INTRACOM HOLDINGS S.A.

6 - Monthly Financial Report
(1 January - 30 June 2016)

Contents

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 Managing Director
2. Georgios Ar. Anninos, Vice president
3. Georgios Sp. Koliastasis, Member of the Board of Directors

In our above mentioned capacity declare that:

As far as we know:

a. The accompanying 6 monthly financial statements of the Company «**Intracom Holdings S.A**» for the period form 1/1/2016 to 30/6/2016, which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results for the period of «**Intracom Holdings S.A**» and of the undertakings included in consolidation, taken as a whole, in accordance with the provisions of Article 5, par. 3 to 5 of Law 3556/2007 and

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

THE CHAIRMAN OF THE BOD AND MANAGING DIRECTOR	THE VICE CHAIRMAN OF THE BOD
D. C. KLONIS	**G. AR. ANNINOS**
ID No. AK 121708 / 07.10.2011	ID No. AK 760212 / 28.08.2013

THE MEMBER OF THE BOD

G. SP. KOLIASTASIS

ID No. Σ 699882 / 09.11.1998

B) Report of the Board of Directors

HALF-YEARLY REPORT OF THE BOARD OF DIRECTORS

OF INTRACOM HOLDINGS S.A.

for the period 1.1. – 30.6.2016

(in accordance with the provisions of Article 6(5) of Law 3556/2007)

1. Major events during the first half of 2016 – Subsidiaries and Group overview

During the first half of 2016, all three business arms of the Group were engaged in important developments. The major ones are listed below:

INTRAKAT Group (Intrakat)

Intrakat, during the period, focused its efforts in progressing projects in the fields of construction, environmental infrastructure, renewable energy as well as in the construction of complex tourist, hotel and residential infrastructure.

In the energy sector, Intrakat after successfully launching operation of a 21MW wind farm in Viotia in mid-2015, is now bolstering its wind energy capacity with 2 new wind farms with an output of 17MW and 12MW at two further locations in Viotia, which are currently in the permitting stage.

In terms of hotel infrastructure, the company opened up two boutique hotels, one in Athens and one in Myconos, and is looking further in expanding such activity.

During the period, the company also participated in major public-private partnership (PPP) projects, and in particular in:

The O.SY.SA telematics project with a budget of € 48.2 mn, and operational life of 10 ½ year, in which INTRAKAT and INTRASOFT INTERNATIONAL both participated. This project was completed in early 2016.

The RURAL project to develop broadband infrastructure in areas without broadband coverage, with a budget of € 60 mn, and operational life of 15 years. The project is fully under way.

Furthermore, by the end of 2016, it is expected to complete 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.

INTRASOFT International Group (INTRASOFT International)

INTRASOFT International primarily operates in markets in the European Union though its strategic focus includes penetrating the Eastern Africa market. In the first half of 2016 the contract signed with MWALIMU Commercial Bank (MCB) in Tanzania was added to the list of banks for which INTRASOFT International has carried out or is currently carrying out projects in Africa. The specific project which relates to the supply, installation and maintenance of INTRASOFT International's

PROFITS® software (Core Banking System). The contract is for 5 years (12 months for implementation and 4 years maintenance).

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.

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.

Intracom Defense Electronics (IDE)

During the first half of the year, IDE began implementing a new contract with RAYTHEON worth $ 63.4 mn 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 mn with Krauss Maffei Wegmann (KMW) for WiSPR communications systems as part of the programme to upgrade the German Army's PzH2000 self-propelled howitzers.

2. Financial results

In the first half of 2016, INTRACOM HOLDINGS Group's consolidated sales stood at €185.4 mn compared to €184.3 mn in the same period in 2015. INTRAKAT's €27.5 mn rise in sales and INTRASOFT INTERNATIONAL's €1.8 mn rise outweighed the shortfall in IDE's sales, leading to a consolidated turnover that was slightly up compared to the first half of 2015.

Group EBITDA in the first half of the year stood at €12.1 mn compared to €15.5 mn in the same period in 2015. With EBITDA of €8.2 mn INTRAKAT group accounted for the largest (share) contribution of the Group's operating results, with a 17.3% rise in EBITDA.

Group EBT for the first half of the year was a marginal loss of €0.07 mn compared to profits of €3.2 mn in the first half of 2015. INTRASOFT INTERNATIONAL Group improved its EBT, up from €0.8 mn in the first half of 2015 to €2.4 mn this year. Likewise INTRAKAT Group reported EBT of €1.7 mn compared to €1.1 mn in the same period in 2015. Similarly, due to the fact that a large volume of its sales will be rolled over to the second half of the year, IDE reported losses before tax of €-2.8 mn. That result is expected to be reversed in the second half of the year and the year overall will be profitable.

Group total equity stood at €275.9 mn compared to €281.7 mn as at 31.12.2015. Parent company equity stood at € 269.1 mn.

Group total assets stood at € 750.6 mn as at 30.6.2016 compared to €719.3 mn as at 31.12.2015, while company assets stood at €316.5 mn compared to €318.0 mn as at 31.12.2015.

Group total borrowing stood at €195.3 mn at 30.6.2016, up €5.4 mn compared to 31.12.2015. Net borrowing stood at €99.7 mn compared to €100.5 mn on 31.12.2015. Parent company borrowing stood at €27.7 mn compared to €28.5 mn on 31.12.2015.

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

	GROUP		COMPANY	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Financial Structure ratios				
Current assets/Total assets	65,7%	64,1%	31,3%	31,3%
Equity/Total liabilities	58,1%	64,4%	567,1%	568,2%
Equity/Fixed assets	131,9%	135,8%	432,5%	429,5%
Current assets/Short-term liabilities	125,0%	127,3%	263,1%	268,8%
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
Profitability ratios				
EBITDA/Sales	6,5%	8,4%	12,3%	4,3%
Gross profit/Sales	15,7%	18,2%	16,0%	13,5%
EBT/Sales	0,0%	1,7%	-101,9%	-140,0%

3. Targets – Prospects

Greece's financial and macroeconomic environment is tested for yet another year, and the first evaluation of the Programme is now being followed by a second one, deemed to be completed within 2016(The aim is to complete the evaluation within 2016). Those circumstances have generated further uncertainty for how the economy performs since it directly or indirectly affects decisions about capital controls, extra liquidity, the repatriation of deposits, the management of NPLs, stabilisation of the tax regime, the progress of public works and -of course- about attracting new investments.

Against that adverse environment, our primary goals are to retain our share in the sectors of our Group's interest, both in the local and the international market, to secure the liquidity needed to continue as a going concern, and to secure adequate financing for business development.

Against that general backdrop, we have opted to be more flexible and adaptive, and have developed a dynamic business strategy, whose key pillars remain:

- International development by enhancing the Group's strong outward focus, by adding new value added services and by capitalising on strategic alliances.
- Ensuring optimal operations by planning and developing products and services with a strong profit margin, as well as optimised operations and cost.
- Risk management by rationalising activities and partnerships, and above all by managing liquidity.

More specifically:

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.

INTRASOFT International Group's specific objectives include (a) launching new activities in the design and consultancy services sector for EU institutions and further strengthening its operations in the information communication sector, (b) developing the subsidiary INTRASOFT International East Africa which is based in Kenya, by focusing on government and banking sector modernisation projects, (c) focusing further on the Romanian market and on government modernisation projects and (d) extending TELCO operations in Central Europe.

IDE has retained existing targets and added new ones, focusing on (a) bolstering exports to the USA by participating in US defence programmes intended for the international market, (b) penetrating into new markets by launching innovative products developed by IDE in regions such as Africa, the Middle East and SE Asia, (c) expanding partnerships with major defence hardware manufacturers (systems integrators) as part of international programmes and (d) marketing new, innovative hybrid energy systems for military vehicles and weapons systems.

4. Financial Risk Factors

With regards to exposure to and management of financial risks, the following are noted:

- Foreign Exchange Risk

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

- Cash flow and fair value interest rate risk

The Group exposure to interest rate risk on cash deposits is limited because of the Group policy, which is to reduce its debt to the maximum possible extent maintaining small amounts in deposits and also the current interest rate levels which are equal to zero. As a result, any potential change will have positive effect.

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

- Credit Risk

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

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

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

- **Cash flow risk**

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

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

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

- Imposition of capital controls in Greece

Developments during the first half of 2016 did not bring any positive change in the business, the banking and overall economic environment, while part of the capital controls remain in place and the available liquidity in the Greek economy is limited.

The above combined with the increased financial risk prevailing in Greece and internationally, may affect negatively the Group's and the Company's operations as well as their financial position and results, though its extent cannot be predicted. We estimate that the cash flows from operating activities will be disrupted only temporarily and not substantially and permanently from the current economic circumstances in Greece. The significant percentage of cash flows coming from abroad, the portfolio restructuring accompanied with the significant deleverage achieved in 2014, as well as the organic growth and the improvement of profitability are the contributing factors that will help the Group and the Company to address the macroeconomic risks. In any case, the Group monitors on an ongoing basis the economic environment and adjusts its strategic actions to address risks on time.

5. Related Party Transactions

Transactions with related parties during the first semester of 2016 have taken place on an arm’s length basis without changes that could substantially impact the financial position or performance of the company.

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

Income & Receivables Period 1/1-30/6/2016
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	RECEIVABLES
INTRAKAT SA	404	126	3.248
INTRASOFT INTERNATIONAL SA (GR)	578	342	8.323
INTRACOM DEFENSE SA	139	-	853
OTHER SUBSIDIARIES	1	10	165
Sum	**1.122**	**478**	**12.589**
OTHER RELATED PARTIES			
INTRALOT	171	278	14.731
OTHER RELATED PARTIES	-	4	112
Sum	**171**	**282**	**14.843**
TOTAL	**1.293**	**760**	**27.432**

Expenses & Liabilities Period 1/1-30/6/2016
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	LIABILITIES
INTRAKAT SA	-	-	1.409
IN MAINT SA	91	-	13
INTRADEVELOPMENT SA	-	-	40
INTRACOM CYPRUS	-	-	1.418
OTHER SUBSIDIARIES	-	-	5
Sum	**91**	**0**	**2.885**
OTHER RELATED PARTIES			
INTRALOT	-	-	6.813
OTHER RELATED PARTIES	1	-	**31**
Sum	**1**	**0**	**6.844**
TOTAL	**92**	**0**	**9.729**

A total of €455 and €1.268 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations during the 6 months ended 30/6/2015 (2015 € 563, € 1.233).

Peania, 20 September 2016

The Board of Directors

C) Review Report on Interim Financial Information

To the Shareholders of the Company “INTRACOM HOLDINGS S.A”

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company “INTRACOM HOLDINGS S.A.,” as at 30 June 2016 and the relative condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Report on Other Legal and Regulatory Requirements

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying condensed interim financial information.

Athens, 21 September 2016

Certified Public Accountant Auditor

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath

MARIA N. CHARITOU

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) Interim 6-monthly condensed financial statements in accordance with IAS 34

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

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(All amounts in €'000)

Balance sheet

		Group		Company	
ASSETS	**Note**	**30/06/2016**	**31/12/2015**	**30/06/2016**	**31/12/2015**
Non-current assets					
Property, plant and equipment	6	126.248	122.935	9.800	9.953
Goodwill		20.061	20.061	-	-
Intangible assets	6	5.913	5.136	2	3
Investment property	6	57.002	59.338	52.409	53.006
Investments in subsidiaries	7	-	-	132.652	132.652
Investments in associates		802	727	-	-
Available-for-sale financial assets	8	10.912	13.258	9.820	9.820
Deferred tax assets		9.539	7.938	-	-
Long-term borrowings		12.660	12.864	12.660	12.864
Trade and other receivables		14.393	16.043	39	39
		257.528	**258.300**	**217.383**	**218.337**
Current assets					
Inventories		43.677	36.610	-	-
Trade and other receivables	14	274.138	270.906	41.996	82.025
Construction contracts		40.274	41.178	-	-
Right to payments from the Greek State (IFRIC 12)		26.731	11.647	-	-
Financial assets at fair value through profit or loss		159	170	-	-
Current income tax assets		12.426	11.227	-	-
Cash and cash equivalents		95.542	89.299	57.156	17.666
		492.945	**461.037**	**99.152**	**99.692**
Total assets		**750.473**	**719.337**	**316.535**	**318.029**
EQUITY					
Attributable to the Company's equity holders					
Ordinary shares	9	187.567	187.567	187.567	187.567
Share premium	9	194.204	194.204	194.204	194.204
Other reserves		164.843	167.318	138.717	138.717
Retained earnings		(294.894)	(292.630)	(251.405)	(250.053)
		251.720	256.459	269.082	270.434
Non-controlling interests		24.205	25.269	-	-
Total equity		**275.924**	**281.728**	**269.082**	**270.434**
LIABILITIES					
Non-current liabilities					
Borrowings	10	70.207	65.717	8.291	8.959
Deferred tax liabilities		1.212	1.188	984	1.066
Retirement benefit obligations		6.844	6.667	485	485
Grants		52	55	-	-
Provisions		1.576	1.616	-	-
Trade and other payables		154	183	-	-
		80.045	**75.426**	**9.760**	**10.510**
Current liabilities					
Trade and other payables		249.095	217.164	13.290	12.487
Current income tax liabilities		5.553	3.581	-	-
Construction contracts		5.716	8.112	-	-
Borrowings	10	125.061	124.124	19.438	19.631
Provisions		9.079	9.202	4.966	4.966
		394.503	**362.183**	**37.693**	**37.084**
Total liabilities		**474.549**	**437.609**	**47.453**	**47.594**
Total equity and liabilities		**750.473**	**719.337**	**316.535**	**318.029**

The notes on pages 19 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of comprehensive income – 1/1-30/6/2016

	Note	Group		Company	
		1/1 - 30/06/2016	1/1 - 30/06/2015	1/1 - 30/06/2016	1/1 - 30/06/2015
Sales	5	185.351	184.337	1.408	1.596
Cost of sales		(156.256)	(150.705)	(1.183)	(1.381)
Gross profit		**29.095**	**33.632**	**225**	**215**
Other operating income		2.498	3.492	1.478	1.471
Other gains/(losses) - net		788	(1.436)	(7)	205
Selling and research costs		(8.293)	(9.483)	-	-
Administrative expenses		(16.265)	(15.220)	(2.275)	(2.638)
Operating profit/(loss)		**7.824**	**10.985**	**(580)**	**(748)**
Finance expenses	11	(8.467)	(8.203)	(1.099)	(1.773)
Finance income	11	643	473	244	287
Finance income/(expenses) - net		**(7.824)**	**(7.730)**	**(855)**	**(1.486)**
Loss from associates		(69)	(36)	-	-
Profit/(loss) before tax		**(69)**	**3.218**	**(1.435)**	**(2.234)**
Income tax	12	(2.270)	(2.203)	83	(37)
Profit/(loss) for the period		**(2.339)**	**1.016**	**(1.352)**	**(2.271)**
Other comprehensive income:					
Items transferred to profit or loss					
Fair value gains/(losses) on available-for-sale financial assets, net of tax	8	(2.409)	393	-	60
Currency translation differences, net of tax		(450)	894	-	-
Other comprehensive income for the year, net of tax		(2.859)	1.288	-	60
Total comprehensive income for the period		**(5.198)**	**2.304**	**(1.352)**	**(2.211)**
Profit/(loss) attributable to:					
Equity holders of the parent company		(2.395)	920	(1.352)	(2.271)
Non-controlling interests		56	96	-	-
		(2.339)	**1.016**	**(1.352)**	**(2.271)**
Total comprehensive income attributable to:					
Equity holders of the parent company		(4.500)	1.945	(1.352)	(2.211)
Non-controlling interests		(698)	359	-	-
		(5.198)	**2.304**	**(1.352)**	**(2.211)**
Profit/(loss) per share attributable to the equity holders of the Company during the period (expressed in € per share)					
Basic and diluted		(0,02)	0,01	(0,01)	(0,02)

The notes on pages 19 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of changes in equity – Group

	Note	Attributable to equity holders of the Company: Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2015		381.771	171.617	(292.208)	261.178	25.192	286.370
Profit for the period		-	-	920	920	96	1.016
Fair value gains/(losses) on available-for-sale financial ass		-	266	-	266	128	393
Foreign exchange differences		-	758	-	758	136	894
Total comprehensive income for the period		-	1.024	920	1.945	359	2.304
Change in interest held in subsidiaries		-	(46)	(23)	(69)	290	220
Transfer between reserves		-	(8.848)	9.366	518	(518)	-
		-	(8.894)	9.343	449	(228)	220
Balance at 30 June 2015		**381.771**	**163.746**	**(281.945)**	**263.572**	**25.322**	**288.894**
Balance at 1 January 2016		381.771	167.319	(292.630)	256.458	25.269	281.727
Profit/(loss) for the period		-	-	(2.395)	(2.395)	56	(2.339)
Fair value gains/(losses) on available-for-sale finan	8	-	(1.757)	-	(1.757)	(652)	(2.409)
Foreign exchange differences		-	(348)	-	(348)	(102)	(450)
Total comprehensive income for the period		-	(2.105)	(2.395)	(4.500)	(698)	(5.198)
Change in interest held in subsidiaries	7	-	7	(234)	(227)	(386)	(613)
Contribution of non-controlling interest to subsidiary's share capital	7	-	-	(6)	(6)	14	8
Transfer between reserves		-	(377)	371	(6)	6	-
		-	(370)	131	(239)	(366)	(605)
Balance at 30 June 2016		**381.771**	**164.843**	**(294.894)**	**251.720**	**24.205**	**275.924**

The notes on pages 19 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Statement of changes in equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2015		381.771	146.912	(249.326)	279.356
Loss for the period		-	-	(2.271)	(2.271)
Fair value gains/(losses) on available-for-sale financial assets		-	60	-	60
Total comprehensive income for the period		-	60	(2.271)	(2.211)
Transfer between reserves		-	(8.841)	8.841	-
		-	(8.841)	8.841	-
Balance at 30 June 2015		**381.771**	**138.131**	**(242.756)**	**277.146**
Balance at 1 January 2016		381.771	138.717	(250.053)	270.434
Loss for the period		-	-	(1.352)	(1.352)
Total comprehensive income for the period		-	-	(1.352)	(1.352)
Balance at 30 June 2016		**381.771**	**138.717**	**(251.405)**	**269.082**

The notes on pages 19 to 37 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Cash flow statement

		Group		Company	
	Note	**1/1 - 30/06/2016**	**1/1 - 30/06/2015**	**1/1 - 30/06/2016**	**1/1 - 30/06/2015**
Cash flows from operating activities					
Cash flows from operating activities	14	18.556	(56.991)	41.380	(43.015)
Interest paid		(8.183)	(7.819)	(1.057)	(1.767)
Income tax paid		(3.142)	(429)	(74)	(75)
Net cash generated from/(used in) operating activities		**7.230**	**(65.239)**	**40.249**	**(44.856)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(5.109)	(1.448)	(2)	(15)
Purchase of investment property		(70)	(3.920)	-	(24)
Purchase of intangible assets		(1.284)	(65)	-	(2)
Proceeds from sale of PPE		312	119		29
Proceeds from sale of intangible assets		-	2	-	-
Acquisition of available-for-sale financial assets		(62)	-	-	-
Increase in subsidiary's capital		-	-	-	(100)
Decrease in subsidiary's capital		-	-	400	1.727
Increase in associates' share capital		(152)	-	-	-
Interest received		234	355	4	39
Loans granted		(300)	-	(300)	-
Net cash flows from investing activities		**(6.431)**	**(4.957)**	**103**	**1.655**
Cash flows from financing activities					
Expenses on issue of subsidiary's share capital		(16)	-	-	-
Change in interest held in subsidiaries		-	204	-	-
Contribution of non-controlling interests to subsidiary's share capital		24	12	-	-
Proceeds from borrowings		43.679	14.280		
Repayment of borrowings		(37.441)	(7.994)	(225)	-
Repayments of finance leases		(803)	(698)	(637)	(611)
Net cash flows from financing activities		**5.443**	**5.805**	**(862)**	**(611)**
Net increase/(decrease) in cash and cash equivalents		**6.243**	**(64.392)**	**39.489**	**(43.812)**
Cash and cash equivalents at beginning of period		89.299	122.794	17.666	66.569
Cash and cash equivalents at end of period		**95.542**	**58.402**	**57.156**	**22.758**

The notes on pages 19 to 37 are an integral part of these interim condensed financial statements.

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

1. General information

INTRACOM Holdings S.A., trading under the name "INTRACOM HOLDINGS", was incorporated in Greece and its shares are traded in the Athens Stock Exchange.

Intracom Group operates, through its subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects in information technology, defence and public administration and has also activities in the construction sector. The parent Company operates as a holding company.

The Group operates in Greece, Luxembourg, USA, 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 interim condensed financial statements of the Group and the Company have been approved for issue by the Board of Directors on 20 September 2016.

2. Basis of preparation and accounting policies

These interim condensed financial statements consist of the stand-alone financial statements of Intracom Holdings S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the period 1/1 – 30/06/2016. They have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

These interim condensed financial statements must be examined together with the annual financial statements for the year 2015, as published on the Group's website ***www.intracom.com***.

The accounting policies used for the preparation and the presentation of the interim condensed financial statements are consistent with those applied for the preparation and presentation of the annual financial statements of the Company and the Group for the financial year ended 31 December 2015, except for changes due to the adoption of new or amended standards as described below. These interim condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year. 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 19 (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. This amendment has no impact on the Group.

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'. This amendment has no impact on the Group.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation"

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This amendment has no impact on the Group.

IAS 27 (Amendment) "Separate Financial Statements"

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has no impact on the Group.

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.

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 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

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.

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

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 7 (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 Hedge Accounting 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 assessing the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU.

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 assessing the impact of IFRS 15 on its financial statements. The standard has not yet been endorsed by the EU.

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

IFRS 16 was 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 assessing the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

Roundings

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

3. Financial risk management

Risk arising from the macroeconomic and business environment in Greece

The developments of the first half of 2016 did not have any positive impact on the business, banking and economic environment in general, while some of the capital controls are still in force and the liquidity available in the Greek economy is limited.

The above combined with the increased financial risk in Greece and globally may affect negatively the Group's and the Company's operations as well as financial position and results, however it cannot be predicted to which extent. We estimate that the cash flows from operating activities will be disrupted only temporarily and not substantially and permanently from the current economic circumstances in Greece. The significant percentage of cash flows coming from abroad, the portfolio restructuring combined with the significant deleveraging that has been achieved from 2014, as well as the organic growth and the improvement of profitability are the main factors that will help the Group and the Company to address macroeconomic risks. In any case, we monitor the economic environment on an ongoing basis and adjust our strategic actions to address risks on time.

Financial risk factors

Apart from the above, there have been no material changes in the financial risk management of the Group since 31 December 2015.

Fair value estimation

The Group provides the required disclosures relating to fair value measurement through a three-level hierarchy.

- 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 30 June 2016 the Group had:

- Financial assets at fair value through profit or loss of €159 which are classified in Level 1.

- Available-for-sale financial assets out of which €1.128 are classified in Level 1.

- Available-for-sale financial assets of €9.783 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.

At 30 June 2015 the Group had:

- Financial assets at fair value through profit or loss of €184 which are classified in Level 1.

- Available-for-sale financial assets out of which €861 are classified in Level 1.

- Available-for-sale financial assets of €10.529 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 no changes in valuation techniques since 31 December 2015.

(All amounts in €'000)

4. Critical accounting estimates and judgments

Estimates and judgements are regularly reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the accounting estimates and judgments made by management were consistent to those applied for the preparation and presentation of the annual financial statements of the Company and the Group for the year ended 31 December 2015.

5. Segment information

At 30 June 2016, the Group is organised into three main segments:

(1) Technology solutions for government and banking sector
(2) Defence systems
(3) Construction

The segment information for the period 1/1 – 30/06/2016 is as follows:

	Technology solutions for government and banking sector	Defence systems	Construction	Other	Total
Total sales per segment	91.757	11.247	95.578	1.408	199.990
Intersegment sales	(10.668)	-	(2.847)	(1.123)	(14.639)
Total sales	**81.089**	**11.247**	**92.731**	**284**	**185.351**
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	5.367	(1.889)	8.486	153	12.117

The segment information for the period 1/1 – 30/06/2015 is as follows:

	Technology solutions for government and banking sector	Defence systems	Construction	Other	Total
Total sales per segment	90.129	33.843	68.129	1.596	193.698
Intersegment sales	(5.878)	-	(1.872)	(1.611)	(9.360)
Total sales	**84.251**	**33.843**	**66.258**	**(15)**	**184.337**
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	4.201	4.157	7.095	51	15.505

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

The decrease in the revenue of the defence electronic systems business in the first half of 2016 against the comparative period has resulted from the delivery terms of the relevant client contracts which are expected to be completed during the second half of 2016.

(All amounts in €'000)

The reconciliation of earnings before interest, tax, depreciation and amortisation (EBITDA) to losses before tax from continuing operations is as follows:

	1/1 - 30/06/2016	1/1 - 30/06/2015
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	12.117	15.505
Depreciation and amortisation	(4.293)	(4.520)
Finance cost - net	(7.824)	(7.730)
Loss from associates	(69)	(36)
Profit/(loss) before tax	**(69)**	**3.218**

Intersegment transfers or transactions are conducted under the normal commercial terms and conditions that would also apply to independent third parties.

6. Capital expenditure

Group

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book value at 1 January 2015	122.059	5.210	58.193	185.462
Additions	1.446	84	3.920	5.450
Disposals	(73)	(2)	-	(75)
Depreciation and amortisation	(3.126)	(892)	(502)	(4.520)
Other changes	23	95	286	405
Net book value at 30 June 2015	**120.329**	**4.496**	**61.898**	**186.723**

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book value at 1 January 2016	122.935	5.136	59.338	187.409
Additions	5.098	1.326	70	6.493
Disposals	(337)	-	-	(337)
Depreciation and amortisation	(3.278)	(507)	(509)	(4.293)
Transfer	1.845	-	(1.845)	-
Other changes	(15)	(41)	(53)	(110)
Net book value at 30 June 2016	**126.248**	**5.913**	**57.002**	**189.163**

(All amounts in €'000)

Company

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book value at 1 January 2015	10.343	3	54.370	64.716
Additions	15	2	24	41
Disposals	(19)	-	-	(19)
Depreciation and amortisation	(219)	(1)	(596)	(816)
Net book value at 30 June 2015	**10.120**	**4**	**53.798**	**63.922**

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book value at 1 January 2016	9.953	3	53.006	62.962
Additions	2	-	-	2
Depreciation and amortisation	(155)	(1)	(596)	(752)
Net book value at 30 June 2016	**9.800**	**2**	**52.409**	**62.212**

Liabilities are secured against fixed assets of the Group and the Company for the value of €66.400 and €2.400 respectively.

7. Investments in subsidiaries

The subsidiary INTRAKAT acquired 54,71% of the share capital of Eurokat S.A. from non-controlling interests for €613, increasing its shareholding in the subsidiary to 100%. The Group's equity decreased by €613 while non-controlling interests decreased by €386.

INTRAKAT's subsidiary INTRAHOSPITALITY S.A. increased its share capital by €24, which was fully covered by non-controlling interests and as a result the interest held is now 50% without loss of control. The impact on the Group's equity was €8 while non-controlling interests increased by €14.

(All amounts in €'000)

8. Available-for-sale financial assets

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Balance at the beginning of the period	13.258	10.996	9.820	10.511
Additions	62	4.424	-	1.000
Disposals	-	(989)	-	(989)
Fair value losses	(2.409)	(596)	-	(126)
Impairment	-	(577)	-	(577)
Balance at the end of the period	**10.912**	**13.258**	**9.820**	**9.820**

Available-for-sale financial assets include a 3,44% shareholding in Hellenic Energy and Development SA amounting to €1.683 and a 13,33% shareholding in Moreas SA amounting to €6.751 as at 30 June 2016.

The fair value losses as of 30 June 2016 mainly relate to equity securities listed on the ASE (level 1), which are not assessed as a significant and prolonged decrease in the titles' fair value, based on the Management's policy. The Management assesses at each reporting date whether the decrease in fair value constitutes an impairment.

9. Share capital

	Number of shares	Ordinary shares	Share premium	Total
Balance at 1 January 2015	133.025.996	187.567	194.204	381.771
Balance at 31 December 2015	**133.025.996**	**187.567**	**194.204**	**381.771**
Balance at 1 January 2016	133.025.996	187.567	194.204	381.771
Balance at 30 June 2016	**133.025.996**	**187.567**	**194.204**	**381.771**

At 31 December 2015 and on 30 June 2016 the Company's share capital amounts to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

(All amounts in €'000)

10. Borrowings

	Group		Company	
	30/06/2016	**31/12/2015**	**30/06/2016**	**31/12/2015**
Bank loans	145.998	158.413	18.121	18.346
Finance lease liabilities	10.234	11.037	9.608	10.245
Bond loans	37.985	19.367	-	-
Other loans	1.051	1.025	-	-
Total borrowings	**195.268**	**189.842**	**27.729**	**28.591**
Long-term borrowings	70.207	65.717	8.291	8.959
Short-term borrowings	125.061	124.124	19.438	19.631
	195.268	**189.842**	**27.729**	**28.591**

11. Finance (expenses)/income - net

	Group		Company	
	30/06/2016	**30/06/2015**	**30/06/2016**	**30/06/2015**
Finance expenses				
- Bank loans	(4.509)	(4.622)	(519)	(555)
- Bond loans	(505)	-	-	-
- Finance leases	(230)	(248)	(207)	(235)
- Letters of guarantee and related costs	(2.194)	(2.948)	(342)	(854)
- Other	(997)	(424)	(30)	(129)
- Net foreign exchange gains/(losses)	(33)	39	-	-
Total finance expenses	**(8.467)**	**(8.203)**	**(1.099)**	**(1.773)**
Finance expenses				
- Interest income	20	74	4	39
- Interest income from loans	345	263	239	247
- Other	278	136	-	-
Total finance income	**643**	**473**	**244**	**287**
Finance (expenses)/income - net	**(7.824)**	**(7.730)**	**(855)**	**(1.486)**

12. Income tax

	Group		Company	
	1/1 - 30/06/2016	**1/1 - 30/06/2015**	**1/1 - 30/06/2016**	**1/1 - 30/06/2015**
Income tax for the period	(3.851)	(201)	-	-
Deferred tax	1.581	(2.002)	83	(37)
Total	**(2.270)**	**(2.203)**	**83**	**(37)**

At 30/06/2016 the Group has recognised deferred tax assets of €9.539 (31/12/2015: €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.

The parent Company and other Greek companies of the Group, which have been tax audited by 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 Certificate for financial years 2011-2014, out of which no additional tax liabilities arose in excess of the tax expense and the tax provision recognised in the annual financial statements of these years.

The Company and the Group companies were subject to the audit of the Statutory Auditors for financial year 2015, according to the provisions of Law 4174/2013, article 65^A, par. 1, as applicable. The tax audit performed by the statutory auditors for financial year 2015 is still in progress and the relevant tax compliance certificate is expected to be issued after the publication of the interim half-year condensed financial statements of 30 June 2016. The Group's Management does not expect that significant additional tax liabilities will arise, in excess of these recognised and disclosed in the financial statements.

The Company has not been audited by the tax authorities for financial year 2010, while the financial years for which its subsidiaries have not been audited are presented in note 19.

13. Earnings/(losses) per share

Basic/diluted earnings/(losses) per share

	Group		Company	
	1/1 - 30/06/2016	1/1 - 30/06/2015	1/1 - 30/06/2016	1/1 - 30/06/2015
Profit/(loss) attributable to equity holders of the Company	(2.395)	920	(1.352)	(2.271)
Weighted average number of ordinary shares in issue (thousands	133.026	133.026	133.026	133.026
Basic/diluted profit/(losses) per share (€ per share)	**(0,02)**	**0,01**	**(0,01)**	**(0,02)**

(All amounts in €'000)

14. Cash generated from operations

	Group		Company	
	1/1 - 30/06/2016	1/1 - 30/06/2015	1/1 - 30/06/2016	1/1 - 30/06/2015
Profit/(loss) for the year	(2.339)	1.016	(1.352)	(2.271)
Adjustments for:				
Income tax	2.270	2.203	(83)	37
Depreciation of PPE	3.278	3.126	155	219
Amortisation of intangible assets	507	892	1	-
Depreciation of investment property	509	502	596	596
Profit from sale of PPE	-	(47)	-	(10)
Fair value (gains)/losses of financial assets at fair value through profit or loss	12	(5)	-	-
Interest income	(643)	(473)	(244)	(287)
Interest expenses	8.468	8.203	1.099	1.773
Depreciation of grants received	(3)	(3)	-	-
Share of loss from associates	69	36	-	-
Foreign exchange losses/(gains)	(328)	547	-	-
	11.798	**15.997**	**173**	**57**
Working Capital Movements				
(Increase)/decrease in inventories	(7.066)	8.252	-	-
(Increase)/decrease in receivables	(14.759)	(83.479)	40.372	(42.378)
Increase/(decrease) in payables	28.569	2.181	835	(694)
Increase/(decrease) in provisions	(163)	(155)	-	-
Increase/(decrease) in retirement benefit obligations	178	214	-	-
	6.758	**(72.987)**	**41.207**	**(43.072)**
Net cash generated from operating activities	**18.556**	**(56.991)**	**41.380**	**(43.015)**

The increase in receivables in 2015 and the respective decrease in 2016 relates to initially the freezing and the release in 2016 of bank accounts due to the issuance of letters of guarantee amounting to €41 million relating to the Teledome case (note 16).

15. Capital commitments

At the balance sheet date there were no capital commitments for property, plant and equipment for the Group.

16. Contingencies/Outstanding legal cases

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

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Guarantees for advance payments	38.489	35.528	18.239	21.268
Guarantees for good performance	153.345	150.618	106.696	106.397
Guarantees for participation in contests	14.705	14.012	6.671	5.879
Other	18.084	18.101	4.796	4.695
	224.623	**218.259**	**136.402**	**138.238**

The Company has provided guarantees to banks for subsidiaries' and other companies' loans amounting to €91.383.

Outstanding legal cases

There is an outstanding legal case against a subsidiary company filed by the Ministry of Mercantile 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 Appeals 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. and its major shareholders have taken legal action against Intracom Holdings, Hellas online and members of the Management requesting, among others, the revocation of the previous decisions taken by key management personnel of the Group (Board of Directors and General Meetings of the above companies) for the cancellation of the mergers 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. It is noted that the initial plaintiffs have the right to appeal. As derived from our examination of the relevant directories of the competent judicial authorities, an appeal was in fact submitted to the Supreme Court, which has been scheduled to be discussed on 27.3.2017. However, a notice of appeal has yet to be served to the Company up to this date. And in this case, after assessing the legal issues, the actual incidents and the progress of the case, it is evaluated that the probability of an irrevocable rejection of the above lawsuit is higher that the probability of a negative for the Company result. In addition, at 10.02.2015 the Company was notified of a lawsuit by which the major shareholders of Teledome S.A. claim once more the release of the above guarantees to Banks up to approximately the amount of €13 million. 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.

(All amounts in €'000)

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.

The parent Company as well as its subsidiary INTRAKAT are subject to an ex officio investigation of the Hellenic Competition Commission on the tender of public works for a potential violation of article 1 of Law 3959/2011 (or the superseded article 1 of Law 703/1977) on the "Protection of Free Competition" and article 101 of the Treaty on the Functioning of the European Union (TFEU). The companies have been served the relevant Statement of Objections which on the one hand is not binding for the Plenary of the Competition Commission which will decide on the case and on the other hand is evaluated in terms of its content for its contradiction. The investigation and the relevant procedures are in progress.

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

17. Related party transactions

The following transactions were carried out with related parties:

	Group		Company	
	1/1 - 30/06/2016	**1/1 - 30/06/2015**	**1/1 - 30/06/2016**	**1/1 - 30/06/2015**
Sales of goods and services:				
To subsidiaries	-	-	1.122	1.484
To other related parties	1.267	3.235	171	53
	1.267	**3.235**	**1.292**	**1.537**
Purchases of goods and services:				
From subsidiaries	-	-	91	301
From other related parties	166	187	1	13
	166	**187**	**92**	**314**
Rental income:				
From subsidiaries	-	-	479	469
From other related parties	406	390	282	262
	406	**390**	**760**	**730**

	Group		Company	
	1/1 - 30/06/2016	**1/1 - 30/06/2015**	**1/1 - 30/06/2016**	**1/1 - 30/06/2015**
Purchases of fixed assets:				
From subsidiaries	-	-	-	24
	-	**-**	**-**	**24**
Disposals of fixed assets:				
To other related parties	-	-	-	6
	-	**-**	**-**	**6**

(All amounts in €'000)

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

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

	Group		Company	
	30/06/2016	**31/12/2015**	**30/06/2016**	**31/12/2015**
Receivables from related parties:				
From subsidiaries	-	-	12.589	12.694
From other related parties	17.095	16.874	14.843	14.404
	17.095	**16.874**	**27.432**	**27.098**
Payables to related parties:				
To subsidiaries	-	-	2.885	2.893
To other related parties	8.735	8.857	6.844	6.933
	8.735	**8.857**	**9.729**	**9.826**

Key management compensation

For the six-month period ended 30 June 2016, a total of €455 and €1.268 was paid by the Company and the Group respectively as Directors' remunerations and key management and other related party compensations (1/1 – 30/6/2015: €563 and €1.223 respectively). At 30 June 2016 and 31 December 2015 there were no receivables or payables from/to Directors with regards to the Company. At 30 June 2016 the Group has outstanding payables to Directors amounting to €179 (2015: €179) and receivables from Directors amounting to €14 (2015: €14).

18. Post balance sheet events

There are no significant events affecting the Company and the Group after the reporting date.

(All amounts in €'000)

19. Group structure

The Group companies and joint arrangements included in the consolidated financial statements and the relevant direct interests held as at 30 June 2016 are as follows.

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intracom S.A. Defence Electronic Systems	Greece	100,00%	Full	2010
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Intracom Group USA	USA	100,00%	Full	From establishment to 2015
- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Edutech 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 to 2015
- Intrasoft International Scandinavia (former IT Services Denmark AS)	Denmark	100,00%	Full	2008 - 2015
- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment to 2015
- Intrasoft Information Technology UK Ltd	United Kingdom	100,00%	Full	From establishment to 2015
- Intrasoft International USA Inc	USA	100,00%	Full	2012-2015
- Intrasoft International ME FZC	UAE	100,00%	Full	From establishment to 2015
- Intracom IT Services Middle East & Africa	Jordan	80,00%	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 SA	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%).

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intrakat SA	Greece	61,76%	Full	2015
- Inmaint SA	Greece	62,00%	Full	2013-2015
- Intracom Construct SA	Romania	97,17%	Full	2009-2015
- Oikos Properties SRL	Romania	100,00%	Full	2009-2015
- Rominplot SRL	Romania	99,99% (note 3)	Full	2009-2015
- Eurokat SA	Greece	100,00%	Full	2015
- J/V Aktor ATE - Lobbe Tzilalis - Eurokat ATE (Administration of sewage sludge KEL)	Greece	33,33%	Proportional	2010-2015
- J/V Eurokat ATE - Proteas ATEE (Rainwater run-off networks in Municipality of Peania)	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	2007-2015
- A. Katselis Energeiaki S.A.	Greece	50,00%	Full	2010-2015
- Intrablue Hotel and Tourist Enterprises	Greece	50,00% (note 4)	Full	2014-2015
- Intradevelopment SA Real Estate Development & Management	Greece	100,00%	Full	2010-2015
- Anaptyxiaki Kykladon SA Real Estate Development	Greece	100,00%	Full	2014-2015
- Intrakyklades S.A. Real Estate Development	Greece	100,00%	Full	2014-2015
- Intrahospitality SA Hotel and Tourism business	Greece	50,00%	Full	2015
- Inestia Touristiki SA	Greece	50,00%	Equity	2015
- Alfa Anaptyxiaki Kykladon SA **	Greece	100,00%	Full	-
- Devenetco Ltd. **	Cyprus	100,00%	Full	-
- B.L. Bluepro Holdings Ltd. **	Cyprus	100,00%	Full	-
- Fracasso Hellas SA Design & construction of road safety systems	Greece	80,00%	Full	2015
- Fracasso Holdings D.O.O**	Croatia	40,00%	Equity	2015
- J/V Intrakat - "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 maintenance in Oinofita Schimatariou)	Greece	50,00%	Proportional	2010-2015
- J/V Intrakat - Proteas (Ombria Anavisou)	Greece	50,00%	Proportional	2014-2015
- J/V Intrakat - Proteas (Project for the completion of Xiria stream)	Greece	50,00%	Proportional	2014-2015
- Intrapower S.A. Energy Projects	Greece	100,00%	Proportional	2015
- 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 (OAKA Swimming pool)	Greece	50,00%	Equity	2010-2015
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2010-2015
J/V Intrakat - Ergas - ALGAS	Greece	33,33%	Equity	2010-2015

Note 3: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary (Intrakat International Ltd with 0,01%).

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%.

(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	2010-2015
J/V Intrakat - Elter (School natural gas installation project)	Greece	30,00%	Proportional	2010-2015
J/V Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2010-2015
J/V Intrakat - Elter (Xanthi, Serres, Komotini gas distribution network expansion)	Greece	50,00%	Proportional	2010-2015
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 in Attica South R	Greece	49,00%	Proportional	2010-2015
J/V Eurokat - Intrakat (Ionios General Clinic)	Greece	100,00%	Proportional	2010-2015
J/V Intrakat - ETVO (Construction of the central library of the Athens School of Fine Arts)	Greece	70,00%	Proportional	2010-2015
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 - K.Panagiotidis & Co (Transfer line 1 project)	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 S.A. - Erteka S.A. - Themeli S.A. - Intrakat (Networks of Filothei region in Kifissia)	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 S.A. - Porto Karras SA - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2013-2015
J/V Intrakat - Proteas (Xiria Corinth torrent arrangement)	Greece	50,00%	Proportional	2012-2015
J/V AKTOR - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2015
J/V AKTOR S.A. - 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 S.A. (Construction of distribution network & and gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2015

(*) Direct shareholdings

(**) These companies have been included in the Group for the first time in the current period ending 30 June 2016 but were not included in the comparative period of 2015.

The associate Thivaikos Anemos, which was transferred during the last quarter of 2015, was included in the consolidated financial statements of the comparative period of 2015 but was not included in the current period's financial statements (1/1 – 30/6/2016).

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

Peania, 20 September 2016

THE CHAIRMAN OF THE BoD AND MANAGING DIRECTOR

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

THE MEMBER OF THE BoD

G. SP. KOLIASTASIS
ID No. Σ 699882 / 09.11.1998

THE CHIEF FINANCIAL OFFICER

J. K. TSOUMAS
ID No. AM 504584 / 29.2.2016
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