INTRACOM HOLDINGS S.A.

6 - Monthly Financial Report

(1 January - 30 June 2012)

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A) Directors' Statements

(pursuant to article 5 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 financial statements for the 1st half of 2012 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results for the period of 'INTRACOM HOLDINGS SA' and of the undertakings included in consolidation, taken as a whole, in accordance with the provisions of Article 5, par. 3 to 5 of Law 3556/2007 and

b. The half-yearly report of the Board of Directors contains the true information required by Article 5 par. 6 of Law 3556/2007.

THE CHAIRMAN OF THE BOARD OF DIRECTORS &

MANAGING DIRECTOR

S.P. KOKKALIS

ID No AI 091040 / 05.10.2009

THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS &

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

BOARD OF DIRECTORS' REPORT OF

«INTRACOM HOLDINGS S.A.»

FOR THE PERIOD 1st JANUARY – 30th JUNE 2012

(pursuant to article 5 par. 6 of Law 3556/2007)

1. MAIN EVENTS H1 2012

INTRAKAT in a Joint Venture with J&P AVAX and AEGEK CONSTRUCTIONS signed a new contract of € 79,1 mn. with ERGA OSE SA. The project pertains to the construction of the infrastructure for an approximately 7-km section of the new high-speed rail line, along with all related railway and road works, bridges, underpasses, sewerage, irrigation and other smaller technical works. The contract sets a 30-month deadline for completion of works.

Furthermore, on March 2012 INTRAKAT signed a new contract in Poland for the construction of the Zduńska Wola Town Hall Integration Centre, of total budget € 4,65 mn. The project pertains to the construction of the Historic City Hall Building and the development of the Plac Wolnosci Square. The completion of the town hall building is scheduled for September 2013 while the revitalization of the city center will be completed by August 2014. The project is co-financed by the European Union and the European Regional Fund under the 2007-2013 Regional Operational Program.

Following international competition, **INTRACOM Defense Electronics** was awarded by NAMSA (NATO Maintenance and Supply Agency), a two year contract with an option of three additional years for the support of PATRIOT Systems. This agreement succeeds the five year contract between NAMSA and INTRACOM Defense Electronics that has been successfully completed.

Finally, INTRACOM Defense Electronics was awarded a Supplier Excellence Award by Raytheon's Integrated Defense Systems (IDS) business unit in a ceremony at Andover, Massachusetts, USA. Raytheon instituted the annual Supplier Excellence Awards program to recognize suppliers who have provided outstanding service and partnership in exceeding customer requirements. Award candidates are judged on certain criteria, including overall quality, on-time delivery and demonstrated commitment to continuous improvement.

INTRASOFT International, in March 2012, was awarded by the European Maritime Safety Agency based in Lisbon, Portugal a contract for the maintenance of the vessel traffic monitoring and information system 'SafeSeaNet', a centralised European platform for maritime data exchange. This € 1,8 mn. contract highlights INTRASOFT's International prominent position as a provider of IT Services to European Institutions and Member States. In the framework of this contract INTRASOFT International will provide support to EMSA on monitoring over 20,000 vessels across Europe and worldwide, early identification and emergency response to accidents, oil-pollution response, satellite monitoring and long-range identification and tracking of vessels.

Moreover, during the first semester of 2012, the world's leading Compliance Solution of INTRASOFT International, ESKORT, known for providing support for all the main compliance processes within a tax and/or customs authority, has been expanded to provide support to other governmental agencies with a compliance and enforcement function, such as social security, having a key role in National Governments' drive to reinforce their audit capabilities, improve compliance and increase revenue collection – which is a key focus for all globally during these times of financial crisis. The ESKORT Compliance Solution of INTRASOFT International enjoys a dominant position in its field, has been deployed with the collaboration of Government Revenue Agencies worldwide and counts 40 installations in 30 countries in 5 continents. Ministries of Finance in the US (state of Michigan), Denmark, South Africa, Iceland, Ireland, Lithuania, Latvia, Malta and Cyprus have awarded contracts to INTRASOFT International for the implementation of advanced risk-analysis systems for their National Revenue or Tax Collection Agencies. In Greece, ELENXIS, the Integrated Information System of the Auditing Services of the Ministry of Finance is based on the ESKORT Compliance Solution. Recently, the ESKORT Compliance Solution has been applied to the Greek Social Security system, in order to strengthen the audit mechanism of benefits provision. More specifically, IKA the largest Social Security Organisation in Greece, incorporated in its integrated IT system a smart mechanism based on ESKORT, which successfully revealed several fraud cases against the organization.

Finally, in May 2012, a consortium that includes INTRASOFT International has been selected by the European Medicines Agency to be the first priority contractor in a cascading framework contract of a potential estimated value of € 55 mn. for the provision of resources on a time and materials basis for online transactional processing systems. INTRASOFT International's participation is estimated at € 22 mn. (40% of the total consortium budget).

INTRACOM TELECOM launched its leading density wireless backhaul solution, OmniBAS-8W, the only product in the market today combining Point-to-Point and Point-to-Multipoint transmission in a single node. The company featured its latest product at Mobile World Congress, in Barcelona. OmniBAS-8W is the most compact nodal solution in the telecom market today offering outstanding performance and unique deployment flexibility.

2. FINANCIAL RESULTS

Group sales in H1 2012 amounted to € 257,9 mn., presenting a marginal increase in comparison to the relevant semester of 2011. (H1 2011: € 257,5 mn.) INTRACOM TELECOM's sales are not included in group's consolidated turnover, since the company is consolidated by Equity.

The most significant participation in the group sales comes from HELLAS ONLINE Group which, presenting consolidated sales of € 119,7 mn. raised its turnover by 9% (H1 2011: € 109,8 mn.) INTRACOM DEFENSE and INTRASOFT INTERNATIONAL presented similarly increase in sales.

Consolidated gross profit in H1 2012 amounted to € 44,9 mn. versus € 32,4 mn. in H1 2011, which means that the group's gross profit margin has improved from 12,6% in H1 2011 to 17,4% in H1 2012.

The Group's operating results (EBITDA) is respectively increased and summed up to € 38,9 mn. versus € 30,0 mn. the relevant period of 2011.

Consolidated results before tax (EBT) for H1 2012 were losses of € -15,5 mn. versus losses of € - 28,3 mn. for the relevant period of 2011, that is decrease in losses by € 12,8 mn. or 45,2%. The retention in losses before tax is due to the improvement of all companies result, INTRACOM TELECOM included. INTRACOM TELECOM's result consolidated in financial statements of INTRACOM HOLDINGS Group amounted to losses of € -2,1 mn. versus € -4,7 mn. in H1 2011.

Group's shareholders equity summed up to € 381,2 mn. while equity at 31/12/2011 summed up to € 397,3 mn.

Total Group Assets on 30/6/2012 reached € 1.005,4 mn. slightly decreased in comparison to 31/12/2011. Total loans for the group on 30/6/2012 summed up to € 316,3 mn., decreased by € 14,5 mn. in comparison to 31/12/2011.

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

a. Financial Structure Ratios	**GROUP**	**COMPANY**
Current Assets/Total Assets	37,6%	2,6%
Total Equity/Total Liabilities	61,1%	895,3%
Total Equity/Fixed Assets	77,7%	496,1%
Current Assets/Short-term Liabilities	88,7%	33,9%

b. Profitability ratios	**GROUP**	**COMPANNY**
EBITDA/Sales	15,1%	-35,3%
Gross profit/Sales	17,4%	14,9%
Sales/Total Equity	67,64%	0,25%

3. GOALS AND PERSPECTIVES

INTRAKAT GROUP development strategy comprise the enhancement of its position in the Greek construction market by focusing its activities in the sectors that present strong development opportunities, that is Niche Markets where the Group has specialization, 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. The Group emphasizes in the development of its international activities Poland, Romania, Cyprus and Balkan countries, as well as in the development of strategic cooperation with international companies that create synergies and can provide added value to its goals in Greece and abroad.

INTRACOM DEFENSE ELECTRONICS has set as main strategic objectives, the establishment of synergies and agreements with leading international Defense Companies to introduce the company's communications product portfolio in their own integrated Defense Platforms & Solutions for effective common marketing and promotion in third countries, the expansion of the company's presence and marketing activities for the supply of own communications products and solutions to customers in Africa and Middle East, and finally the expansion of its activities as well as maintenance services offered to NAMSA (NATO Maintenance and Supply Agency) and to the Hellenic Ministry of Defense. The Company aims to further improve its competitiveness as a result of structural reorganization and efficient cost cutting program.

INTRASOFT INTERNATIONAL through the transformation of the company to a new international Group, aims to further enhance its presence in international markets. The Group aims to the strengthening of its presence in priority countries: Neighbouring approach (Bulgaria, Romania, International approach (UK, USA), Regional development: to the Scandinavian countries (access point Denmark), Middle East (access point Jordan), Africa (access point Greece), as well as activation in new markets such as the development of new service offering which responds to the needs of telecommunications (Projects in COSMOTE, CYTA, FORTHNET, HOL). Moreover, the Group aims to the enhancement of its vertical expansion in international level : tax, customs, social security, e-justice, e-procurement. Finally, among the company's strategic priorities is to further promote and expand its alliances with Oracle and IBM.

HELLAS ONLINE main targets are summarized to the following: to further grow revenue and EBITDA, to further improve operational cash flow, to extend the commercial agreement with VODAFONE for 3 to 5 years and to introduce Cloud services for the first time in Greek market. The company aims to grow ULL customer base to over 500k households.

Finally, **INTRACOM TELECOM**'s business plan, consistent with the group's extroversion, includes further expansion of direct sales and VAR network in Europe, CIS, Africa, APAC, and S. America, continuously investing in Wireless Network Systems & Telco Software. In the Services sector the company aims to participate in large projects of next generation networks deployment in Greece, in integrated ICT projects in countries where it has already significant presence (Greece and the Balkans). Finally, the Group aims to maintain its leading position and to fully deploy its potential and know- how in the area of system integration.

4. FINANCIAL RISK FACTORS

Concerning the existence and management of financial risk factors, the following are noted:

- **Foreign Exchange Risk**

Wherever possible, the group policy is to raise debt in the same currency with the investments abroad, in order to hedge possible Net Worth exposure in the specific currency.

- **Cash flow and fair value interest rate risk**

Group policy is to reduce its debt to the maximum possible extent maintaining small amounts in deposits, thus resulting in limited exposure to interest rate risk on cash deposits.

The debt of the Group comprises bond loans, short and long term bank debt with floating interest rates, along with Sale & Lease Back Products. In order to reduce interest rate risk, the usage of interest rate hedging derivatives is preferred from time to time.

- **Credit Risk**

The Group does not currently face any significant credit risk since the receivables are collected from a broad customer base. Moreover, the group companies closely monitor the financial strength of the customers.

In certain foreign customer cases, additional credit coverage is obtained through export insurance agencies.

At the year end, the Management estimated that there was no substantial credit risk that was had not been sufficiently covered or already registered as bad debt.

- **Cash flow risk**

Prudent cash flow management is executed through a proper combination of cash balances and approved credit lines.

Possible cash flow risks breading out of temporary cash shortages are managed through the existence of approved bank credit lines.

The bank credit lines currently available are considered adequate in order to face cover for any possible cash flow needs shortages.

- **Price risk**

The Group does not face any substantial risk from possible value fluctuation of its securities that have been classified as “available for sale” or “financial instruments in fair value” through the profit and loss account. The existing securities concern shares of listed and non-listed companies.

5. RELATED PARTY TRANSACTIONS

Transactions with related parties during the first semester of 2012 have taken place on an arm’s length basis without changes that could substantially impact the financial position or performance of the company.

The most significant transactions carried out with related parties are as follows:

Income & Receivables Period 1/1-30/6/2012
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	SALES OF FIXED ASSET	RECEIVABLES
INTRAKAT SA	216	149	-	2.319
INTRASOFT INTERNATIONAL SA (GR)	408	348	-	1.168
INTRACOM DEFENSE SA	4	-	-	140
HELLAS ON LINE A.E.	472	710	-	732
OTHER SUBSIDIARIES	1	8	-	70
Total	**1.101**	**1.215**	**0**	**4.429**
ASSOCIATES				
INTRACOM TELECOM SA	23	-	-	1.886
INTRACOM LTD SKOPJE	-	-	-	750
Total	**23**	**0**	**0**	**2.636**
OTHER RELATED PARTIES				
INTRALOT	-	64	-	1.216
OTHER RELATED PARTIES	-	2	-	5
Total	**0**	**66**	**0**	**1.221**
TOTAL	**1.124**	**1.281**	**0**	**8.286**

Expenses & Payables Period 1/1-30/6/2012
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	PAYABLES
IN MAINT SA	128	-	-	21
INTRADEVELOPMENT SA	-	-	-	40
INTRACOM I.T. SERVICES SA	-	-	-	877
HELLAS ON LINE A.E.	2	-	-	218
OTHER SUBSIDIARIES	6	-	-	17
Total	**136**	**0**	**0**	**1.173**
ASSOCIATES				
INTRACOM TELECOM SA	-	-	-	2.610
OTHER ASSOCIATES	-	-	-	27
Total	**0**	**0**	**0**	**2.637**
OTHER RELATED PARTIES				
KARAISKAKIS AE	-	-	-	123
OTHER RELATED PARTIES	-	-	-	8
Total	**0**	**0**	**0**	**131**
TOTAL	**136**	**0**	**0**	**3.941**

For the six months ended 30 June 2012 a total of €486 and €1.057 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations.

Peania, 30 August 2012

The Board of Directors

C) Review Report on Interim Financial Information

To the Shareholders of **"INTRACOM HOLDINGS S.A."**

Introduction

We have reviewed the accompanying separate and consolidated balance sheet of **INTRACOM HOLDINGS S.A.** (the "Company") and of its subsidiaries as at 30 June 2012 and the relative separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, August 30th 2012
Certified Public Accountant Auditor

Zoi D. Sofou
Institute of CPA (SOEL) Reg. No. 14701

ΣΟΛ ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ 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) Interim 6-monthly condensed financial statements in accordance with International Accounting Standard 34

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

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(All amounts in €'000)

Balance sheet

		Group		Company	
ASSETS	**Note**	**30/06/2012**	**31/12/2011**	**30/06/2012**	**31/12/2011**
Non-current assets					
Property, plant and equipment	6	328.081	345.038	21.750	22.211
Goodwill		68.393	68.393	-	-
Intangible assets	6	39.989	44.890	1	3
Investment property	6	54.523	54.773	66.488	66.952
Investments in subsidiaries		-	-	263.118	263.118
Investments in associates		100.438	103.871	102.900	102.900
Available - for - sale financial assets	8	10.726	10.838	9.627	9.621
Deferred income tax assets		9.299	8.569	-	-
Long-term loans		10.245	10.026	10.245	10.026
Trade and other receivables		5.992	6.510	39	39
		627.686	**652.908**	**474.168**	**474.870**
Current assets					
Inventories		39.590	36.819	-	-
Trade and other receivables		267.279	268.446	11.395	11.377
Construction contracts		24.747	18.313	-	-
Financial assets at fair value through profit or loss		191	105	-	-
Current income tax assets		7.690	11.326	-	-
Cash and cash equivalents		38.195	42.852	1.049	5.504
		377.691	**377.861**	**12.444**	**16.881**
Total assets		**1.005.378**	**1.030.769**	**486.612**	**491.752**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	9	187.567	187.567	187.567	187.567
Share premium	9	194.204	194.204	194.204	194.204
Other reserves		186.635	186.732	147.730	147.725
Retained earnings		(228.008)	(215.157)	(91.778)	(89.447)
		340.398	353.345	437.723	440.048
Non-controlling interest		40.858	43.954	-	-
Total equity		**381.256**	**397.299**	**437.723**	**440.048**
LIABILITIES					
Non-current liabilities					
Borrowings	10	152.364	156.512	10.962	12.917
Deferred income tax liabilities		2.647	2.728	926	1.005
Retirement benefit obligations		6.787	6.416	259	262
Grants		20.805	21.210	-	-
Derivative financial instruments		1.610	1.668	-	-
Provisions		2.069	1.429	-	-
Trade and other payables		12.213	12.970	-	-
		198.495	**202.933**	**12.147**	**14.185**
Current liabilities					
Trade and other payables		248.833	236.684	7.124	9.468
Current income tax liabilities		2.106	5.667	-	-
Construction contracts		2.824	2.426	-	-
Borrowings	10	163.945	174.216	29.451	27.883
Grants		2.742	3.870	-	-
Provisions		5.177	7.673	168	168
		425.627	**430.537**	**36.742**	**37.518**
Total liabilities		**624.122**	**633.470**	**48.889**	**51.703**
Total equity and liabilities		**1.005.378**	**1.030.769**	**486.612**	**491.752**

The notes on pages 20 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of comprehensive income – 1/1 - 30/6/2012

	Note	Group 1/1 - 30/06/2012	Group 1/1 - 30/06/2011	Company 1/1 - 30/06/2012	Company 1/1 - 30/06/2011
Sales	5	257.890	257.466	1.100	1.150
Cost of goods sold		(212.986)	(225.086)	(936)	(957)
Gross profit		**44.904**	**32.380**	**164**	**193**
Other operating income		4.300	6.371	1.515	1.681
Other gains / (losses) - net		(143)	49	-	-
Selling and research costs		(18.324)	(19.023)	-	(66)
Administrative expenses		(29.576)	(28.952)	(2.995)	(4.003)
Operating profit / (loss)		**1.161**	**(9.176)**	**(1.315)**	**(2.194)**
Finance expenses	11	(15.751)	(15.160)	(1.406)	(823)
Finance income	11	1.503	593	351	235
Finance income / (expenses) - net		**(14.247)**	**(14.567)**	**(1.055)**	**(588)**
Share of losses of associates	5	(2.455)	(4.571)	-	-
Loss before income tax		**(15.542)**	**(28.314)**	**(2.370)**	**(2.782)**
Tax income / (expense)	12	(321)	(225)	39	9
Net loss for the period		**(15.863)**	**(28.539)**	**(2.331)**	**(2.772)**
Other comprehensive income :					
Fair value gains / (losses) on available for sale financial assets , net of tax	8	(112)	(266)	5	-
Currency translation differences, net of tax		(318)	165	-	-
Cash flow hedges		249	264	-	-
Other comprehensive income for the period, net of tax		(181)	163	5	-
Total comprehensive income for the period		**(16.043)**	**(28.376)**	**(2.326)**	**(2.772)**
Losses attributable to:					
Equity holders of the Company		(12.635)	(25.102)	(2.331)	(2.772)
Non-controlling interest		(3.227)	(3.437)	-	-
		(15.863)	**(28.539)**	**(2.331)**	**(2.772)**
Total comprehensive income attributable to:					
Equity holders of the Company		(12.947)	(24.887)	(2.326)	(2.772)
Non-controlling interest		(3.096)	(3.489)	-	-
		(16.043)	**(28.376)**	**(2.326)**	**(2.772)**
Earnings per share for loss attributable to the equity holders of the Company during the period (expressed in € per share)					
Basic	13	(0,09)	(0,19)	(0,02)	(0,02)
Diluted	13	(0,09)	(0,19)	(0,02)	(0,02)

The notes on pages 20 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of comprehensive income – 1/4 - 30/6/2012

	Group		Company	
	1/4 - 30/6/2012	**1/4 - 30/6/2011**	**1/4 - 30/6/2012**	**1/4 - 30/6/2011**
Sales	127.765	124.985	608	618
Cost of goods sold	(105.088)	(110.110)	(526)	(519)
Gross profit	**22.678**	**14.875**	**82**	**99**
Other operating income	1.443	4.083	753	1.247
Other gains / (losses) - net	138	458	-	-
Selling and research costs	(8.471)	(8.759)	-	(34)
Administrative expenses	(16.325)	(14.948)	(1.506)	(2.047)
Operating loss	**(538)**	**(4.292)**	**(672)**	**(735)**
Finance expenses	(7.446)	(9.159)	(703)	(469)
Finance income	357	337	226	119
Finance income / (expenses) - net	**(7.088)**	**(8.822)**	**(477)**	**(350)**
Share of losses of associates	(2.320)	(1.128)	-	-
Loss before income tax	**(9.946)**	**(14.241)**	**(1.149)**	**(1.085)**
Tax income / (expense)	(3.452)	358	30	8
Net loss for the period	**(13.399)**	**(13.884)**	**(1.119)**	**(1.077)**
Other comprehensive income :				
Fair value gains / (losses) on available for sale financial assets , net of	66	(552)	(1)	(1)
Currency translation differences, net of tax	(670)	(160)	-	-
Cash flow hedges	178	(241)	-	-
Other comprehensive income for the period, net of tax	**(425)**	**(953)**	**(1)**	**(1)**
Total comprehensive income for the period	**(13.824)**	**(14.837)**	**(1.120)**	**(1.078)**
Losses attributable to:				
Equity holders of the Company	(11.223)	(12.609)	(1.119)	(1.077)
Non-controlling interest	(2.176)	(1.275)	-	-
	(13.399)	**(13.884)**	**(1.119)**	**(1.077)**
Total comprehensive income attributable to:				
Equity holders of the Company	(11.691)	(13.210)	(1.120)	(1.078)
Non-controlling interest	(2.133)	(1.627)	-	-
	(13.824)	**(14.837)**	**(1.120)**	**(1.078)**
Earnings per share for loss attributable to the equity holders of the Company during the period (expressed in € per share)				
Basic	(0,08)	(0,09)	(0,01)	(0,01)
Diluted	(0,08)	(0,09)	(0,01)	(0,01)

The notes on pages 20 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of changes in equity- Group

	Attributable to equity holders of the company				Non controlling interest	Total equity
	Share capital	Other reserves	Retained earnings	Total		
Balance at 1 January 2011	381.771	186.351	(155.942)	412.180	40.637	452.817
Loss for the period	-	-	(25.102)	(25.102)	(3.437)	(28.539)
Fair value losses on available for sale financial assets	-	(166)	-	(166)	(100)	(266)
Currency translation differences	-	239	-	239	(74)	165
Cash flow hedging	-	141	-	141	123	264
Total comprehensive income for the period	-	215	(25.102)	(24.887)	(3.489)	(28.376)
Dividend to non-controlling interest	-	-	-	-	(2)	(2)
Disposal of subsidiaries	-	(10)	10	-	(225)	(225)
Transfer	-	1.209	(1.257)	(48)	48	-
	-	1.198	(1.247)	(48)	(179)	(227)
Balance at 30 June 2011	**381.771**	**187.764**	**(182.290)**	**387.245**	**36.969**	**424.214**
Balance at 1 January 2012	381.771	186.732	(215.157)	353.345	43.954	397.299
Loss for the period	-	-	(12.635)	(12.635)	(3.227)	(15.863)
Fair value losses on available for sale financial assets	-	(67)	-	(67)	(45)	(112)
Currency translation differences	-	(387)	-	(387)	70	(318)
Cash flow hedging	-	142	-	142	106	249
Total comprehensive income for the period	-	(312)	(12.635)	(12.947)	(3.096)	(16.043)
Transfer	-	216	(216)	-	-	-
	-	216	(216)	-	-	-
Balance at 30 June 2012	**381.771**	**186.635**	**(228.008)**	**340.398**	**40.858**	**381.256**

The notes on pages 20 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of changes in equity- Company

	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2011	381.771	147.725	(70.174)	459.322
Loss for the period	-	-	(2.772)	(2.772)
Total comprehensive income for the period	-	-	(2.772)	(2.772)
Balance at 30 June 2011	**381.771**	**147.725**	**(72.946)**	**456.549**
Balance at 1 January 2012	381.771	147.725	(89.447)	440.048
Loss for the period	-	-	(2.331)	(2.331)
Fair value gains on available for sale financial assets	-	5	-	5
Total comprehensive income for the period	-	5	(2.331)	(2.326)
Balance at 30 June 2012	**381.771**	**147.730**	**(91.778)**	**437.723**

The notes on pages 20 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Cash flow statement

		Group		Company	
	Note	**1/1 - 30/06/2012**	**1/1 - 30/06/2011**	**1/1 - 30/06/2012**	**1/1 - 30/06/2011**
Cash flows from operating activities					
Cash generated from / (used in) operations	14	44.301	29.372	(2.812)	(1.850)
Interest paid		(14.432)	(15.263)	(1.232)	(823)
Income tax paid		(926)	(670)	(24)	(27)
Net cash generated from / (used in) operating activities		**28.944**	**13.439**	**(4.068)**	**(2.700)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(11.165)	(19.140)	-	(40)
Purchase of investment property		-	(4)	-	(5)
Purchase of intangible assets		(9.205)	(11.046)	-	-
Proceeds from sale of PPE		133	378	-	-
Proceeds from sale of investment property		-	1.692	-	-
Proceeds from sale of intangible assets		1	-	-	-
Acquisition of financial assets at fair value through profit or loss		(110)	-	-	-
Acquisition of available-for-sale financial assets		-	(152)	-	(152)
Acquisition of subsidiary, net of cash acquired		-	99	-	-
Disposal of subsidiaries		80	151	-	-
Share capital increase of associate		(24)	-	-	-
Disposal / write-off of associates and joint ventures		9			
Interest received		1.251	362	1	4
Loans granted		-	(645)	-	(645)
Net cash from investing activities		**(19.031)**	**(28.305)**	**1**	**(838)**
Cash flows from financing activities					
Dividends to shareholders		(1)	(19)	(1)	(19)
Dividends to non-controlling interest		-	(2)	-	-
Proceeds from borrowings		9.829	11.666	-	4.000
Repayments of borrowings		(22.747)	(8.335)	-	-
Grants received		-	5.721	-	-
Repayments of finance leases		(1.651)	(2.241)	(387)	(361)
Net cash from financing activities		**(14.569)**	**6.790**	**(388)**	**3.620**
Net increase / (decrease) in cash and cash equivalents		**(4.657)**	**(8.076)**	**(4.455)**	**83**
Cash and cash equivalents at beginning of period		42.852	34.994	5.504	4.048
Cash and cash equivalents at end of period		**38.195**	**26.918**	**1.049**	**4.131**

The notes on pages 20 to 37 are an integral part of these interim condensed 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" 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 has also activities in the construction sector and the telecommunications sector. The parent company operates as a holding company.

The Group operates in Greece, Luxemburg, 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 interim condensed financial statements of the Group and the Company have been approved for issue by the Board of Directors on 30 August 2012.

2. Basis of preparation and accounting policies

These interim condensed financial statements consist of the stand alone financial statements of Intracom Holdings S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the period 1/1 – 30/6/2012. They have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

These interim condensed financial statements must be examined together with the annual financial statements for the year 2011, as published on the Group's website ***www.intracom.com*.**

The accounting policies used for the preparation and the presentation of the interim condensed financial statements are consistent with those applied for the preparation and presentation of the annual financial statements of the Company and the Group for the financial year ended 31 December 2011. These interim condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

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

Standards and Interpretations effective for the current financial year

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets

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. The amendment will be applied in the annual financial statements.

IAS 12 (Amendment) "Income Taxes"

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, and therefore has not been applied by the Group.

Standards and Interpretations effective from periods beginning on or after 1 January 2013

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.

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.

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.

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.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

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.

Amendments to standards that form part of the IASB's 2011 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013 and have not yet been endorsed by the EU.

IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

IAS 34, 'Interim financial reporting'

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

(All amounts in €'000)

Roundings

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

3. Financial risk management

There have been not any material changes in the financial risk management of the Group or any material changes in fair value measurement since 31 December 2011.

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. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the accounting estimates and judgments made by management were consistent to those applied to the annual financial statements of the Company and the Group for the year ended 31 December 2011.

5. Segment information

At 30 June 2012, the Group is organised into five main segments:

(1) Telecommunications systems

(2) Technology solutions for government and banking sector

(3) Defence systems

(4) Construction

(5) Telecommunication services

The segment information for the period 1/1 – 30/6/2012 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecommunication services	Other	Total
Total sales	1.896	63.915	23.495	50.267	119.713	2.301	261.586
Inter-segment sales	-	(245)	(0)	(1.940)	(108)	(1.403)	(3.695)
Sales from external customers	**1.896**	**63.670**	**23.494**	**48.327**	**119.605**	**898**	**257.890**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	273	3.053	414	2.037	33.556	(409)	38.926

(All amounts in €'000)

The segment information for the period 1/1 – 30/6/2011 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecommunication services	Other	Total
Total sales	2.122	63.356	20.177	67.465	109.792	1.177	264.089
Inter-segment sales	-	(1.812)	(6)	(1.901)	(1.832)	(1.070)	(6.622)
Sales from external customers	**2.122**	**61.543**	**20.171**	**65.563**	**107.960**	**106**	**257.466**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	87	(5.037)	(1.187)	4.897	32.568	(1.291)	30.037

The activities of the parent company Intracom Holdings SA are included under the column "Other".

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

	1/1 - 30/06/2012	1/1 - 30/06/2011
Earnings before interest, tax, depreciation and amortisation (EBITDA)	38.926	30.037
Depreciation	(37.765)	(39.213)
Finance cost - net	(14.247)	(14.567)
Loss from associates	(2.455)	(4.571)
Loss before income tax	**(15.542)**	**(28.314)**

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

Loss from associates mainly includes the results of Intracom Telecom Solutions S.A. (1/1 – 30/6/2012: loss €3.001 and 1/1 – 30/6/2011: loss €4.516).

(All amounts in €'000)

6. Capital expenditure

Group

	Fixed assets	Intangible assets	Investment properties	Total
Net book amount at 1 January 2011	362.394	56.604	68.368	487.367
Additions	12.384	11.046	4	23.434
Disposals / Write-offs	(735)	(1.156)	(1.413)	(3.304)
Depreciation charge	(22.697)	(16.268)	(248)	(39.213)
Transfer	7.955	-	(7.955)	-
Other movement	(63)	(5)	(147)	(216)
Net book amount at 30 June2011	**359.238**	**50.221**	**58.609**	**468.068**

	Fixed assets	Intangible assets	Investment properties	Total
Net book amount at 1 January 2012	345.038	44.890	54.773	444.701
Additions	6.641	9.168	-	15.809
Disposals	(157)	(1)	-	(158)
Depreciation charge	(23.433)	(14.104)	(228)	(37.765)
Other movement	(8)	37	(22)	7
Net book amount at 30 June2012	**328.081**	**39.989**	**54.523**	**422.594**

Company

	Fixed assets	Intangible assets	Investment properties	Total
Net book amount at 1 January 2011	25.425	7	65.768	91.200
Additions	40	-	5	45
Disposals / Write-offs	(226)	-	-	(226)
Depreciation charge	(466)	(2)	(460)	(928)
Other movement	(1.691)	-	1.691	-
Net book amount at 30 June2011	**23.083**	**5**	**67.003**	**90.091**

	Fixed assets	Intangible assets	Investment properties	Total
Net book amount at 1 January 2012	22.211	3	66.952	89.166
Depreciation charge	(461)	(2)	(464)	(926)
Net book amount at 30 June2012	**21.750**	**1**	**66.488**	**88.240**

(All amounts in €'000)

7. Investments in subsidiaries

Period 1/1 – 30/6/2012

The trans-border merger through absorption of the 100% subsidiary of the Group Intracom IT Services by its 99,99% 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%. The merger had no effect to the Group.

8. Available-for-sale financial assets

	Group		Company	
	30/06/2012	**31/12/2011**	**30/06/2012**	**31/12/2011**
Balance at the beginning of the period	10.838	11.191	9.621	9.470
Additions	-	152	-	152
Fair value gains / (losses)	(112)	(218)	5	(1)
Impairment	-	(287)	-	-
Balance at the end of the period	**10.726**	**10.838**	**9.627**	**9.621**

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 as at 30 June 2012.

9. Share capital

	Number of shares	Share capital	Share premium	Total
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**
Balance at 1 January 2012	133.025.996	187.567	194.204	381.771
Balance at 30 June 2012	**133.025.996**	**187.567**	**194.204**	**381.771**

On 31 December 2011 and on 30 June 2012 the Company's share capital amounts to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

On 20 July 2012 the Company's share capital decreased by the amount of €29,61 through the cancellation of 21 shares with nominal value of €1,41 each following the resolution of the 2nd Repeat Session of the Annual General Meeting of Shareholders.

(All amounts in €'000)

10. Borrowings

	Group		Company	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Bank loans	151.768	154.855	20.196	20.196
Finance lease liabilities	12.214	13.855	10.216	10.604
Bond loans	142.327	152.018	-	-
Other loans	10.000	10.000	10.000	10.000
Total borrowings	**316.309**	**330.728**	**40.412**	**40.800**
Long-term borrowings	152.364	156.512	10.962	12.917
Short-term borrowings	163.945	174.216	29.451	27.883
	316.309	**330.728**	**40.412**	**40.800**

On 27 July 2012 the amount of €4.097 has been reclassified from short-term to long-term borrowings in the Company and the Group according to a loan agreement amendment.

11. Finance (expenses) / income - net

	Group		Company	
	1/1 - 30/06/2012	1/1 - 30/06/2011	1/1 - 30/06/2012	1/1 - 30/06/2011
Finance expenses				
- Bank borrowings	(5.871)	(5.615)	(968)	(532)
- Bond loans	(4.933)	(4.247)	-	-
- Other loans	(174)	-	(174)	-
- Finance leases	(370)	(455)	(263)	(291)
- Letters of credit and related costs	(1.659)	(1.433)	-	-
- Other	(2.484)	(3.230)	-	-
- Net foreign exchange gains / (losses)	(260)	(180)	-	-
Total finance expense	**(15.751)**	**(15.160)**	**(1.406)**	**(823)**
Finance Income				
- Interest income	1.096	349	1	4
- Interest income from loans	236	231	236	231
- Other	172	13	114	-
Total finance income	1.503	593	351	235
Finance income / (expense) - net	**(14.247)**	**(14.567)**	**(1.055)**	**(588)**

12. Income tax

	Group		Company	
	1/1 - 30/06/2012	1/1 - 30/06/2011	1/1 - 30/06/2012	1/1 - 30/06/2011
Current tax	1.128	1.001	40	-
Deferred tax	(807)	(776)	(79)	(9)
Total	**321**	**225**	**(39)**	**(9)**

As at 30/6/2012 the Group has recognised deferred tax assets of €9.299 (31/12/11: €8.569). The Group expects that within the next years, future taxable profits will be available against which the temporary differences that give rise to the deferred tax asset can be utilised.

The Company and the Greek companies in the Group, which have been under the tax audit of the statutory auditors pursuant to the provisions of article 82 paragraph 5 of Law 2238/1994, obtained the 'Tax Compliance Report' for the financial year 2011, out of which no additional tax liabilities arose in excess of the tax expense and the tax provision provided for in the 2011 annual financial statements. According to the relevant legislation, the tax liabilities for financial year 2011 shall be considered finalized after eighteen months from the date when the 'Tax Compliance Report' has been submitted to the Ministry of Finance.

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 19.

13. Earnings / (losses) per share

Basic / diluted earnings / (losses) per share

	Group		Company	
	1/1 - 30/06/2012	**1/1 - 30/06/2011**	**1/1 - 30/06/2012**	**1/1 - 30/06/2011**
Loss attributable to equity holders of the Company	(12.635)	(25.102)	(2.331)	(2.772)
Weighted average number of ordinary shares in issue (thousands)	133.026	133.026	133.026	133.026
Basic / Diluted earnings per share (€ per share)	**(0,09)**	**(0,19)**	**(0,02)**	**(0,02)**

(All amounts in €'000)

14. Cash generated from operations

	Group		Company	
	1/1 - 30/06/2012	1/1 - 30/06/2011	1/1 - 30/06/2012	1/1 - 30/06/2011
Loss for the year	(15.863)	(28.539)	(2.331)	(2.772)
Adjustments for:				
Tax	321	225	(39)	(9)
Depreciation of PPE	23.433	22.697	461	466
Amortisation of intangible assets	14.104	16.268	2	2
Depreciation of investment property	228	248	464	460
Loss / (Profit) on sale of PPE	23	345	-	226
Fair value gains of investments at fair value through profit or loss	24	1	-	-
Profit on sale of investment property	-	(278)	-	-
Impairment of available-for-sale financial assets	-	287	-	-
Loss on disposal of subsidiary	-	20	-	-
Interest income	(1.503)	(593)	(351)	(235)
Interest expense	15.751	15.160	1.406	823
Depreciation of grants received	(1.557)	(2.674)	-	-
Share of loss from associates	2.800	4.571	-	-
Exchange losses / (gains)	(668)	(224)	-	-
Negative goodwill from acquisition of subsidiaries	-	(185)	-	-
	37.093	**27.329**	**(389)**	**(1.039)**
Changes in working capital				
(Increase)/ decrease in inventories	(3.063)	5.872	-	-
(Increase)/ decrease in trade and other receivables	(4.756)	22.846	33	35
Increase/ (decrease) in trade and other payables	16.512	(26.933)	(2.454)	(223)
Increase/ (decrease) in provision	(1.856)	550	-	(500)
Increase/ (decrease) in retirement benefit obligations	371	(292)	(3)	(123)
	7.209	**2.043**	**(2.424)**	**(811)**
Cash generated from / (used in) operations	**44.301**	**29.372**	**(2.812)**	**(1.850)**

15. Capital commitments

As at the balance sheet date there were capital commitments for property, plant and equipment of €6.000 for the Group (2011: €4.350).

16. Contingencies / Outstanding legal cases

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

	Group		Company	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Guarantees for advance payments	29.979	29.081	24.993	25.380
Guarantees for good performance	169.955	145.668	143.724	134.359
Guarantees for participation in contests	19.561	22.214	14.267	20.224
Other	13.189	22.776	10.345	6.003
	232.684	**219.740**	**193.329**	**185.965**

The Company has given guarantees to banks for subsidiaries' loans amounting to €311.013.

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

Outstanding legal cases

There is an outstanding legal case against a subsidiary company from the Ministry of Merchant Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed 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 30 June 2012, 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)

17. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 30/06/2012	**1/1 - 30/06/2011**	**1/1 - 30/06/2012**	**1/1 - 30/06/2011**
Sales of goods / services:				
To subsidiaries	-	-	1.101	1.026
To associates	629	1.525	23	64
To other related parties	854	984	-	2
	1.484	**2.509**	**1.124**	**1.092**
Purchases of goods / services:				
From subsidiaries	-	-	137	205
From associates	5.294	4.166	-	-
From other related parties	30	79	-	-
	5.324	**4.245**	**137**	**205**
Rental income:				
From subsidiaries	-	-	1.215	868
From associates	52	165	-	2
From other related parties	139	66	66	66
	191	**231**	**1.281**	**936**
Purchases of fixed assets:				
From subsidiaries	-	-	-	45
From associates	3.534	5.272	-	-
	3.534	**5.272**	**-**	**45**

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

(All amounts in €'000)

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

	Group		Company	
	30/06/2012	**31/12/2011**	**30/06/2012**	**31/12/2011**
Receivables from related parties				
From subsidiaries	-	-	4.429	3.608
From associates	10.675	10.775	2.636	2.670
From other related parties	4.298	3.823	1.221	1.154
	14.973	**14.598**	**8.286**	**7.432**
Payables to related parties				
To subsidiaries	-	-	1.173	1.189
To associates	58.248	57.263	2.637	4.757
To other related parties	854	917	131	157
	59.102	**58.180**	**3.941**	**6.103**

Key Management compensations

For the six months ended 30 June 2012 a total of €486 and €1.057 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations (1/1 – 30/6/2011: €665 and €822 respectively). As at 30 June 2012 and 31 December 2011 there were not any receivables or payables from / to Directors with regards to the Company. As at 30 June 2012 the Group has outstanding receivables from Directors amounting to €233 (2011: €233) and outstanding payables to Directors amounting to €153 (2011: €0). Until today the amount of €100 out of the foresaid receivable has been collected while the remaining amount will be settled by 31/12/2012.

18. Post balance sheet events

No significant events occurred after the balance sheet date.

(All amounts in €'000)

19. Subsidiaries

The companies and joint ventures included in the consolidated financial statements and the related direct percentage interests held as at 30 June 2012 are as follows.

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% (see note1)	Full	2010
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Intracom Group USA	USA	100,00%	Full	From establishment - 2011
- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment - 2011
* Intrasoft International S.A.	Luxemburg	100,00%	Full	2008-2011
- Intrasoft SA	Greece	99,00%	Full	2008-2011
- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2011
- Intrasoft International Bulgaria**	Bulgaria	100,00%	Full	-
- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2011
- Data Bank SA	Greece	90,00%	Full	2010
- Intracom IT Services Middle East & Africa	Jordan	80,00%	Full	2010-2011
- Intrasoft International Scandinavia (former IT Services Denmark AS)	Denmark	100,00%	Full	2008 - 2011
- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2011
- Intrasoft Information Technology UK Ltd**	United Kingdom	100,00%	Full	From establishment - 2011
- Intrasoft International USA Inc**	USA	100,00%	Full	-

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	2010-2011
- Intracom Construct SA	Romania	96,54%	Full	2009-2011
-Oikos Properties SRL.	Romania	100,00%	Full	2007-2011
-Rominplot SRL	Romania	99,99% (see note 2)	Full	2010-2011
- Eurokat SA	Greece	54,38%	Full	2010-2011
-J/V AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	18,00%	Proportional	2010-2011
-J/V Eurokat ATE - Proteas (Sewage network of Paiania municipality)	Greece	27,19%	Proportional	2011
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2011
-SC Plurin Telecommunications SRL	Romania	99,00% (see note 3)	Full	2008-2011
-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2011
-Ambtila Enterprises Limited	Cyprus	100,00%	Full	2007-2011
-A. Katselis Energiaki SA	Greece	50,00%	Proportional	2009-2011
- Intradevelopment SA	Greece	100,00%	Full	2010-2011
- Fracasso Hellas AE Design & construction of road safety systems	Greece	55,00%	Full	2010-2011
-Prisma - Domi ATE	Greece	50,00%	Full	2010
-Mobile Composting S.A.**	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	2010-2011
-J/V VIOTER S.A. - Prisma Domi ATE constructor (Sewages process facilities & subpipe of Ag.Theodorous municipality)	Greece	10,00%	Proportional	2010-2011
-J/V/ NOEL S.A. - Prisma Domi ATE - (Wind park in "Driopi")	Greece	17,50%	Proportional	2010-2011
-J/V Prisma - Domi ATE - Mesogeios ES SA - (operation & mainten. of biolog.wastewater treatment In Oinofita-Schimatari)	Greece	25,00%	Proportional	2010-2011
-Intrapower SA Company of Energy Works	Greece	75,00%	Full	2010-2011
-Intra - Phos S.A. Alternative energy	Greece	42,00%	Full	2011
-ICC ATE	Greece	50,00%	Equity	2010-2011
J/V Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2010-2011
J/V Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2010-2011
J/V Panthessalikon Stadium	Greece	15,00%	Equity	2007-2011
J/V Elter - Intrakat (EPA Gas)	Greece	45,00%	Equity	2010-2011
J/V Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2011
J/V "Ath.Techniki-Prisma Domi" - Intrakat	Greece	57,50%	Equity	2005-2011
J/V Intrakat - Ergaz - ALGAS	Greece	33,33%	Equity	2007-2011
J/V Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2011
J/V Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2010-2011
J/V Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2010-2011
J/V Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2011
J/V Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2011

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/Vintrakat - Elter (Gas Distrib. Network Expansion Xanthi, Serres, Komotini)	Greece	50,00%	Proportional	2007-2011
J/V AKTOR ATE - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2008-2011
J/V Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2011
J/V Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2011
J/V Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica South Region	Greece	49,00%	Proportional	2010-2011
J/V Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	77,19%	Proportional	2010-2011
J/V Intrakat - ETVO - Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2011
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2010-2011
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2007-2011
J/V Intrakat - Elter (Dam construction in Filiatrino)	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1)	Greece	60,00%	Proportional	2010-2011
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2010-2011
J/V Elter ATE - Intrakat - Nea Messimvria project	Greece	50,00%	Proportional	2010-2011
J/V Intrakat - Filippos SA - Anthipolis project	Greece	50,00%	Proportional	2011
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Filothei & Kiffisias Aven. Network construction)	Greece	24,00%	Proportional	2011
J/V Intrakat - Mavridis (construction of hypermarket Carefour Chalkidiki)	Greece	99,00%	Proportional	2011
J/V Intrakat - G.D.K. Texniki E.P.E. "Construction of Filiatrinou Dam"**	Greece	70,00%	Proportional	2011
J/V J&P AVAX - AEGEK - Intrakat (Construction of railway Kiato - Rododafni)**	Greece	33,33%	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	1998-2011
-Intracom Svyaz Ltd.	Russia	100,00%	Full	From establishment - 2011
-Intracom Doo Skopje	FYROM	100,00%	Full	2010
-Intralban Sha	Albania	95,00%	Full	2005-2011
-Intrarom S.A.	Romania	66,70%	Full	2008-2011
-Sitronics Intracom India PL	India	100,00%	Full	2010-2011
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	2008-2011
- Intracom Middle East L.L.C.	UAE	100,00%	Full	No income tax applicable
- Connklin Corporation	USA	100,00%	Full	2001-2011
- Intracom Telecom solutions S.R.L.	Moldava	100,00%	Full	No income tax applicable
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2011
- E-Teleserv doo Belgrade	Serbia	100,00%	Full	From establishment - 2011
- Intracom doo Armenia	Armenia	100,00%	Full	2010-2011
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	2010-2011
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	2010-2011
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	Full	No income tax applicable

* Direct shareholding

(**) These companies have been included in the Group for the first time in the current period ending 30 June 2012 but were not included in the corresponding period of 2011.

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

Peania, 30 August 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR

S. P. KOKKALIS
ID No AI 091040/05.10.2009

THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS & DEPUTY MANAGING DIRECTOR

D. C. KLONIS
ID No. AK 121708/07.10.2011

THE CHIEF ACCOUNTANT

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

E) Notes and Information