2004-2009
	- Fracasso Hellas AE Design & construction of road safety systems	Greece	55,00%	Full	-
	-Prisma - Domi ATE	Greece	50,00%	Full	2009
	-J/V Athinaiki Techniki s.a.- "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Department East Macedonia & Thraki)	Greece	10,00%	Proportional	2007-2009
	-J/V VIOTER s.a. - Prisma Domi ATE constructor (Sewages process facilities & subpipe of Ag.Theodorous municipality)	Greece	10,00%	Proportional	2008-2009
	-J/V/ NOEL s.a. - Prisma Domi ATE - (Wind park in "Driopi")	Greece	17,50%	Proportional	2009
	-J/V Prisma - Domi ATE - Mesogeios ES SA - (operation & mainten. of biolog.wastewater treatment In Oinofita-Schimatari)**	Greece	25,00%	Proportional	-
	-Intrapower SA Company of Energy Works**	Greece	75,00%	Full	-
	-Intra - Phos S.A. Alternative energy **	Greece	42,00%	Full	-
	-ICC ATE**	Greece	50,00%	Equity	2006-2009
	J./V. Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2006-2009
	J./V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2003-2009
	J./V. Panthessalikon Stadium	Greece	15,00%	Equity	2008-2009
	J./V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2008-2009
	J./V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2009
	J./V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2009
	J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	57,50%	Equity	2005-2009
	J./V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2009
	J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2009
	J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2009
	J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49,00%	Proportional	2007-2009
	J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2007-2009
	J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50,00%	Proportional	2007-2009
	J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2009

Note 2: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

Note 3: The total shareholding in SC Plurin Telecommunications SRL is 100% through the participation of another subsidiary.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13,33%	Proportional	2008-2009
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica South Region	Greece	49,00%	Proportional	2007-2009
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	50,00%	Proportional	2008-2009
J./V. Eurokat-ETVO- Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2009
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2007-2009
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2006-2009
J/V Intrakat - Elter - (dam construction in Filiatra)	Greece	50,00%	Proportional	2009
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1)	Greece	60,00%	Proportional	-
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2009
J/V Elter ATE - Intrakat - Nea Messimvria project**	Greece	50,00%	Proportional	-
J/V Intrakat - Filippod SA - Anthipolis project**	Greece	50,00%	Proportional	-
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Filothei & Kiffisias Aven. Network construction)**	Greece	24,00%	Proportional	-

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

* Direct shareholding

E) Notes and Information

INTRACOM HOLDINGS

INTRACOM HOLDINGS SA
(Ledger No SA 13906/06/B/86/20)
19 km MARKOPOULOU AVE., GR-19002, PEANIA ATHENS
Concise financial information for the period from 1 January 2011 to 31 December 2011
(reported under the provisions of L.2190 Art.135 for companies which prepare annual financial statements consolidated or stand alone in accordance with IFRS)

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

Authority in charge:	Ministry of Development
Web Address :	www.intracom.com
Date of approval of the financial statements by the BoD:	29/03/2012

Board of Directors:	
Chairman of the Board of Directors, Executive Member	Socrates P. Kokkalis
Vice Chairman and Deputy CEO, Executive Member:	Dimitrios X. Klonis,
Advisor, Executive Member:	George Ar. Anninos,
Non-Executive Member:	Konstantinos G. Antonopoulos
Independent Non-Executive Members:	Sotirios N. Filos, Dimitrios K. Hatzigrigoriadis.

Certified Auditors Accountants:	Maria Charitou (L.C./ Accociation of Certified Auditors 15161)
Auditing Firm:	SOL S.A. CERTIFIED AUDITORS ACCOUNTANTS
Type of review Opinion:	With no qualification

CONDENSED BALANCE SHEET
Amounts in € thousands

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
ASSETS				
Property plant and equipment	345.038	362.394	22.211	25.425
Investment property	54.773	68.368	66.952	65.768
Intangible assets	113.283	124.992	3	7
Other Non-current assets	139.814	141.986	385.704	384.211
Inventories	36.819	44.166	-	-
Trade Receivables	169.949	220.590	3.639	7.676
Other current assets	171.093	204.256	13.243	14.272
TOTAL ASSETS	**1.030.769**	**1.166.752**	**491.752**	**497.359**
EQUITY AND LIABILITIES				
Share capital	187.567	187.567	187.567	187.567
Reserves and other Equity items	165.778	224.613	252.481	271.755
Capital and reserves attributable to the Company's equity holders (a)	353.345	412.180	440.048	459.322
Non controlling interest (b)	43.954	40.637	-	-
Total Equity (c) = (a) + (b)	397.299	452.817	440.048	459.322
Long-term bank borrowings	156.512	158.328	12.918	13.699
Provisions/Other long-term liabilities	46.421	45.759	1.267	1.475
Short-term bank borrowings	174.216	192.805	27.883	13.840
Other short-term liabilities	256.321	317.043	9.636	9.023
Total Liabilities (d)	633.470	713.935	51.704	38.037
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.030.769**	**1.166.752**	**491.752**	**497.359**

STATEMENT OF COMPREHENSIVE INCOME
Amounts in € thousands

	GROUP		COMPANY	
	01/01-31/12/2011	01/01-31/12/2010	01/01-31/12/2011	01/01-31/12/2010
Sales	519.292	575.384	2.420	2.898
Gross profit (loss)	64.271	79.220	488	477
Profit/(loss) before tax, financing and investing results	-28.985	-16.069	-17.758	-9.128
Profit/(loss) before income tax	-60.407	-38.804	-19.260	-9.672
Profit/(Loss) after Tax (A)	-59.618	-45.881	-19.273	-9.761
-Equity holders of the Company	-50.708	-30.530	-19.273	-9.761
-Non-controlling Interest	-8.910	-15.351	-	-
Other comprehensive Income for the period, net of tax (B)	-635	-2.349	-1	-5
Total comprehensive Income, net of Tax (A) + (B)	-60.253	-48.230	-19.274	-9.766
-Equity holders of the Company	-51.242	-32.099	-19.274	-9.766
-Non-controlling Interest	-9.011	-16.131	-	-
Earnings After Tax per share - basic (in €)	-0,3812	-0,2305	-0,1449	-0,0737
Profit/(loss) before income tax, financing, investing results and total depreciation	49.185	63.154	-15.903	-7.067

STATEMENT OF CHANGES IN EQUITY
Amounts in € thousands

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at the beginning of period (01.01.2011 and 01.01.2010 respectively)	**452.817**	**500.495**	**459.322**	**468.261**
Total comprehensive income for the period after tax	-60.253	-48.230	-19.274	-9.766
Dividend Distributed	-2	-2	-	-
Effect of change in interest held in subsidiary	4.962	21	-	-
Disposal of Subsidiary	-225	-339	-	-
Employees stock options scheme	-	45	-	-
Distribution of Treasury Shares	-	827	-	827
Balance at the end of period (31/12/2011 and 31/12/2010 respectively)	**397.299**	**452.817**	**440.048**	**459.322**

CONDENSED CASH FLOW STATEMENT
Amounts in € thousands

	GROUP		COMPANY	
Indirect Method	01/01-31/12/2011	01/01-31/12/2010	01/01-31/12/2011	01/01-31/12/2010
Operating activities				
Profit/(Loss) before Income Tax (from continuing activities)	-60.407	-38.804	-19.260	-9.672
Profit/(Loss) before Income Tax (from discontinued activities)	-	-	-	-
Plus / Minus Adjustments for:				
Depreciation	78.170	79.223	1.855	2.061
Impairment of Tangible and Intangible assets	2.455	496	-	-
Impairment of subsidiary	4.996	-	13.779	3.524
Provisions	1.574	-1.401	-1.473	37
Translation Differences	-2.160	253	-	-
Results (inflows, outflows, profit and losses) from investing activities	-6.410	-6.671	-320	-579
Interest paid and related costs	31.448	21.626	2.048	1.153
Plus / Minus Adjustments for Working Capital Changes or related to operating activities.				
Decrease / (increase) in inventories	7.348	2.773	-	-
Decrease / (increase) in receivables	89.943	-14.889	2.830	-513
Decrease / (increase) in liabilities (other than banks)	-46.356	12.438	2.030	-1.934
Less:				
Interest expenses and related costs paid	-29.801	-21.669	-2.048	-1.153
Income Tax paid	-4.855	-1.484	-197	-95
Net cash generated from operating activities (a)	**65.945**	**31.891**	**-756**	**-7.171**
Investing activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	4.082	-1.267	-11.030	-15.588
Purchase of PPE, investment property and intangible assets	-56.628	-83.893	-47	-62
Proceeds from PPE, investment property and intangible assets	2.441	9.798		4.706
Proceeds from sale of subsidiary/ share capital decrease of subsidiary	151	415	-	-
Interest received	926	626	47	216
Dividends received	2	-	-	200
Total (outflow)/ inflow from investing activities (b)	**-49.026**	**-74.321**	**-11.030**	**-10.528**
Financing activities				
Proceeds from borrowings and grants	34.813	48.586	14.000	12.002
Repayments of borrowings	-40.687	-30.618	0	0
Repayments of finance leases	-3.166	-5.140	-739	-357
Dividends paid	-21	-45	-19	-43
Total inflow / outflow from financing activities (c)	**-9.061**	**12.783**	**13.242**	**11.602**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**7.858**	**-29.647**	**1.456**	**-6.097**
Cash and cash equivalents at beginning of period	**34.994**	**64.641**	**4.048**	**10.145**
Cash and cash equivalents at end of period	**42.852**	**34.994**	**5.504**	**4.048**

ADDITIONAL DATA AND INFORMATION:

1. There are no pledges on the Company's or Group's assets
2. Number of employees at the end of current period: Company 26 employees (2010, 42 employees) Group 5.076 employees (2010, 5.487 employees).
3. There are no legal disputes or cases on arbitration which may materially affect the financial position of the Company or the Group. Other Provisions on 31.12.2011 sum up to € 168 thous.for the Company and € 7.834 thous. for the Group
   There are no provisions for unaudited fiscal periods for the Company, whereas provisions for unaudited fiscal periods for the Group sum up to € 1.268 thous.
   There are no material provisions for legal disputes or cases on arbitration, neither for the Company nor for the Group.
4. Sales and purchases amounts, cumulatively from the beginning of the fiscal year, and the balances of receivables and payables at the end of the current period deriving, for the Company and the Group, by related party transactions, under the light of IAS 24 provisions are as follows :

(Amounts in € thousands)	Group	Company
a) Income	3.493	4.405
b) Expenses	16.720	803
c) Receivables	14.598	7.432
d) Payables	58.180	6.103
e)Transactions and remuneration of directors and key management.	1.678	1.317
f) Receivables from directors and key management	233	-
g) Payables to directors and key management	-	-

5. Information about the subsidiaries, associates and the joint ventures of the Group as at 31 December 2011 (name, country of incorporation, direct interest held), as well as the consolidation method is presented in Note 43 of the financial statements.
   Furthermore, in Note 43 changes in the consolidation method are mentionned. There are no changes in the consolidation method for the companies included in the group financial statements, or companies that are not included in the consolidation.
6. Unaudited fiscal years by tax authorities for the Company and the Group are stated in Notes 34 and 41. of the financial statements
7. At 31/12/2011 neither the company nor the Group hold any treasury shares of the mother company.
8. During the current period, the amount of € 1 thous., referring to valuation of financial assets available for sale, has been recorded directly to Shareholder's Equity (Fair value Reserves) of the company.
   Respectively, for the Group the amount of € 635 thous has been recorded to the financial statements and includes inter allia € 218 thous. losses from valuation of financial assets available for sale, € 862 thous. losses from exchange rate conversion, and € 445 thous. fair value profits of cash flow hedge.
9. In the company's cash flow statement for fiscal year 2010, the amount of € 3.524 thous. has been reclassified among the account 'result from investing activities' and 'impairment of subsidiary'.
10. On 29.12.2011 the company Attika Telecommunications SA was merged with Hellas Online SA. through absorption of the first from the second. The event did not affect the company's financial data. On 02.01.2012 was completed the trans-border merger through absorption of the by 100% subsidiary INTRACOM IT SERVICES by its 100% subsidiary incorporated in Luxembourg INTRASOFT INTERNATIONAL SA.

Peania, 29 March 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO

S.P. KOKKALIS
ID No AI 091040/05.10.2009

VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND DEPUTY MANAGING DIRECTOR

D.C. KLONIS
ID No AK 121708/07.10.2011

ACCOUNTING MANAGER

I. K. TSOUMAS
ID No AZ 505361/10.12.2007
L.C. 637 First Class