INTRACOM
HOLDINGS S.A.

Annual Report
for the Year 2016 (1 January – 31 December 2016)
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 24th April 2017.

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER	**THE VICE PRESIDENT**
D. C. KLONIS **ID No. AK 121708 / 07.10.2011**	**G. A. ANNINOS** **ID No. AK 760212/28.08.2013**

CHIEF ACCOUNTANT

S. V. PETRAKOS
ID No P 056768 / 28.01.1993
License No 25195 A' CLASS

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. Dimitrios C. Klonis, Chairman and Chief Executive Officer
2. Georgios A. Aninos, Vice President
3. Georgios S. Koliastasis, Member

In our above mentioned capacity we declare that:

As far as we know:

a. the parent company and consolidated annual financial statements for the year 01/01/2016 to 31/12/2016 which were drawn up in accordance with applicable International Financial Reporting 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.

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

THE VICE PRESIDENT

G. A. ANNINOS
ID No. AK 760212/28.08.2013

THE MEMBER

G. S. KOLIASTASIS
ID No. A N 005290 / 01.11.2016

B) Board of Director's Report

ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF INTRACOM HOLDINGS S.A.

FOR THE PERIOD 1/1/2016-31/12/2016

(in accordance with the provisions of article 5 par.6 of Law 3556/2007)

MAJOR EVENTS 2016 - Subsidiaries and Group overview

The business activities of companies in the Group can be summarised as follows:

INTRAKAT Group was the contractor in major construction projects comprising road constructions, dams and hydraulic projects, telecommunication projects, airports, building infrastructure, hospitals, renewable energy projects and environmental projects, development of complex tourist, hotel and residential infrastructure.

In terms of hotel infrastructure, the company opened several boutique hotels in Athens and at other luxury tourist destinations

In the energy sector, the Group proceed to the reinforcement of its wind capacity with two new plants 17MW and 12MW respectively at two locations in Viotia, which are at the licensing stage, and are expected to be duly licensed in 2017.

The company is also participating in major public-private partnership (PPP) projects, and in particular in:

a) O.SY. SA telematics project in collaboration with INTRASOFT INTERNATIONAL, with a budget of € 48,2 mn and an operational period of 10,5 years b) RURAL project for the development of broadband infrastructure on Rural" White "Areas of Greek Territory, with a budget of € 60 mn and an operational period of 15 years c) "Implementation of a Waste Treatment Unit in Serres Prefecture – Phase B.II" with a budget of € 25,4 mn and an operational period of 25 years. The project is expected to complete permitting and see the partnership agreement signed soon.

During 2016 the company was on negotiations for the agreement of 14 regional airports. In 2017 Fraport Greece and Intrakat have signed two EPC (engineering, planning and construction) agreements totaling €357 mn. (plus value-added tax) for implementing construction studies and works at the 14 Greek regional airports., FRAPORT GREECE has undertaken the management, operation, upgrading and maintenance of these airports under a 40-year concession agreement. These agreements between Fraport Greece and Intrakat cover refurbishing and upgrading current facilities at the 14 airports, as well as studies and expansion projects. The project duration is 4 years.

INTRASOFT International Group primarily operates in markets in the European Union. In February, an INTRASOFT International consortium has been awarded the high-profile btrain3 framework contract by the European Commission's Directorate General for Taxation and Customs Union. As part of this 5-year project, INTRASOFT International and the consortium leader Siveco will provide a series of services ranging from e-learning to the preparation of European-wide info-campaigns about taxation and the customs union.

Furthermore, INTRASOFT International, has been selected by the European Union Agency for Railways for the provision of effective communication strategy advice and the development of communication plans and products in the framework of a 4-year contract.

In May a consortium in which INTRASOFT International participates was chosen by the Australian Capital Territory Government to implement a project to install a revenue collection and royalties payment online platform. The contract is part of a wider 3-year transformation scheme at a total cost of AUD($) 30 mn aimed at offering better, faster and more effective services to taxpayers and concessionaires.

In compliance to its strategic goal to penetrate to the Eastern Africa market, INTRASOFT International, having successfully delivered complex solutions in the region over the past couple of years, enhanced its presence in East Africa through the launch of its Kenya office in summer of 2016. The establishment of INTRASOFT International EAST Africa Ltd follows a string of high profile contract awards and successful implementations such as in NSSF Kenya (2014, Pension Administration System). According to the Kenya National ICT Master Plan (2017), the Government aims to further promote digital capacity, innovation and enterprise in the country, thus justifying INTRASOFT's choice to establish its regional headquarters in the location.

The company further announced the official launch of its banking solution suite, PROFITS®, into the East African market. The company has deployed two of the PROFITS® subsystems in Housing Finance Bank (HF Group) in Kenya, while the solution is also currently being implemented at Mwalimu Commercial Bank in Tanzania and Centenary Rural Development Bank in Uganda.

Finally, INTRASOFT International has been selected, to undertake through its SAP solutions delivery group, the Billing and Customer Care Systems CIS Acquisition and Implementation project, of the Electricity Distribution Company (EDCO) of Jordan. The significance of this particular project is multifold for INTRASOFT, given its strategic focus in the utilities sector for years, as well as its keen interest to expand its footprint in the Middle East.

IDE began implementing a new contract with RAYTHEON worth $ 63.4 million to build modules of the PATRIOT air defence systems, which will be completed in 2018, extending the major collaboration with the company once again.

In addition, in January the company signed a strategic partnership agreement with Hellenic Defence Systems (EAS S.A.), Greece's state-owned weaponry and armaments manufacturer. That agreement is part of a move to better coordinate and capitalise on the specific technological advantages of public and private sector players in the defence arena, and to ensure they are in line with market trends and competitive practices at global level.

The company also signed a contract for € 4.1 million with Krauss Maffei Wegmann (KMW) for WiSPR communications systems as part of the programme to upgrade the German Army's PzH2000 program.

POST BALANCE SHEET EVENTS

No major events have occurred after the balance sheet date.

FINANCIAL RESULTS

INTRACOM HOLDINGS Group's consolidated sales for 2016 stood at € €401,6 mn, increased by 6,5% in comparison to 2015.

INTRAKAT Group recorded an increase in sales of 23,6%, amounting to a consolidated turnover of €182,4 mn. (2015: € 147,6 mn.).

IDE reported turnover of €57,4 mn. Increased by 15,7% in comparison to 2015, recovering the underperformance of H1 2016.

INTRASOFT INTERNATIONAL Group recorded decrease in sales of 6,3%, with consolidated turnover of €175,5 mn.

Group EBITDA stood at €27,8 mn. versus €23,0 mn. in 2015, presenting an increase of 21%. Adjusted EBITDA stood at € 32,1 mn. Enhanced by INTRAKAT's performance that recorded EBITDA of €16,7 mn. as adjusted for extraordinary events of €4,3 mn. referring to provision of fines of the Hellenic Competition Commission. Group EBITDA has also been enhanced by parent company's result which has been increased from -€ 3,5 mn. ino 2015 to €1,1 mn. in 2016.

In 2016, the Group returned to EBT profitability with €2,1 mn. EBT results versus losses of - €7,7 mn. in 2015. INTRASOFT INTERNATIONAL Group participates the most, recording EBT of €5,0 mn. (2015: €4,5 mn.). IDE is also profitable (EBT € 1,6 mn.) reversing the negative result of the first semester. Consolidated EBT for INTRAKAT Group sums up to losses of €2,7 mn. affected by impairments on financial assets available for sale of €2,3 mn. and fines provision of €4,3 mn. ITRAKAT Group reports adjusted EBT of € 3,8 mn.

Group total equity as of 31/12/2016 stood at €273,3 mn. versus €281,7 mn. in 31/12/2015.

Group total assets as at 31/12/2016 stood at €729,7 mn. versus €719,3 mn. in 31/12/2015.

Total borrowing decreased per €11,8 mn. and amounted to €178,0 mn. from €189,8 mn. in 2015.

Net debt for the Group also decreased per €30,5 mn.(Net Debt 31/12/2016: €70 mn.)

The financial ratios which reflect the Group and Company's financial position are presented in the table below:

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Financial Structure ratios				
Current assets/Total assets	62,4%	64,1%	29,1%	31,3%
Equity/Total liabilities	59,9%	64,4%	655,7%	568,2%
Equity/Fixed assets	121,7%	135,8%	434,1%	429,5%
Current assets/Short-term liabilities	121,5%	127,3%	281,2%	268,8%
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Profitability ratios				
EBITDA/Sales	6,9%	6,1%	39,3%	-102,4%
Gross profit/Sales	17,4%	17,8%	12,7%	11,1%
EBT/Sales	0,5%	-2,0%	-77,1%	-277,1%

Goals and Prospects

INTRACOM HOLDINGS Group, remains committed to the basic pillars of its strategy, including:

- International development by enhancing the Group's strong outward focus, by adding new value added services and by capitalising on strategic alliances.
- Enhancement of product and geographical diversification of its operations.
- Optimal operation via planning and developing products and services with a strong profit margin, as well as optimisation of cost and operations structure.

INTRACOM HOLDINGS Group companies define their strategy in the context of the Group's objectives:

With its primary concern being to maintain and improve competitiveness, INTRAKAT Group is seeking

(a) to take a major share of the infrastructure projects (Juncker Package, partnership agreement and PPP programmes, and concessions),

(b) to step up its activities in the real estate and energy sectors and

(c) to penetrate foreign markets by taking on projects in which the company is highly specialised.

More specifically,

- The implementation of the project with FRAPORT for the 14 regional airports establishes significant prospects for INTRAKAT Group.
- In the area of Energy Production the company will reinforce its wind with two new plants 17MW and 12MW respectively at two locations in Viotia, which are at the licensing stage.

- In the area of waste management , the completion of the contractual procedures for signing the partnership contract of the project "Implementation of a Waste Treatment Unit in Serres Prefecture – Phase B.II" with a budget of € 25,4 mn and an operational period of 25 years, is expected by mid 2017.
- Finally, the Group aims to enhance its presence in the area of property development and hoteling, by means of creating its own real estate portfolio as well as providing consulting services throughout the range of hotel development projects

INTRASOFT INTERNATIONAL specific objectives include:

- Further enhancement of new activities in the design and consultancy services sector for EU institutions and further strengthening of its operations in the information communication sector. In January 2017 VALEU Consulting "Valeu" was legally established in Belgium as a joint venture of INTRASOFT INTERNATIONAL and PLANET.
- Further development in East Africa region through the subsidiary INTRASOFT International East Africa based in Kenya and established in 2016. According to the Kenya National ICT Master Plan (2017), the Government aims to further promote digital capacity, innovation and enterprise in the country. INTRASOFT International Group is strategically positioned in the region so as to provide solutions that respond to Africa's growth dynamics in this area.
- Maintaining a position among the top three IT vendors in the European institutions
- Focus on vertical solutions for e-government with international orientation (taxation, customs, justice, social security and health)
- Growth and targeted international expansion in Enterprise Solutions segment
- Investing in innovation, including partnering or investing in start-ups through Venture Capital

IDE enhancing its extroversion, retains existing targets which comprise:

- Penetration to new markets through the launching of innovative products of own development in regions such as Africa, the Middle East and SE Asia.
- expanding partnerships with major defence hardware manufacturers (systems integrators) as part of international programmes

- Launching new innovative solutions for boarder security and innovative hybrid energy systems for military vehicles and weapons systems.

In the context described above and given the fluid environment prevailing, the Group will undertake actions to safeguard the financing of its operations and what is most of its new activities, as well as to diminish risks of downsizing arising from the international environment where it operates, with the objective to generate shareholders value.

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, capital expenditure needs and new projects. 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.

As a rule, physical hedging of exchange rate risk is used. In cases where natural hedge is not adequate due to large amounts of foreign currency payables the possibility of using currency risk hedging instruments through appropriate banking products or the use of equivalent foreign exchange borrowing is considered.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilitiesin 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 fixed to floating rate taking advantage of the negative Euribor rates. The levels of weighted average interest rate for the period 2016 are almost 40b.p.lower of those of 2015. The Group assesses that during the current year, interest rate risk is limited since it is expected that interest rates will remain stable and if we achieve a more stable financial environment in Greece, we expect a further decrease.

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 any case, however, and given the conditions of the Greek market, the Group companies closely monitor all customer claims and, where appropriate, take immediate judicial and extrajudicial steps to ensure the recovery of claims, thus minimizing any credit risk. 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.

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 2016 the Short Term Credit Facility of the Group increased to 62% from 65% in 2015 and the Long Term Credit Facility increased to 38% from 35% in 2015.

NON FINANCIAL ELEMENTS

Business Model description

Through its international investments and strategic partnerships, aims to establish a leading position in the emerging markets of the broader geographic region, which includes Central and Southeast Europe, the Middle East and countries of the Eastern Mediterranean Sea and North Africa.

Innovation, excellence in service, leadership in technology, investment in knowledge and the constant pursuit of opportunities for expansion constitute the pillars of company's quest to lead.

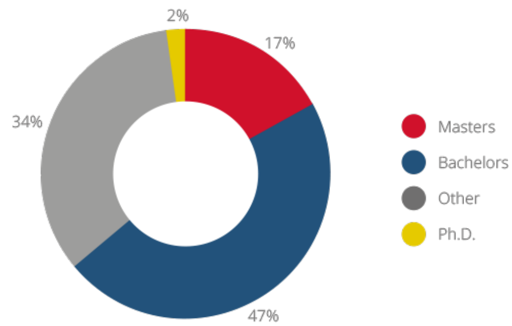
Intracom Holdings is committed to conducting its business with high standards of corporate governance, high level of transparency and corporate responsibility, absolute respect for the environment, high level of integrity in safeguarding quality, ensuring optimum working conditions and awareness on issues related to the society as a whole.

In its effort to satisfy its major stakeholders (customers, shareholders, employees), Intracom Holdings has in operation an Integrated Management System, consisting of a Quality Management System, which assures faithful adherence to the above-mentioned principles and compliance with all ISO 9001:2008.

Human Resources

A key asset and a major competitive advantage, for INTRACOM HOLDINGS Group is our highly skilled and strongly motivated workforce that has consistently played a leading role in the company's sustained growth and development. Special emphasis is placed on the selection, training and evaluation procedures. The Group's policy is to attract high-level staff, to create a safe and fair work environment, to establish objective evaluation criteria with the simultaneous development of employees. It offers satisfactory wages and benefits as well as additional hospital and outpatient coverage for all employees..

As at 31.12.2016 the Group had 2.343 employees (2.314 employees in 2015) and the company 16 employees (27 in 2015). Scientific staff stands at 66% of total employees.



Innovation-Research and Development

Group Companies have always invested heavily in R+D, as much in new innovative products as in the deployment of integrated turn-key solutions. R+D Divisions employ high skilled scientific personnel in telecommunications, engineering and IT.

For almost 40 years, innovation has been at the heart of Intracom's growth model supported by substantial investments in proprietary R&D and new product development, as well as extensive cooperation with higher learning institutions and local research teams.

Our companies have accumulated a wealth of experience in research and innovation management, empowering them to drive sustainable growth, transform our value chain and capitalize on new market opportunities by using innovative technologies to develop highly intelligent environments in key areas from industry and banking to learning and health.

Through strategic partnerships with leading global innovators in diverse fields ranging from IT and electronics to groundbreaking green technologies, we are enhancing our product and services offerings, leveraging our vast experience in technology integration and proven capabilities in service outsourcing.

Moreover, we are actively involved in the development of innovation networks, such as the European Enterprise Network (EEN), and consistently support the broader interconnection of industries with innovation clusters and other recognized centers of excellence.

<u>Environmental Issues</u>

Intracom Holdings Group places emphasis on the commitment to environmental responsibility. This principle is also confirmed by the fact that the Group, since its first years of operation, has shown a particular social sensitivity, undertaking initiatives to make a real contribution to the protection of the environment.

It is common belief that high technology companies play an important role in protecting ecosystems as they offer a viable alternative to the physical transport process. Intracom Holdings Group is committed to maintaining an environmentally sensitive and accountable position and managing its activities accordingly by applying preventive measures to protect the environment and minimizing any negative environmental impacts that may arise.

To this end, Group companies have developed and implemented Environmental Management Systems (EMS) which provide a well-structured approach to environmental issues and ensure the continuous improvement of environmental performance through the introduction of specific environmental objectives and the documentation and monitoring of programs pursuing To achieve these objectives. In this context, they have defined and documented the methods for identifying and evaluating all environmental issues arising from the activities they develop and the related environmental impacts. The evaluation is based on predefined criteria, including the applicable legislative and other regulatory requirements. Continuous information on developments and future trends in national and EU environmental legislation is achieved through access to legal data bases.

Environmental Initiatives

- Waste management
- Recycling
- Use of environmentally friendly materials

- Saving of natural resources
- Ecological Products Design
- Environmental Support of local communities

Social responsibility

Intracom Holdings is fully aligned with the United Nations Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption. Holding steadfast to our core values, we are committed to conducting our business in an environmentally sound and sustainable manner, providing excellent workplace conditions and supporting and enhancing the communities in which we operate with an emphasis on innovation and life-long education projects.

The company has been one of the first Greek enterprises to be SA 8000 certified, ensuring the existence of a safe working environment in which non-discriminatory policies are applied and equal opportunities are offered to all employees irrespective of gender, age, and nationality. Furthermore, employee trade union rights are respected, health & safety procedures are faithfully adhered to and open door policies are consistently implemented, while the rights of our shareholders and the interests of all our stakeholders are safeguarded through transparency and accountability in our all our actions and business dealings. A member of the Hellenic Network for Corporate Social Responsibility since 2001, Intracom Holdings contributes to the growth and advancement of corporate social responsibility in Greece.

Transparency

Intracom Holdings is committed to modern principles of Corporate Governance, a system of laws, rules, procedures and sound approaches by which corporations are managed and controlled, in accordance with applicable Greek legislation and international best practices. Our Corporate Governance policies aim to safeguard the rights of our shareholders and the interests of all our stakeholders through transparency and accountability in our decision-making process, effective internal controls and auditing, appropriate financial risk management and the timely disclosure of clear and accurate information to all those concerned.

Our Corporate Governance policies reflect our steadfast commitment to ethical and responsible decision making by our directors and company executives to ensure our organization's sustainable growth and the long-term welfare of shareholders and stakeholders alike. Our Code of Corporate Governance together with such matters that concern internal control and auditing, the dissemination of information and the mitigation of business and financial risks is in line with the Corporate Governance Code of the Hellenic Federation of Enterprises (SEV).

SIGNIFICANT RELATED PARTY TRANSACTIONS

The company's significant transactions with related parties as defined in International Accounting Standard 24 relate to transactions with its subsidiaries and affiliates and companies in which the major shareholder of INTRACOM HOLDINGS holds an interest share, which are presented in the tables below:

Income & Receivables Period 1/1-31/12/2016

(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	814	252	66	4.218
B.L. BLUEPRO	-	-	1	301
INTRASOFT INTERNATIONAL SA (GR)	1.279	684	258	7.350
INTRACOM DEFENSE SA	271	-	-	80
OTHER SUBSIDIARIES	2	21	-	95
Sum	**2.366**	**957**	**325**	**12.044**
OTHER RELATED PARTIES				
INTRALOT	337	556	765	15.656
OTHER RELATED PARTIES	-	7	14	4
Sum	**337**	**563**	**779**	**15.660**
TOTAL	**2.703**	**1.520**	**1.104**	**27.704**

Income & Receivables Period 1/1-31/12/2015

(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	1.218	252	-	2.877
INTRASOFT INTERNATIONAL SA (GR)	1.404	684	-	8.459
INTRACOM DEFENSE SA	400	-	-	1.204
OTHER SUBSIDIARIES	2	1	-	154
Sum	**3.024**	**937**	**0**	**12.694**
OTHER RELATED PARTIES				
INTRALOT	291	543	6	14.295
OTHER RELATED PARTIES	-	7	-	109
Sum	**291**	**550**	**6**	**14.404**
TOTAL	**3.315**	**1.487**	**6**	**27.098**

Expenses & Liabilities Period 1/1-31/12/2016
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	-	262	-	-
IN MAINT SA	168	105	-	19
INTRADEVELOPMENT SA	-	-	-	40
OTHER SUBSIDIARIES	-	-	-	-
Sum	**168**	**367**	**0**	**59**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	6.544
OTHER RELATED PARTIES	38	-	-	**31**
Sum	**38**	**0**	**0**	**6.575**
TOTAL	**206**	**367**	**0**	**6.634**

Expenses & Liabilities Period 1/1-31/12/2015
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	130	-	-	1.409
IN MAINT SA	309	31	-	18
INTRADEVELOPMENT SA	-	-	-	40
INTRACOM DEFENSE SA	-	-	6	-
INTRACOM CYPRUS	-	-	-	1.418
OTHER SUBSIDIARIES	-	-	-	8
Sum	**439**	**31**	**6**	**2.893**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	6.902
OTHER RELATED PARTIES	45	-	-	**31**
Sum	**45**	**0**	**0**	**6.933**
TOTAL	**484**	**31**	**6**	**9.826**

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 and other comes from interest.

The Company's receivables included amounts loans to subsidiaries INTRAKAT SA €2.000 th. and B.L. BLUEPRO €301 th..

The purchases from IN MAINT SA relate to maintenance of facilities and networks.

The transactions have taken place under normal market conditions.

Directors' remuneration and key management compensation amounted to €891 during the year 2016 in comparison (2015 €1.186). There was no outstanding receivable or payable to directors as at 31st December 2016.

Paiania, 24 April 2017

The Board of Directors

C) INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "INTRACOM HOLDINGS S.A", which comprise the separate and consolidated statement of financial position as of 31 December 2016, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as 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 that have been incorporated into Greek legislation (G.G./B'/2848/23.10.2012). 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 the Company "INTRACOM HOLDINGS S.A" and its subsidiaries as of 31 December 2016, 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.

Report on Other Legal and Regulatory Requirements

Whereas management is responsible for the preparation of the Report of the Board of Directors and the Corporate Governance Statement included in this report, pursuant to the provisions of paragraph 5, article 2 (part B') of L. 4336/2015, we note that:

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

b) In our opinion the Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying separate and consolidated financial statements for the year ended 31/12/2016.

c) Based on our understanding obtained when performing our audit of the Company "INTRACOM HOLDINGS S.A" and its environment, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, April 25, 2017

ΣΟΛ
CERTIFIED PUBLIC ACCOUNTANTS
Crowe SOL

MARIA N. CHARITOU

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 15161

Associated Certified Public Accountants s.a.
member of Crowe Horwath International
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

Contents **Page**

(All amounts in €'000)

Balance sheet

		Group		Company	
ASSETS	**Note**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Non-current assets					
Property, plant and equipment	6	128.202	122.935	9.824	9.953
Goodwill	7	20.177	20.061	-	-
Intangible assets	8	6.667	5.136	2	3
Investment property	9	69.621	59.338	51.995	53.006
Investments in subsidiaries	10	-	-	132.312	133.377
Investments accounted for using the equity method	11	597	727	-	-
Available - for - sale financial assets	13	12.873	13.258	11.637	9.095
Deferred income tax assets	14	8.303	7.938	-	-
Long-term loans	15	13.304	12.864	13.304	12.864
Trade and other receivables	16	14.638	16.043	39	39
		274.382	**258.300**	**219.113**	**218.338**
Current assets					
Inventories	17	39.309	36.610	-	-
Trade and other receivables	16	248.082	270.906	38.142	82.025
Construction contracts	18	36.066	41.178	-	-
Right to payments from Greek State	19	14.159	11.647	-	-
Financial assets at fair value through profit or loss	20	167	170	-	-
Current income tax assets		9.584	11.227	-	-
Cash and cash equivalents	21	107.971	89.299	52.005	17.666
		455.337	**461.037**	**90.147**	**99.692**
Total assets		**729.719**	**719.337**	**309.260**	**318.029**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	22	187.567	187.567	187.567	187.567
Share premium	22	194.204	194.204	194.204	194.204
Reserves	23	167.237	167.318	138.774	138.717
Retained earnings		(297.037)	(292.630)	(252.209)	(250.053)
		251.971	256.459	268.336	270.434
Non-controlling interest		21.363	25.269	-	-
Total equity		**273.334**	**281.728**	**268.336**	**270.434**
LIABILITIES					
Non-current liabilities					
Borrowings	24	68.405	65.717	7.440	8.959
Deferred income tax liabilities	14	1.240	1.188	1.061	1.066
Retirement benefit obligations	25	7.046	6.667	360	485
Grants	26	49	55	-	-
Provisions	27	1.528	1.616	-	-
Trade and other payables	28	3.305	183	-	-
		81.573	**75.426**	**8.860**	**10.510**
Current liabilities					
Trade and other payables	28	242.075	217.164	11.286	12.487
Current income tax liabilities		5.253	3.581	-	-
Construction contracts	18	3.733	8.112	-	-
Borrowings	24	109.594	124.124	15.811	19.631
Provisions	27	14.157	9.202	4.966	4.966
		374.812	**362.183**	**32.063**	**37.084**
Total liabilities		**456.385**	**437.609**	**40.923**	**47.594**
Total equity and liabilities		**729.719**	**719.337**	**309.260**	**318.029**

The notes on pages 27 to 98 are an integral part of these financial statements.

(All amounts in €'000)

Statement of comprehensive income

		Group		Company	
	Note	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Sales		401.656	377.102	2.833	3.437
Cost of goods sold	29	(331.899)	(309.866)	(2.472)	(3.055)
Gross profit		**69.757**	**67.236**	**361**	**382**
Selling and research costs	29	(19.102)	(22.014)	-	-
Administrative expenses	29	(32.551)	(35.703)	(4.074)	(7.431)
Other operating income	31	4.790	5.101	2.687	2.952
Other gains / (losses) - net	32	(7.118)	(6.648)	196	(1.608)
Impairment losses from subsidiaries	10	-	-	(1.065)	(961)
Impairment losses from tangible, intangible assets and investment property	6, 8, 9	(86)	(238)	(86)	(238)
Operating gains / (losses)		**15.690**	**7.734**	**(1.981)**	**(6.904)**
Finance expenses	33	(15.520)	(16.306)	(1.792)	(3.184)
Finance income	33	2.086	1.192	1.589	563
Finance income / (expenses) - net		**(13.434)**	**(15.115)**	**(203)**	**(2.622)**
Share of loss of associates	11	(117)	(283)	-	-
Gain/(Loss) before income tax		**2.139**	**(7.663)**	**(2.184)**	**(9.525)**
Income tax	34	(6.024)	(4.013)	28	(43)
Net loss for the year		**(3.885)**	**(11.677)**	**(2.156)**	**(9.568)**
Other comprehensive income :					
Items that will be reclassified to profit or loss					
Fair value losses on available-for-sale financial assets, net of tax	13	(3.137)	(596)	-	(126)
Transfer of available for sale reserve to profit or loss due to impairment/disposal		3.151	6.055	-	797
Currency translation differences, net of tax		92	827	-	-
		106	6.285	-	671
Items that will not be reclassified to profit or loss					
Actuarial gains / (losses), net of tax		(62)	325	57	(25)
Other comprehensive income for the year, net of tax		**44**	**6.610**	**57**	**646**
Total comprehensive income for the year		**(3.841)**	**(5.067)**	**(2.099)**	**(8.922)**
Losses attributable to:					
Equity holders of the Company		(2.308)	(9.890)	(2.156)	(9.568)
Non-controlling interest		(1.577)	(1.786)	-	-
		(3.885)	**(11.677)**	**(2.156)**	**(9.568)**
Total comprehensive income attributable to:					
Equity holders of the Company		(2.151)	(5.173)	(2.099)	(8.922)
Non-controlling interest		(1.690)	106	-	-
		(3.841)	**(5.067)**	**(2.099)**	**(8.922)**
Losses per share attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic and diluted		(0,02)	(0,07)	(0,02)	(0,07)

The notes on pages 27 to 98 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	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance 1 January 2015		171.617	(292.208)	261.178	25.192	286.370
Loss for the year		-	(9.890)	(9.890)	(1.786)	(11.677)
Fair value losses on available for sale financial assets	13	(416)	-	(416)	(180)	(596)
Transfer of available-for-sale reserve to profit or loss due to impairment/disposal	23	4.044	-	4.044	2.011	6.055
Currency translation differences		767	-	767	60	827
Remeasurements of retirement benefit obligations, net of tax		323	-	323	2	325
Total comprehensive income for the year		**4.718**	**(9.890)**	**(5.173)**	**106**	**(5.067)**
Share capital increase of subsidiaries	10	2	(212)	(210)	216	7
Effect of change in interest held in subsidiaries / joint ventures	10	(7)	149	142	275	417
Transfer between reserves	23	(9.011)	9.532	521	(521)	-
		(9.016)	9.469	453	(29)	423
Balance 31 December 2015		**167.318**	**(292.630)**	**256.459**	**25.269**	**281.728**
Balance 1 January 2016		167.318	(292.630)	256.459	25.269	281.728
Loss for the year		-	(2.308)	(2.308)	(1.577)	(3.885)
Fair value losses on available for sale financial assets	13	(2.283)	-	(2.283)	(854)	(3.137)
Transfer of available-for-sale reserve to profit or loss due to impairment	23	2.291	-	2.291	859	3.151
Currency translation differences		148	-	148	(56)	92
Remeasurements of retirement benefit obligations, net of tax		-	-	-	(62)	(62)
Total comprehensive income for the year		**157**	**(2.308)**	**(2.151)**	**(1.690)**	**(3.841)**
Share capital increase of subsidiaries	10	-	(7)	(7)	(4)	(11)
Acquisition of control		-	-	-	66	66
Effect of change in interest held in subsidiaries	10	8	(2.339)	(2.331)	(2.277)	(4.608)
Transfer between reserves	23	(246)	247	1	(1)	-
		(238)	(2.099)	(2.337)	(2.216)	(4.553)
Balance 31 December 2016		**167.237**	**(297.037)**	**251.971**	**21.363**	**273.334**

Analysis of other reserves is presented in note 23.

The notes on pages 27 to 98 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 1 January 2015		381.771	146.912	(249.326)	279.356
Loss for the year		-	-	(9.568)	(9.568)
Fair value losses on available-for-sale financial assets	13	-	(126)	-	(126)
Transfer of available-for-sale reserve to profit or loss due to impairment/disposal	23	-	797	-	797
Remeasurements of retirement benefit obligations, net of tax		-	(25)	-	(25)
Total comprehensive income for the year		**-**	**646**	**(9.568)**	**(8.922)**
Transfer between reserves	23	-	(8.841)	8.841	-
Balance 31 December 2015		**381.771**	**138.717**	**(250.053)**	**270.434**
Balance 1 January 2016		381.771	138.717	(250.053)	270.434
Loss for the year		-	-	(2.156)	(2.156)
Remeasurements of retirement benefit obligations, net of tax		-	57	-	57
Total comprehensive income for the year		**-**	**57**	**(2.156)**	**(2.099)**
Balance 31 December 2016		**381.771**	**138.774**	**(252.209)**	**268.336**

Analysis of other reserves is presented in note 23.

The notes on pages 27 to 98 are an integral part of these financial statements.

(All amounts in €'000)

Cash flow statement

	Note	Group		Company	
		1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2015
Cash flows from operating activities					
Cash generated from / (used in) operations	36	71.797	(30.980)	46.707	(44.683)
Interest paid		(14.981)	(15.731)	(1.778)	(3.206)
Income tax paid		(3.058)	(5.483)	(74)	(75)
Net cash generated from / (used in) operating activities		**53.759**	**(52.194)**	**44.855**	**(47.964)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(10.505)	(7.851)	(189)	(42)
Purchase of investment property		(4.851)	(1.720)	(247)	(30)
Purchase of intangible assets		(2.482)	(1.734)	-	(2)
Proceeds from sale of PPE		590	301	-	30
Proceeds from sale of intangible assets		-	2	-	-
Acquisition of available-for-sale financial assets	13	(3.735)	(4.424)	(3.524)	(1.000)
Proceeds from sale/liquidation of available-for-sale financial assets	13	522	989	522	989
Acquisition of control		85	-	-	-
Disposal of subsidiaries / decrease in subsidiary's share capital		-	-	957	1.877
Disposal of associates	11	-	360	-	-
Formation of subsidiary / increase in subsidiary's capital		-	-	-	(100)
Formation / acquisition of associates	11	(180)	(633)	-	-
Dividend received		4	-	-	-
Loans granted	15, 16	(400)	(1.497)	(2.700)	(1.497)
Interest received		187	264	4	67
Net cash generated from / (used in) investing activities		**(20.763)**	**(15.944)**	**(5.176)**	**293**
Cash flows from financing activities					
Expenses on issue of subsidiary's share capital		(16)	(8)	-	-
Transactions with non-controlling interest in subsidiaries	10	(4.637)	348	-	-
Contribution of non-controlling interest to subsidiary's share capital	10	24	12	-	-
Proceeds from borrowings		67.778	68.664	-	-
Repayments of borrowings		(74.998)	(32.973)	(2.846)	-
Repayments of finance leases		(2.827)	(1.473)	(2.494)	(1.232)
Net cash generated from / (used in) financing activities		**(14.677)**	**34.570**	**(5.340)**	**(1.232)**
Net increase / (decrease) in cash and cash equivalents		**18.319**	**(33.567)**	**34.338**	**(48.903)**
Cash and cash equivalents at beginning of year		89.299	122.794	17.666	66.569
Currency exchange differences in cash and cash equivalents		353	73	-	-
Cash and cash equivalents at end of year	21	**107.971**	**89.299**	**52.005**	**17.666**

The notes on pages 27 to 98 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", 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. 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. The Company's website address is www.intracom.com.

These financial statements have been approved for issue by the Board of Directors on 24 April 2017 and are subject to approval by the Annual General Meeting of the Shareholders.

The annual financial statements, the audit reports and the Board of Directors' reports of the companies that are consolidated in the Group, are available at the Company's website www.intracom.com.

2. Summary of significant accounting policies

2.1 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 (together "INTRACOM" or the "Group") for the year ended 31 December 2016, 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.

Risk arising from the macroeconomic and business environment in Greece

In 2016 there were signs of stabilisation despite the fact that some of the capital controls remain in place and the available liquidity in the Greek economy is limited. The expected finalisation of the evaluation in progress will determine the economic and business environment for the current year.

The above, only temporarily could to some extent affect negatively the Group's and the Company's operations as well as their financial position and results, and therefore, operating activities in Greece are not expected to be substantially affected. The BoD estimates that the significant percentage of cash flows coming from abroad, the organic growth and the improvement of profitability are the main factors that will help the Group and the Company to address the macroeconomic risk. In any case, the Group monitors on an ongoing basis the economic environment and adjusts its strategic actions to address risks on time.

As regards liquidity, the Group maintains cash and cash equivalents amounting to €85 million in restricted cash as well as available cash deposits (notes 16 and 21) held at international credit institutions with credit rating above A2 according to Moody's.

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.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for the current financial year. 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

IAS 19R (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 1 (Amendments) "Disclosure initiative"

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The amendments did not have an effect on the Group.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

Standards and Interpretations effective for subsequent periods

New standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning after 1 January 2016 and have not been applied in the preparation of these consolidated financial statements. None of the above is expected to have a significant impact on the consolidated financial statements except for the following:

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

There are no other standards or interpretations that are mandatory for subsequent periods and that are expected to have a significant impact on the consolidated financial statements.

2.2 Consolidation

(a) Business combinations and subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 recognises 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.

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.

<u>Transactions and non-controlling interests</u>

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.

Disposal of subsidiary

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 recognised 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

(b) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. According to this method the group's share in the receivables, liabilities, income and expenses of the joint operation are combined with the Group's similar items, line by line, in its financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint operations that is attributable to the other investors of the joint operation. The Group does not recognise its share of profits or losses from the joint operation that result from the purchase of assets by the Group from the joint operation 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 operations have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. 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 eliminated, unless the transaction provides evidence of an impairment of the assets 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 recognised in other comprehensive income are reclassified to profit or loss where appropriate.

On the loss of significant influence, the group shall measure at fair value any investment the group retains in the former associate. The difference between the fair value of any retained investment, the consideration received from the disposal of the interest held in the associate and the carrying amount of the investment in the associate is recognised in profit or loss at the date when significant influence is lost. In addition, any amounts previously recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

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 standalone financial statements at cost less impairment.

2.3 Segment information

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.

2.4 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 date are translated at the closing rate at the date of the 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 rates prevailing on the dates of the transactions); and

(3) All resulting exchange differences are recognised through other comprehensive income.

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 recognised in other comprehensive income.

2.5 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 standalone 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.

2.6 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. 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
- 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 recognised 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 recognised 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 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. The property, plant and equipment leased under a finance lease are depreciated over the shorter of the lease term and their useful life.

(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.

2.8 Goodwill

Goodwill is not amortised 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 recognised. The impairment loss is recognised in profit or loss and cannot be reversed.

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".

2.9 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 life, not exceeding a period of 5-10 years.

b) Customer relationships: they relate to amounts recognised on the acquisition of the subsidiary company Intrasoft International Scandinavia (ex IT Services Denmark AS) and they are amortised over a period of 10 years.

γ) Concession rights: Concession rights are stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the term of the Concession Agreement (note 2.27).

2.10 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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, 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). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.11 Financial assets

2.11.1 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.

(a) Financial assets at fair value through 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 rate method.

(c) Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments which the Group has the intention and ability to hold them to maturity. During the year the Group had no assets classified as held-to-maturity investments.

(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.

2.11.2 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.

Gains or 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 less impairment.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Factoring

Trade and other receivables are reduced by the amounts collected in advance under factoring agreements without recourse

2.17 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.

2.18 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.

2.19 Share capital

The share capital consists of the ordinary shares of the Company. 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 shown in reduction to the product of issue.

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.

2.20 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.

2.21 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 recognised in profit or loss in the period in which they are incurred.

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

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 liabilities are provided on taxable 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 assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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.

2.23 Trade payables

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

2.24 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. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(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 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. The Group does not have any share-based plans on the parent Company's shares.

2.25 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.

2.26 Provisions

Οι Provisions are recognised when:

- There is present legal or constructive obligation as a result of past events

- It is probable that an outflow of resources will be required to settle the obligation

- The amount can be reliably estimated

(a) Warranties

The Group recognises 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 recognised as incurred. The Group recognises 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 recognises 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.

2.27 Concession arrangements

For public-to-private service concession arrangements, the Group applies IFRIC 12 if the following conditions are met:

(a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom they must provide them, and at what price; and

(b) the grantor controls — through ownership, beneficial entitlement or otherwise — any significant residual interest in the infrastructure at the end of the term of the arrangement.

According to IFRIC 12, such infrastructure is not recognised by the operator as asset under property, plant and equipment, but as right to receive payments under financial assets according to the financial asset model and/or as Concession right under intangible assets according to the intangible asset model, depending on the contractually agreed terms.

Guaranteed receipt from grantor and Concession right (Mixed Model)

If, according to the concession contract, the operator is paid for the construction services partly by a financial asset and partly by an intangible asset, the Group accounts separately for each component of the consideration, according to the above (Right to receive payments from grantor and Concession right).

The Group recognises and accounts for the revenue and cost arising from construction or upgrade services according to IAS 11 (note 2.28 (c)), while the revenue and cost arising from operation services is recognised and accounted for according to IAS 18 (note 2.28 (b)).

2.28 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 recognised 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 recognised 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 cost of the total estimated services to be provided under each contract. Costs of services are recognised in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognised only to the extent of costs incurred that are possibly recoverable.

(c) Construction contracts

Revenue from fixed price contracts are recognised, 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 recognised 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 income

Interest income is recognised 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 recognised on the impaired value.

(e) Dividends

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

2.29 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.

2.30 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 net 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).

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

2.31 Roundings

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

2.32 Adjustments in comparatives

In the balance sheet for financial year 2015, the amount of €725 was reclassified from «Available-for-sale financial assets» to «Investments in subsidiaries».

In the cash flow statement for the financial year 2015 the amount of €73 was reclassified from operating activities to «Currency exchange differences in cash and cash equivalents».

3. Financial risk management

3.1 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.

Where considered necessary, the Group uses derivative financial instruments 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 analysed 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.

The following table presents the sensitivity of the Group's net results in possible fluctuations of the foreign exchange rates for the years 2016 and 2015. 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 31 December 2016 and 2015 respectively.

(All amounts in €'000)

Increase in EUR/USD rate by	Effect on net results 31/12/2016	Effect on net results 31/12/2015
3,00%	(212)	(334)
6,00%	(424)	(669)
9,00%	(636)	(1.003)
12,00%	(848)	(1.338)

The following table presents the sensitivity of the Company's net results in possible fluctuations of the foreign exchange rates for the years 2016 and 2015. 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 31 December 2016 and 2015 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2016	Effect on net results 31/12/2015
3,00%	(30)	(31)
6,00%	(60)	(62)
9,00%	(89)	(93)
12,00%	(119)	(124)

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 by converting a significant part of borrowings into floating rate taking advantage of the negative Euribor levels. The weighted average interest rate levels of 2016 are lower than those of 2015 by approximately 40 basis points. It is estimated that during the current financial year the specific risk will be limited, since it is considered highly probable that interest rates will remain stable.

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2016 and 2015. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31 December 2016 and 2015 respectively.

(All amounts in €'000)

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net results 31/12/2016	Effect on net results 31/12/2015
25,00	(209)	(273)
50,00	(418)	(547)
75,00	(627)	(820)
100,00	(836)	(1.093)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2016	Effect on net results 31/12/2015
25,00	22	17
50,00	43	34
75,00	65	51
100,00	86	68

The following tables present the sensitivity of the Company's net results in possible fluctuations of the interest rates for the years 2016 and 2015. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31 December 2016 and 2015 respectively.

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net results 31/12/2016	Effect on net results 31/12/2015
25,00	70	(30)
50,00	141	(60)
75,00	211	(90)
100,00	281	(120)

(All amounts in €'000)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2016	Effect on net results 31/12/2015
25,00	3	3
50,00	5	5
75,00	8	8
100,00	10	10

(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 any case, though, and given the current circumstances of the Greek economy, the Group monitors very closely the trade receivables and when needed it takes legal and non-legal actions so as to ensure the collectability of these receivables, with the consequent limitation of any credit risk. 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 2016 current and non-current borrowings of the Group amounted σε 62% (2015: 65%) and 38% (2015: 35%) of total borrowings respectively.

Concerning the capital control that was enforced in Greece, the international activity and the export orientation of the Group help to overcome any difficulties that arise and keep functioning properly in every aspect of the business.

3.2 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.

(All amounts in €'000)

	Group		Company	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2015
Total borrowings (note 24)	178.000	189.841	23.251	28.590
Less: Cash and cash equivalents (note 21)	(107.971)	(89.299)	(52.005)	(17.666)
Net borrowings	**70.029**	**100.542**	**(28.754)**	**10.924**
Equity	273.334	281.728	268.336	270.434
Total capital employed	**343.363**	**382.270**	**239.582**	**281.358**
Gearing ratio	20,39%	26,30%	-12,00%	3,88%

3.3 Fair value estimation

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

- Financial instruments traded in active markets the fair value of which is estimated based on quoted market prices of similar assets and liabilities as of the reporting date ("Level 1").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which either directly or indirectly rely on observable market data as of the reporting date ("Level 2").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which do not rely on observable market data ("Level 3").

At 31 December 2016 the Group had:

– Financial assets at fair value through profit or loss of €167 which are classified in Level 1.

– Available-for-sale financial assets out of which €2.466 are classified in Level 1.

– Available-for-sale financial assets of €10.408 which relate to unquoted securities for which the fair value cannot be estimated reliably and as a result these are presented at cost less impairment.

Την At 31 December 2015 the Group had:

– Financial assets at fair value through profit or loss of €170 which are classified in Level 1.

– Available-for-sale financial assets out of which €3.482 are classified in Level 1.

– Available-for-sale financial assets of €9.776 which relate to unquoted securities for which the fair value cannot be estimated reliably and as a result these are presented at cost less impairment.

There were not any transfers between level 1 and 2 during the year.

The quoted market prices of shares traded in active markets were used for the evaluation of financial assets.

3.4 Offsetting financial assets and financial liabilities

On 31 December 2016 and 2015 the Group does not have any financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

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.

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

- 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.

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

There are no cases whereby significant judgement by Management was required for the application of the accounting policies.

5. Segment information

At 31 December 2016, the Group is organised into three main segments:

(1) Technology solutions for government and banking sector

(2) Defence systems

(3) Construction

(All amounts in €'000)

The segment information for the year ended 31 December 2016 is as follows:

	Technology solutions for government and banking sector	Defence systems	Construction	Other	Total
Total sales	180.397	57.437	182.384	3.098	423.315
Inter-segment sales	(15.254)	-	(4.103)	(2.301)	(21.659)
Sales from external customers	**165.142**	**57.437**	**178.281**	**796**	**401.656**
Operating profit / (loss)	9.358	1.543	6.370	(1.581)	15.690
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**11.651**	**3.041**	**12.619**	**506**	**27.817**
Adjusted earnings before interest, tax, depreciation, amortisation and impairment (adjusted EBITDA)	**11.651**	**3.041**	**16.920**	**506**	**32.118**
Depreciation (note 29)	(1.390)	(1.497)	(4.002)	(1.538)	(8.428)
Impairment of investment property, tangible and intangible assets	-	-	-	(86)	(86)
Finance income (note 33)	665	9	45	1.367	2.086
Finance expenses (note 33)	(4.459)	47	(9.248)	(1.861)	(15.520)
Share of profit / (losses) of associates	-	-	(77)	(39)	(117)
Income tax	(2.819)	(688)	(2.541)	24	(6.024)
Impairment of receivables (note 29)	(187)	-	65	-	(122)
Impairment of inventory (note 29)	11	(2.027)	-	-	(2.016)
Total assets	**161.308**	**113.763**	**283.707**	**170.642**	**729.420**
Total assets include:					
Investments in associates (note 11)	-	-	597	-	597
Non-current assets*	19.200	33.646	107.213	64.608	224.667
Additions in non-current assets* (notes 6, 7, 8 and 9)	896	453	24.393	437	26.178
Total liabilities	**140.714**	**49.744**	**223.886**	**41.743**	**456.086**

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

(All amounts in €'000)

The segment information for the year ended 31 December 2015 is as follows:

	Technology solutions for government and banking sector	**Defence systems**	**Construction**	**Other**	**Total**
Total sales	193.049	49.664	147.595	3.437	393.745
Inter-segment sales	(9.933)	-	(3.754)	(2.956)	(16.643)
Sales from external customers	**183.116**	**49.664**	**143.841**	**481**	**377.102**
Operating profit / (loss)	8.863	943	3.971	(6.043)	7.734
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**11.005**	**2.557**	**13.014**	**(3.564)**	**23.012**
Depreciation (note 29)	(2.142)	(1.614)	(3.785)	(1.626)	(9.168)
Impairment of investment property, tangible and intangible assets	-	-	-	(238)	(238)
Finance income (note 33)	95	243	194	660	1.192
Finance expenses (note 33)	(4.464)	(213)	(8.378)	(3.252)	(16.306)
Share of profit / (losses) of associates	-	-	(111)	(172)	(283)
Income tax	(2.692)	256	(1.533)	(44)	(4.013)
Impairment of receivables (note 29)	(333)	-	(415)	-	(748)
Impairment of inventory (note 29)	-	(1.505)	-	-	(1.505)
Total assets	**166.911**	**82.526**	**291.061**	**178.839**	**719.338**
Total assets include:					
Investments in associates (note 11)	-	-	715	12	727
Non-current assets*	19.664	34.691	87.396	65.718	207.469
Additions in non-current assets* (notes 6, 7, 8 and 9)	1.070	403	9.561	74	11.108
Total liabilities					
Total liabilities	**143.667**	**18.243**	**229.608**	**46.092**	**437.610**

* 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 amortisation (EBITDA) to losses before tax from continuing operations is as follows:

(All amounts in €'000)

	1/1 - 31/12/2016	1/1 - 31/12/2015
Adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**32.118**	**23.012**
Less provision for fine of competition's committee (note 27	(4.300)	-
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**27.817**	**23.012**
Depreciation	(8.428)	(9.168)
Impairment losses from tangible, intangible assets and investment property	(86)	(238)
Finance cost - net (note 33)	(13.434)	(15.115)
Loss from associates	(117)	(283)
Impairment of available-for-sale financial assets (note 32)	(3.613)	(5.873)
Gain / (Loss) before income tax	**2.139**	**(7.663)**

Adjusted EBITDA includes the provision for the penalty from the Hellenic Competition Commission of €4.300 as described in note 27. Adjusted EBITDA serves the more detailed analysis of the Group's operating results, except for the effect of the provision for the penalty from the Hellenic Competition Commission in the financial year 2016, which is non-repetitious.

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

Information per geographical area:

Sales	1/1 - 31/12/2016	1/1 - 31/12/2015
Greece	204.285	184.657
European Community	126.876	119.504
Other European countries	8.524	2.238
Other countries	61.972	70.703
Total	**401.656**	**377.102**

Non-current assets *	31/12/2016	31/12/2015
Greece	204.570	194.118
European Community	15.283	9.647
Other countries	5.410	4.431
Total	**225.264**	**208.196**

* Includes 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.

(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 1 January 2015	103.827	72.527	2.456	843	12.350	3.563	195.565
Exchange differences	(8)	(1)	4	84	(90)	-	(12)
Additions	85	4.384	100	91	332	2.798	7.790
Disposals	-	(350)	(109)	-	(82)	(30)	(571)
Impairment	(84)	-	-	-	-	-	(84)
Reclassifications	(100)	(1.148)	-	(20)	1.191	78	-
Transfer to investment property (note 9)	(383)	-	-	-	-	-	(383)
Transfer from investment property (note 9)	55	-	-	-	-	-	55
Transfer from inventory	-	-	-	-	-	65	65
Balance 31 December 2015	103.392	75.411	2.451	997	13.701	6.474	202.425
Balance 1 January 2016	103.392	75.411	2.451	997	13.701	6.474	202.425
Exchange differences	(20)	2	3	26	7	-	18
Additions	444	1.294	61	19	431	8.263	10.511
Disposals/Write-offs	(245)	(1.451)	(97)	(1)	(3.692)	-	(5.487)
Impairment	(61)	-	-	-	-	-	(61)
Acquisition of control	-	-	-	-	8	-	8
Reclassifications	44	-	-	-	-	(44)	-
Transfer to investment property (note 9)	(56)	-	-	-	-	(872)	(928)
Transfer from investment property (note 9)	2.829	-	-	-	-	-	2.829
Balance 31 December 2016	106.325	75.255	2.417	1.041	10.456	13.821	209.316
Accumulated depreciation							
Balance 1 January 2015	30.499	29.438	2.023	598	10.951	-	73.508
Exchange differences	(3)	(1)	2	69	(96)	-	(30)
Depreciation charge	1.955	3.650	117	118	518	-	6.358
Disposals	-	(182)	(81)	-	(74)	-	(337)
Reclassifications	-	(906)	-	(10)	916	-	-
Transfer to investment property (note 9)	(17)	-	-	-	-	-	(17)
Transfer from investment property (note 9)	9	-	-	-	-	-	9
Balance 31 December 2015	32.443	31.999	2.061	775	12.214	-	79.492
Balance 1 January 2016	32.443	31.999	2.061	775	12.214	-	79.492
Exchange differences	1	(2)	2	24	6	-	31
Depreciation charge	1.901	3.890	134	105	404	-	6.433
Disposals/Write-offs	(41)	(1.082)	(91)	-	(3.688)	-	(4.902)
Transfer from investment property (note 9)	60	-	-	-	-	-	60
Balance 31 December 2016	34.365	34.805	2.106	905	8.935	-	81.115
Net book amount at 31 December 2015	**70.948**	**43.412**	**390**	**222**	**1.488**	**6.474**	**122.935**
Net book amount at 31 December 2016	**71.961**	**40.451**	**311**	**136**	**1.520**	**13.821**	**128.202**

The Group performed a test for impairment of property, plant and equipment and investment property as at 31 December 2016 and 31 December 2015. The assessment resulted in the impairment of land amounting to €86 for the Group (2015: €238) and the Company (2015: €238), which was recognised in the income statement of the current period. At Group level, the impairment recognised in property, plant and equipment amounts to €61 (2015: €84) and in investment property amounts to €25 (2015: €154). At Company level, the impairment recognised in property, plant and equipment amounts to €28 (2015: €39) and in investment property amounts to €58 (2015: €199).

The recoverable amount of land, which is estimated to approximate its value in use, was determined on the basis of its fair value less cost of disposal. Fair value was estimated using the comparables approach, using reliable market data, adjusted to reflect the conditions of the specific land. The fair value was estimated using level 2 data of the fair value hierarchy. The valuation of land's fair value was based on sales prices of comparable land ranging from €207 to €400 (201: 5 €278 to €400) per square meter.

(All amounts in €'000)

Property, plant and equipment include assets held under finance lease as follows:

	Machinery	Vehicles	Total
31/12/2015			
Cost	568	46	614
Accumulated depreciation	(91)	(20)	(111)
Net book amount	**477**	**26**	**503**
31/12/2016			
Cost	568	-	568
Accumulated depreciation	(354)	-	(354)
Net book amount	**214**	**-**	**214**

(All amounts in €'000)

Company

	Land-Buildings	Machinery	Vehicles	Furniture & other equipment	Total
Cost					
Balance 1 January 2015	14.758	904	180	3.735	19.577
Additions	-	-	5	37	42
Disposals	-	-	(22)	(32)	(55)
Impairment	(39)	-	-	-	(39)
Transfer to investment property (note 9)	(60)	-	-	-	(60)
Transfer from investment property (note 9)	55	-	-	-	55
Balance 31 December 2015	**14.714**	**904**	**163**	**3.740**	**19.521**
Balance 1 January 2016	14.714	904	163	3.740	19.521
Additions	114	-	-	76	189
Disposals/Write-offs	(12)	(796)	(27)	(3.482)	(4.317)
Impairment	(28)	-	-	-	(28)
Balance 31 December 2016	**14.788**	**108**	**135**	**333**	**15.365**
Accumulated depreciation					
Balance 1 January 2015	4.687	867	147	3.533	9.234
Depreciation charge	230	11	7	128	376
Disposals	-	-	(6)	(29)	(35)
Transfer to investment property (note 9)	(17)	-	-	-	(17)
Transfer from investment property (note 9)	9	-	-	-	9
Balance 31 December 2015	**4.910**	**878**	**148**	**3.632**	**9.567**
Balance 1 January 2016	4.910	878	148	3.632	9.567
Depreciation charge	226	6	7	42	280
Disposals/Write-offs	(3)	(795)	(27)	(3.482)	(4.307)
Balance 31 December 2016	**5.133**	**89**	**127**	**192**	**5.541**
Net book amount at 31 December 2015	**9.804**	**26**	**15**	**108**	**9.953**
Net book amount at 31 December 2016	**9.655**	**19**	**8**	**141**	**9.824**

During prior years, the Company entered into sale and lease back agreements of property and investment property with net book value amounting to €15.175 in 2016 (2015: €15.501).

Liabilities are secured on fixed assets of the Group and the Company for the value of €69.279 and €2.400 respectively.

7. Goodwill

	Group
Balance 1 January 2015	20.061
Balance 31 December 2015	**20.061**
Balance 1 January 2016	20.061
Acquisition of control	116
Balance 31 December 2016	**20.177**

(All amounts in €'000)

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

	31/12/2016	**31/12/2015**
Intrasoft International SA	11.361	11.361
Intrasoft International Scandinavia (πρώην IT Services Denmark A/S)	2.211	2.212
Intrakat SA	3.562	3.562
Prisma - Domi ATE (absorbed from Intrakat SA)	326	326
Inestia Touristiki SA	116	-
AMBTILA Enterprises Ltd	2.600	2.600
	20.177	**20.061**

In order to assess whether there is goodwill impairment as at 31 December 2016, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated.

The recoverable amount of goodwill was estimated using its value-in-use. 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. The cash flow projections for the cash generating units Intrasoft International SA, Intrasoft International Scandinavia, Intrakat SA and Prisma – Domi ATE are based on the business plans for the five year period 2017-2021 which have been approved by the Board of Directors of the Group. These business plans are based on financial results of 2016 whereas cash flows beyond the five-year period are extrapolated using the perpetuity growth rate as presented below.

The cash generating unit Ambtila Enterprises Ltd concerns the subsidiary company A. Katselis Energeiaki SA, which has obtained a wind park operation licence. Cash flow projections have been based on the budget of the wind park operation project, the duration of which is estimated at 20 years and which is considered to have zero residual value.

The goodwill amounting to €3.562 in the line "Intrakat SA" has resulted from the absorption of the sectors of three companies from the subsidiary Intrakat SA in financial year 2008. These sectors are not monitored as individual CGUs as they have been fully absorbed, thus the overall evaluation of Intrakat is taken into account for testing goodwill impairment.

The key assumptions used for the most significant CGUs for the period 2017 - 2021 are as follows:

	Intrasoft International SA	**Intrasoft International Scandinavia**	**Intrakat SA-construction segments**	**Ambtila Enterprises Ltd**	**Prisma - Domi ATE**
Revenue growth	1,6% - 3,0%	2,0%	11% - 15%	0,0%	3,0% - 12,0%
Gross margin	10,25% - 12,09%	60,77% - 69,62%	14,58% - 15,35%	-	-
EBITDA margin	6,59% - 7,86%	17,9% - 19,5%	8,37% - 10,30%	81% - 84%	3% - 6%
Perpetuity growth rate	1,0%	1,0%	1,1%	0,0%	0,0%
Discount rate	7,5%	7,9%	13,3%	10,9%	14,2%

(All amounts in €'000)

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

Based on the tests performed, the goodwill recoverable amount exceeds its carrying value and there is no impairment loss.

From the sensitivity analysis for the recoverable value of goodwill there were no possible changes in key assumptions, as presented above, this would result in the recognition of impairment loss related to goodwill.

8. Intangible Assets

Group

	Software	Internally-generated software	Trade name	Customers Relationships	Concession rights	Other	Total
Cost							
Balance 1 January 2015	20.009	29.054	661	1.707	-	893	52.323
Exchange differences	(1)	170	-	-	-	19	188
Additions	170	39	-	-	1.389	-	1.598
Disposals / write-offs	(4)	-	-	-	-	-	(4)
Reclassifications	678	-	-	-	-	(678)	-
Balance 31 December 2015	20.853	29.262	661	1.707	1.389	234	54.105
Balance 1 January 2016	20.853	29.262	661	1.707	1.389	234	54.105
Exchange differences	-	48	-	-	-	5	54
Additions	99	500	-	-	1.857	-	2.457
Disposals / write-offs	(1.988)	-	-	-	-	-	(1.988)
Acquisition of control	17	-	-	-	-	-	17
Balance 31 December 2016	18.981	29.811	661	1.707	3.246	239	54.645
Accumulated amortisation							
Balance 1 January 2015	18.943	26.411	-	1.707	-	52	47.113
Exchange differences	(1)	53	-	-	-	-	52
Amortisation charge	594	1.212	-	-	-	-	1.806
Disposals / write-offs	(2)	-	-	-	-	-	(2)
Balance 31 December 2015	19.533	27.676	-	1.707	-	52	48.969
Balance 1 January 2016	19.533	27.676	-	1.707	-	52	48.969
Exchange differences	-	21	-	-	-	-	21
Amortisation charge	590	381	-	-	-	-	972
Disposals / write-offs	(1.988)	-	-	-	-	-	(1.988)
Acquisition of control	3	-	-	-	-	-	3
Balance 31 December 2016	18.139	28.079	-	1.707	-	52	47.977
Net book amount at 31 December 2015	**1.319**	**1.586**	**661**	**-**	**1.389**	**182**	**5.136**
Net book amount at 31 December 2016	**842**	**1.732**	**661**	**-**	**3.246**	**187**	**6.667**

The concession right is held by the subsidiary Rural Connect S.A., which has been assigned by Information Society S.A. (the "Grantor") with the construction, operation and maintenance for a 17-year period of the project "Development of broadband infrastructure in disadvantaged rural areas ("white areas") of Greece and operation of the infrastructure". The broadband network infrastructure will return to the Grantor when the concession agreement expires. For the right to receive payments from grantor refer to Note 19.

(All amounts in €'000)

Company

	Software	Total
Cost		
Balance 1 January 2015	1.978	1.978
Additions	2	2
Balance 31 December 2015	1.980	1.980
Balance 1 January 2016	1.980	1.980
Write-offs	(1.972)	(1.972)
Balance 31 December 2016	8	8
Accumulated amortisation		
Balance 1 January 2015	1.975	1.975
Amortisation charge	2	2
Balance 31 December 2015	1.977	1.977
Balance 1 January 2016	1.977	1.977
Amortisation charge	2	2
Write-offs	(1.973)	(1.973)
Balance 31 December 2016	6	6
Net book amount at 31 December 2015	**3**	**3**
Net book amount at 31 December 2016	**2**	**2**

(All amounts in €'000)

9. Investment property

	Group	Company
Cost		
Balance 1 January 2015	71.632	72.612
Exchange differences	453	-
Additions	1.720	30
Impairment	(154)	(199)
Transfer to PPE (note 6)	(55)	(55)
Transfer from PPE (note 6)	383	60
Balance 31 December 2015	73.980	72.448
Balance 1 January 2016	73.980	72.448
Exchange differences	106	-
Additions	13.093	247
Impairment	(25)	(58)
Transfer to PPE (note 6)	(2.829)	-
Transfer from PPE (note 6)	928	-
Balance 31 December 2016	85.253	72.638
Accumulated depreciation		
Balance 1 January 2015	13.440	18.242
Exchange differences	191	-
Transfer to PPE (note 6)	(9)	(9)
Transfer from PPE (note 6)	17	17
Depreciation charge	1.003	1.193
Balance 31 December 2015	14.641	19.443
Balance 1 January 2016	14.641	19.443
Exchange differences	28	-
Transfer to PPE (note 6)	(60)	-
Depreciation charge	1.022	1.200
Balance 31 December 2016	15.632	20.643
Net book amount at 31 December 2015	**59.338**	**53.006**
Net book amount at 31 December 2016	**69.621**	**51.995**

Rental income from investment properties for 2016 amounted to €2.382 and €2.687 for the Group and the Company respectively (2015: €2.536 and €2.952 for the Group and the Company respectively).

For the impairment of investment property refer to note 6.

(All amounts in €'000)

10. Investments in subsidiaries

The movement in investments in subsidiaries is analysed as follows:

	Company	
	31/12/2016	**31/12/2015**
Balance at the beginning of the year	133.377	134.338
Impairment	(1.065)	(961)
Balance at the end of the year	**132.312**	**133.377**

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

		31/12/2016		31/12/2015	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intrasoft International SA	Luxembourg	99,99%	52.407	99,99%	52.407
Intracom SA Defence Electronic Systems	Greece	100%	52.780	100%	52.780
Intrakat SA	Greece	61,76%	22.030	61,76%	22.030
Intracom Holdings International Ltd	Cyprus	100%	4.305	100%	5.370
Intracom Group USA Inc*	USA	2,91%	65	2,91%	65
Rural Connect SA**	Greece	30,00%	725	30,00%	725
			132.312		**133.377**

(*) The total shareholding as at 31 December 2016 is 100% through the participation of subsidiaries of the Group (2015: 100%).

(**)The total shareholding as at 31 December 2016 is 67,06% through the participation of subsidiary Intrakat SA (2015: 67,06%).

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.

At 31 December 2016 the Company performed impairment test on the subsidiary Intracom Holdings International Ltd due to existence of relevant indications (accumulated losses). The impairment loss recognised amounted to €1.065 and was calculated based on the subsidiary's net assets.

Year 2016

Group

The subsidiary Intrakat S.A. acquired from the minority shareholders 54,71% of its subsidiary EUROKAT ATE for €613 and, as a result, it's interest in the subsidiary reached 100%. The decrease in the Group's equity was €613, while the decrease in non-controlling interests was €386.

Intra-hospitality S.A, a subsidiary of Intrakat S.A., increased its share capital by €24 which was covered in full by non-controlling interest. This resulted in the increase of the total interest held in Intrablue Hospitality by 50%, with Intrakat S.A. maintaining control. A further 50% interest was acquired subsequently for €24 and as a result the total interest held in Intrablue Hospitality reached 100%. The above transaction had no effect on the Group's equity, while non-controlling interests increased by €2.

On 21.07.2016 the subsidiary Intrakat SA, acquired a 60% stake in AK ENERGEIAKI SA for €4.000, which holds an interest of 50% in the subsidiary of the Group A.KATSELIS ENERGEIAKI SA. As a result, the Group acquired an additional stake of 30% in the subsidiary A. KATSELIS ENERGEIAKI SA. And its total interest reached 80%. The decrease in the Group's equity was €4.000 while the decrease in non-controlling interest was €1.897.

The subsidiary Inrakat SA participated, through its own subsidiary, in the share capital increase of the associate INESTIA TOURISTIKI SA for €126. On 12.12.2016 the sub-group Intrakat SA acquired control of INESTIA TOURISTIKI SA, with no change in the interest held. As a result, on 12.12.2016 INESTIA TOURISTIKI SA was derecognised from investments in associates (note 11) and is now included in the Group's financial statements as a subsidiary. The effect of the acquisition of control in the subsidiary was not significant for the Group.

<u>Year 2015</u>

Group

Intracom Construct, a subsidiary of Intrakat S.A., increased its share capital by €2.239 which was covered in full by Intrakat S.A. After the share capital increase Intrakat's shareholding in the subsidiary is 97,17%. The increase in non-controlling interests was €336.

In the second quarter of 2015, the subsidiary Intrakat SA transferred to its minority shareholders a part of its shareholding in the subsidiary EUROKAT SA for €216. The subsidiary EUROKAT SA increased its share capital by €760 with the subsidiary Intrakat SA undertaking in full the share capital increase, with the capitalisation of an equal amount of its receivables. Subsequently, during the third quarter the subsidiary Intrakat SA transferred to its minority shareholders an additional part of its shareholding in the subsidiary EUROKAT SA for €144. The above transactions resulted in the increase of the total interest held by the subsidiary Intrakat SA in EUROKAT SA to 45,29% with Intrakat SA maintaining control, through the majority of the Board of Directors. The total effect on the Group's equity and cash flows was €360.

During the second quarter, the subsidiary Intrakat SA acquired from the minority shareholders 50% of Intrablue Hospitality and Business Tourism SA for €12. The interest held by Intrakat SA (taking into account the shareholding of the subsidiary INTRADEVELOPMENT SA) has now reached 100%. The increase in non-controlling interests was €11, while the total effect on the Group was €12.

Moreover, during the second quarter, the subsidiary Intrakat SA acquired the total interest held by S.C INTRACOM CONSTRUCT in the subsidiaries OIKOS PROPERTIES and ROMINPLOT for a consideration of €1.676. The subsidiary Intrakat SA holds 100% of OIKOS PROPERTIES and 100% of ROMINPLOT SRL (taking into consideration the 0,01% of Intrakat International Ltd). The effect on the Group's net assets was not significant.

During the last quarter of 2015, the subsidiary Intrasoft International SA acquired 88% of the share capital of Intrasoft International East Africa. This acquisition had no significant impact on the Group.

(All amounts in €'000)

Information for subsidiaries with non-controlling interests

At 31 December 2016 total non-controlling interests amounted to €21.363 (2015: €25.269), out of which €19.924 relates to Intrakat Group (2015: €24.093), €185 relates to Advanced Passport Telematics (2015: €148) and €1.254 to Intrasoft International S.A. (2015: €1.028).

There are no significant restrictions as regards the Group's assets or settlement of liabilities.

Summarised financial information for Intrakat Group

Below is provided the summarised financial information of the subsidiary:

Summarised statement of financial position:

	Intrakat SA	
	31/12/2016	**31/12/2015**
Assets		
Current assets	178.311	203.041
Non-current assets	110.715	93.035
Total assets	289.026	296.076
Liabilities		
Current liabilities	180.802	188.817
Non-current liabilities	57.158	46.036
Total liabilities	237.960	234.853
Net assets	51.066	61.224

Summarised income statement:

	1/1- 31/12/2016	**1/1- 31/12/2015**
Sales	182.384	147.595
Profit / (losses) before income tax	(2.713)	(4.411)
Income tax	(2.541)	(1.533)
Post tax profit / (losses) for the year	(5.254)	(5.944)
Other comprehensive income	(351)	4.640
Total comprehensive income	(5.605)	(1.304)
Total comprehensive income allocated to non-controlling interests	(2.000)	(208)

(All amounts in €'000)

Summarised cash flow statement:

	Intrakat SA	
	1/1- 31/12/2016	**1/1- 31/12/2015**
Cash flows from operating activities		
Cash generated from operations	17.441	(1.647)
Interest paid	(9.314)	(8.572)
Income tax paid	121	(2.731)
Net cash generated from /(used in) operating activities	8.248	(12.950)
Net cash used in investing activities	(16.104)	(11.122)
Net cash generated from/(used in) financing activities	(9.428)	29.649
Net increase / (decrease) in cash and cash equivalents	**(17.284)**	**5.577**
Cash and cash equivalents at beginning of year	31.324	25.748
Cash and cash equivalents at end of year	**14.040**	**31.325**

11. Investments in associates

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	**727**	**611**	**-**	**-**
Additions	180	633	-	-
Disposals / Liquidations of joint ventures	(7)	(237)	-	
Transfer to subsidiary	(182)	-	-	
Share of loss	(117)	(283)	-	-
Effect of exchange differences and remeasurements of retirement benefit obligations	(3)	2	-	-
Balance at the end of the year	**597**	**727**	**-**	

Year 2016

As disclosed in note 10, the subsidiary Intrakat SA acquired control of INESTIA TOURISTIKI SA, without change in the interest held. As a result, the investment in the subsidiary INESTIA TOURISTIKI SA of €182 was derecognised and it is now included in the financial statements of the Group as investment in subsidiary. This transaction had no significant impact on the Group.

Year 2015

In December 2015, the interest held in the associate Thivaikos Anemos Energiaki SA was sold. The Group's gain from the sale amounted to €183 (nsote 32) and the cash inflow for the Group amounted to €360.

(All amounts in €'000)

Information about the Group's associates is presented below:

2016

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit / (Loss)	Interest Held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	5.866	5.235	-	(206)	25,00%
MOBILE COMPOSTING S.A.	GREECE	505	170	73	58	24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	1.226	530	230	(1)	40,00%
ATHENS TECH S.A.	GREECE	66	213	228	(226)	50,00%
		7.663	**6.148**	**531**	**(375)**	

2015

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit / (Loss)	Interest Held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	6.069	5.205	-	(269)	25,00%
MOBILE COMPOSTING S.A.	GREECE	352	230	-	(29)	24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	994	304	-	(13)	40,00%
INESTIA TOURIST S.A.	GREECE	87	2	-	(57)	50,00%
ATHENS TECH S.A.	GREECE	290	266	161	(200)	50,00%
		7.792	**6.007**	**161**	**(568)**	

12. Joint operations

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

	31/12/2016	**31/12/2015**
Assets		
Non-current assets	89	133
Current assets	22.868	34.689
	22.957	34.822
Liabilities		
Non-current liabilities	-	-
Current liabilities	21.335	31.306
	21.335	31.306
Equity	1.622	3.515
Income	19.265	17.282
Expenses	(19.624)	(16.316)
Profit / (Loss) (after tax)	**(360)**	**966**

(All amounts in €'000)

Information for the Group's investments in joint operations is included in note 41.

13. Available-for-sale financial assets

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	13.258	10.996	9.095	9.787
Additions	3.735	4.424	3.524	1.000
Disposals	-	(989)	-	(989)
Fair value (losses) / gains	(3.137)	(596)	-	(126)
Impairment (note 32)	(462)	(577)	(462)	(577)
Other	(520)	-	(520)	-
Balance at the end of the year	**12.873**	**13.258**	**11.637**	**9.095**
Non current Assets	**12.873**	**13.258**	**11.637**	**9.095**
Current Assets	-	-	-	-
	12.873	**13.258**	**11.637**	**9.095**

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Listed securities:				
- Equity securities	2.466	3.482	2.067	1
Unlisted securities:				
- Equity securities	10.408	9.776	9.570	9.095
	12.873	**13.258**	**11.637**	**9.095**

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 €1.220 and a 13,33% shareholding in Moreas SA amounting to €8.084.

The additions in the Group and the Company in the year 2016 refer to the acquisition of listed securities of Intralot of €2.066 as well as the Company's contribution to the share capital increase of Moreas SA by its shareholding percentage amounted to €1.333.

In 2016 an impairment was recognised by the Group amounting to €3.151 (2015: €5.296) relating to investments in listed securities (note 32), while no impairment was recognised by the Company (2015: €38). In addition, an impairment was recognised by the Group and the Company of €462 (2015: €577) relating to investments in unlisted securities (note 32).

(All amounts in €'000)

The line «Other» relates to liquidation of a company with unlisted securities in which the Company held a share. The liquidation resulted in a cash inflow amounting to €522 as well as a gain for the Group and Company of €2 (note 32).

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	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Deferred tax assets	(8.303)	(7.938)	-	-
Deferred tax liabilities	1.240	1.188	1.061	1.066
	(7.063)	**(6.749)**	**1.061**	**1.066**

The gross amounts are as follows:

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Deferred tax assets:				
To be recovered after more than 12 months	(13.222)	(14.411)	(61)	(98)
To be recovered within 12 months	(2.064)	(850)	-	-
	(15.286)	**(15.261)**	**(61)**	**(98)**
Deferred tax liabilities				
To be settled after more than 12 months	4.162	4.298	1.123	1.164
To be settled within 12 months	4.063	4.215	-	-
	8.224	**8.512**	**1.123**	**1.164**
	(7.063)	**(6.749)**	**1.061**	**1.066**

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

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	(6.749)	(7.606)	1.066	1.033
Exchange differences	8	5	-	-
Charge / (credit) to profit or loss (Note 34)	(276)	912	(28)	43
Charge / (credit) to other comprehensive income	(41)	(58)	23	(10)
Charge / (credit) to equity	(5)	(2)	-	-
Balance at the end of the year	**(7.063)**	**(6.749)**	**1.061**	**1.066**

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:

(All amounts in €'000)

Group

Deferred tax assets:

	Provisions	Tax losses	Other	Total
Balance 1 January 2015	(9.423)	(5.772)	(1.229)	(16.424)
Exchange differences	4	-	-	4
Charge / (credit) to profit or loss	(481)	1.768	(68)	1.219
Credit to other comprehensive income	(58)	-	-	(58)
Credit to equity	-	-	(2)	(2)
Balance 31 December 2015	**(9.958)**	**(4.003)**	**(1.300)**	**(15.261)**
Balance 1 January 2016	(9.958)	(4.003)	(1.300)	(15.261)
Exchange differences	8	-	-	8
Charge / (credit) to profit or loss	(2.391)	2.487	(83)	13
Credit to other comprehensive income	(41)	-	-	(41)
Credit to equity	-	-	(5)	(5)
Balance 31 December 2016	**(12.383)**	**(1.516)**	**(1.388)**	**(15.286)**

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance 1 January 2015	4.505	4.314	8.819
Charge / (credit) to profit or loss	155	(462)	(307)
Balance 31 December 2015	**4.660**	**3.852**	**8.512**
Balance 1 January 2016	4.660	3.852	8.512
Charge / (credit) to profit or loss	(4)	(285)	(288)
Balance 31 December 2016	**4.656**	**3.568**	**8.224**

(All amounts in €'000)

Company

Deferred tax assets:

	Provisions	Total
Balance 1 January 2015	(73)	(73)
Credit to profit or loss	(14)	(14)
Credit to other comprehensive income	(10)	(10)
Balance 31 December 2015	**(98)**	**(98)**
Balance 1 January 2016	(98)	(98)
Charge to profit or loss	13	13
Charge to other comprehensive income	23	23
Balance 31 December 2016	**(61)**	**(61)**

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance 1 January 2015	1.106	1	1.106
Charge / (Credit) to profit or loss	58	(1)	57
Balance 31 December 2015	**1.164**	**-**	**1.164**
Balance 1 January 2016	1.164	-	1.164
Charge to profit or loss	(41)	-	(41)
Balance 31 December 2016	**1.123**	**-**	**1.123**

The Company has not recognised deferred tax asset on the losses of the previous and the current year. These losses amount to €117.946.

15. Long-term loans receivable

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 shareholding percentage in Moreas SA (13,33%), paying an amount of €7.332. The loan carries a floating interest rate (12m Euribor plus 4,0% margin).

The amount recorded on the balance sheet as at 31 December 2016 consists of the initial capital plus capitalised interest of the period 2008-2016.

(All amounts in €'000)

In 2016, new fixed interest bearing loans were issued to third parties amounting to €400 (2015: €1.497) (interest rate 5,25% - 6,5%).

16. Trade and other receivables

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Trade receivables	131.657	125.586	88	76
Less: provision for impairment	(16.109)	(16.589)	-	-
Trade receivables - net	115.548	108.997	88	76
Prepayments	29.144	13.604	-	-
Receivables from related parties (note 39)	18.574	15.078	25.403	26.906
Loans to related parties (note 39)	337	1.796	2.301	192
Prepaid expenses	6.808	5.733	84	164
Accrued income	53.316	57.560	416	425
Restricted cash (notes 38)	7.906	52.355	7.456	52.108
Other receivables	34.088	34.915	2.433	2.193
Less: provision for impairment of other receivables	(3.000)	(3.089)	-	-
Total	**262.720**	**286.950**	**38.181**	**82.065**
Non-current assets	14.638	16.043	39	39
Current assets	248.082	270.906	38.142	82.025
	262.720	**286.950**	**38.181**	**82.065**

At 31 December 2016 out of the €34 million of other receivables, the amount of €17 million relates to receivables from the Greek State and the amount of €3,3 million relates to receivables from joint ventures.

At 5 February 2016, deposits amounting to €41 million were released after used to cover the issue of letters of guarantee relating to the Teledome case, as described in note 38.

During the current financial year, the Company issued new fixed interest bearing loans to subsidiaries amounting to €2.300 (interest rate 5,18% - 5,3%).

(All amounts in €'000)

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

	Group		**Company**	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Total	115.548	108.997	88	76
Not past due and not impaired at the balance sheet date	59.797	61.678	56	39
Impaired at the balance sheet date	16.109	16.589	-	-
Provision made for the following amount:	(16.109)	(16.589)	-	-
	-	-	-	-
Not impaired at the balance sheet date but past due in the following periods:				
< 90 days	14.276	16.054	9	7
90-180 days	8.111	9.491	12	
180-270 days	17.208	8.768	-	-
270-365 days	2.931	2.130	4	6
1- 2 years	4.493	3.130	7	23
>2 years	8.731	7.746	-	-
	55.751	47.319	32	36
Total trade receivables	**115.548**	**108.997**	**88**	**76**

Receivables that are past due more than twelve months and for which no impairment provision has been recognised relate to receivables from the Greek State amounting to €4,9 million (2015: €3,4 εκ.).

There is no concentration of credit risk in relation to trade receivables, since the Group has a large 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.

(All amounts in €'000)

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

	Group	Company
Balance 1 January 2015	20.117	-
Exchange differences	2	-
Provision for impairment (note 29)	748	-
Receivables written-off during the year	(568)	-
Provisions used	(620)	
Balance 31 December 2015	**19.679**	-
Exchange differences	(40)	-
Provision for impairment (note 29)	462	-
Receivables written-off during the year	(233)	-
Provisions used	(417)	
Unused amounts reversed (note 29)	(340)	-
Balance 31 December 2016	**19.110**	-

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Euro (EUR)	204.746	249.756	38.100	82.065
US Dollar (USD)	51.280	28.614	-	-
Polish Zloty (PLN)	1.756	4.454	-	-
Romanian Lei (RON)	1.451	1.980	81	-
Jordanian Dinar (JOD)	1.244	1.396	-	-
Danish Corona (DKK)	41	117	-	-
FYROM Dinar (MKD)	1.501	-	-	-
Other	701	633	-	-
	262.720	**286.950**	**38.181**	**82.065**

(All amounts in €’000)

17. Inventories

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Raw materials	24.429	23.376	-	-
Semi-finished goods	12.573	2.097	-	-
Finished goods	8.522	15.306	-	-
Work in progress	2.327	2.124	-	-
Merchandise	3.144	3.374	-	-
Other	284	276	-	-
Total	**51.278**	**46.553**	**-**	**-**
Less: Provisions for obsolete and destroyed inventories				
Raw materials	7.509	6.496	-	-
Semifinished goods	2.633	1.879	-	-
Finished goods	1.527	1.268	-	-
Merchandise	301	301	-	-
	11.970	**9.943**	**-**	**-**
Net realisable value	**39.309**	**36.610**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance 1 January 2015	8.438	-
Provision for impairment (note 29)	1.637	-
Used provisions	(133)	-
Balance 31 December 2015	**9.943**	**-**
Provision for impairment (note 29)	2.084	-
Used provisions	(57)	-
Balance 31 December 2016	**11.970**	**-**

(All amounts in €'000)

18. Construction contracts

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Assets				
Contracts in progress at the balance sheet date:				
Receivables from construction contracts	36.066	41.178	-	-
Total	**36.066**	**41.178**	**-**	**-**
Liabilities				
Contracts in progress at the balance sheet date:				
Liabilities from construction contracts	3.733	8.112	-	-
Total	**3.733**	**8.112**	**-**	**-**
Accumulated contract costs plus accumulated recognised profits less accumulated recognised losses	605.073	515.596	-	-
Less: Progress billings	(572.740)	(482.531)	-	-
Construction contracts	**32.333**	**33.065**	**-**	**-**

The contractual revenue from construction contracts for financial year 2016 amounts to €96 million (2015: €104 million).

At 31 December 2016, the prepayments received for contracts in progress amount to €7 million (2015: €11 million) and the amounts withheld by project clients amount to €2 million (2015: €3 million).

19. Right to payments from Greek State

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	11.647	-	-	-
Increase of receivables	22.450	11.647	-	-
Decrease of receivables	(19.938)	-	-	-
Total	**14.159**	**11.647**	**-**	**-**
Non-current assets	-	-	-	-
Current assets	14.159	11.647	-	-
	14.159	**11.647**	**-**	**-**
Total prepayments received	14.399	18.090	-	-

(All amounts in €'000)

20. Financial assets at fair value through profit or loss

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	170	179	-	-
Fair value adjustments (note 32)	(3)	(9)	-	-
Balance at the end of the year	**167**	**170**	-	-

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Listed securities				
- Equity securities	167	170	-	-
	167	**170**	**-**	**-**

21. Cash and cash equivalents

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

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cash at bank and in hand	106.306	86.212	52.005	15.630
Short-term bank deposits	1.665	3.088	-	2.037
Total	**107.971**	**89.299**	**52.005**	**17.666**

In 2016 the effective interest rate on short-term bank deposits for the Company was 0% (2015: 0,25%).

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Euro (EUR)	94.263	78.046	51.053	16.718
US Dollar (USD)	9.859	9.462	951	948
Japanese Yen (JPY)	1.055	-	-	-
Romanian Lei (RON)	605	89	-	-
Bulgarian Leva (BGN)	863	1.591	-	-
Polish Zloty (PLN)	446	-	-	-
Other	880	112		
	107.971	**89.299**	**52.005**	**17.666**

(All amounts in €'000)

22. Share capital

	Number of shares	Share capital	Share premium	Total
Balance 1 January 2015	133.025.996	187.567	194.204	381.771
Balance 31 December 2015	**133.025.996**	**187.567**	**194.204**	**381.771**
Balance 1 January 2016	133.025.996	187.567	194.204	381.771
Balance 31 December 2016	**133.025.996**	**187.567**	**194.204**	**381.771**

On 31 December 2015 and on 31 December 2016 the Company's share capital amounts to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

23. Reserves

Group

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Remeasurments of retirement benefit obligations	Fair value reserves	Total
Balance 1 January 2015	30.560	8.305	116.337	56.470	(29.233)	(3.178)	(7.646)	171.616
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(416)	(416)
Transfer to profit or loss of available-for-sale financial assets due to impairment	-	-	-	-	-	-	3.286	3.286
Transfer of available-for-sale financial assets reserve to profit or loss due to disposal	-	-	-	-	-	-	758	758
Exchange differences	-	-	-	-	-	-	767	767
Increase in share capital of subsidiary	-	-	-	-	2	-	-	2
Effect of change in interest held in subsidiaries	-	-	-	-	(7)	-	-	(7)
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	-	323	-	323
Transfers between reserves	101	-	(9.113)	-	-	-	-	(9.011)
Balance 31 December 2015	**30.662**	**8.305**	**107.225**	**56.470**	**(29.237)**	**(2.855)**	**(3.251)**	**167.318**
Balance 1 January 2016	30.662	8.305	107.225	56.470	(29.237)	(2.855)	(3.251)	167.318
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(2.283)	(2.283)
Transfer to proft or loss due to impairment of available-for-sale financial assets	-	-	-	-	-	-	2.291	2.291
Exchange differences	-	-	-	-	-	-	149	149
Effect of change in interest held in subsidiaries	6	-	-	-	2	-	-	8
Transfers between reserves	30	-	(276)	-	-	-	-	(246)
Balance 31 December 2016	**30.697**	**8.305**	**106.949**	**56.470**	**(29.235)**	**(2.855)**	**(3.094)**	**167.237**

(All amounts in €'000)

Company

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Remeasurments of retirement benefit obligations	Fair value reserves	Total
Balance 1 January 2015	26.719	8.069	55.990	56.981	(176)	(671)	146.912
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(126)	(126)
Transfer of available-for-sale reserve to profit or loss due to impairment	-	-	-	-	-	38	38
Transfer of available-for-sale reserve to profit or loss due to disposal	-	-	-	-	-	758	758
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	(25)	-	(25)
Transfer between reserves	-	-	(8.841)	-	-	-	(8.841)
Balance 31 December 2015	**26.719**	**8.069**	**47.149**	**56.981**	**(201)**	**-**	**138.717**
Balance 1 January 2016	26.719	8.069	47.149	56.981	(201)	-	138.717
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	57	-	57
Balance 31 December 2016	**26.719**	**8.069**	**47.149**	**56.981**	**(144)**	**-**	**138.774**

(a) Statutory reserve

The statutory 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 statutory reserve can only be used with the approval of the Annual General meeting of the shareholders to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Special reserves

Special reserves include amounts that were created according to decisions of the Annual General Meetings, have no specific purpose and can therefore be used for any reason following the approval of the Annual General Meeting, as well as amounts that 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 distribution or capitalisation.

(c) Tax-free reserves

<u>Tax-free reserves under special legal provisions</u>

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 the development laws in force. In essence, this reserve is created from profits for which no tax is calculated or paid.

During the year 2015 and under the provisions of paragraphs 12 and 13 of article 72 of Law 4172/2013, tax-free reserves of the Company amounting to €8.841 were offset against tax losses.

<u>Reserves created under the provisions of tax law from tax-free income or from income taxed under special provisions</u>

(All amounts in €'000)

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 aforementioned 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

Fair value reserves mainly include foreign currency translation differences from investments denominated in foreign currency.

During the year, a reserve amounting to €2.291 (2015: €3.286) was transferred to the Group's income statement due to the impairment of investments available for sale.

24. Borrowings

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Non-current borrowings				
Bank loans	33.895	46.264	-	-
Finance lease liabilities	7.676	9.418	7.440	8.959
Bond loans	26.835	10.035	-	-
Total non-current borrowings	**68.405**	**65.717**	**7.440**	**8.959**
Current borrowings				
Bank loans	96.024	112.149	15.500	18.346
Bond loans	11.950	9.332	-	-
Other loans	1.086	1.025	-	-
Finance lease liabilities	534	1.619	311	1.285
Total current borrowings	**109.594**	**124.124**	**15.811**	**19.631**
Total borrowings	**178.000**	**189.842**	**23.251**	**28.591**

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

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Euro	176.641	185.870	23.251	28.591
US dollar (USD)	1.358	2.747	-	-
Polish Zloty (PLN)	-	1.225	-	-
	178.000	**189.842**	**23.251**	**28.591**

(All amounts in €'000)

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

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Not later than 1 year	112.154	123.020	15.500	18.346
Between 1 and 2 years	6.165	13.693	-	-
Between 2 and 3 years	6.793	6.344	-	-
Between 3 and 5 years	21.128	19.520	-	-
More than 5 years	31.529	21.716	-	-
	177.770	**184.293**	**15.500**	**18.346**

The weighted average interest rate of the Group's short-term and long-term borrowings in 2016 was 5,95% and 4,86% respectively (2015: 6,12% και 5,55% respectively).

The weighted average interest rate of the Company's short-term borrowings in 2016 was 5,53% (2015: 5,71% for short-term borrowings).

The weighted average interest rate of the Group's bond loans in 2016 was 4,93%.

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

Finance leases

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	897	2.077	654	1.707
Between 2 and 5 years	4.398	7.212	4.134	6.829
More than 5 years	4.823	3.561	4.823	3.437
Total	10.117	12.850	9.611	11.974
Less: Future finance charges on finance leases	(1.907)	(1.813)	(1.860)	(1.729)
Present value of finance lease liabilities	**8.210**	**11.037**	**7.751**	**10.245**
Present value of finance lease liabilities:				
Not later than 1 year	534	1.619	311	1.285
Between 2 and 5 years	3.191	6.059	2.955	5.722
More than 5 years	4.485	3.359	4.485	3.237
Total	**8.210**	**11.037**	**7.751**	**10.245**

(All amounts in €'000)

25. Retirement benefit obligations

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance sheet obligations for:				
Pension benefits	**7.046**	**6.667**	**360**	**485**
Income statement charge				
Pension benefits (note 30)	**954**	**447**	**326**	**21**
Charge / (credit) to equity				
Remeasurements of retirement benefit obligations	**118**	**(272)**	**(80)**	**35**

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Current service cost	380	280	11	11
Interest cost	77	77	10	9
Losses on curtailment	496	90	305	-
Total, included in staff costs	**954**	**447**	**326**	**21**

Total charge is allocated as follows:

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Cost of goods sold	482	304	-	-
Selling costs	86	101	-	-
Administrative expenses	386	42	326	21
	954	**447**	**326**	**21**

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

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Balance at the beginning of the year	6.666	6.636	485	430
Total expense charged to the income statement	954	447	326	21
Contributions paid	(692)	(153)	(371)	-
Remeasurements of retirement benefit obligations	118	(272)	(80)	35
Total expense charged to third parties	-	8	-	-
Balance at the end of the year	**7.046**	**6.666**	**360**	**485**

The principal actuarial assumptions used are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
Discount rate	1,5% - 1,8%	1,8% - 2,0%	1,80%	2,00%
Future salary increases	1,8% - 2,3%	2,00%	2,00%	2,00%

(All amounts in €'000)

In the following table is presented the analysis of the liability's sensitivity to changes in the key assumptions.

Group

	Change in the assumption		Increase / (Decrease) in the present value of the liability in case of an increase in the assumption		Increase / (Decrease) in the present value of the liability in case of an decrease in the assumption	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Discount rate	0,5%	0,5%	(598)	(452)	416	506
Future salary increases	0,5%	0,5%	379	501	(576)	(452)

Company

	Change in the assumption		Increase / (Decrease) in the present value of the liability in case of an increase in the assumption		Increase / (Decrease) in the present value of the liability in case of an decrease in the assumption	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Discount rate	0,5%	0,5%	(22)	(30)	23	33
Future salary increases	0,5%	0,5%	21	33	33	(30)

26. Grants

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at the beginning of the year	55	61	-	-
Amortisation charge (note 31)	(5)	(6)	-	-
Balance at the end of the year	**49**	**55**	**-**	**-**
Non-current portion	49	55	-	-
Total	**49**	**55**	**-**	**-**

27. Provisions

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Current liabilities	14.157	9.202	4.966	4.966
Non-current liabilities	1.528	1.616	-	-
Total	**15.685**	**10.818**	**4.966**	**4.966**

(All amounts in €'000)

Group

	Warranties	Unaudited tax years	Other	Total
Balance 1 January 2015	748	611	5.935	7.294
Additional provisions of the year	351	150	6.068	6.569
Unused amounts reversed	-	-	(399)	(399)
Provisions used during the year	(363)	-	(2.282)	(2.645)
Balance 31 December 2015	**735**	**761**	**9.322**	**10.818**
Balance 1 January 2016	735	761	9.322	10.818
Additional provisions of the year	400	-	10.171	10.571
Unused amounts reversed	-	-	(981)	(981)
Provisions used during the year	(385)	-	(4.339)	(4.723)
Balance 31 December 2016	**750**	**761**	**14.174**	**15.685**

At 31 December 2016, the amount of €14.174 in other provisions includes €297 for the recognition of losses from loss making contracts, (2015: €367), €4.137 for accrued employee benefits (2015: €3.415), €2.666 for court decisions and disputes subject to judicial proceedings or arbitration (2015: €2.666) and €2.200 for provisions related to the agreement for the transfer of Hellas online concerning liabilities that will be assumed by the Company after the sale of Hellas online (2015: €2.200).

Additionally, in the fiscal year 2016 the subsidiary company Intrakat S.A. made a provision of €4,3mil with respect to the expected burden of a fine by the Hellenic Competition Authority on the case of "ex-officio investigation of the Directorate-General of Competition in tender offers for public infrastructure works" for potential breach of the provisions of art. 1 L. 3959/2011 (and/or art. 1 o L. 703/1977) on "Protection of Free Competition", as currently in force, as well as of art. 101 of the "Treaty on the Functioning of the European Union (TFEU)". Although the text of the Hellenic Competition Commission's decision has not been yet drafted, issued and served to the company, this provision is possible and secure according to the Dispute Settlement Procedure contemplated in art, 25a L. 3959/2011, in which the company participated and more specifically on the basis of the Settlement Recommendation (addressed to the Commission Plenary), which reflects the common understanding between the Commission and the subsidiary company according to the relevant bilateral contacts previously held on the above case. As far as the Company itself is concerned regarding the above ex-officio investigation of the Hellenic Competition Commission, the latter's judgment is expected to declare that no involvement of Intracom Holdings to an any such infringement (full acquittal).

(All amounts in €'000)

Company

	Other	Total
Balance 1 January 2015	2.676	2.676
Additional provisions of the year	2.290	2.290
Balance 31 December 2015	**4.966**	**4.966**
Balance 1 January 2016	4.966	4.966
Balance 31 December 2016	**4.966**	**4.966**

At 31 December 2016, other provisions include a provision for court decisions and disputes subject to judicial proceedings or arbitration amounting to €2.666 and provisions related to the agreement for the transfer of Hellas online concerning liabilities that will be assumed by the Company after the sale of Hellas online amounting to €2.200.

28. Trade and other payables

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Trade payables	100.990	90.001	1.496	938
Prepayments from customers	90.628	62.334	-	-
Deferred income	8.291	9.263	-	-
Amounts due to related parties (note 39)	7.828	8.857	6.634	9.826
Accrued expenses	15.477	20.024	242	281
Social security and other taxes	8.264	8.102	464	553
Other liabilities	13.903	18.766	2.451	889
Total	**245.380**	**217.347**	**11.286**	**12.487**
Non-current liabilities	3.305	183	-	-
Current liabilities	242.075	217.164	11.286	12.487
	245.380	**217.347**	**11.286**	**12.487**

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	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Euro (EUR)	186.344	188.172	11.286	12.487
US Dollar (USD)	51.875	24.181	-	-
Romanian Lei (RON)	1.868	417	-	-
Polish Zloty (PLN)	1.445	1.432	-	-
Bulgarian Leva (BGN)	853	1.002	-	-
Jordanian Dinar (JOD)	445	1.325	-	-
FYROM Dinar (MKD)	2.504	-	-	-
Other	47	818	-	-
	245.380	**217.347**	**11.286**	**12.487**

29. Expenses by nature

	Note	Group		Company	
		1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Employee benefits	30	98.755	92.682	2.163	2.435
Inventory cost recognised in cost of goods sold		94.589	85.801	-	-
Depreciation of PPE	6	6.433	6.358	280	376
Depreciation of investment property	9	1.022	1.003	1.200	1.193
Amortisation of intangible assets	8	972	1.806	2	2
Impairment of inventories	17	2.016	1.505	-	-
Repairs and maintenance of PPE		1.946	2.022	189	331
Operating lease payments		5.216	7.369	-	-
Subcontractors' fees		149.458	143.182	-	-
Impairment of bad debts	16	122	748	-	-
Telecommunications cost		1.633	1.663	-	-
Transportation and travelling expenses		6.531	5.934	155	206
Third party fees		1.917	1.745	488	1.328
Advertisement		1.776	1.924	81	107
Other		11.166	13.842	1.988	4.510
Total		**383.552**	**367.583**	**6.546**	**10.487**

30. Employee benefits

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Wages and salaries	79.199	74.563	1.613	2.089
Social security costs	16.093	15.358	198	293
Other employers' contributions and expenses	723	852	26	32
Pension costs - defined contribution plans	132	122	-	-
Pension costs - defined benefit plans (note 25)	954	447	326	21
Other post-employment benefits	1.654	1.339	-	-
Total	**98.755**	**92.682**	**2.163**	**2.435**

(All amounts in €'000)

31. Other operating income

	Group		Company	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2015
Dividend income	4	-	-	-
Rental income	2.382	2.536	2.687	2.952
Amortisation of grants received (note 26)	5	6	-	-
Other income from grants	179	266	-	-
Insurance compensations	9	627	-	-
Other	2.210	1.666	-	-
Total	**4.790**	**5.101**	**2.687**	**2.952**

The future minimum lease payments expected to be received by the Group and the Company are as follows:

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Up to 1 year	1.670	2.583	2.135	2.817
From 2 to 5 years	7.099	7.190	9.346	8.257
More than 5 years	10.458	6.969	11.674	7.830
	19.227	**16.742**	**23.155**	**18.904**

32. Other gains/(losses) - net

	Group		Company	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2015
Gains / (losses) from sale of PPE	6	68	(10)	11
Fair value gains /(losses) of financial assets at fair value through profit or loss	(3)	(9)	-	-
Gains / (losses) from disposal/liquidation of available-for-sale financial assets	2	(763)	2	(763)
Impairment of available-for-sale financial assets	(3.613)	(5.873)	(462)	(615)
Gains from disposal of associates	-	183	-	-
Write-offs of other receivables	(174)	(203)	(174)	(203)
Net foreign exchange gains / (losses)	54	258	-	-
Provision for penalty from competition commission (note 27)	(4.300)	-	-	-
Other	911	(309)	841	(38)
Total	**(7.118)**	**(6.648)**	**196**	**(1.608)**

(All amounts in €'000)

The line «Other» in the Group and the Company includes an amount of €841 which relates to an extra receipt as a result of the terms for the sale agreement of Hellas online to Vodafone.

33. Finance expenses/(income) - net

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Finance expenses				
Interest and related expense				
- Bank borrowings	9.245	9.938	989	1.104
- Bond loans	1.214	4	-	-
- Finance leases	533	480	483	473
- Letters of credit and related costs	3.862	4.850	342	1.485
- Net foreign exchange gains / (losses)	(586)	(122)	(22)	123
- Other	1.253	1.156	-	-
	15.520	16.306	1.792	3.184
Finance income				
Interest income	(31)	(97)	(4)	(67)
Interest income from loans	(644)	(566)	(496)	(496)
Other	(1.410)	(529)	(1.088)	-
	(2.086)	(1.192)	(1.589)	(563)
Finance expenses / (income) - net	**13.434**	**15.115**	**203**	**2.622**

The line «Other» in the Group refers mainly to interest income relating to sales to the public sector of €638 and interest on due receivables of €765. In the Company, other interest income refers exclusively to interest on due receivables.

34. Income tax

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Current tax	(6.300)	(3.101)	-	-
Deferred tax (note 14)	276	(912)	28	(43)
Total	**(6.024)**	**(4.013)**	**28**	**(43)**

As at 31/12/2015 the Group has recognised deferred tax assets of €8.303 (31/12/15: €7.938). 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.

Unaudited tax years

The parent company has not been tax audited for the financial year 2010.

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 finalised, are presented in note 41. The cumulative provision for unaudited tax years for the Group amounts to €761.

The parent company and other Greek companies of 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 and article 65^{A} of Law 4174/2013, obtained the 'Tax Compliance Report' for financial years 2011-2015, out of which no additional tax liabilities arose in excess of the tax expense and the tax provision provided for in the annual financial statements of these years. The tax audit performed by the statutory auditors for financial year 2016, according to the provisions of Law 4174/2013, article 65[A], paragraph 1, as applicable, is still in progress and the tax compliance report is expected to be issued after the publication of the annual financial statements of year 2016. In any case and according to POL 1006/2016 there are no exemptions from the statutory tax audit by the tax authorities for the companies for which a tax compliance report is issued with no issues for the years after 2014. As a result, tax liabilities for these years are not final. The Group's Management does not expect that significant additional tax liabilities will arise at the end of the tax audit, in excess of these provided for and disclosed in the financial statements.

(All amounts in €'000)

The tax on losses 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 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Gain / (Loss) before tax	2.139	(7.663)	(2.184)	(9.525)
Tax calculated at tax rates applicable to Greece	(620)	2.222	633	2.762
Income not subject to tax	2.684	499	-	-
Expenses not deductible for tax purposes	(7.943)	(5.040)	(949)	(1.587)
Differences in tax rates	752	263	-	-
Effect of change in applicable tax rate	-	128	-	(119)
Utilisation of previously unrecognised tax losses	343	233	343	-
Tax losses for the year	(1.143)	(1.381)	-	(1.099)
Other	(97)	(938)	-	-
Tax charge / (income)	**(6.024)**	**(4.013)**	**28**	**(43)**

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 22).

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.

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.

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Profit / (loss) attributable to equity holders of the Company	(2.308)	(9.891)	(2.156)	(9.568)
Weighted average number of ordinary shares in issue (thousands)	133.026	133.026	133.026	133.026
Total profit / (losses) per share	(0,02)	(0,07)	(0,02)	(0,07)

36. Cash generated from operations

		Group		Company	
	Note	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Profit / (loss) for the year		(3.885)	(11.677)	(2.156)	(9.568)
Adjustments for:					
Tax		6.024	4.013	(28)	43
Depreciation of PPE	6	6.433	6.358	280	376
Amortisation of intangible assets	8	972	1.806	2	2
Depreciation of investment property	9	1.022	1.003	1.200	1.193
Impairment of investment property	9	25	154	58	199
Impairment of PPE	6	61	84	28	39
(Profit) / loss on sale of PPE	32	(6)	(68)	10	(11)
Fair value losses / (gains) of financial assets at fair value through profit or loss	32	3	9	-	-
Losses / (gains) from disposal/liquidation of available-for-sale financial assets	32	(2)	763	(2)	758
Impairment of available - for - sale financial assets	32	3.613	5.873	462	615
Impairment of subsidiaries	10	-	-	1.065	961
Impairment of loans and trade and other receivables	29, 32	297	950	174	203
(Profit)/Loss on disposal of associates	32	-	(183)	-	-
Interest income		(2.086)	(1.192)	(1.589)	(563)
Interest expense		15.520	16.306	1.792	3.184
Dividend income	31	(4)	-	-	-
Amortisation of grants received	26	(5)	(6)	-	-
Share of loss from associates and joint ventures	11	117	283	-	-
Exchange (gains) / losses		-	415	-	-
		28.099	**24.892**	**1.297**	**(2.570)**
Changes in working capital					
(Increase) / decrease in inventories		(2.698)	8.277	-	-
(Increase) / decrease in trade and other receivables		28.521	(98.084)	45.112	(42.730)
Increase / (decrease) in trade and other payables		12.630	30.705	343	(1.694)
Increase / (decrease) in provisions		4.867	3.524	-	2.290
Increase / (decrease) in retirement benefit obligations		379	(295)	(45)	21
		43.698	**(55.872)**	**45.410**	**(42.113)**
Cash generated from operations		**71.797**	**(30.980)**	**46.707**	**(44.683)**

The increase on receivables in 2015 and the decrease in 2016 refers to the initial commitment and the release of deposits amounting to €41 million in 2016 after used to cover the issue of letters of guarantee relating to the Teledome case (note 38).

(All amounts in €'000)

37. Commitments

Capital commitments

There are no capital commitments for property, plant and equipment for the Group at the balance sheet date (2015: €-).

Operating lease commitments

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Up to 1 year	3.319	3.772	105	217
From 2 to 5 years	7.022	7.988	182	339
More than 5 years	4.222	2.651	-	55
	14.563	**14.410**	**287**	**611**

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	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Guarantees for advance payments	30.646	35.528	16.546	21.268
Guarantees for good performance	142.455	150.618	99.827	106.397
Guarantees for participation in contests	19.437	14.012	8.208	5.879
Other	17.853	18.101	3.500	4.695
	210.392	**218.259**	**128.081**	**138.238**

The Company has provided guarantees to banks for subsidiaries' and other companies' loans amounting to €90.724.

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.

Teledome S.A. has taken legal action against Intracom Holdings, Hellas online and members of the Management requesting, among others, the revocation of the earlier decisions of key management personnel (Board of Directors and General Meeting) of the Group for the cancellation of the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €141 mil. is claimed from the parent company, the former subsidiary Hellas OnLine and the members of the Management, for the loss and the moral damage that the plaintiffs allege to have suffered. Out of these lawsuits, the lawsuits submitted by the major shareholders of Teledome S.A. against Intracom Holdings S.A. as of 31/12/2007 (No 279874/12598/2007), 18/01/2008 (No 38548/1838/2008) and 18/01/2008 (No 38520/1835/2008) have been discussed and were partly accepted by the No 3389/2014 decision of the Multi-Member Court of First Instance of Athens. This decision, however, was nullified by the subsequent No 224/2016 decision of the Athens Court of Appeals. According to the nullified first instance decision, a receivable had been recognised up to the amount of €17,6 million plus interest of €10,9 million as well as the withdrawal of their guarantees up to the amount of €12,4 million, while the plaintiffs were also provided with six (6) letters of guarantee according to No 190/2015 decision for interim relief issued by the Athens Court of First Instance with a Single Judge. This decision was however nullified by virtue of No 224/2016 decision of the Athens Court of Appeals, following which the return of the letters of guarantee to Intracom Holdings S.A. was ordered. Following the above final decision, the six (6) letters of guarantee were cancelled at 5.2.2016 in accordance with their terms. In addition, at 10/02/2015 the Company was notified of a lawsuit by which the major shareholders of Teledome SA claims once more the release of the above guarantees to Banks up to approximately the amount of €13 mil. The hearing before the Multi-Member Court of First Instance of Athens has been set for 14/12/2017. The Company, relying on the opinion of its legal advisor, according to whom it is highly probable that the above lawsuit will be dismissed to the extent that it relates to the outcome of the above trials, considers that an outflow of resources embodying economic benefits is not probable, thus it has not recognised a relevant provision.

The Company was notified within the scope of the judicial assistance provided by the Greek Authorities to the Romanian Authorities that the latter are conducting a criminal investigation against CNLR state lottery for potentially committing the offence of providing gambling services without the necessary licence, which is linked to the latter's activity, as well as for complicity in the said offence. The Company in the past had entered into a contractual cooperation with the aforementioned state lottery CNLR within the scope of the Supply Credit Agreement FN/2003 which was signed between COMPANIA NATIONALA LOTERIA ROMANIA ("CNLR") and the companies LOTROM S.A., INTRALOT S.A. and INTRACOM HOLDINGS S.A. – former INTRACOM S.A. According to the aforementioned notification received by the Company, both the Company itself as well as Intralot S.A. and Lotrom S.A. (a subsidiary of Intralot S.A.) are alleged accomplices of the above CNLR state lottery in the said offence. The Company has contested the above accusation through a statement of defence. The early stage and the nature of the case allows neither the provision of further information on the matter nor the assessment of any potential negative financial impact on the Company's results.

Intracom Telecom have filed an action before the Athens Multimember Court of First Instance against the Company and company members of the Group a) Intrakat S.A. and b) Rural Connect S.A. requesting:

(a) that the above three companies be ordered and be held that they are obliged to pay to Intracom Telecom in the form of penalties and unsupported compensation the total amount of €4,5mil. as regards Intrakat, of €2mil. as regards Intracom Holdings and of €1mil as regards Rural Connect on the grounds of allegedly attributed to the them breaches of specific terms of the contract dated 1.10.2014 entered into between these companies and the claimant

(b) that Intrakat be ordered to pay to Intracom Telecom te total amount of €4,9mil as unpaid and outstanding construction consideration under a sub-construction agreement and

(c) that Intrakat and Rural Connect be ordered to pay to Intracom Telecom, each jointly and severally, the amount of €11,4mil. approximately as outstanding (owing to termination) construction consideration under a sub-construction agreement as well as the amount of € 200k as compensation for non-material damage.

(All amounts in €'000)

The actions referred above have been heard before the competent court on 15.02.2017 and it is now expected either the court ruling or an action on taking of evidence depending on the findings of the court seised.

The Company, along with the other co-defendants, has not made any provision on this account, based on the legal counsel's opinion, according to which the probability of having Intracom Telecom's claims rejected is clearly stronger than the probability of being upheld.

Correspondingly, the Company has, jointly with Intrakat and Rural Connect, filed three arbitral actions in order to be held that termination of the agreement with Intracom Telecom is legitimate, that there is no obligation for compensation against Intracom Telecom for any reason, legal basis or amount whatsoever and that Intracom Telecom is obliged to pay to claimants, as joint and several creditor thereof, the amount of €10mil as penalties called. Developments in the course of arbitral proceedings are pending.

The Group and the Company have recognised provisions for court decisions and disputes subject to judicial proceedings or arbitration amounting to €2,7 mil.

39. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Sales of goods / services:				
To subsidiaries	-	-	2.366	3.024
To other related parties	3.729	5.455	337	291
	3.729	**5.455**	**2.703**	**3.315**
Purchases of goods / services:				
From subsidiaries	-	-	168	446
From other related parties	716	339	39	45
	716	**339**	**206**	**490**
Rental income:				
From subsidiaries	-	-	957	937
From other related parties	727	256	563	550
	727	**256**	**1.520**	**1.487**
Interest income:				
From subsidiaries	-	-	325	-
From other related parties	-	-	779	-
	-	**-**	**1.104**	**-**

	Group		Company	
	1/1 - 31/12/2016	**1/1 - 31/12/2015**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Purchases of fixed assets:				
From subsidiaries	-	-	367	31
	-	**-**	**367**	**31**
Disposals of fixed assets:				
To other related parties	-	6	-	6
	-	**6**	**-**	**6**

(All amounts in €'000)

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.

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

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables from related parties				
From subsidiaries	-	-	12.044	12.694
From other related parties	18.910	16.874	15.660	14.404
	18.910	**16.874**	**27.704**	**27.098**
Payables to related parties				
To subsidiaries	-	-	59	2.893
To other related parties	7.828	8.857	6.575	6.933
	7.828	**8.857**	**6.634**	**9.826**

Key Management compensation

During 2016, a total of €891 and €3.344 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations (2015: €1.186 and €3.439 respectively). At 31 December 2016 and 31 December 2015 there were no receivables or payables from/to Directors with regards to the Company. At 31 December 2016 the Group has outstanding payables to Directors amounting to €208 (2015: €179), while receivables from Directors amount to €14 (2015: €14).

40. Post balance sheet events

There are no significant post balance sheet events.

(All amounts in €'000)

41. Group structure

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

31 December 2016

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2010
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Technologies Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Operations Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Group USA	USA	100,00%	Full	From establishment - 2016
- Duckelco Holdings Ltd	Cyprus	100,00%	Full	2012-2016
- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	2012-2016
- Athens Tech Sa	Greece	50,00%	Equity	2014-2016
* Intrasoft International S.A.	Luxemburg	99,99%	Full	2015-2016
- Intrasoft SA	Greece	99,00%	Full	2010-2016
- Intrasoft International Belgium	Belgium	100,00%	Full	2012-2016
- Intrasoft International Bulgaria	Bulgaria	100,00%	Full	2012-2016
- Global Net Solutions Ltd	Bulgaria	100,00%	Full	2009-2016
- Intrasoft International Scandinavia (πρώην IT Services Denmark AS)	Denmark	100,00%	Full	2008-2016
- Intracom Exports Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	2012-2016
- Intrasoft Information Technology UK Ltd	Great Britain	100,00%	Full	2011-2016
- Intrasoft International USA Inc	USA	100,00%	Full	2012-2016
- Intrasoft International ME FZC	UAE	80,00%	Full	-
- Intracom IT Services Middle East & Africa	Jordan	100,00%	Full	2010-2016
- Intrasoft International East Africa	Kenya	88,00%	Full	2015-2016
Advanced Transport Telematics A.E.	Greece	80,88% (note 1)	Full	2014-2016
Rural Connect AE	Greece	67,06% (note 2)	Full	2014-2016

Note 1: The total indirect shareholding in Advanced Transport Telematics (80,88%) results from the participation of the subsidiaries Intrasoft International SA (direct shareholding 50%) and Intrakat SA (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect SA (67,06%) results from the interests held by the Company (direct shareholding 30%) and the subsidiary Intrakat SA (direct shareholding 60%).

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intrakat SA	Ελλάδα	61,76%	Ολική	2016
- Inmaint SA	Greece	62,00%	Full	2011, 2015-2016
- Intracom Construct SA	Romania	97,17%	Full	2009-2016
- Oikos Properties SRL	Romania	100,00%	Full	2009-2016
- Rominplot SRL	Romania	99,99% (note 3)	Full	2009-2016
- Eurokat SA	Greece	100,00%	Full	2016
- J/V Aktor ATE - Lobbe Tzilalis - Eurokat ATE (Total administration of ooze KEL)	Greece	33,33%	Proportional	2011-2016
- J/V Eurokat ATE - Proteas ATEE (Rainwater runoff networks in Paiania's Municipality)	Greece	50,00%	Proportional	2011-2016
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2016
- Alpha Mogilany Development SP Z.O.O.	Poland	25,00%	Equity	2008-2016
- Ambtila Enterprises Limited	Cyprus	100,00%	Full	2008-2016
- A. Katselis Energeiaki SA	Greece	80,00%	Full	2011-2016
- A.K. Energeiaki SA**	Greece	60,00%	Full	2011-2016
- Intrablue Hotel and Tourist Enterprises	Greece	50,00%	Full	2014-2016
- Intradevelopment SA Estate Development & Management	Greece	100,00%	Full	2011-2016
- Anaptyxiaki Kykladon SA Estate Development	Greece	100,00%	Full	2014-2016
- Intrakyklades Estate Development	Greece	100,00%	Full	2014-2016
- Inestia Touristiki SA	Greece	50% (note 4)	Full	2015-2016
- Intra-hospitality SA Hotel and Tourism business	Greece	50,00%	Full	2015-2016
- Alpha Anaptyxiaki Kykladon SA **	Greece	100,00%	Full	2016
- Beta Anaptyxiaki Kykladon SA**	Greece	100,00%	Full	2016
- Devenetco Ltd. **	Cyprus	100,00%	Full	2016
- B.L. Bluepro Holdings Ltd. **	Cyprus	100,00%	Full	2016
- Fracasso Hellas AE Design & construction of road safety systems	Greece	80,00%	Full	2016
- Fracasso Holdings D.O.O	Croatia	40,00%	Equity	2015-2016
- J/V Intrakat. - "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80,00%	Full	2011-2016
- J/V Intrakat - Mesogeios ES SA (Biological purification operation and maintentance in Oinofita Shimatariou)	Greece	50,00%	Proportional	2011-2016
- J/V Intrakat - Proteas (Ombria Anavisou)	Greece	50,00%	Proportional	2014-2016
- J/V Intrakat - Proteas (Project for completion of Xiria stream)	Greece	50,00%	Proportional	2014-2016
- Intrapower SA Energy Projects	Greece	100,00%	Full	2016
- ICMH SA Medical Services	Greece	50,00% (note 5)	Full	2014-2016
- B-WIND Power SA	Greece	30,00% (note 6)	Full	2015-2016
- Mobile Composting S.A.	Greece	24,00%	Full	2012-2016
J/V Mohlos - Intrakat (Swimming pool)	Greece	50,00%	Equity	2011-2016
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2011-2016
J/V Intrakat - Ergas - ALGAS	Greece	33,33%	Equity	2011-2016

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

Note 4: The control of the company Inestia Touristiki SA is exercised through the majority of the members of the Board of Directors.

Note 5: The control of the company ICMH Medical Services S.A. is exercised through the majority of the members of the Board of Directors.

Note 6: The total shareholding in BWIND Power is 100% through the shareholding of the subsidiary Intrapower which is 70%.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50,00%	Proportional	2011-2016
J/V Intrakat - Elter (Natural gas school installation project)	Greece	30,00%	Proportional	2011-2016
J/V Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2011-2016
J/Vintrakat - Elter (Gas distribution network expansion Xanthi, Serres, Komotini)	Greece	50,00%	Proportional	2011-2016
J/V AKTOR ATE - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2011-2016
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network Attica South Regio	Greece	49,00%	Proportional	2011-2016
J/V Eurokat - Intrakat (Ionios General clinic)	Greece	100,00%	Proportional	2011-2016
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2011-2016
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2011-2016
J/V Intrakat - K.Panagiotidis & Co (Project of transfer line 1)	Greece	60,00%	Proportional	2011-2016
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2011-2016
J/V Intrakat - Filippos SA (Amfipolis project)	Greece	50,00%	Proportional	2011-2016
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Networks of Filothei region in Kifisia)	Greece	24,00%	Proportional	2011-2016
J/V Intrakat - G.D.K. Texniki E.P.E. "J/V for the construction of Filiatrinou Dam"	Greece	70,00%	Proportional	2011-2016
J/V J&P AVAX - AEGEK - Intrakat (Construction of railway Kiato - Rododafni)	Greece	33,33%	Proportional	2012-2016
J/V AKTOR ATE - Porto Karras AE - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2013-2016
J/V Intrakat - Proteas (Xiria Corinth)	Greece	50,00%	Proportional	2012-2016
J/V AKTOR ATE - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2016
J/V AKTOR ATE - INTRAKAT (Tracking Payment Aposelemis reservoir)	Greece	50,00%	Proportional	2014-2016
J/V ATERMON ATE - INTPAKAT (Supply of materials & construction of transmission line 400 KV KIT-Lagada KIT Philipon and change of transmission line 400 KIT Thessalonikis - KIT Lagada KYT Philipon)	Greece	50,00%	Proportional	2014-2016
J/V TERNA - AKTOR ATE (Votanikos Mosque)**	Greece	25,00%	Proportional	2016
J/V INTRAKAT -ERGO ATE (Construction of distribution network & and gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2016

(*) 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 period of 2015.

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

31 December 2015

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2010
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Intracom Group USA	USA	100,00%	Full	From establishment - 2015
- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Athens Tech Sa	Greece	50,00%	Equity	2014-2015
* Intrasoft International S.A.	Luxemburg	99,99%	Full	2008-2015
- Intrasoft SA	Greece	99,00%	Full	2010-2015
- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2015
- Intrasoft International Bulgaria	Bulgaria	100,00%	Full	2013-2015
- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2015
- Intrasoft International Scandinavia (former IT Services Denmark AS)	Denmark	100,00%	Full	2008 - 2015
- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2015
- Intrasoft Information Technology UK Ltd	Great Britain	100,00%	Full	From establishment - 2015
- Intrasoft International USA Inc	USA	100,00%	Full	2012-2015
- Intrasoft International ME FZC	UAE	80,00%	Full	From establishment - 2015
- Intracom IT Services Middle East & Africa	Jordan	100,00%	Full	2010-2015
- Intrasoft International East Africa**	Kenya	88,00%	Full	2015
Advanced Transport Telematics A.E.	Greece	80,88% (note 1)	Full	2014-2015
Rural Connect AE	Greece	67,06% (note 2)	Full	2014-2015

Note 1: The total indirect shareholding in Advanced Transport Telematics (80,88%) results from the participation of the subsidiaries Intrasoft International SA (direct shareholding 50%) and Intrakat SA (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect SA (67,06%) results from the interests held by the Company (direct shareholding 30%) and the subsidiary Intrakat SA (direct shareholding 60%).

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intrakat SA	Greece	61,76%	Full	-
- Inmaint SA	Greece	62,00%	Full	2012-2013
- Intracom Construct SA	Romania	97,17%	Full	2009-2015
- Oikos Properties SRL	Romania	100,00%	Full	2007-2015
- Rominplot SRL	Romania	99,99% (note 3)	Full	2009-2015
- Eurokat SA	Greece	45,29%	Full	-
- J/V Aktor ATE - Lobbe Tzilalis - Eurokat ATE (Total administration of ooze KEL)	Greece	33,33%	Proportional	2010-2015
- J/V Eurokat ATE - Proteas ATEE (Rainwater runoff networks in Paiania's Municipality)	Greece	50,00%	Proportional	2011-2015
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2015
- Alpha Mogilany Development SP Z.O.O.	Poland	25,00%	Equity	2008-2015
- Ambtila Enterprises Limited	Cyprus	100,00%	Full	2009-2015
- A. Katselis Energeiaki SA	Greece	50,00%	Full	2010-2015
- Intrablue Hotel and Tourist Enterprises	Greece	50,00% (note 4)	Full	2014-2015
- Intradevelopment SA Estate Development & Management	Greece	100,00%	Full	2009-2014
- Anaptyxiaki Kykladon SA Estate Development	Greece	100,00%	Full	2014
- Intrakyklades Estate Development	Greece	100,00%	Full	2014
- Intra-hospitality SA Hotel and Tourism business**	Greece	100,00%	Full	-
- Inestia Touristiki SA**	Greece	50,00%	Equity	-
- Fracasso Hellas AE Design & construction of road safety systems	Greece	80,00%	Full	-
- Fracasso Holdings D.O.O**	Croatia	40,00%	Equity	-
- J/V Prisma Domi. - "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80,00%	Full	2010-2015
- J/V Prisma Domi ATE - Mesogeios ES SA (Biological purification operation and maintentance in Oinofita Shimatariou)	Greece	50,00%	Proportional	2010-2015
- J/V Prisma Domi - Proteas (Ombria Anavisou)	Greece	50,00%	Proportional	2012-2015
- J/V Prisma Domi - Proteas (Project for completion of Xiria stream)	Greece	50,00%	Proportional	-
- Intrapower SA Energy Projects	Greece	100,00%	Proportional	-
- ICMH SA Medical Services	Greece	50,00% (note 5)	Full	2014-2015
- B-WIND Power SA **	Greece	30,00% (note 6)	Full	2015
- Mobile Composting S.A.	Greece	24,00%	Full	2012-2015
J/V Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2010-2015
J/V Mohlos - Intrakat (Swimming pool)	Greece	50,00%	Equity	2010-2015
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2009-2014
J/V Intrakat - Ergas - ALGAS	Greece	33,33%	Equity	2009-2014

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

Note 4: The control of the company A. Katselis Energeiaki S.A. is exercised through the majority of the members of the Board of Directors.

Note 5: The control of the company ICMH Medical Services S.A. is exercised through the majority of the members of the Board of Directors.

Note 6: The total shareholding in BWIND Power is 100% through the shareholding of the subsidiary Intrapower which is 70%.

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50,00%	Proportional	2010-2015
J/V Intrakat - Elter (Xiria project)	Greece	50,00%	Proportional	2010-2015
J/V Intrakat - Elter (Natural gas school installation project)	Greece	30,00%	Proportional	2010-2015
J/V Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2010-2015
J/Vintrakat - Elter (Gas distribution network expansion Xanthi, Serres, Komotini)	Greece	50,00%	Proportional	2009-2014
J/V AKTOR ATE - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2008-2015
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network Attica South R	Greece	49,00%	Proportional	2010-2014
J/V Eurokat - Intrakat (Ionios General clinic)	Greece	72,65%	Proportional	2010-2015
J/V Intrakat - ETVO (Construction of the central library facilities of the Athens School of Fine Arts)	Greece	70,00%	Proportional	2009-2014
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2010-2015
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2009-2015
J/V Intrakat - Elter (Dam construction at Filiatrino basin)	Greece	50,00%	Proportional	2010-2015
J/V Intrakat - K.Panagiotidis & Co (Project of transfer line 1)	Greece	60,00%	Proportional	2010-2015
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2010-2015
J/V Intrakat - Filippos SA (Amfipolis project)	Greece	50,00%	Proportional	2011-2015
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Networks of Filothei region in Kif	Greece	24,00%	Proportional	2011-2015
J/V Intrakat - G.D.K. Texniki E.P.E. "J/V for the construction of Filiatrinou Dam"	Greece	70,00%	Proportional	2011-2015
J/V J&P AVAX - AEGEK - Intrakat (Construction of railway Kiato - Rododafni)	Greece	33,33%	Proportional	2012-2015
J/V AKTOR ATE - Porto Karras AE - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2012-2015
J/V Intrakat - Proteas (Xiria Corinth)	Greece	50,00%	Proportional	2012-2015
J/V AKTOR ATE - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2015
J/V AKTOR ATE - INTRAKAT (Tracking Payment Aposelemis reservoir)	Greece	50,00%	Proportional	2014-2015
J/V ATERMON ATE - INTPAKAT (Supply of materials & construction of transmission line 400 KV KIT-Lagada KIT Philipon and change of transmission line 400 KIT Thessalonikis - KIT Lagada KYT Philipon)	Greece	50,00%	Proportional	2014-2015
J/V INTRAKAT -ERGO ATE (Construction of distribution network & and gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2015