INTRACOM S.A. TELECOM SOLUTIONS

Financial Statements in accordance with International Financial Reporting Standards as adopted by the EU

31 December 2012

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.

Index **Page**

<u>REPORT</u>

OF THE BOARD OF DIRECTORS OF THE S.A. COMPANY NAMED "INTRACOM S.A. TELECOM SOLUTIONS", TRADING NAME: "INTRACOM TELECOM", ADDRESSED TO THE SHAREHOLDERS' ORDINARY GENERAL MEETING CONCERNING THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE FINANCIAL YEAR ENDED 2012

1. Corporate information

In June 2006 JSC Sitronics (Russia) acquired the majority of shares of the Company Intracom S.A. Telecom Solutions (Intracom Telecom), as resulted from the spinoff of telecommunications company Intracom S.A. This acquisition gave the ability of expansion to JSC Sitronics in Southeastern Europe, Middle East and Africa, creating significant synergies for a wide range of telecommunications products and the ability to design new technologies through research and development.
The Company managed to become faster and more flexible due to the reorganization of the Group in business divisions (Wireless Network Systems, Telco Software and Services) and to maintain its ability to provide unique value to its shareholders and customers based on its competitive product & solutions portfolio which is at the core of the fastest growing market segments. The most recent additions in company's portfolio include:

- StreetNode™: The innovative platform addressing the complex problem of having a carrier grade wireless backhaul network at street level, anywhere. It is an All-in-One platform, revolutionizing the architecture of wireless backhaul through its software defined radio operation. Unique deployment flexibility is offered combining optimally Point-to-MultiPoint overlay coverage for scalable deployment with in-clutter networking, for extending street-level connectivity. It operates in a variety of operational frequencies (26 / 28 / 32 / 42 GHz) and can be deployed at street-level and on-wall surfaces or lamp posts.

- OmniBAS™: The family of Next Generation packet microwave (MW) products comprises cost-optimized nodes and solutions and offers unique deployment flexibility, excessive capacity and cutting-edge functionality.

- WiBAS™: The Company's innovative family of carrier-grade Point-to-MultiPoint (PtMP) MW products provides operators a powerful and cost-effective broadband wireless solution that perfectly fits all their current and upcoming high-capacity backhaul and access needs in heterogeneous environments. WiBAS™ optimally addresses today's requirements for Fixed Mobile Convergence (FMC) and smooth Next Generation Network (NGN) migration.

- fs|cdn™ anywhere: Intracom Telecom, understanding telecom operators needs to provide content services both inside and outside of their private network (Over-The-Top), extended its IPTV solution to enable Communication Service Providers to offer digital content integrated services in all possible devices: decoders (Set-Top-Box), personal PCs, smart phones, tablets and even smart TV's.

- BigStreamer™: The novel, state-of-the-art Big Data Analytics & Complex Event Processing platform specifically designed for Service Providers (SP's). Through the implementation of SP-specific data algorithms & KPI's, it unleashes the power of Providers' massive network & IT data volumes, enabling them to extract actionable customer insights and significantly enhance their operational & market competitiveness.

- NGINius-Apps™: New Generation Intelligent Networks (NGIN) is one of the most eagerly-anticipated changes in telcos, posing unique challenges for both operators and service providers. The NGINius™ suite optimally addresses these challenges and allows service providers to offer advanced voice and data services over multiple networks, giving users the perception of a single, unified network, while providing flexible charging mechanisms to service providers. Today, the Company offers a wide range of NGIN applications covering all operator needs in several domains, including Virtual Private Networks, Location & Roaming, Intelligent Routing, and Messaging & Signaling.

In today's highly competitive marketplace, corporations need to remove the complexity & costly barriers associated with IT systems, and maximize the utilization of available resources. In response to this need, Intracom Telecom offers a broad range of top-notch Data Center Optimization services, regarding the physical infrastructure design, consolidation, virtualization and disaster recovery. Intracom Telecom's experience in the deployment of large scale projects and extensive expertise in multivendor system integration guarantee a risk free delivery and the highest quality maintenance and support. The most recent additions to the portfolio of services include Public & Private Cloud, Cloud Computing SaaS solution for Healthcare (PACS), Data Center Virtualization and Optimization, Security and Application Aware Networking and Managed Services. Coupled with advanced onsite deployment services and best-of-breed vendor partnerships, the Company seamlessly transforms the IT infrastructure to a leaner and optimized energy efficient environment. This helps to address the most vital imperatives: alignment with business goals, improvement of business continuity and cost reduction.

2. Significant events of year 2012

- In February 2012, Intracom Telecom announced the launch of its leading density wireless backhaul solution, OmniBAS™-8W, the only product in the market today combining Point-to-Point and Point-to-MultiPoint transmission in a single node. OmniBAS™-8W is the most compact nodal solution offering outstanding performance and unique deployment flexibility. The OmniBAS™-8W serves as a Packet Nodal, fully compatible with the OmniBAS™ Native Ethernet Radios, while it has been designed to host MultiPoint radios with the inherent benefit of spectrum saving and at no compromise on capacity.

- In Q1, Intracom Telecom has further extended its Point-to-Point portfolio by including its newest product called UltraLink™. This solution is an ultra-high capacity, fully-outdoor Gigabit Ethernet PtP radio platform operating in the licensed E-Band spectrum between 71-76GHz, an uncongested frequency field addressing the increased bandwidth needs of its customers. This advanced solution can be used to provide a wide range of services, such as 4G/LTE backhauling and fiber extension to international carriers, mobile operators and ISPs, providing direct access connectivity to corporate customers.

- In Q2, Intracom Telecom introduced its activities in the area of the Big Data Analytics and Complex Event Processing platform developed specifically for the telecommunications industry. The Company pioneers with this state-of-the-art framework, unveiling the value of huge operator data, creating 'actionable intelligence' in real-time. Later in 2012, the Company undertook a project to build an advanced Network Operation Center for a Greek service provider.

- At the same time of the year, Intracom Telecom, through its subsidiary in Russia, Intracom Svyaz, signed a multi-million extension to the existing frame contract with MTS Russia to provide its native packet radio OmniBAS™ and its advanced PtP platform INTRALINK™. The project will be implemented during 2012 through POs based on the planned needs of MTS's Macro Regions.

- In Q2, Intracom Telecom signed a contract with GRNET (Networking Research & Education S.A.) to implement all three parts of the agreement regarding the infrastructure for Public Cloud and IaaS (Infrastructure as a Service) for the academic and research institutions in Greece.

- In Q2 2012 the Company undertook a project to upgrade the Intelligent Network Services for Telekom Srbija in Serbia thus claiming the title of the NGIN supplier with the largest installations/ deployments in South-Eastern Europe.

- During 2012 the Intracom Telecom further expanded its IPTV platform in Telekom Srbija by supporting one of the largest and fastest expanding IPTV services in the region.

- In Q3 2012, the Company announced its awarding as Genesys' "Best SEE Partner 2011" for the wider region of South East Europe, at the Genesys G-Force customer and partner conference in Barcelona, Spain, on 12-13 September 2012. Within the framework of the awarded prize and for several years in a row, Genesys has recognized the successful long-term collaboration with Intracom Telecom and the potential for mutual growth, as the two companies are committed to delivering state-of-the-art Customer Care solutions in the South East Europe region.

- Intracom Telecom received two awards from Hewlett Packard during the HP annual partner event, which was held at Hilton Athens Hotel, on October 31st, 2012. More specifically, Intracom Telecom was named "ServiceOne Partner of the Year" for the region of Greece, and also received the "Excellence Enterprise Award of the Year" for Greece and Cyprus.

- Throughout the year, the Company continued its successful involvement in Greece and abroad in the System Integration field, based on own and third party products from internationally recognized industry leaders.

3. Company results

In year 2012 consolidated turnover amounted to Euro 181.1 million against Euro 255.3 million in the previous year. Losses before tax from continuing operations amounted to Euro 41.8 million against profits Euro 0.5 million in the previous year.

Operating losses for the Group amounted to Euro 36.1 million against profitsEuro 8.8 million in the previous year. Total equity as at 31.12.2012 amounted to Euro 187.7 million and total current assets amounted to Euro 233.8million.

The Company's turnover amounted to Euro 127.2million against Euro 157.9 million in the previous year, while losses after tax amounted to Euro 41.6 million against Euro 4.9 million in the prior period. Operating losses for the Company amounted to Euro 38.6 million against profits of Euro 1.6 million in the previous year.

The following financial ratios present the financial position of the Group and the Company are:

i. Financial Gearing	**GROUP**	**COMPANY**
Current Assets / Total Assets	59,1%	52,1%
Equity / Total Liabilities	90,4%	104,5%
Equity / Fixed Assets	116,2%	106,7%
Current Assets / Current Liabilities	116,9%	111.0%

ii.Financial Performance	**GROUP**	**COMPANY**
EBITDA / Sales	-1,4%	-4,7%
Gross Profit / Sales	3,0%	-4,2%
Sales / Equity	96,5%	66,0%

4. Risks and Uncertainties

The group Intracom Telecom, due to its geographical expansion and the general economic downturn and uncertainty that characterizes the Greek and global market is exposed to financial risks as market risk (changes in exchange rate risk, cash flow and fair value risk from changes in interest rates and price risk), credit risk and liquidity risk.
Management's main concern is to identify those risks and minimise the potential negative effect of the volatility of the financial markets on the financial performance of the Group. The financial liabilities of the Group consist of syndicated bond loan, short-term loans and leasing contracts. The above financial instruments are used for the financing of working capital requirements and capital investments.

In summary, the types of financial risk arising are analysed below as follows:

- **Foreign Exchange Risks**

The Company is exposed to foreign exchange risk, stemming operations in foreign currency (imports/exports) mainly in US Dollars and also in investments in foreign operations.
Foreign exchange risk is managed mainly through natural hedging and where appropriate through the use of foreign exchange futures and forwards.

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

The Group's exposure to interest rate risk is considered to be low, given that the Group's interest-bearing loans are based on EURO variable interest rates. Where necessary, the Group may use derivative financial instruments (interest rate swaps) to minimise the effect from interest rate fluctuations.

- **Credit risk**

The Group has limited exposure on credit risk. Sales of products and services are made to large customers of the public and private sector with good credit history. In cases credit is given to customers with limited or un-assessed credit history, the Company obtains bank guarantees or other form of trade insurance or transfers the risk to suppliers whenever this is possible. Similarly, for customers with specific credit risk provision for doubtful debts are formed.

- **Liquidity risk**

Liquidity risk is kept low because the Group has achieved an appropriate combination of cash and approved bank credit The Group maintains sufficient credit limits with the associated banks in order to cover its needs in working capital.

5. Goals & Perspectives

Despite the extremely difficult economic environment, the Company aims to improve its procedures, leading to increased productivity while maintaining operational continuity. Intracom Telecom's goal for 2013 is to maintain its competitiveness in the international arena, further investing in international expansion, while capitalising on the know-how of its personnel.

The plan of strengthening the partnership between the Company and MTS (Russia) will be implemented in 2013-2015 as new contract extensions are expected during the current year, which are estimated to sum / sum up / reach in 200M Euros the upcoming three years. The Company will continue to promote its wireless solutions and services to its strategic partner, MTS.

For 2013, the Company is also looking forward to further enhance its presence in the markets of Middle East, Africa and Latin America aiming at the promotion of wireless equipment and support services in rapidly growing telecom operators with international presence. The Company also aims at/to conducting partnerships with established regional telecom vendors in countries with high growth rates, enabling them to offer broadband IP and innovative services to their subscribers. The Company also focuses in the Western European market by promoting its new revolutionary solution StreetNode™, which is ideal for wireless telecommunication networks backhaul at street-level.

In parallel, Intracom Telecom continues vigorously to further strengthen its cooperation with Ericsson undertaking telecommunications software development projects for this vendor. The Company also continues to invest in the enrichment of its BigStreamer™ Real-time Big Data Analytics platform and looks forward in implementing it in/at large telecommunications providers in Europe and the Middle East, either independently or jointly with other Telco Software solutions of the company.

In the content services and IPTV and Over-The-Top (OTT) solutions, fs|cdn™ anywhere has already been recognized as the selected solution for providers and international organizations such as the National Cable Television Co-operative (NCTC) in the USA, with approximately 1,000 members of regional cable telecommunications providers.

The Company aims to promote its solutions internationally in the field of Cloud Services and Medical ICT as part of the New Business segments such as e-Healthcare, Telemedicine and Telematic Services as well as to promote its Smart Metering solutions to major telecom operators in Eastern Europe and the Middle East, such as Etisalat and MTN, who operate in most of Middle East & Africa countries.

Emphasis has also been placed in the cooperation with \Tellabs mainly for Russia and Ukraine, but also for other countries that Intracom Telecom is active and there are no trade/partner restrictions from the Tellabs side.

The Company will continue to operate dynamically in the Balkan region and looks forward to continuing and strengthening its cooperation with the Deutsche Telekom Group. Through the continuous empowerment of the Group's subsidiaries the Company aims to/at effectively promote Group's own products and services.

True copy from the minutes' Book of the Board of Directors

Peania, 31 May, 2013

THE MANAGING DIRECTOR (CEO)
MOHAMED AHMED

ERNST & YOUNG

ΕΡΝΣΤ & ΓΙΑΝΓΚ (ΕΛΛΑΣ)
Ορκωτοί Ελεγκτές –Λογιστές Α.Ε.
11^{O} χλμ Εθνικής Οδού Αθηνών Λαμίας
144 51 Αθήνα

Τηλ: 210.2886.000
Φαξ: 210.2886.905
www.ey.com/eyse

THE REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
INTRACOM S.A. TELECOM SOLUTIONS

Report on the Separate & Consolidated Financial Statements

We have audited the accompanying financial statements of **INTRAKOM TELECOM TELECOMUNICATIONS SA** and its subsidiaries, which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate & Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

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

ΕΡΝΣΤ & ΓΙΑΝΓΚ (ΕΛΛΑΣ)
Ορκωτοί Ελεγκτές –Λογιστές Α.Ε.
11^{O} χλμ Εθνικής Οδού Αθηνών Λαμίας
144 51 Αθήνα

Τηλ: 210.2886.000
Φαξ: 210.2886.905
www.ey.com/eyse

Basis for Qualified Opinion

Tax books and records of the Company have not been examined by the tax authorities for the years 2009-2010. In this respect, the tax results of the years 2009-2010 have not yet been defined. The Company has not assessed additional taxes and penalties that may arise in the future tax audit and has not provided for such liability. We have not been provided with reasonable assurance with respect to the estimation of the amount of the provision that may be needed.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **«INTRAKOM TELECOM TELECOMUNICATIONS SA»** as at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 6, to the separate and consolidated financial statements, with respect to the preparation of the financial statements on a 'going concern' basis, which indicates the significant judgments, estimations and assumptions have been used by the Company and the Group for the preparation of the financial statements as at December 31, 2012.

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Director's Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.

Athens, June 03, 2013

THE CERTIFIED AUDITOR ACCOUNTANT

PANAGIOTIS PAPAZOGLOU
SOEL No 16631

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NT RD ATHENS LAMIA
14451 METAMORFOSI
SOEL No 107

It is certified that the accompanied Financial Statements, are those that have been approved by the Board of Directors of "INTRACOM SA TELECOM SOLUTIONS" on May 31, 2013 and they have been disclosed on the Company's website: www.intracom-telecom.com. It has to be pointed out that the published condensed Financial Statements aim to provide to the reader general financial information but do not provide the full financial position and results of the Company and the Group in accordance with the International Financial Reporting Standards (IFRS). Furthermore, it is pointed out that, for simplicity reasons, in the published condensed financial statements certain aggregations and reclassifications have been made.

On behalf of
INTRACOM SA TELECOM SOLUTIONS

THE CHAIRMAN OF THE BOARD
DAVID KHIDASHELI
Passport No. 10DD19399 / 01.06.2012

THE VICE CHAIRMAN OF THE BOARD
D.C.KLONIS
ID No. AK 121708 / 07.10.2011

THE MANAGING DIRECTOR (CEO)
MOHAMED AHMED
Passport No. X4502855 / 18.04.2013

THE CHIEF FINANCIAL OFFICER
I. N. PANTAZIS
ID No. Φ 234758 / 14.12.2000

THE ACCOUNTING MANAGER
P. G. KYRIAKAKIS
ID No. Ξ 442800 / 22.01.1986
License No O.E.E. 31204 A' Class

STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
	Note	**Financial year ended 31/12/2012**	**Financial year ended 31/12/2011**	**Financial year ended 31/12/2012**	**Financial year ended 31/12/2011**
Revenue	9	181.118.383,79	255.299.889,89	127.190.730,18	157.885.900,96
Cost of sales	10	(175.706.199,19)	(207.339.638,86)	(132.558.068,92)	(128.032.894,64)
Gross profit		5.412.184,60	47.960.251,03	(5.367.338,74)	29.853.006,32
Administrative expenses	10	(15.531.740,81)	(15.659.739,07)	(9.107.922,83)	(7.686.047,90)
Selling and distribution costs	10	(20.447.882,78)	(21.896.101,00)	(17.223.094,05)	(18.729.155,01)
Research expenses	10	(7.748.635,14)	(6.571.647,85)	(7.541.158,47)	(6.474.641,37)
Other operating income	11	2.806.044,52	6.054.353,48	1.616.913,74	5.333.588,81
Other operating expenses	11	(574.677,48)	(1.081.786,74)	(964.943,29)	(663.944,18)
Operating profit / (loss)		(36.084.707,09)	8.805.329,85	(38.587.543,64)	1.632.806,67
Finance income	12	8.109.136,22	6.406.300,54	4.555.310,45	5.377.259,47
Finance costs	12	(13.796.902,28)	(14.697.796,08)	(11.749.890,56)	(10.859.724,48)
Profit / (Loss) before tax		(41.772.473,15)	513.834,31	(45.782.123,75)	(3.849.658,34)
Income tax expense	14	3.060.020,94	(2.768.741,56)	4.173.632,17	(1.086.929,54)
Losses for the year		(38.712.452,21)	(2.254.907,25)	(41.608.491,58)	(4.936.587,88)
Exchange differences on translation of foreign operations		(412.493,91)	(988.670,56)	-	-
Other comprehensive income/ (loss) for the year, net of tax		**(412.493,91)**	**(988.670,56)**	**-**	**-**
Total comprehensive income/ (loss) for the year, net of tax		**(39.124.946,12)**	**(3.243.577,81)**	**(41.608.491,58)**	**(4.936.587,88)**
Loss for the year attributable to:					
Equity holders of the parent		(38.776.231,89)	(2.407.082,62)	(41.608.491,58)	(4.936.587,88)
Non-controlling interests		63.779,68	152.175,37	-	-
		(38.712.452,21)	**(2.254.907,25)**	**(41.608.491,58)**	**(4.936.587,88)**
Total comprehensive income/ (loss) for the year, attributable to:					
Equity holders of the parent		(39.075.705,52)	(3.330.001,21)	-	-
Non-controlling interests		(49.240,60)	86.423,40	-	-
		(39.124.946,12)	**(3.243.577,81)**	**-**	**-**

The accompanying notes on pages 17 to 73 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company	
		31 DECEMBER		31 DECEMBER	
	Note	**2012**	**2011**	**2012**	**2011**
ASSETS					
Non-current Assets					
Property, plant and equipment	15	57.120.093,94	72.906.241,37	46.929.184,12	62.089.671,09
Investment Property	16	22.686.132,71	25.267.297,09	21.456.156,50	23.950.696,97
Intangible Assets	17	26.700.750,72	33.060.911,08	26.668.176,96	33.026.919,13
Investments in subsidiaries	18	-	-	19.448.597,05	19.448.597,05
Investments in joint ventures	8	-	-	1.800,00	1.800,00
Available for sale investments	20	261.923,00	269.265,79	-	-
Other financial assets	21	15.981,60	-	14.448.356,70	15.335.951,39
Deferred tax assets	22	17.684.876,31	13.161.238,73	16.889.338,74	12.276.115,62
Trade and other receivables	24	37.038.151,78	18.807.685,53	34.845.249,15	13.136.526,24
		161.507.910,06	163.472.639,59	180.686.859,22	179.266.277,49
Current Assets					
Inventories	23	33.135.780,86	42.475.381,83	21.180.605,68	24.695.027,24
Trade and other receivables	24	169.728.638,50	198.316.932,44	160.102.712,57	197.497.185,56
Derivative financial instruments	34	-	10.297,69	-	-
Cash and cash equivalents	25	30.926.050,70	59.742.060,01	15.295.889,94	23.160.094,12
		233.790.470,06	300.544.671,97	196.579.208,19	245.352.306,92
TOTAL ASSETS		395.298.380,12	464.017.311,56	377.266.067,41	424.618.584,41
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	27	227.769.383,60	227.769.383,60	227.769.383,60	227.769.383,60
Reserves	28	34.833.036,03	35.106.130,06	38.535.747,30	38.535.747,30
Retained losses		(79.393.815,57)	(40.591.204,08)	(73.480.347,19)	(31.871.855,61)
		183.208.604,06	222.284.309,58	192.824.783,71	234.433.275,29
Non-controlling interests		4.452.557,32	4.501.797,92	-	-
Total Equity		187.661.161,38	226.786.107,50	192.824.783,71	234.433.275,29
Non-current liabilities					
Interest-bearing loans and borrowings	29	19.179,08	94.481,23	-	-
Provisions	30	605.660,36	684.132,33	508.018,20	632.268,07
Government grants	31	-	2.414,61	-	2.414,61
Employee benefit liability	32	6.900.429,65	6.490.544,96	6.891.082,12	6.483.628,22
Trade and other payables	33	164.457,30	1.652.391,34	-	-
Deferred tax liabilities	22	3.441,06	16.406,52	-	-
		7.693.167,45	8.940.370,99	7.399.100,32	7.118.310,90
Current liabilities					
Trade and other payables	33	86.564.437,70	107.633.852,37	66.498.297,75	66.463.818,82
Interest-bearing loans and borrowings	29	110.725.899,32	117.520.672,33	108.400.600,00	113.900.600,00
Income tax payable		-	416.872,61	-	929.304,61
Provisions	30	2.653.714,27	2.719.435,76	2.143.285,63	1.773.274,79
		199.944.051,29	228.290.833,07	177.042.183,38	183.066.998,22
Total liabilities		207.637.218,74	237.231.204,06	184.441.283,70	190.185.309,12
TOTAL EQUITY AND LIABILITIES		395.298.380,12	464.017.311,56	377.266.067,41	424.618.584,41

The accompanying notes on pages 17 to 73 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group

	Ordinary Share Capital	Other reserves	Retained losses	Non-controlling interests	Total equity
Balance at 1 January 2011	**227.769.383,60**	**36.029.048,65**	**(38.184.121,46)**	**4.415.374,52**	**230.029.685,31**
Net profit / (loss) for the year	-	-	(2.407.082,62)	152.175,37	(2.254.907,25)
Other comprehensive income/ (loss)	-	(922.918,59)	-	(65.751,97)	(988.670,56)
Balance at 31 December 2011	**227.769.383,60**	**35.106.130,06**	**(40.591.204,08)**	**4.501.797,92**	**226.786.107,50**
Net profit / (loss) for the year	-	-	(38.776.231,89)	63.779,68	(38.712.452,21)
Reserves	-	26.379,60	(26.379,60)	-	-
Other comprehensive income/(loss)	-	(299.473,63)	-	(113.020,28)	(412.493,91)
Balance at 31 December 2012	**227.769.383,60**	**34.833.036,03**	**(79.393.815,57)**	**4.452.557,32**	**187.661.161,38**

Company

	Ordinary Share Capital	Other reserves	Retained losses	Non-controlling interests	Total equity
Balance at 1 January 2011	**227.769.383,60**	**38.535.747,30**	**(26.935.267,73)**	**-**	**239.369.863,17**
Net Loss for the year	-	-	(4.936.587,88)	-	(4.936.587,88)
Balance at 31 December 2011	**227.769.383,60**	**38.535.747,30**	**(31.871.855,61)**	**-**	**234.433.275,29**
Net loss for the year	-	-	(41.608.491,58)	-	(41.608.491,58)
Balance at 31 December 2012	**227.769.383,60**	**38.535.747,30**	**(73.480.347,19)**	**-**	**192.824.783,71**

The accompanying notes on pages 17 to 73 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

		Group		Company	
	Note	**Financial year ended 31/12/2012**	**Financial year ended 31/12/2011**	**Financial year ended 31/12/2012**	**Financial year ended 31/12/2011**
Cash flows from / (to) Operating Activities					
Income / (Loss) before tax		(41.772.473,15)	513.834,31	(45.782.123,75)	(3.849.658,34)
Adjustment to reconcile income / (loss) before tax to net cash flows					
Non-cash items:					
Depreciation of property, plant and equipment	10	3.529.031,41	4.041.178,52	2.616.690,43	2.954.017,67
Depreciation of investment property	16	539.796,47	532.709,06	489.244,24	479.530,65
Amortisation of intangible assets	10	11.724.777,69	14.286.737,82	11.709.757,44	14.227.497,90
(Gains)/Losses from disposal of property, plant and equipment	11	(21.986,77)	(57.338,85)	18.090,45	(46.693,33)
Write-off of intangible assets	17	104,78	-	-	-
Impairment of tangible and intangible assets	17	2.624.844,08	98.055,50	2.624.844,08	-
Impairment of property, plant and equipment	15,16	15.147.917,70	-	15.147.917,70	-
Depreciation of issuance of bond loan		-	1.006.894,41	-	1.006.894,41
Depreciation of government grants	31	(2.414,61)	(40.379,09)	(2.414,61)	(40.379,09)
(Gains) / Losses from valuation of derivative financial instruments	12	10.297,69	(28.531,31)	-	-
Interest income	12	(4.578.715,88)	(4.380.772,58)	(3.906.808,07)	(4.115.248,67)
Interest expense	12	8.049.377,59	8.112.562,76	7.781.595,81	7.543.481,76
Dividend income	12	-	-	(648.502,38)	(1.001.321,22)
Movements in provisions and provisions for employee benefits	30,32	265.691,23	284.555,48	653.214,87	306.439,92
Working capital adjustments:		-	-	-	-
(Increase)/Decrease in inventories		9.339.600,97	8.863.272,78	3.514.421,56	8.215.252,07
(Increase)/Decrease in trade and other accounts receivable		11.324.442,31	51.920.221,83	15.831.559,66	44.285.397,56
Increase/(Decrease) in trade and other accounts payable		(27.631.586,64)	(49.767.686,48)	(5.053.187,10)	(44.722.452,88)
Income tax paid		(2.948.733,00)	(3.567.572,10)	(1.409.798,93)	(1.581.889,95)
Net cash flows from operating activities		**(14.400.028,13)**	**31.817.742,06**	**3.584.501,40**	**23.660.868,46**
Cash flows from investing activities					
Purchase of property, plant and equipment		(1.385.526,36)	(1.970.058,84)	(466.898,53)	(1.567.335,69)
Purchase of investment property	16	-	(315.348,71)	-	(315.348,71)
Purchase of intangible assets		(7.816.640,84)	(9.019.762,92)	(7.805.860,26)	(8.905.124,95)
Disposal of property, plant and equipment		427.450,73	228.822,51	69.787,55	68.472,54
Dividends received	12	-	-	648.502,38	1.001.321,22
Proceeds/ (repayments) of loans		(15.981,60)	-	887.594,69	(441.222,95)
Interest received		4.624.057,86	4.451.900,50	3.801.901,86	3.976.423,30
Net cash flows used in investing activities		**(4.166.640,21)**	**(6.624.447,46)**	**(2.864.972,31)**	**(6.182.815,24)**
Cash flows from financing activities					
Share capital decrease	18	-	-	-	61.500,00
Payment of finance lease liabilities		(49.877,43)	(42.233,28)	-	-
Proceeds from borrowings		2.351.480,69	5.941.758,53	-	-
Repayments of borrowings		(9.171.678,41)	(39.144.591,00)	(5.500.000,00)	(36.000.000,00)
Interest paid		(3.364.943,15)	(9.558.041,94)	(3.083.733,27)	(8.985.554,78)
Net cash flows used in financing activities		**(10.235.018,30)**	**(42.803.107,69)**	**(8.583.733,27)**	**(44.924.054,78)**
Net decrease in cash and cash equivalents		**(28.801.686,64)**	**(17.609.813,09)**	**(7.864.204,18)**	**(27.446.001,56)**
Cash and cash equivalents at 1 January		59.742.060,01	78.120.123,87	23.160.094,12	50.606.095,68
Currency translation differences, Net		(14.322,67)	(768.250,77)	-	-
Cash and cash equivalents at 31 December		**30.926.050,70**	**59.742.060,01**	**15.295.889,94**	**23.160.094,12**

Gains from disposal of property, plant and equipment include:

	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Net Book Value	405.463,96	171.483,66	87.878,00	21.779,21
Gains/(Losses) from disposal of property, plant and equipment	21.986,77	57.338,85	(18.090,45)	46.693,33
Cash inflow from disposal of property, plant and equipment	**427.450,73**	**228.822,51**	**69.787,55**	**68.472,54**

The accompanying notes on pages 17 to 73 are an integral part of these financial statements.

NOTES TO THE COMPANY'S AND THE GROUP'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2012

1. General Information

INTRACOM S.A. TELECOM SOLUTIONS (hereinafter referred to as the "Company" or "Intracom Telecom"), was incorporated in Greece under the name Ilida Hellas S.A. and was initially engaged in the trading of agricultural products and packaging materials. The Company was fully acquired on November 3rd, 2005 by INTRACOM HOLDINGS S.A. («Intracom Holdings»). This acquisition was effected as part of the business restructuring program undertaken by Intracom Holdings whereby the telecom solutions segment was contributed to the Company on 30 September 2005.

The effective date of the abovementioned spin-off was 30 September 2005 and the relevant regulatory approval was announced on 29 December 2005. The balance sheet date for the spin-off was deemed to be the effective date under IFRS given that the segment was under the control of Intracom Holdings as at this date. The spin-off of the segment was affected in accordance with the provisions of Law 2166/1993, in terms of which all transactions that took place after 30 September 2005 were for the new segment. All such transactions were recorded as transactions involving companies under common control as mentioned in the summary of significant accounting policies (see note 4).

In 30 June 2006, 51% of the shares were disposed of from Intracom Holdings to Concern Sitronics Joint Stock Company, a company listed in the London Stock Exchange which controls the Company since then. Concern Sitronics Joint Stock Company is a subsidiary of «J.S.F.C. Sistema».

In April 20, 2012 the transfer of three percent (3%) from JSC Sitronics to Rydra Trading Company was completed. After the transferring of its stake, JSC Sitronics reduces its share to Intracom Telecom Group from fifty one percent (51%) to forty-eight percent (48%).

The Group is engaged in the design, development, production, certification, installation and support of advanced technology projects in the telecommunications and Information technology sector.
Intracom S.A. Telecom Solutions and its subsidiaries (collectively referred to as "the Group") operate in Greece, the United States of America ("USA"), Romania, Bulgaria, Albania, Russia, Skopje, Serbia, Armenia, Cyprus, Middle East, Saudi Arabia and other foreign countries.

The Company's registered office is at 19,7 km of Markopoulo Ave., Peania Attikis, Greece.

The accompanying separate and consolidated financial statements have been approved for issue by the Board of Directors on May 31, 2013 and are subject to approval by the Annual General Meeting of the Shareholders.

2. Basis of presentation

The accompanying financial statements consisting of the separate financial statements of Intracom S.A. Telecom Solutions (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared under the historical cost convention except for the valuation of available for sale financial assets, financial assets at fair value through profit and loss and the derivative financial instruments, which are measured at fair value.

The preparation of separate and consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The separate and consolidated financial statements are presented in Euro, unless otherwise stated.

Explicit and unreserved statement of compliance
These financial statements comprise the separate financial statements of Intracom S.A. Telecom Solutions, and the consolidated financial statements of the Company and its subsidiaries ('the Group') for the year ended as at 31 December 2012, in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

Basis of consolidation
The consolidated financial statements comprise of the separate financial statements of Intracom S.A. Telecom Solutions and subsidiaries as at 31 December of each year.
Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are fully consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Intragroup balances and intragroup transactions, including sales, expenses and dividends, are eliminated in full. Unrealized profits and losses resulting from intragroup transactions that are included in the carrying amount of assets are eliminated in full, unless the transaction contains indication of impairment of the transferred asset.

Non controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of financial position and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. In case of acquisitions of non controlling interest the difference between the cost of acquisition and the interest of net assets acquired is reflected as an equity transaction.
The losses of subsidiaries are attributed to non-controlling interest even if this creates a negative balance. A change in, shareholding in a subsidiary without losing control constitutes a transaction between equity holders. If the Group loses control over a subsidiary then:

Derecognizes:
- The assets (including goodwill) and liabilities of the subsidiary
- The carrying amount of any non-controlling interest
- The cumulative translation differences recorded in equity

Recognizes:
- The fair value of the consideration received
- The fair value of any investment retained
- Any surplus or deficit in profit or loss

Reclassifies the parent's share of components, previously recognized in other comprehensive income, to profit or loss or retained earnings, as appropriate.

3. Changes in accounting policies and disclosures. New standards, Interpretations, and amendments to published standards

Changes in accounting policies and disclosures

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year.

The Group and the Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2012 and their application did not have significant impact in the statement of financial position or performance of the Group or the Company:

IFRS 7 "Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amendment)" : The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with such involvement. The amendment has effect only in presentation issues. This amendment has no impact in the accounting policies and the financial position or performance of the Group and the Company.

IAS 12 "Income Taxes (Amended) - Recovery of Underlying Assets": The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has no impact in the accounting policies and the financial position or performance of the Group and the Company into account.

New Standards, Interpretations and amendments to published standards

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year beginning January 1, 2012. The estimate of the Management of the Group and the Company concerning the effect from the implementation of these new standards and interpretations is set-out as below:

- **IAS 1 "Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income":** The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. The Group and the Company are in the process of assessing the impact of this amendment on the financial statements.

- **IAS 19 "Employee Benefits (Amended)":** The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Management has assessed that the impact of recognising unrecognised actuarial losses will have a negative effect of Euro 461.703,70 in the equity accounts of the Group and the Company as of January 1st, 2013.

- **IAS 27 "Separate financial statements (Revised)":** The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of this amendment on its financial position or performance.

- **IAS 28 "Investments in Associates and Joint Ventures (Revised)":** The Standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group and the Company are in the process of assessing the impact of this amendment on the financial position or performance.

- **IAS 32 "Financial Instruments: Presentation (Amended) - Offsetting financial assets and financial liabilities":** The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the amendment on their financial position or performance.

- **IFRS 7 "Financial Instruments: Disclosures (Amended): Offsetting Financial Assets and Financial Liabilities":** The amendment is effective for annual periods beginning on or after 1 January 2013. These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. Management of the Group and the Company estimates that this amendment will not affect the financial statements except from possible additional disclosures.

- **IFRS 9 "Financial Instruments-Classification and Measurement":** The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or performance.

- **IFRS 10 "Consolidated Financial Statements", IAS 27 "Separate Financial Statements":** The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

- **IFRS 11 "Joint Arrangements":** The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

- **IFRS 12 "Disclosures of Involvement with Other Entities":** The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

- **IFRS 13 "Fair Value Measurement":** The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine":** The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping. This interpretation does not apply to the Group and the Company.

- The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. This project has not yet been endorsed by the EU. Management estimates that those amendments will not affect the financial statements except from possible additional disclosures.

- **IAS 1 Presentation of Financial Statements:** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

- **IAS 16 Property, Plant and Equipment:** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property; plant and equipment are not inventory.

- **IAS 32 Financial Instruments, Presentation:** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

- **IAS 34 Interim Financial Reporting:** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**
  The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualifies as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. This amendment has not yet been endorsed by the EU. The amendment has no impact in the financial position or performance of the Group and the Company.

4. Summary of significant accounting policies

Contribution of telecom solutions segment

The net assets contributed from Intracom Holdings to the segment, were incorporated in the financial statements of the Company at their carrying values at the date the contribution took place. The Company did not follow the purchase method as stipulated by IFRS 3 since according to paragraph 10 of the standard all transactions involving entities or businesses under common control are not within the scope of IFRS 3. The difference between the net carrying values of the segment and the increase in the share capital (in nominal values) which was effected in exchange of the segment's contribution was directly recognized in the Company's shareholders' equity. Similarly, the reserves of the segment contributed were also recognized in the Company's shareholders' equity.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Any subsequent changes in fair value of contingent consideration, which is presumed to be an asset or liability, will be recognized under IAS 39 either in the income statement or as a change in other comprehensive income. If the contingent consideration is classified as a component of equity, it will not be measured until its final settlement through the equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for 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 recognized in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Investment in associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognized in the statement of changes in equity. The aforementioned cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

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

Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment losses.

Interest in a joint venture

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity.

The Group recognises its interest in the joint venture using proportionate consolidation.

The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.

Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The financial statements of the joint venture are prepared for the same reporting period as the parent Company.

Investments in joint-ventures in the separate financial statements are measured at cost of acquisition less impairment losses.

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 recognized in the statement of comprehensive income. 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. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in other comprehensive income.

(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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

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

(3) All resulting exchange differences are recognized as reserves in other comprehensive income and are transferred to the income statement upon disposal of those entities.

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

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognised in the statement of comprehensive income in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (eg consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in a separate component of equity and recognised in the statement of comprehensive income on disposal of the net investment in foreign operation.

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.

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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

Buildings	33-34	years
Machinery installations and equipment	10	years
Transportation assets	5-7	years
Other equipment	5-10	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.
When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the statement of comprehensive income.

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

Investment property

Investment property principally comprising of land and buildings, is held by the Company and the Group for long-term rental yields and not for own use. Investment property is measured at cost less depreciation and impairment. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in the statement of comprehensive income. Land is not depreciated. The depreciation of buildings is calculated using the straight line method over the buildings' useful life which is estimated to 33-34 years.

The Company classifies all land and buildings rented to subsidiaries as investment property in its separate financial statements and as owner occupied property in the consolidated financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Intangible Assets

(i) Software acquired

Software acquired is stated at historical cost less subsequent amortization and any impairment. Amortization is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3 to 5 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

(ii) Internally generated software

Expenditure on research is expensed as incurred. Internally generated software arising from development is recognised if, and only if, an entity can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete the intangible asset and use or sell it; its ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs that are directly associated with identifiable and unique software products controlled by the Company and the Group are recognized 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 stated at historical cost less subsequent amortization and any impairment. Amortization is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3 to 5 years. The depreciation method used reflects the rate of future economic benefits that are expected to flow into the Company and the Group.

(iii) Licenses and trade marks
Software licenses and trade marks are stated at historical cost less subsequent amortisation and impairment. Amortization is calculated using the straight-line method over the useful economic lives, not exceeding a period of 5 years.

Impairment of assets

(i) Non-financial assets
The carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).
The recoverable amount of investment in subsidiaries and associates is determined in the same way as the non financial assets.

(ii) Financial assets
The Company and the Group assess at each statement of financial position date whether there is objective evidence that a financial asset or a 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 statement of financial position of the parent Company), assets measured at amortized 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 the statement of comprehensive income.

Investments and other financial assets
The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(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 at inception and the following criteria are met: (a) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases or (b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or (c) if the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or it is clear with little or no analysis that the separation of the embedded derivative is prohibited. 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 statement of financial position 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 statement of financial position date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest method.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Company and the Group did not hold any investments in this category.

(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 statement of financial position date.

Purchases and sales of investments are recognized on trade date, which is the date on which the Company and the Group commit to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets except those carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company and the Group have transferred substantially all risks and rewards of ownership.

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

Realized and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income 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. The financial instruments which are not traded in an active market and of which the fair value cannot be measured reliably, they are measured at acquisition cost.

At each statement of financial position date the Company and the Group estimate whether there are indications of impairment.

For companies' shares which are classified as available for sale financial assets, such indication is the decrease in the fair value compared to the acquisition cost. If impairment is identified then the cumulative- loss, which is included in equity and represents the difference between acquisition cost and fair value, is transferred to the statement of comprehensive income. Impairment losses in shares recognized in the statement of comprehensive income are not reversed through profit and loss.

De-recognition of financial assets and liabilities

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.

- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement.

- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Derivative financial instruments and hedge accounting

Derivative financial instruments include forward exchange contracts, currency and interest-rate swaps.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices and discounted cash flow models.

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

The gains and losses on derivative financial instruments held for trading or which do not qualify for hedge accounting are included in the statement of comprehensive income.

In the event the Group acquires financial instruments with embedded derivatives, the embedded derivative is separated from the main contract; it is recorded separately and is measured in its fair value only if its financial features are not directly linked with the corresponding features of the main contract.

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

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

When the Group uses derivative financial instruments to hedge against the interest rate and foreign exchange risk, it designates derivatives as either fair value hedges or cash flow hedges when the required criteria are met. For derivatives that do not meet the conditions for hedge accounting, gains or losses from changes in the fair value are included in the statement of comprehensive income.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income in finance costs/income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income in finance costs/income.

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

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

Certain derivatives, while used by the Group as effective hedges, do not satisfy the criteria for hedge accounting in accordance with IAS 39 and as a result the relevant gains or losses are recognized in the statement of comprehensive income in finance costs/income.

Inventories

Inventories are stated at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.
Write offs are recognized in the statement of comprehensive income when no future economic benefits will flow to the entity from the specific inventories. The provision for slow moving inventories is based on an ageing of inventories, and in accordance with past experience, according to which for inventories that had no movement for a period of 2 years, except for safety stock, 100% provision on acquisition cost is recorded.

Treasury Shares

Own equity shares are recorded at acquisition cost as a separate component of equity. Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments; rather they are recorded directly in equity.

Trade receivables

Trade receivables are recognized 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 impairment loss 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 impairment loss is recognised as selling and distribution expenses in the statement of comprehensive income. In case the receivable is considered as uncollectible, it is written off against the provision for impairment of trade receivables. Subsequent collection of written off receivable in prior financial periods is credited against the selling and distribution expenses in the statement of comprehensive income.

Factoring

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

Construction contracts

Expenses in relation to the contract are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue shall be recognized only to the extent of contract costs incurred that it is probable will be recoverable.

Revenue from fixed price contracts is recognized, as long as the contract outcome can be estimated reliably. The Group uses the percentage of completion method, to recognise the appropriate amount of revenue and expense over each period. The percentage of completion is measured by reference to the percentage of actual costs incurred to date to estimated total costs for each contract. When it is probable that the total contacted costs will exceed the total contracted revenue, the anticipated loss is recognised immediately in the statement of comprehensive income as expenses.

Costs and expenses incurred relating to future workings are excluded from the percentage of completion calculation and classified as work-in-progress. Total cost incurred and gains / losses recognised are matched against accumulated invoicing till year end.

When costs incurred plus net profits (less any loss) recognised exceed accumulated invoicing, the difference is classified as a receivable in account "Trade and other receivable". When accumulated invoicing exceeds costs incurred plus net profits (less any loss) recognized, the difference is classified as a liability in account "Trade and other payable".

Cash and cash equivalents

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

Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.
The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active program 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 recognized in the statement of comprehensive income. Any subsequent increase in fair value will be recognized in the statement of comprehensive income, but not in excess of the cumulative impairment loss which was previously recognized.

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 amortized.

Share capital

Share capital comprise of the Company's ordinary shares. 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 included in the cost of acquisition of the new company.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

The component of any convertible preference shares that exhibits characteristics of a liability is recognized as a liability in the statement of financial position, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the statement of comprehensive income.

The fair value of the liability component of a convertible bond loan is determined using a market rate for an equivalent non convertible bond; and this amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in shareholders' equity.

Loans are classified as short-term liabilities unless the Group has the unconditional right to defer payment for at least 12 months from the statement of financial position date.

Trade payables

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

Leases

i. The Group as lessee

(a) Finance leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized 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 statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. If there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(b) Operating leases

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

ii. The Group as lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Income Tax

Income tax comprises of current income tax and deferred income tax.

Current income tax

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

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. 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 nor loss.

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

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

Deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax is recognised in the statement of comprehensive income unless it relates to transactions recognized directly in equity, where the related deferred tax effects are also recognised directly in equity.

Post-employment benefit plans

The Group operates 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 statement of financial position date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

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

Government grants

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

Government grants relating to costs are deferred and recognized in the statement of comprehensive income 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 the statement of comprehensive income on a straight-line basis over the expected useful lives of the related tangibles.

Provisions and Contingent Assets-Liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Regarding the provisions that are expected to be settled in the long term (and therefore the effect of time value of money is material), provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks related to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

(a) Warranties

The Group recognizes a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects /

rendering of services at the statement of financial position date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognized as incurred. A provision is recognized for the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the statement of financial position date.

(c) Loss-making contracts

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

Revenue recognition

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

(a) Sales of goods

Sales of goods are recognized when the following conditions are satisfied:

- The Group has transferred to the buyer all the significant risks and rewards associated with the ownership of the products;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The value of sale can be reliably estimated;
- The collectibility of the related receivables is reasonably assured;
- Costs related with the transaction (both incurred and anticipated) can be reliably estimated.

(b) Rendering of services

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

(c) Interest income

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

(d) Dividends

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

(e) Rental income

Rental income arising from investment properties is accounted for on a straight line basis over the lease terms.

Borrowing costs

All borrowing costs are recognized as expenses in the statement of comprehensive income as incurred except of those which can be directly attributable to the acquisition or construction of a qualifying asset that meet the criteria for capitalization.

Dividend distribution

Dividend distribution is recognized as a liability when the distribution is approved by the Annual General Meeting of the shareholders.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities may be offset and the net amount may be reported on the statement of financial position only when the Group has a legally enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously**.**

Reclassification of accounts

Certain accounts of the statement of cash-flow of the prior year 2011 have been re-classified in comparison to the issued financial statements for presentation purposes, in order to become comparative to the respective accounts of the current year.
The prior period amounts that have been reclassified in order to enhance the relevance and comparability of financial statements are as follows:

- The amount of Euro 441.222,95 concerning provision of loans to the subsidiaries of the Group was transferred from "cash flows from operating activities" to "cash flows from investing activities" in the statement of cash flows of the Company as of December 31, 2012.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting dates. Actual results may ultimately differ from those estimates. Such judgments and estimates are periodically reviewed by management in order to reflect current condition and correspond to anticipation of current risks and are based on Group's Management prior experience in conjunction to the volume / level of such transactions and events.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Operating Lease Commitments–Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.
The Company has entered into commercial property leases on its machinery assigned to its subsidiaries. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are discussed below.

Impairment of investments in subsidiaries, associates and joint ventures
The carrying values of investments (including monetary items which form part of a net investment in foreign operation) are tested for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. Whenever the carrying value of an investment exceeds its recoverable amount an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less costs to sell and the value in use of the investment. Fair value less costs to sell is the amount obtainable from the sale of the investment in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the investment.

Provision for income tax
Current income tax liabilities for the current and prior periods are measured, in accordance with IAS 12, at the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years.
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. Further details and information are disclosed in Notes 14 and 22.

Deferred Tax Assets
Deferred tax assets are recognised for all unused tax losses and deductible temporary differences to the extent that it is probable that sufficient taxable profits will be available against which the losses and the deductible temporary differences can be utilised. Significant judgments and estimates are required by the Management of the Group in order to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Notes 14 and 22.

Provision for doubtful debts
The Management of the Group periodically evaluates the adequacy of the allowance for doubtful accounts in relation to credit policy and having consulted in-house legal counsels of the Group who handle significant litigation or other claims.

Provision for slow-moving and obsolete stock
The Management of the Group periodically evaluates the adequacy of the provision for slow-moving and obsolete stock. The relative provision is calculated based on ageing and according to prior experience; for stock which has recorded no movement (except for safety stock) for a period of more than two years. The amount provided for in such cases amounts to 100% of acquisition cost.

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

Pensions and other post employment benefits
The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The actuary report includes a series of assumptions in relation to the discount rate, future salary rises, mortality rates, average increase of long-term inflation rates per year and average increase of GDP per year. Due to the long term nature of such benefit plans such assumptions include a certain uncertainty. Additional details and information are included in Note 32.

Development Costs
Development costs are capitalised according to the accounting policy as described under paragraph "Intangible Assets". In order for the Group to account for the amounts to be capitalised, management proceeds in certain assumptions in relation to expected future cash inflows generated from the asset, discount rates and expected future periods in which benefits will inflow to the Group.

Revenue recognition
Revenue from long term construction contracts is recognised by the Group by using the percentage of completion method in accordance with IAS 18 and IAS 11. Revenue is recognized by reference to the stage of completion of the project at the statement of financial position 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.

6. Going Concern

Since 30 April 2012 the Company's bond loan amounting to € 90.000.000,00 is overdue. As a consequence, at 31 December 2012 bond loan of € 90.000.000,00 for the Company and the Group maintained its classification as current liability.

On March 22, 2013 the Company inquired from the lending banks, the extension with the existing terms of the bond loan until September 30, 2013 and the resignation of bondholders from default interest calculated from April 30, 2012 onwards.

The company is informed that the lending banks have responded positively and expect a letter of authorization committees of banks to the Payment agent of Bond Loan. As a consequence of the above, the Company's application will be accepted by the lending banks.

Moreover given the adequacy of working capital, the Group believes that it will be able to meet its contractual obligations under the bond loan until 31 December 2013, which include repayments of interest of approximately Euro 8.7 million.

The bond loan is guaranteed by JSC SITRONICS and INTRACOM HOLDINGS by 51% and 49% respectively.

Management and shareholders continue discussions with the lending banks to finalise negotiations on the conditions governing the refinancing of new syndicated bond loan.

In light of the above, the financial statements of the Company and the Group have been prepared on the basis of going concern. Therefore, the accompanying interim condensed financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, the amounts and classification of liabilities or any other adjustments that would be required if the Company and the Group have not been able to smoothly continue their activities.

7. Business Combinations

No subsidiary was acquired or disposed off during the financial years ended 31 December 2012 and 2011.

8. Interest in joint venture

The Group as at 31 December 2012 holds a 30,00% interest in «Joint Venture Intrakat-Intracom-Telecoms System of DEPA», a jointly controlled entity based in Greece which is involved in the rendering of services to the Public Gas Corporation S.A. The company is proportionately consolidated as is a jointly controlled entity.

The following amounts are included in the consolidated financial statements for the years 2012 and 2011 and represent the share of Group on the assets, liabilities, and earnings / (losses) after tax of the jointly controlled entity:

	Group	
	31/12/2012	**31/12/2011**
Current assets	117.241,52	115.171,52
Non-current assets	-	-
	117.241,52	**115.171,52**
Current liabilities	(125.175,26)	-
Non-current liabilites	-	-
	(125.175,26)	**-**
Revenue	-	6.595,25
Cost of sales	-	(6.691,79)
Administrative expenses	(9.000,00)	(85,50)
Profit / (Loss) before income taxes	(9.000,00)	(182,04)
Net profit / (loss) for the year	**(9.000,00)**	**(182,04)**

9. Sales

	Group		Company	
	1/1/20112-	**1/1/2011 -**	**1/1/20112-**	**1/1/2011 -**
Sales of merchandise	53.917.433,87	80.908.114,27	42.856.371,60	71.448.444,38
Sales of goods	20.214.787,07	54.180.727,34	865.320,00	3.667.470,24
Revenue from services	106.986.162,85	120.211.048,28	83.469.038,58	82.769.986,34
Total	**181.118.383,79**	**255.299.889,89**	**127.190.730,18**	**157.885.900,96**

10. Expenses by nature

		Group		Company	
	Note	**1/1/2012 - 31/12/2012**	**1/1/2011 - 31/12/2011**	**1/1/2012 - 31/12/2012**	**1/1/2011 - 31/12/2011**
Employee benefit expense	13	59.975.206,47	60.341.385,17	47.928.937,74	47.043.138,90
Cost of goods recognised as an expense		49.959.204,73	96.653.691,46	32.193.205,75	52.355.538,73
Depreciation of property, plant and equipment		3.529.031,41	4.041.178,52	2.616.690,43	2.954.017,67
Amortization of intangible assets		11.724.777,69	14.286.737,82	11.709.757,44	14.227.497,90
Impairment of intangible assets	17	17.772.761,78	98.055,50	17.772.761,78	-
Provision for obsolete inventories	23	7.854.400,17	5.165.100,82	6.166.574,41	4.681.605,52
Repairs and maintenance		1.156.718,59	1.245.373,96	929.360,76	969.886,17
Operating lease payments					
-Land and buildings		1.133.322,38	1.392.032,48	372.498,12	466.575,45
-Vehicles and machinery		1.775.355,91	1.891.546,52	1.177.770,31	1.161.495,73
-Furniture and other equipment		14.290,49	43.729,68	3.887,96	7.681,24
Impairment of receivables	24	3.076.447,86	2.924.678,31	2.532.644,58	2.600.000,00
Subcontractor's fees		44.091.440,15	47.537.936,88	33.134.895,08	26.655.620,17
Telecommunication expenses		942.654,85	1.066.415,58	620.865,64	670.332,36
Transportation expenses		2.514.548,06	4.046.782,39	1.994.349,25	2.936.642,91
Travel expenses		2.165.045,47	2.869.610,00	1.488.498,78	1.821.529,39
Advertising and exhibition fees		932.796,99	834.279,62	787.101,86	682.048,94
Consumables		1.362.539,49	1.585.446,62	277.930,73	254.425,63
Other		9.453.915,43	5.443.145,45	4.722.513,65	1.434.702,21
Total		**219.434.457,92**	**251.467.126,78**	**166.430.244,27**	**160.922.738,92**
Allocation by category					
Cost of sales		175.706.199,19	207.339.638,86	132.558.068,92	128.032.894,64
Administrative expenses		15.531.740,81	15.659.739,07	9.107.922,83	7.686.047,90
Selling and distribution costs		20.447.882,78	21.896.101,00	17.223.094,05	18.729.155,01
Research expenses		7.748.635,14	6.571.647,85	7.541.158,47	6.474.641,37
		219.434.457,92	**219.434.457,92**	**166.430.244,27**	**160.922.738,92**
Allocation of depreciation and amortization by category					
Cost of sales		13.826.664,83	16.681.596,77	13.056.855,67	15.789.882,14
Administrative expenses		379.809,89	543.799,50	265.062,02	327.782,04
Selling and distribution costs		351.302,28	405.729,37	310.397,59	367.060,69
Research expenses		696.032,10	696.790,70	694.132,59	696.790,70
		15.253.809,10	**18.327.916,34**	**14.326.447,87**	**17.181.515,57**

Total depreciation and amortisation of the Group for the year ended 31 December 2012 of Euro 16.104.551,86, has been allocated as follows: Euro 15.253.809,10 has been allocated to expenses by functions in the Statement of comprehensive income, Euro 539.796,47 relating to investment property depreciation has been allocated to other operating costs , Euro 305.953,68 has been capitalised in development costs and Euro 4.992,61 has been allocated to construction in progress and charged to the cost of ending inventory. (2011: total depreciation Euro 19.238.738,43, depreciation to expenses by function in Statement of comprehensive income Euro 18.327.916,34, depreciation of investment property Euro 532.709.06, depreciation capitalised in development costs Euro 378.113,03).

Total depreciation and amortisation of the Company for the year ended 31 December 2012 of Euro 15.121.645,79 , has been allocated as follows: Euro 14.326.447,87 has been allocated to expenses by functions in the Statement of comprehensive income, Euro 489.244,24 relating to investment property depreciation has been allocated to other operating costs and Euro 305.953,68 has been capitalised in development costs (2011: total depreciation Euro 18.039.159,25, depreciation to expenses by function in the statement of comprehensive income Euro 17.181.515,57, depreciation of investment property Euro 479.530,65, depreciation capitalised in development costs Euro 378.113,03).

11. Other operating income / (expenses)

		Group		Company	
	Note	**1/1/2012 -**	**1/1/2011 -**	**1/1/2012 -**	**1/1/2011 -**
Gains from disposal of property, plant and equipment		453.862,64	88.298,03	27.988,89	62.625,34
Rental income	16	1.210.473,61	1.313.356,42	1.031.949,20	901.494,09
Depreciation of grants relating to assets	31	2.414,61	40.379,09	2.414,61	40.379,09
Grants relating to expenses		148.282,79	206.517,56	148.282,79	206.517,56
Other income		991.010,87	4.405.802,38	406.278,25	4.122.572,73
Total operating income		**2.806.044,52**	**6.054.353,48**	**1.616.913,74**	**5.333.588,81**

In "other operating income / (expenses)" and more specifically in category "Other income" of the Group and the Company, it is included the amount of Euro which relates to reversal of unused provisions of impairment of accounts receivable (2011: 2.269.724,98), amount of Euro 234.948,60 which relates to the reversal of unused provision for contingent liabilities and amount of Euro 1.306.855,10 which relates to the write off of suppliers credit balances.

		Group		Company	
	Note	**1/1/2012 -**	**1/1/2011 -**	**1/1/2012 -**	**1/1/2011 -**
Losses from disposal of property, plant and equipment		(431.875,87)	(30.959,18)	(46.079,34)	(15.932,01)
Depreciation of investment property	16	(539.796,47)	(532.709,06)	(489.244,24)	(479.530,65)
Other expenses		396.994,86	(518.118,50)	(429.619,71)	(168.481,52)
Total operating expense		**(574.677,48)**	**(1.081.786,74)**	**(964.943,29)**	**(663.944,18)**

12. Finance (costs) / income

	Group		Company	
	1/1/2012 -	**1/1/2011 -**	**1/1/2012 -**	**1/1/2011 -**
Interest expense from bank loans	(8.049.377,59)	(8.112.562,76)	(7.781.595,81)	(7.543.481,76)
Losses from foreign exchange differences	(4.356.826,18)	(2.939.328,71)	(2.912.094,11)	-
Expenses on issuance of bond loan	-	(1.006.894,41)	(1.006.894,41)	(1.006.894,41)
Other	(1.390.698,51)	(2.639.010,20)	(49.306,23)	(2.309.348,31)
Total finance costs	**(13.796.902,28)**	**(14.697.796,08)**	**(11.749.890,56)**	**(10.859.724,48)**
Dividend income	-	-	648.502,38	1.001.321,22
Interest income from cash at banks	926.688,21	1.315.684,48	470.801,88	1.157.544,74
Interest income on trade receivables	3.653.227,20	2.999.127,57	3.328.439,76	2.783.334,02
Other financial income	(1.199,53)	65.960,53	107.566,43	174.369,91
Gains from foreign exchange differences	3.530.420,34	1.996.996,65	-	260.689,58
Gains from valuation of derivatives	-	28.531,31	-	-
Total finance revenue	**8.109.136,22**	**6.406.300,54**	**4.555.310,45**	**5.377.259,47**

13. Employee benefits

		Group		Company	
	Note	**1/1/2012-**	**1/1/2011 -**	**1/1/2012-**	**1/1/2011 -**
Wages and salaries		49.488.716,66	51.066.025,00	40.245.966,63	40.542.303,75
Social security costs		11.460.692,04	11.482.638,91	9.915.016,54	9.768.983,82
Other expenses		2.877.640,87	2.624.978,93	1.622.756,78	1.567.282,58
Pension costs	32	1.673.403,03	2.164.448,64	1.670.443,92	2.161.275,06
Minus: Employee benefits transfered to development cost		(5.525.246,13)	(6.996.706,31)	(5.525.246,13)	(6.996.706,31)
Total		**59.975.206,47**	**60.341.385,17**	**47.928.937,74**	**47.043.138,90**

14. Income tax expense

		Group		Company	
	Note	**1/1/2012 -**	**1/1/2011 -**	**1/1/2012 -**	**1/1/2011 -**
Current income tax		1.377.049,09	2.722.964,06	327.912,92	1.203.093,58
Prior year income tax		129.183,84	(71.417,36)	111.678,03	7.375,96
Deferred income tax	22	(4.566.253,87)	117.194,86	(4.613.223,12)	(123.540,00)
Income tax (credit) in the income statement		**(3.060.020,94)**	**2.768.741,56**	**(4.173.632,17)**	**1.086.929,54**

The effective income tax rate differs from the nominal one due to various factors, the most significant being certain non-deductible expenses and the change in tax rates. The effects of the difference to profits are as follows:

	Group		Company	
	1/1/2012 - 31/12/2012	**1/1/2011 - 31/12/2011**	**1/1/2012 - 31/12/2012**	**1/1/2011 - 31/12/2011**
Profit / (Loss) before tax	**(41.772.473,15)**	**513.834,31**	**(45.782.123,75)**	**(3.849.658,34)**
Tax calculated at tax applicable rates	(8.354.494,63)	102.766,86	(9.156.424,75)	(769.931,67)
Income not subject to taxation	(435.190,47)	(302.774,80)	-	(174.257,52)
Non deductible expenses for taxation purposes	2.538.077,34	1.406.944,45	2.047.364,38	1.091.069,49
Tax losses for which no deffered tax asset has been recognised	2.798.851,20	142.864,14	2.590.937,25	-
Differences in tax rates	6.310,94	1.392.915,14	-	876.531,39
Other taxes	257.240,84	97.443,13	232.812,92	56.141,89
Prior year taxes	129.183,84	(71.417,36)	111.678,03	7.375,96
Total	**(3.060.020,94)**	**2.768.741,56**	**(4.173.632,17)**	**1.086.929,54**

The statutory income tax rate applicable to the Company, for its activities in Greece, for the fiscal year 2012 is 20%.

Income tax has been calculated based on earnings before tax multiplied by the nominal tax rate .In accordance with current tax laws, tax rate for the operations of the Company in Greece amounts to 20% effective on December 31, 2012 and 2011 respectively. Effective from January 1st 2013, tax rate for the Company in Greece will amount to 26%.It is estimated that if the increased tax rate for the Company in Greece was effective on December 31,2012, the effect on the income tax of the Company would be an additional amount of Euro 5.066.801,61.

Tax returns of Group subsidiaries are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the local tax authorities, in which the entities operate, examine the returns and the records of the taxpayer and a final assessment is issued or the statute of limitation has expired.
Tax losses, to the extent that they are accepted by the local tax authorities, can be utilized to offset taxable profits for a period of time that is dictated by the tax legislation of each country. Regarding the Company, this period is five years from the year the losses incurred.

The Company's tax returns have been audited by the Tax Authorities until the fiscal year ended 31 December 2008. The income tax liabilities for the fiscal years ended 31 December 2009 and 31 December 2010 have not been audited by the fiscal tax authorities and therefore it is possible additional taxes and penalties to be assessed by the time to be considered and finalised. For the year 2012, the Company is placed under the tax audit of Chartered Accountants in accordance with the provisions of article 82 para.5 N. 2238/1994. This audit is under process and the relevant tax certificate will be granted subsequent to the publication of the financial statements of the period 2012.Upon the completion of tax audit additional tax liabilities may arise which though is estimated that will not have a material effect in the financial statements.

The tax returns of the companies of the Group have not been audited by the Tax Authorities for the following fiscal years and as a consequence their income tax liabilities have not been finalized:

Intracom Bulgaria S.A.	1998 - 2012
Intracom Svyaz LTD	From incorporation until 2008 and 2012
Intrakom DOO Skopje	2012
Intracom Telecom Albania S.A.	1st August 2011-2012
Intrarom S.A.	1st July 2008 - 2012
Conklin Corporation	2001 – 2012
Intracom DOO Armenia	2010-2012
Intracom DOO Belgrade	From incorporation until 2009 and 2011-2012
Intracom Middle East LLC	Taxable income is not applied
Intracom Middle East FZE	Taxable income is not applied
Intracom Telecom Holdings International Ltd.	2008-2012
Intracom Telecom Technologies Ltd	2008-2012
Intracom Operations Ltd	2008-2012
Intracom Telecom Solutions S.R.L.	Taxable income is not applied up to 2011-2012
Intracom Telecom Solutions Saudi Arabia	Taxable income is not applied
Sitronics Intracom India Private Limited	1st April 2012-31st December 2012
E-Teleserv	From incorporation until 2012

The Group is not able to estimate accurately the additional taxes and penalties which may be assessed by the tax examination of the unaudited tax years for each subsidiary and the country it operates. Therefore, the Group has accounted for a provision per entity based on previous years' tax audit findings and the development of the related amounts.

15. Property, plant and equipment

Group

	Land-Buildings	Machinery equipment	Transportation assets	Furniture & other equipment	Advances and assets under construction	Total
Cost						
Balance at 1 January 2011	93.048.076,60	40.230.050,13	1.876.627,05	25.049.779,66	3.723,36	160.208.256,80
Additions	248.213,21	1.035.229,08	107.274,09	1.061.462,00	-	2.452.178,38
Disposals	-	(500.460,74)	(264.234,72)	(984.118,96)	(3.890,63)	(1.752.705,05)
Transfer to investment property	(12.273.868,49)	-	-	-	-	(12.273.868,49)
Foreign currency translation differences	(180.084,93)	(152.950,56)	(13.268,29)	(13.511,35)	167,27	(359.647,86)
Balance at 31 December 2011	80.842.336,39	40.611.867,91	1.706.398,13	25.113.611,35	-	148.274.213,78
Balance at 1 January 2012	80.842.336,39	40.611.867,91	1.706.398,13	25.113.611,35	-	148.274.213,78
Additions	-	942.659,36	204.438,31	514.114,78	-	1.661.212,45
Disposals	-	(2.604.362,58)	(425.354,34)	(9.603.672,98)	-	(12.633.389,90)
Transfer to investment property	(993.961,63)	-	-	-	-	(993.961,63)
Foreign currency translation differences	(395.195,36)	(326.932,66)	(29.836,19)	(33.063,16)	-	(785.027,37)
Balance at 31 December 2012	79.453.179,40	38.623.232,03	1.455.645,91	15.990.989,99	-	135.523.047,33
Accumulated Depreciation						
Balance at 1 January 2011	17.584.352,43	32.086.202,17	1.439.174,33	22.951.978,27	-	74.061.707,20
Depreciation expense	1.191.556,20	1.741.561,18	168.027,19	1.005.042,92	-	4.106.187,49
Disposals	-	(432.365,17)	(200.463,68)	(948.392,54)	-	(1.581.221,39)
Transfer to investment property	(996.851,83)	-	-	-	-	(996.851,83)
Foreign currency translation differences	(68.158,39)	(130.385,60)	(10.858,47)	(12.446,60)	-	(221.849,06)
Balance at 31 December 2011	17.710.898,41	33.265.012,58	1.395.879,37	22.996.182,05	-	75.367.972,41
Balance at 1 January 2012	17.710.898,41	33.265.012,58	1.395.879,37	22.996.182,05	-	75.367.972,41
Depreciation expense	1.171.840,87	1.558.526,01	93.815,67	765.723,16	-	3.589.905,71
Impairment	12.352.711,08	-	-	-	-	12.352.711,08
Disposals	-	(2.512.977,31)	(204.141,91)	(9.510.806,72)	-	(12.227.925,94)
Transfer to investment property	(204.051,24)	-	-	-	-	(204.051,24)
Foreign currency translation differences	(133.017,35)	(283.793,75)	(25.385,14)	(33.462,39)	-	(475.658,63)
Balance at 31 December 2012	30.898.381,77	32.026.767,53	1.260.167,99	14.217.636,10	-	78.402.953,39
Netbook value at 31 December 2011	**63.131.437,98**	**7.346.855,33**	**310.518,76**	**2.117.429,30**	**-**	**72.906.241,37**
Netbook value at 31 December 2012	**48.554.797,63**	**6.596.464,50**	**195.477,92**	**1.773.353,89**	**-**	**57.120.093,94**

Leased assets included in table above as machinery and equipment under finance lease are as follows:

	31/12/2012	31/12/2011
Cost	219.162,55	238.227,32
Accumulated depreciation	(70.566,12)	(48.321,97)
Net book value	**148.596,43**	**189.905,35**

Company

	Land-Buildings	Machinery equipment	Transportation assets	Furniture & other equipment	Total
Cost					
Balance at 1 January 2011	79.339.930,56	27.648.186,66	375.841,12	23.567.865,24	130.931.823,58
Additions	238.333,45	802.499,96	-	1.008.621,82	2.049.455,23
Disposals	-	(321.522,81)	(77.812,40)	(869.953,19)	(1.269.288,40)
Transfer to investment property	(12.273.868,49)	-	-	-	(12.273.868,49)
Balance at 31 December 2011	67.304.395,52	28.129.163,81	298.028,72	23.706.533,87	119.438.121,92
Balance at 1 January 2012	67.304.395,52	28.129.163,81	298.028,72	23.706.533,87	119.438.121,92
Additions	-	355.427,17	-	387.157,45	742.584,62
Disposals	-	(2.300.179,40)	(43.854,23)	(9.447.896,56)	(11.791.930,19)
Transfer to investment property	(993.961,63)	-	-	-	(993.961,63)
Balance at 31 December 2012	66.310.433,89	26.184.411,58	254.174,49	14.645.794,76	107.394.814,72
Accumulated Depreciation					
Balance at 1 January 2011	12.914.354,97	21.658.935,19	347.181,27	21.653.313,78	56.573.785,21
Depreciation expense	928.862,10	1.277.287,55	11.452,56	801.424,43	3.019.026,64
Disposals	-	(309.225,97)	(77.812,32)	(860.470,90)	(1.247.509,19)
Transfer to investment property	(996.851,83)	-	-	-	(996.851,83)
Balance at 31 December 2011	12.846.365,24	22.626.996,77	280.821,51	21.594.267,31	57.348.450,83
Balance at 1 January 2012	12.846.365,24	22.626.996,77	280.821,51	21.594.267,31	57.348.450,83
Depreciation expense	928.843,90	1.023.381,74	4.523,87	715.822,61	2.672.572,12
Impairement	12.352.711,08	-	-	-	12.352.711,08
Disposals	-	(2.228.890,91)	(31.628,25)	(9.443.533,03)	(11.704.052,19)
Transfer to investment property	(204.051,24)	-	-	-	(204.051,24)
Balance at 31 December 2012	25.923.868,98	21.421.487,60	253.717,13	12.866.556,89	60.465.630,60
Netbook value at 31 December 2011	**54.458.030,28**	**5.502.167,04**	**17.207,21**	**2.112.266,56**	**62.089.671,09**
Netbook value at 31 December 2012	**40.386.564,91**	**4.762.923,98**	**457,36**	**1.779.237,87**	**46.929.184,12**

There is no property, plant and equipment that have been pledged as security for either the Group or the Company.

Tangible assets with indefinite useful life (land) are not subject to depreciation and are annually assessed for impairment. The higher amount between the fair value of the asset less the cost to sell it and the value in use consists of the recoverable amount of the asset.

The Company has taken into consideration the current market conditions as of December 31, 2012 and by evaluating the indications of impairment, has performed an assessment of impairment of tangible assets.

The recoverable amount has been derived from a study performed on behalf of the Company by an independent valuer. For the calculation of the fair value of the specific tangible assets the discount rate of 11% has been used. The independent valuer has assessed the fair values using the fair value method based on the market values, adjusted by the nature, location and current market conditions of the specific assets.

The date of valuation was December 31, 2012. The basic assumptions used are consistent with independent external sources of information.

Accordingly, during the fiscal year ended December 31, 2012, the amount of Euro 15.147.917,70 relating to the impairment of specific tangible assets and investment properties, has been recognised in the statement of comprehensive income within cost of sales.

During the current fiscal year, the net book value amounting to Euro 789.910,39was transferred from owner occupied tangible assets of the Group and the Company to investment property due to change of use of the aforementioned tangible assets.

During prior fiscal year the net book value amounting to Euro 11.277.016,66 was transferred from owner occupied tangible assets to investment property due to the termination of the lease terms and the change in use of the aforementioned tangible assets.

16. Investment property

	Group	Company
Cost		
Balance at 1 January 2011	15.864.444,40	14.008.179,88
Transfers from / (to) owner occupied properties	12.273.868,49	12.273.868,49
Additions	315.348,71	315.348,71
Foreign currency translation differences	(26.319,94)	-
Balance at 31 December 2011	28.427.341,66	26.597.397,08
Balance at 1 January 2012	28.427.341,66	26.597.397,08
Transfers from / (to) owner occupied properties	993.961,63	993.961,63
Additions	-	-
Foreign currency translation differences	(49.901,97)	-
Balance at 31 December 2012	29.371.401,32	27.591.358,71
Accumulated Depreciation		
Balance at 1 January 2011	1.638.152,97	1.170.317,63
Transfers from / (to) owner occupied properties	996.851,83	996.851,83
Depreciation expense	532.709,06	479.530,65
Foreign currency translation differences	(7.669,29)	-
Balance at 31 December 2011	3.160.044,57	2.646.700,11
Balance at 1 January 2012	3.160.044,57	2.646.700,11
Transfers from / (to) owner occupied properties	204.051,24	204.051,24
Depreciation expense	539.796,47	489.244,24
Impairement	2.795.206,62	2.795.206,62
Foreign currency translation differences	(13.830,29)	-
Balance at 31 December 2012	6.685.268,61	6.135.202,21
Netbook value at 31 December 2011	**25.267.297,09**	**23.950.696,97**
Netbook value at 31 December 2012	**22.686.132,71**	**21.456.156,50**

Rental income from investment properties for the years 2011 and 2010 for the Group and the Company are:

	Group	Company
	1/1/2011 - 31/12/2011	**1/1/2011 - 31/12/2011**
Rental Income from investment properties	1.313.356,42	901.494,09
	1/1/2012 - 31/12/2012	**1/1/2012 - 31/12/2012**
Rental Income from investment properties	1.210.473,61	1.031.949,20

The fair value of investment property does not differ from the carrying amount as presented in the consolidated and separate financial statements.

17. Intangible assets

Group

	Trademarks and licences	Software	Internally generated software	Internally generated software under construction	Total
Cost					
Balance at 1 January 2011	1.279.384,20	66.894.245,24	68.956.955,40	8.578.986,18	145.709.571,02
Additions	8.039,71	160.826,45	-	9.263.240,69	9.432.106,85
Transfers	-	38.499,17	10.020.556,68	(10.059.055,85)	-
Writte offs	(29.508,49)	(14.996,94)	(39.310,35)	-	(83.815,78)
Foreign currency translation differences	(2.100,61)	6.483,98	(26,99)	(9,25)	4.347,13
Balance at 31 December 2011	1.255.814,81	67.085.057,90	78.938.174,74	7.783.161,77	155.062.209,22
Balance at 1 January 2012	1.255.814,81	67.085.057,90	78.938.174,74	7.783.161,77	155.062.209,22
Additions	14.413,66	161.718,46	-	8.065.572,41	8.241.704,53
Transfers	-	230.643,68	10.997.729,83	(11.228.373,51)	-
Writte offs	-	(133.841,05)	-	-	(133.841,05)
Foreign currency translation differences	(3.856,04)	(15.559,58)	(40,60)	-	(19.456,22)
Balance at 31 December 2012	1.266.372,43	67.328.019,41	89.935.863,97	4.620.360,67	163.150.616,48
Accumulated amortization					
Balance at 1 January 2011	1.257.690,77	60.862.703,78	45.266.004,82	-	107.386.399,37
Amortisation expense	9.009,44	3.479.999,43	11.110.833,01	-	14.599.841,88
Impairement	-	98.055,50	-	-	98.055,50
Writte offs	(29.508,49)	(14.996,94)	(39.310,35)	-	(83.815,78)
Foreign currency translation differences	(2.105,29)	2.967,85	(45,39)	-	817,17
Balance at 31 December 2011	1.235.086,43	64.428.729,62	56.337.482,09	-	122.001.298,14
Balance at 1 January 2012	1.235.086,43	64.428.729,62	56.337.482,09	-	122.001.298,14
Amortisation expense	5.139,22	2.432.858,95	9.536.851,51	-	11.974.849,68
Impairement	-	-	2.624.844,08	-	2.624.844,08
Writte offs	-	(133.736,27)	-	-	(133.736,27)
Foreign currency translation differences	(3.933,37)	(13.415,90)	(40,60)	-	(17.389,87)
Balance at 31 December 2012	1.236.292,28	66.714.436,40	68.499.137,08	-	136.449.865,76
Net book value at 31 December 2011	**20.728,38**	**2.656.328,28**	**22.600.692,65**	**7.783.161,77**	**33.060.911,08**
Net book value at 31 December 2012	**30.080,15**	**613.583,01**	**21.436.726,89**	**4.620.360,67**	**26.700.750,72**

Company

	Trademarks and licences	Software	Internally generated software	Internally generated software under construction	Total
Cost					
Balance at 1 January 2011	1.087.642,81	66.585.321,02	68.834.566,80	8.542.639,73	145.050.170,36
Additions	-	54.228,19	-	9.263.240,69	9.317.468,88
Transfer	-	2.161,96	10.020.556,68	(10.022.718,64)	-
Writte offs	-	-	-	-	-
Balance at 31 December 2011	1.087.642,81	66.641.711,17	78.855.123,48	7.783.161,78	154.367.639,24
Balance at 1 January 2012	1.087.642,81	66.641.711,17	78.855.123,48	7.783.161,78	154.367.639,24
Additions	-	160.358,93	-	8.065.572,41	8.225.931,34
Transfer	-	230.643,68	10.997.729,83	(11.228.373,51)	-
Writte offs	-	-	-	-	-
Balance at 31 December 2012	1.087.642,81	67.032.713,78	89.852.853,31	4.620.360,68	162.593.570,58
Accumulated amortization					
Balance at 1 January 2011	1.087.642,70	60.565.455,46	45.147.019,99	-	106.800.118,15
Amortisation expense	-	3.433.191,12	11.107.410,84	-	14.540.601,96
Writte offs	-	-	-	-	-
Balance at 31 December 2011	1.087.642,70	63.998.646,58	56.254.430,83	-	121.340.720,11
Balance at 1 January 2012	1.087.642,70	63.998.646,58	56.254.430,83	-	121.340.720,11
Amortisation expense	-	2.422.977,92	9.536.851,51	-	11.959.829,43
Impairement	-	-	2.624.844,08	-	2.624.844,08
Writte offs	-	-	-	-	
Balance at 31 December 2012	1.087.642,70	66.421.624,50	68.416.126,42	-	135.925.393,62
Net book value at 31 December 2011	**0,11**	**2.643.064,59**	**22.600.692,65**	**7.783.161,78**	**33.026.919,13**
Net book value at 31 December 2012	**0,11**	**611.089,28**	**21.436.726,89**	**4.620.360,68**	**26.668.176,96**

During the current fiscal year the management of Group/Company considered the overall market conditions and the rapid technological developments in the telecommunications industry and decided to impair the group of intangibles assets "Omnimax".

Omnimax

For the intangible asset Omnimax, the management of the Group/Company revised the market expectations which have changed rapidly in the past two years. Based on the current trend in sales and management's projections of the future, this product is not expected to provide future economic benefits to the Group/Company. The effect of the accelerated depreciation on the statement of comprehensive income for the year 2012 amounted to approximately Euro 2.624.844,08.

18. Investments in subsidiaries

Movement in investments in subsidiaries is analysed as follows:

	Company	
	31/12/2012	**31/12/2011**
Balance at the beginning of the year	19.448.597,05	19.510.097,05
Cash inflows with no effect in the percentage of particip:	-	(61.500,00)
Balance at the end of the year	**19.448.597,05**	**19.448.597,05**

In the separate financial statements of the Company it was examined whether there is evidence of indication of impairment of the carrying amounts of the investments in subsidiaries. From the aforementioned process it was revealed that no indications of impairment exist.
The interests held in subsidiaries and the carrying amounts of their net assets at 31 December are as follows:

Subsidiaries		31/12/2012		31/12/2011	
Name	**Country of**	**% Interest held**	**Accounting Value**	**% Interest held**	**Accounting Value**
Intracom Svyaz	Russia	100,00%	430.760,79	100,00%	430.760,79
Intracom doo Skopje	FYROM	100,00%	680.000,00	100,00%	680.000,00
Intracom Bulgaria SA	Bulgaria	100,00%	2.909.951,23	100,00%	2.909.951,23
Intracom Holdings International Ltd	Cyprus	100,00%	3.352.984,57	100,00%	3.352.984,57
Intralban SHA	Albania	95,00%	1.943.048,16	95,00%	1.943.048,16
Intrarom SA	Romania	73,68%	9.951.352,30	73,68%	9.951.352,30
Sitronics Intracom India Private limited	India	95,00%	180.500,00	95,00%	180.500,00
		Total	**19.448.597,05**		**19.448.597,05**

The Sub Group subsidiaries through subsidiary Intracom Holdings International Ltd are presented below:

Name	**Country of incorporation**	**% Interest held 31/12/2012**	**% Interest held 31/12/2011**
Intracom Holdings International Ltd	Cyprus	100,00%	100,00%
- Intracom Middle East FZE	UAE	100,00%	100,00%
- Intracom Middle East LLC	UAE	100,00%	100,00%
- Conklin Corporation	USA	100,00%	100,00%
- Intracom Doo Belgrade	Serbia	100,00%	100,00%
- E-Teleserv	Serbia	100,00%	100,00%
- Intracom Doo Armenia	Armenia	100,00%	100,00%
- Intracom Telecom Technologies Ltd	Cyprus	100,00%	100,00%
- Intracom Operations Ltd	Cyrpus	100,00%	100,00%
- Intracom Telecom Solutions S.R.L.	Moldove	100,00%	100,00%
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	95,00%
- Sitronics Intracom India Private Limited	India	5,00%	5,00%

19. Investments in associates

Neither the Group nor the Company has investment in associates**.**

20. Available for sale investments

Available for sale investments are investments in the share capital of non-listed companies «Intracom Construct» and «Lotrom» of 8% and 16% respectively. These investments are measured at cost as they are not publicly traded, and therefore their fair value may not be reliably measured. The specific investments were realized by the subsidiary Intrarom and as a result no respective amounts are included in the parent company.

	Group	
	31/12/2012	**31/12/2011**
Balance at the beginning of the year	269.265,79	273.138,61
Foreign currency translation differences	(7.342,79)	(3.872,82)
Balance at the end of the year	**261.923,00**	**269.265,79**

Available for sale investments:

	Group	
	31/12/2012	**31/12/2011**
Non listed securities		
- Equity securities	261.923,00	269.265,79
	261.923,00	**269.265,79**

21. Other financial assets

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Loans receivable	15.981,60	-	-	-
Loan to subsidiaries (Note 37)	-	-	14.448.356,70	15.335.951,39
	15.981,60	**-**	**14.448.356,70**	**15.335.951,39**

22. 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 total amounts of deferred tax assets and liabilities, before set off are as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Deferred tax Assets:				
To be recovered after more than 12 months	17.773.433,91	14.370.768,75	16.947.853,32	13.428.679,46
To be recovered within 12 months	2.077.978,46	1.163.042,28	2.056.491,21	1.154.748,67
	19.851.412,37	15.533.811,03	19.004.344,53	14.583.428,13
Deferred Tax Liabilities:				
To be settled after more than 12 months	(1.960.596,63)	(1.901.234,65)	(1.915.987,76)	(1.837.721,89)
To be settled within 12 months	(209.380,49)	(487.744,17)	(199.018,03)	(469.590,62)
	(2.169.977,12)	(2.388.978,82)	(2.115.005,79)	(2.307.312,51)
	17.681.435,25	**13.144.832,21**	**16.889.338,74**	**12.276.115,62**
Non-current Assets	17.684.876,31	13.161.238,73	16.889.338,74	12.276.115,62
Non-current liabilities	(3.441,06)	(16.406,52)	-	-
	17.681.435,25	**13.144.832,21**	**16.889.338,74**	**12.276.115,62**

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

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Balance at the beginning of the year	13.144.832,21	13.285.547,15	12.276.115,62	12.152.575,62
(Charged)/Credited to statement of comprehensive income (note 14)	4.566.253,87	(117.194,86)	4.613.223,12	123.540,00
Foreign currency translation differences	(29.650,83)	(23.520,08)	-	-
Balance at the end of the year	**17.681.435,25**	**13.144.832,21**	**16.889.338,74**	**12.276.115,62**

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

Group

	Provisions	Tax Losses	Accrued Expenses	Impairment of Inventory	Other	Total
Balance at 1 January 2011	3.996.411,53	154.934,76	2.836.787,59	7.915.293,77	2.676.259,13	17.579.686,78
(Charged)/Credited to statement of comprehensive income	(210.963,17)	-	(1.813.685,18)	2.371,37	1.635,54	(2.020.641,44)
Foreign currency translation differences	(8.572,31)	(5.573,60)	(1.009,65)	-	(10.078,75)	(25.234,31)
Balance at 31 December 2011	**3.776.876,05**	**149.361,16**	**1.022.092,76**	**7.917.665,14**	**2.667.815,92**	**15.533.811,03**
Balance at 1 January 2012	3.776.876,05	149.361,16	1.022.092,76	7.917.665,14	2.667.815,92	15.533.811,03
(Charged)/Credited to statement of comprehensive income	464.175,10	-	670.585,36	533.821,65	2.679.501,31	4.348.083,42
Μεταφορές	-	-	-	-	-	-
Foreign currency translation differences	148,04	(9.484,04)	(1.332,41)	-	(19.813,67)	(30.482,08)
Balance at 31 December 2012	**4.241.199,19**	**139.877,12**	**1.691.345,71**	**8.451.486,79**	**5.327.503,56**	**19.851.412,37**

Deferred Tax Liabilities:

	Accelerated Tax Depreciation	Accrued Income	Other	Total
Balance at 1 January 2011	(2.057.818,38)	(1.528.650,12)	(707.671,13)	(4.294.139,63)
(Charged)/Credited to statement of comprehensive income	242.758,14	1.328.290,65	332.397,79	1.903.446,58
Foreign currency translation differences	433,41	-	1.280,82	1.714,23
Balance at 31 December 2011	**(1.814.626,83)**	**(200.359,47)**	**(373.992,52)**	**(2.388.978,82)**
Balance at 1 January 2012	(1.814.626,83)	(200.359,47)	(373.992,52)	(2.388.978,82)
(Charged)/Credited to statement of comprehensive income	(35.179,21)	5.311,90	248.037,76	218.170,45
Foreign currency translation differences	280,97	-	550,28	831,25
Balance at 31 December 2012	**(1.849.525,07)**	**(195.047,57)**	**(125.404,48)**	**(2.169.977,12)**

The Group has unused tax losses of Euro 47.204.520 ($ 62.281.644) (2011: Euro 48.215.970 ($62.386.644)), for which no deferred tax asset has been recognized in the statement of financial position since it is not probable that taxable profits will be available in the future periods against which the deductible temporary difference can be utilised.

Company

	Provisions	Tax Losses	Accrued Expenses	Impairment of Inventory	Other	Total
Balance at 1 January 2011	3.879.548,68	-	2.835.831,94	7.915.293,77	1.787.670,39	16.418.344,78
(Charged)/Credited to statement of comprehensive income	(117.525,10)	-	(1.681.083,27)	2.371,37	(38.679,65)	(1.834.916,65)
Transfers	-	-	-	-	-	-
Balance at 31 December 2011	**3.762.023,58**	**-**	**1.154.748,67**	**7.917.665,14**	**1.748.990,74**	**14.583.428,13**
Balance at 1 January 2012	3.762.023,58	-	1.154.748,67	7.917.665,14	1.748.990,74	14.583.428,13
(Charged)/Credited to statement of comprehensive income	498.131,11	-	655.854,58	533.821,65	2.733.109,06	4.420.916,40
Μεταφορές	-	-	-	-	-	-
Balance at 31 December 2012	**4.260.154,69**	**-**	**1.810.603,25**	**8.451.486,79**	**4.482.099,80**	**19.004.344,53**

Deferred Tax Liabilities:

	Accelerated Tax Depreciation	Accrued Income	Other	Total
Balance at 1 January 2011	(2.050.770,90)	(1.528.650,12)	(686.348,14)	(4.265.769,16)
(Charged)/Credited to statement of comprehensive income	242.694,12	1.328.290,65	387.471,88	1.958.456,65
Transfers	-	-	-	-
Balance at 31 December 2011	**(1.808.076,78)**	**(200.359,47)**	**(298.876,26)**	**(2.307.312,51)**
Balance at 1 January 2012	(1.808.076,78)	(200.359,47)	(298.876,26)	(2.307.312,51)
(Charged)/Credited to statement of comprehensive income	(36.393,29)	5.311,90	223.388,11	192.306,72
Balance at 31 December 2012	**(1.844.470,07)**	**(195.047,57)**	**(75.488,15)**	**(2.115.005,79)**

In the deferred tax asset of the Group and the Company and specifically in category “Other” it is included an amount of Euro 3.029.583,54 which relates to deferred tax asset arising from the impairment of tangible assets and investment properties (Notes 15,16).

The Company has unused tax losses for the year ended 2012 of Euro 12.954.686,26 , for which no deferred tax asset has been formed in the statement of financial position due to the fact that taxable profits are not expected in the foreseeable future in order to be set off. The Company did not have unused tax losses for the fiscal year 2011.

23. Inventories

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Raw materials	34.808.573,19	40.633.451,88	22.780.479,01	24.192.496,38
Semi-finished goods	7.889.773,18	9.613.508,59	6.745.846,30	7.808.190,67
Finished goods	17.322.659,20	18.813.893,50	16.596.793,37	17.601.755,50
Work in progress	502.850,54	542.935,54	-	-
Merchandise	18.581.958,56	15.032.610,57	17.314.920,95	14.680.910,35
Total	**79.105.814,67**	**84.636.400,08**	**63.438.039,63**	**64.283.352,90**
Less: Provision for slow moving & obsolete inventories				
Raw materials	21.688.100,79	18.389.993,79	18.972.442,32	16.997.881,54
Semi-finished goods	5.292.779,12	5.863.655,95	5.074.874,39	5.495.158,45
Finished goods	13.413.731,94	12.940.659,68	12.677.160,21	12.210.143,20
Merchandise	5.575.421,96	4.966.708,83	5.532.957,03	4.885.142,47
	45.970.033,81	**42.161.018,25**	**42.257.433,95**	**39.588.325,66**
Total net realisable value	**33.135.780,86**	**42.475.381,83**	**21.180.605,68**	**24.695.027,24**

During the financial year ended December 31,2012 the additional provision for slow moving and obsolete inventory provided by the Group and the Company amounted to Euro 7.854.400,17 and Euro 6.166.574,41respectively. Stock destruction realized by the Group and the Company amount to Euro 4.045.384,61 and Euro 3.497.466,12 respectively.

For the year ended 31 December 2011, an additional provision for slow-moving and obsolete inventory was provided for amounting to a total of Euro 5.165.100,82 and Euro 4.651.605,52 for the Group and Company respectively Stock destruction realized by the Group and the Company amount to Euro 1.601.231,55 and Euro 1.485.435,20 respectively.

During the current and prior period there are no pledges over the inventories of the Group and the Company.

24. Trade and other receivables

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Trade receivables	128.744.176,01	127.447.160,05	72.529.825,62	81.433.425,11
Less: provision for impairment	(13.898.241,99)	(11.749.540,73)	(12.557.959,61)	(10.624.867,72)
Trade receivables - net	114.845.934,02	115.697.619,32	59.971.866,01	70.808.557,39
Advances to suppliers	3.656.397,75	3.283.030,06	449.197,90	297.932,63
Receivables from related parties(note 37)	81.727.521,54	89.969.143,42	130.227.730,25	136.517.989,24
Other receivables	6.536.936,97	8.174.825,17	4.299.167,56	3.009.232,54
Total	**206.766.790,28**	**217.124.617,97**	**194.947.961,72**	**210.633.711,80**
Non current assets	37.038.151,78	18.807.685,53	34.845.249,15	13.136.526,24
Current assets	169.728.638,50	198.316.932,44	160.102.712,57	197.497.185,56
	206.766.790,28	**217.124.617,97**	**194.947.961,72**	**210.633.711,80**

The amortised cost of non current receivables was estimated based on their future cash flows, discounted at an average interest rate of 6,970 % (2011: 4,793 %).

The movement of the provision for impairment of trade receivables for the financial years ended December 31, 2012 and December 31, 2011 for the Group and the Company is as follows:

	Group	Company
Balance at 1 January 2011	**(12.327.221,77)**	**(11.276.810,59)**
Charge for the year (Note 10)	(2.924.678,31)	(2.600.000,00)
Utilised	1.368.679,19	1.131.071,92
Unused amounts reversed (Note 11)	2.269.724,98	2.269.724,98
Currency Translation Differences	(136.044,82)	(148.854,03)
Balance at 31 December 2011	**(11.749.540,73)**	**(10.624.867,72)**
Balance at 1 January 2012	**(11.749.540,73)**	**(10.624.867,72)**
Charge for the year (Note 10)	(3.076.447,86)	(2.532.644,58)
Utilised	669.593,24	552.542,30
Unused amounts reversed (Note 11)	173.207,58	-
Currency Translation Differences	84.945,78	47.010,39
Balance at 31 December 2012	**(13.898.241,99)**	**(12.557.959,61)**

The ageing analysis of trade receivables as at 31 December 2012 and 31 December 2011, for the Group and the Company is as follows:

Group

			Past due but not impaired				
	Total	Neither past due	< 30 days	30 – 60 days	60 – 90 days	90 – 120 days	>120 days
2012	114.845.934,02	91.177.929,18	5.357.048,05	1.162.924,74	913.464,98	558.224,73	15.676.342,34
2011	115.697.619,32	89.745.339,32	4.762.227,78	1.537.581,33	1.484.266,19	1.416.372,15	16.751.832,55

Company

			Past due but not impaired				
	Total	Neither past due	< 30 days	30 – 60 days	60 – 90 days	90 – 120 days	>120 days
2012	59.971.866,01	55.426.377,42	3.314.521,03	373.356,77	745.705,05	98.953,11	12.952,63
2011	70.808.557,39	63.205.573,08	3.438.400,71	755.288,75	725.669,58	1.190.744,47	1.492.880,80

Collection of trade receivables related to long-term construction contracts is performed gradually upon project acceptance by the client. Therefore the contracts do not specify exact dates of settlement of the invoices issued and consequently the total balance of trade receivables is considered as not past due. During the current and prior period there are no pledges over trade and other receivables of the Group and the Company.

25. Cash and cash equivalents

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Cash at bank and in hand	12.224.929,07	22.926.145,06	3.960.907,85	1.501.719,99
Short-term bank deposits	18.701.121,63	36.815.914,95	11.334.982,09	21.658.374,13
Total	**30.926.050,70**	**59.742.060,01**	**15.295.889,94**	**23.160.094,12**

Bank deposits return interest income based on daily floating rates of interest deposits. Short-term bank deposits are performed for periods from one day to three months, according to

Group cash-flow needs and return interest income on these specific short-term interest rates. Fair-values of cash-equivalents and short-term cash deposits are Euro 30.926.050,70 for the Group (2011 Euro 59.742.060,01) and Euro 15.295.889,94 for the Company (2011 Euro 23.160.094,12).

Effective interest rate of short-term bank deposits for the Company was 2,372 % (2011: 2,686%).

Cash and cash equivalents are analyzed in the following currencies:

	Group		**Company**	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Euro	10.124.712,49	14.305.026,87	6.223.168,68	12.618.594,39
US Dollar	9.724.644,97	11.250.409,39	9.033.213,12	10.450.830,41
Other	11.076.693,24	34.186.623,75	39.508,14	90.669,32
	30.926.050,70	**59.742.060,01**	**15.295.889,94**	**23.160.094,12**

26. Non current-assets classified as held for sale and discontinued operations.

During the current and prior period no non-current assets were classified as held for sale and discontinued operations.

27. Share capital

	Number of shares	**Ordinary shares**	**Total**
Balance at 1 January 2011	7.760.456	227.769.383,60	227.769.383,60
Balance at 31 December 2011	**7.760.456**	**227.769.383,60**	**227.769.383,60**
Balance at 1 January 2012	7.760.456	227.769.383,60	227.769.383,60
Balance at 31 December 2012	**7.760.456**	**227.769.383,60**	**227.769.383,60**

During the current and prior year, no changes in the Company's share capital took place.

As at 31 December 2012 and 2011 the Company's authorized, issued and fully paid share capital comprised of Euro 7.760.456 shares at nominal value Euro 29,35 each.

28. Other reserves

Group

	Statutory reserve	**Tax free reserves**	**Other reserves**	**Foreign currency translation diffreences**	**Total**
Balance at 1 January 2011	492.944,84	40.414.925,12	(1.654.238,36)	(3.224.582,95)	36.029.048,65
Foreign currency translation differences	-	-	-	(922.918,59)	(922.918,59)
Balance at 31 December 2011	**492.944,84**	**40.414.925,12**	**(1.654.238,36)**	**(4.147.501,54)**	**35.106.130,06**
Balance at 1 January 2012	492.944,84	40.414.925,12	(1.654.238,36)	(4.147.501,54)	35.106.130,06
Foreign currency translation differences	-	-	-	(299.473,63)	(299.473,63)
Reserves	-	-	26.379,60	-	26.379,60
Balance at 31 December 2012	**492.944,84**	**40.414.925,12**	**(1.627.858,76)**	**(4.446.975,17)**	**34.833.036,03**

Company

	Statutory reserve	Tax free reserves	Other reserves	Foreign currency translation diffreences	Total
Balance at 1 January 2011	1.906,30	40.414.925,12	(1.881.084,12)	-	38.535.747,30
Balance at 31 December 2011	**1.906,30**	**40.414.925,12**	**(1.881.084,12)**	**-**	**38.535.747,30**
Balance at 1 January 2012	1.906,30	40.414.925,12	(1.881.084,12)	-	38.535.747,30
Balance at 31 December 2012	**1.906,30**	**40.414.925,12**	**(1.881.084,12)**	**-**	**38.535.747,30**

(a) Statutory reserve

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

(b) Tax free reserves under special laws

This account includes reserves created from profits, which were used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of incentive laws in force each time. Therefore, this reserve is created from profits for which no tax is calculated or paid. According to the Greek Tax Law tax free reserves are non taxable provided that they remain undistributed. In the case of distribution, tax is calculated at the current tax rate. Since the Company has no intention of distributing part or whole of these reserves in the near future it has not provided for deferred income tax

29. Interest-bearing loans and borrowings

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Long term borrowings				
Obligations under finance leases	19.179,08	94.481,23	-	-
Total long term borrowings	19.179,08	94.481,23	-	-
Short term borrowings				
Bank overdrafts	654.496,64	2.298.084,80	-	-
Floating rate bank borrowings	109.995.930,40	115.172.539,97	108.400.600,00	113.900.600,00
Obligations under finance leases	75.472,28	50.047,56	-	-
Total short term borrowings	110.725.899,32	117.520.672,33	108.400.600,00	113.900.600,00
Total borrowings	**110.745.078,40**	**117.615.153,56**	**108.400.600,00**	**113.900.600,00**

In June 27, 2008 the Company signed a Bond loan agreement of Euro 150.000.000 bearing an interest rate of Euribor plus an adjusted margin which related to the financial ratios of "Total Net Debt to Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)" and "Total Net Debt to Total Equity". The principal of the Bond loan would be repaid as follows: Euro 15.000.000 in the first year, Euro 15.000.000 in the second year and Euro 120.000.000 will be payable in the third year while the Company may request the extension of the Final Maturity twice for one year at each time. The bond loan is guaranteed by JSC SITRONICS and INTRACOM HOLDINGS by 51% and 49% respectively.

The bond loan of the Company amounting to Euro 120.000.000 was not repaid in the third year, and more specifically in July 4th, 2011, but renewed for the period from July 4th, 2011 to

October 4th, 2011. Continuously, it was renewed for the period of October 4th, 2011 to December 30th, 2011.
In December 30th, 2011 the Company repaid the amount of Euro 30.000.000 and the remaining amount of Euro 90.000.000 was renewed for the period from December 30th, 2011 to February 28th 2012 and further renewed for the period from February 28th 2012 to April 30th 2012.

In March 22, 2013 the Company inquired from the lending banks, the extension with the existing terms of the bond loan until September 30, 2013 and the resignation of bondholders from default interest calculated from April 30, 2012 onwards.

The company is informed that the lending banks have responded positively and expect a letter of authorization committees of banks to the Payment agent of Bond Loan. As a consequence of the above, the Company's application will be accepted by the lending banks.

Management continues discussions with the lending banks to finalise negotiations on the conditions governing the refinancing of new syndicated bond loan.

The weighted average effective interest rate for the Group and the Company for 2012 was 6,917% and 6.970% respectively. (2011: 4,788% and 4,793% respectively).

The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Euro	109.843.084,86	117.600.306,52	108.400.600,00	113.900.600,00
Other	901.993,54	14.847,04	-	-
	110.745.078,40	**117.615.153,56**	**108.400.600,00**	**113.900.600,00**

The maturity of non-current borrowings is as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Between 1 and 2 years	12.366,65	53.400,18	-	-
Between 2 and 5 years	6.812,43	41.081,05	-	-
	19.179,08	**94.481,23**	**-**	**-**

Finance leases:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Obligations under finance leases - minimum lease payments				
Not later than 1 year	79.516,44	57.366,35	-	-
Between 2 and 5 years	20.481,20	99.437,52	-	-
Total	99.997,64	156.803,87	-	-
Less: Future finance charges on finance leases	(5.346,28)	(12.275,08)	-	-
Present value of obligations under finance lease	**94.651,36**	**144.528,79**	**-**	**-**
Present value of obligations under finance leases is as follows:				
No later than 1 year	75.472,28	50.047,56	-	-
Between 2 and 5 years	19.179,08	94.481,23	-	-
Total	**94.651,36**	**144.528,79**	**-**	**-**

30. Provisions for other liabilities and charges

Analysis of provisions is presented below:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Short term	2.653.714,27	2.719.435,76	2.143.285,63	1.773.274,79
Long term	605.660,36	684.132,33	508.018,20	632.268,07
Total	**3.259.374,63**	**3.403.568,09**	**2.651.303,83**	**2.405.542,86**

Group

	Warranties	Unused compensated	Other	Total
Balance at 1 January 2011	3.081.215,32	624.554,17	61.650,06	3.767.419,55
Arising during the year	143.594,49	309.989,24	23.738,23	477.321,96
Utilised	(667.806,16)	(132.143,27)	(3.549,37)	(803.498,80)
Unused amounts reversed	(17.084,72)	-	-	(17.084,72)
Foreign currency translation differences	(12.493,67)	(6.288,17)	(1.808,06)	(20.589,90)
Balance at 31 December 2011	**2.527.425,26**	**796.111,97**	**80.030,86**	**3.403.568,09**
Balance at 1 January 2012	2.527.425,26	796.111,97	80.030,86	3.403.568,09
Arising during the year	387.494,35	889.885,11	485.557,69	1.762.937,15
Utilised	(211.433,11)	(573.855,82)	(578.112,17)	(1.363.401,10)
Unused amounts reversed	(515.782,02)	(4.911,43)	-	(520.693,45)
Foreign currency translation differences	(18.933,04)	(3.441,21)	(661,81)	(23.036,06)
Balance at 31 December 2012	**1.611.860,72**	**1.103.788,62**	**543.725,29**	**3.259.374,63**

Company

	Warranties	Unused compensated	Other	Total
Balance at 1 January 2011	2.193.451,09	534.890,87	16.758,51	2.745.100,47
Arising during the year	-	73.601,77	-	73.601,77
Utilised	(413.159,38)	-	-	(413.159,38)
Balance at 31 December 2011	**1.780.291,71**	**608.492,64**	**16.758,51**	**2.405.542,86**
Balance at 1 January 2012	1.780.291,71	608.492,64	16.758,51	2.405.542,86
Arising during the year	140.595,84	353.203,75	267.743,40	761.542,99
Utilised	-	-	-	-
Unused amounts reversed	(515.782,02)	-	-	(515.782,02)
Balance at 31 December 2012	**1.405.105,53**	**961.696,39**	**284.501,91**	**2.651.303,83**

31. Government grants

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Balance at the beginning of the year	2.414,61	42.793,70	2.414,61	42.793,70
Released to the statement of comprehensive income (Note 11)	(2.414,61)	(40.379,09)	(2.414,61)	(40.379,09)
Balance at the end of the year	**-**	**2.414,61**	**-**	**2.414,61**

32. Retirement benefit obligations

Personnel benefit obligations relate to a defined benefit obligation plan under Greek labour law 2112/20, according to which employees are entitled to compensation in the case of contract termination, either due to retirement or redundancy.
According to Romanian labour law in which the largest subsidiary is established, a defined benefit obligation plan is not mandatory on behalf of the Company; while for remaining Group subsidiaries the respective obligation has not been identified through actuary reports as only a small number of employees are employed. The effect on the statement of comprehensive

income and the statement of changes in equity is considered to be immaterial. The Group is solely responsible for funding the compensation.

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Statement of financial position obligations for:				
Pension benefits	**6.900.429,65**	**6.490.544,96**	**6.891.082,12**	**6.483.628,22**
Statement of comprehensive income charge for:				
Pension benefits	**1.673.403,03**	**2.164.448,64**	**1.670.443,92**	**2.161.275,06**

The amounts recognized in the statement of financial position are determined as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Present value of unfunded obligations	7.362.133,35	7.580.266,37	7.352.785,82	7.573.349,63
Unrecognized actuarial profits/(losses)	(461.703,70)	(1.089.721,41)	(461.703,70)	(1.089.721,41)
Liability on the statement of financial position	**6.900.429,65**	**6.490.544,96**	**6.891.082,12**	**6.483.628,22**

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

	Group		Company	
	1/1/2012-31/12/2012	**1/1/2011-31/12/2011**	**1/1/2012-31/12/2012**	**1/1/2011-31/12/2011**
Current service cost	551.285,83	689.241,57	548.326,72	685.865,74
Interest cost on benefit obligation	335.326,76	295.476,95	335.326,76	295.476,95
Curtailment / Settlement / Termination Benefits	893.901,10	1.179.932,37	893.901,10	1.179.932,37
Net actuarial (gain) /loss recognized in the year	-	(202,25)	-	-
Past service cost	(107.110,66)		(107.110,66)	
Total included in staff costs (Note 13)	**1.673.403,03**	**2.164.448,64**	**1.670.443,92**	**2.161.275,06**

The movement in the liability recognized on the statement of financial position is as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Balance at the beginning of the year	**6.490.544,96**	**5.842.138,02**	**6.483.628,22**	**5.837.630,69**
Total amount recognized in the statement of comprehensive income	1.673.403,03	2.164.448,64	1.670.443,92	2.161.275,06
Benefits paid	(1.262.990,02)	(1.515.277,53)	(1.262.990,02)	(1.515.277,53)
Exchange differences on foreign plans	(528,32)	(764,17)	-	-
Balance at the end of the year	**6.900.429,65**	**6.490.544,96**	**6.891.082,12**	**6.483.628,22**

The movement of the present value of defined benefit obligations is as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Present value of defined benefit obligations	**7.580.266,37**	**6.157.254,57**	**7.573.349,63**	**6.152.747,24**
Interest cost	335.326,76	295.476,95	335.326,76	295.476,95
Current service cost	551.285,83	689.241,57	548.326,72	685.865,74
Benefits paid	(1.262.990,02)	(1.515.277,53)	(1.262.990,02)	(1.515.277,53)
Curtailment / Settlement / Termination Benefits	893.901,10	1.179.932,37	893.901,10	1.179.932,37
Unrecognized actuarial (gains)/losses on obligation	(735.128,37)	774.402,61	(735.128,37)	774.604,86
Exchange differences on foreign plans	(528,32)	(764,17)	-	-
Present value of defined benefit obligations	**7.362.133,35**	**7.580.266,37**	**7.352.785,82**	**7.573.349,63**

The principal actuarial assumptions used were as follows:

	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Discount rate	3,70%	4,60%	3,70%	4,60%
Future salary increases	4,00%	2,00%	4,00%	2,00%
Average increase of long-term inflation rate	2,00%	2,00%	2,00%	2,00%

33. Trade and other payables

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Trade payables	41.283.932,81	56.431.455,38	17.850.365,04	24.539.041,79
Advances from customers	2.544.170,50	5.018.084,59	2.051.975,40	3.919.933,01
Amounts due to related parties (Note 37)	18.781.245,10	32.108.784,01	25.699.596,65	25.358.039,62
Deferred revenue	380.456,60	291.482,77	-	-
Accrued expenses	14.731.343,40	7.298.295,21	14.371.335,89	6.870.288,87
Social security and other taxes	7.119.488,80	5.936.081,65	6.100.079,45	5.109.596,09
Other liabilities	1.888.257,79	2.202.060,10	424.945,32	666.919,44
Total	**86.728.895,00**	**109.286.243,71**	**66.498.297,75**	**66.463.818,82**
Short term	86.564.437,70	107.633.852,37	66.498.297,75	66.463.818,82
Long term	164.457,30	1.652.391,34	-	-
Σύνολο	**86.728.895,00**	**109.286.243,71**	**66.498.297,75**	**66.463.818,82**

Terms and conditions of payment of the above financial liabilities:

Trade payables are non interest-bearing and are usually settled within sixty (60) days.
Other payables are non interest-bearing and are usually settled within sixty (60) days.
Greek Public sector and insurance organizations payables are usually settled within thirty (30) days.

34. Derivative financial instruments

Group	**31/12/2012 Assets**	**31/12/2011 Assets**
Flexible forward contracts	**-**	**10.297,69**

From the valuation of the flexible forward contract during prior period a gain of Euro 95.579,09 arose.

35. Commitments

Capital commitments

There is no capital commitments contracted for at the statement of financial position date but not yet incurred.

Capital commitments relating to internally generated software comprises of: wages, direct materials and directly attributable overheads. The Group - Company is being committed upon the completion of the internally generated software which was under construction at the end of the current financial year. The capital commitments which have been budgeted but not yet realised as at the date of the Statement of financial position amount to approximately Euro 3.573.000 (2011: Euro 5.650.000).

Operating lease commitments

Future minimum rentals for property, plant and cars payable under operating leases as at 31 December 2012 and 2011 are as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Within one year	1.734.247,93	1.894.187,62	1.285.546,05	1.155.664,12
After one year but no more than five years	3.708.315,47	2.935.236,86	3.420.406,43	2.332.258,91
Over five years	1.531.170,12	2.188.008,81	1.531.170,12	2.188.008,81
	6.973.733,52	**7.017.433,29**	**6.237.122,60**	**5.675.931,84**

Operating lease commitments-Group-Company as lessor

Future minimum rentals for investment property receivable under operating leases as at 31 December 2011 and 2010 are as follows:

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Within one year	1.103.206,42	1.130.746,34	942.150,65	1.034.027,22
After one year but no more than five years	3.406.281,52	3.946.469,40	3.128.892,52	3.916.339,40
Over five years	4.248.876,58	6.941.191,34	4.248.876,58	6.941.191,34
	8.758.364,52	**12.018.407,08**	**8.319.919,75**	**11.891.557,96**

36. Contingencies

Both 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	
Guarantees issued for:	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Customer advances	1.720.331,25	3.801.077,44	413.541,34	1.255.787,14
Good performance of contracts	38.661.452,84	45.494.922,42	34.297.501,21	41.161.413,02
Participation in biddings	1.653.566,09	787.466,16	1.224.890,12	633.956,50
	42.035.350,18	**50.083.466,02**	**35.935.932,67**	**43.051.156,66**

Outstanding legal cases

- Hellenic Telecommunications Company S.A. ("OTE") is currently involved in a proceeding against the Company, originally filed in 26 September 1994, with regard to an action for a claim totalling to Euro 15.545.000 interest bearing since 18 September 1994. The legal procedures are still continuing. The process of evidence has been completed and the date of the new round proof discussion is expected. A final decision is not expected for at least one year. According to the Company's legal advisor's opinion the above claim will not be accepted by the Court.

- INTRACOM TELECOM has filed a suit dated 23.12.2009, before the First Instance Court of Athens (Ordinary Procedure) against the company GENERAL DATA BUSINESS S.A., and claims from the defendant company the payment of an amount of Euro 277.056,74 for delayed and unfulfilled inducements, in the frame of a contract for sale of equipment and provision of related services, signed between INTRACOM TELECOM and the defendant. The aforementioned case has been discussed in the court on April 25, 2013 and the court decision is being awaited.

Subsidiaries outstanding legal cases

- In the frame of arbitration procedure at the International Chamber of Commerce (ICC), London, in which ''Intracom Middle East FZ-LLC" had a recourse against the company ''Integrated Telecom Company Limited" ("I.T.C.") for the recovery of conventional and non submitted receivable of approximately USD 18 million of ''Intracom Middle East FZ-LLC" from 'ITC". The Decision of the Arbitration Court was issued on 17/08/2011, by which ITC is obliged to pay Intracom Middle East FZ-LLC:a) the amount of USD 14.902.236.81 for damages, b) the amount of British pounds 2.427.709,07 for legal and other costs, c) the amount of USD 495.000 for the expenses of the arbitration tribunal and the counterclaim of ITC is finally dismissed. The aforementioned award has been submitted to the competent courts of Saudi Arabia (Board of Grievances), for the recognition and enforcement of it, in accordance with the rules of the New York Convention on recognition and enforcement of judgments.

- INTRAROM has filed a suit against CNLR for the payment of damages amounting to Euro 1.900.000 and of compensation of Euro 500.000,00. Subsequently, CNLR filed a request to the Tribunal of Bucharest against INTRAROM for the payment of penalties amounting to Euro 1.300.000,00. With the decision 176/17.07.2011 the Tribunal Court accepted the application of CNLR for the payment of penalties from INTRAROM of Euro 1.100.000,00. Against this decision INTRAROM appealed giving rise to the 26/01/2012 decision of the Court of Appeal by which the appeal was accepted and the above decision 176/17.07.2011 of the Arbitration Court was annulled and the case will be examined again by the Bucharest Court of Appeal.

- Furthermore INTRAROM, has filed a request to the Tribunal Court of Bucharest against the company LeaderATEC for the payment of debt of the latter of RON 2.137.648,00 (USD 637.723,00) plus VAT. The request of INTRAROM was accepted by decision of the Arbitration Court No.49/15.03.2012, by which LeaderATEC is obliged to pay the aforementioned amount, plus VAT and legal fees. The procedures of enforcement have begun, but so far remain fruitless.

- INTRACOM TELECOM ALBANIA S.A. has filed a lawsuit against the company Gjikuria sh.p.k. asking a) the completion of works in the building Yzberish, b) the payment of penalties, which have been calculated on 30/06/2011 in the amount of USD 412.677,00 and c) the seizure of assets of Cjikuria sh.p.k.On November 12th, 2012 the court decision has been issued which enforces Gjikuria sh.p.k. to submit to INTRACOM TELECOM ALBANIA S.A the penalty amount of approximately Euro 389.582,00, the price from sale of the apartment amounting to ALL 5.142.863 (Euro 36.734,00) and the legal costs amounting to Euro 15.515,00.Against the aforementioned court decision appealed Cjikuria sh.p.k and INTRACOM TELECOM ALBANIA S.A and the issuance of decision from the Court of Appeal is expected.

Other pending litigations in favour of and against the Group involve amounts which are not material for the financial position and performance of the Group.

Other matters

During the spin off of the telecom segment from Intracom Holdings, the Company received within shareholders' equity, reserves of the segment contributed which were recognised in prior periods under development law 3220/2004. Intracom Holdings received the full tax benefit on initial recognition.

In 2007, the Ministry of Economy and Finance issued a ruling according to which reserves recognised in the past under development law 3220/2004; were now taxable as the initial development law was not in compliance to EU directives.

Therefore, Intracom Holdings paid the benefit from initial recognition of the reserves to the tax authorities; and demanded an account receivable of Euro 1.1 million from Intracom Telecom, an amount which relates to the respective tax of the reserves received from Intracom Telecom at the spin-off date. The reserve as above has been covered by investments made by the Company.

Based on evidence held by the management of the Company; this pending issue is considered as a difference, which is expected to be resolved in the future.

37. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1/2012 -	**1/1/2011 -**	**1/1/2012 -**	**1/1/2011 -**
Sales of goods and services				
To subsidiaries	-	-	37.241.483,49	65.701.290,52
To other related parties	66.782.386,22	138.500.827,60	27.256.720,38	33.576.246,70
	66.782.386,22	**138.500.827,60**	**64.498.203,87**	**99.277.537,22**
Purchases of goods and services				
From subsidiaries	-	-	18.514.821,34	27.124.141,94
From other related parties	6.758.668,29	9.928.406,10	6.234.981,61	8.417.047,76
	6.758.668,29	**9.928.406,10**	**24.749.802,95**	**35.541.189,70**
Rental income				
From subsidiaries	-	-	-	-
From other related parties	20.904,92	152.886,48	-	-
	20.904,92	**152.886,48**	**-**	**-**

Services rendered to and from related parties, as also sales and purchases of goods, are based on price-lists in effect for non-related parties. Other related parties refer to companies in which the Company's shareholders participate and either exercise control or significant influence.

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

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Amounts owed by related parties:				
From subsidiaries	-	-	54.900.851,54	59.024.364,19
From other related parties	81.727.521,54	89.969.143,42	75.326.878,71	77.493.625,05
	81.727.521,54	**89.969.143,42**	**130.227.730,25**	**136.517.989,24**
	-	-	-	-
Amounts due to related parties:				
To subsidiaries	-	-	10.778.402,50	7.288.306,58
To other related parties	18.781.245,10	32.108.784,01	14.921.194,15	18.069.733,04
	18.781.245,10	**32.108.784,01**	**25.699.596,65**	**25.358.039,62**

The Company has granted a number of loans to subsidiary «Intracom Holdings International Ltd» which interest is bearing at Euribor and Libor. Outstanding loans as at 31 December 2012 are Euro 12.383.856,70 (2011: Euro 13.434.451,39) and are classified under other financial assets of the Company (Note 21).

In addition, in other financial assets of the Company is included an interest bearing loan granted out to subsidiary «Intracom Telecom Technologies Ltd» with carrying values as of 31 December 2012 of Euro 2.064.500,00 (2011: Euro 1.901.500,00). The Company's management does not intend to require the repayment of these loans in the near future (Note 21).

Compensation of key management personnel

During 2012, an amount of Euro 626.267,77 and Euro 601.703.17 was paid as salaries and fees to the members of the BoD for the Group and Company respectively, and the amounts of Euro 4.181.526,22 and Euro 3.173.961.85 as salaries and fees to other executives for the Group and Company respectively.
In 2011, an amount of Euro 653.618,37 and Euro 643.001,93 was paid as salaries and fees to the members of the BoD for the Group and Company respectively, and the amounts of Euro 4.237.842,58 and Euro 3.330.615,65 as salaries and fees to other executives for the Group and Company respectively.

38. Financial risk management

Financial risk factors

The Group is exposed to a variety of financial risks, including foreign currency exchange risk, and interest rate risk, credit risk, liquidity risk and cash flow risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole. The financial instruments used by the Group to offset the exposure to specific risks consist mainly of foreign exchange contracts (futures / forwards).
Risk management is carried out by the treasury section of the financial planning and treasury department under policies approved by the Group’s management.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Company trades mainly in EUR and USD. The foreign exchange risk management is achieved partly through the maximization of natural hedge of assets-liabilities and inflow-outflow denominated in USD and partly through the use of proper derivative financial instruments to hedge net foreign currency position.
The Group's policy is to maintain only such amounts in foreign currency as necessary to carry on its normal trading activities.

The following table below demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) for the periods ended 2012 and 2011. For the below stated analysis it has been taken into consideration the Group's loans, derivative financial instruments and cash and cash equivalents as well as trade receivables and payables in USD for the years ended December 31,2012 and 2011 respectively.

Increase in EUR/USD rate	Effect on profit before tax 31/12/2012	Effect on profit before tax 31/12/2011
3,00%	(379.748,02)	(499.043,88)
6,00%	(759.496,04)	(998.087,77)
9,00%	(1.139.244,06)	(1.497.131,65)
12,00%	(1.518.992,08)	(1.996.175,54)

The following table below demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). For the periods ended 2012 and 2011. For the below stated analysis it has been taken into consideration the Company's loans, derivative financial instruments and cash and cash equivalents as well as trade receivables and payables in USD for the years ended December 31,2012 and 2011 respectively.

Increase in EUR/USD rate	Effect on profit before tax 31/12/2012	Effect on profit before tax 31/12/2011
3,00%	(1.011.060,32)	(1.268.392,07)
6,00%	(2.022.120,64)	(2.536.784,15)
9,00%	(3.033.180,95)	(3.805.176,22)
12,00%	(4.044.241,27)	(5.073.568,29)

A respective decrease in the foreign exchange rate would result in an equal yet opposite effect on the profit before tax.

Price risk
The Group is exposed to changes in the value of raw materials. The transfer of costs to the final price of products mitigates part of this risk.

Credit risk
The Group has limited exposure on credit risk. Sales of products and services are made to customers with an appropriate credit history. In cases credit is given to customers with un-assessed credit history, the Company obtains bank guarantees or other form of insurance or transfers the risk to suppliers whenever this is possible. The maximum credit risk exposure is

represented by the carrying values of assets on the statement of financial position, including derivative financial instruments.

Liquidity risk

The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always secured bank loans for use. The available undrawn credit to the Group, are sufficient to address any potential shortfall in cash and cash equivalents.

The table below summarizes the maturity profile of the Group's and the Company's financial liabilities at 31 December 2012 and 31 December 2011 based on contractual undiscounted payments.

Group

Year ended 31 December 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	117.292.747,35	1.968.066,64	357.232,68	19.179,08	-	119.637.225,75
Trade and other payables	26.542.436,68	8.644.054,01	2.311.157,27	6.329.754,91	700,44	43.828.103,31
	143.835.184,03	10.612.120,65	2.668.389,95	6.348.933,99	700,44	163.465.329,06

Year ended 31 December 2011	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	24.115.309,81	93.428.107,46	4.796.044,86	94.481,23	-	122.433.943,36
Other liabilities	5.644,52	173.285,41	-	-	-	178.929,93
Trade and other payables	16.666.569,43	31.992.566,73	12.575.230,21	210.911,71	4.261,89	61.449.539,97
	40.787.523,76	125.593.959,60	17.371.275,07	305.392,94	4.261,89	184.062.413,26

Company

Year ended 31 December 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	117.292.747,35	-	-	-	-	117.292.747,35
Trade and other payables	6.180.878,05	6.439.760,71	2.055.886,62	5.225.815,06	-	19.902.340,44
	123.473.625,40	6.439.760,71	2.055.886,62	5.225.815,06	-	137.195.087,79

Year ended 31 December 2011	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	24.115.309,81	90.857.250,00	3.746.830,00	-	-	118.719.389,81
Trade and other payables	6.519.568,16	11.210.006,12	10.729.400,52	-	-	28.458.974,80
	30.634.877,97	102.067.256,12	14.476.230,52	-	-	147.178.364,61

Cash flow and fair value interest rate risk

The operating income and cash flows of the Group is affected by changes in interest rates. The risk of changing interest rates affects substantially the loan with floating interest rate. Group's policy is to monitor trends in interest rates and decide to combine fixed – floating interest rates according to market conditions and financing needs. During the current period total debt of the Group has entered into a variable rate because it was considered that this risk is limited as the Euro interest rates are expected to remain constant or be reduced in the medium term. Where appropriate and necessary, the Group uses financial derivatives to mitigate the risk of changes in interest rates (Interest rates Swaps).

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) for the fiscal years 2012 and 2011. The analysis below has considered borrowings and cash and cash equivalents of the Group as at 31 December 2012 and 2011 respectively.

<u>Financial Instruments in Euros</u>

Increase in basis points	**Effect on profit before tax 31/12/2012**	**Effect on profit before tax 31/12/2011**
25	(227.407,25)	(174.842,54)
50	(454.814,50)	(349.685,08)
75	(682.221,75)	(524.527,62)
100	(909.629,00)	(699.370,15)

<u>Financial Instruments in US Dollars</u>

Increase in basis points	**Effect on profit before tax 31/12/2012**	**Effect on profit before tax 31/12/2011**
25	24.649,27	28.516,66
50	49.298,55	57.033,32
75	73.947,82	85.549,99
100	98.597,09	114.066,65

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax for the years 2012 and 2011. The analysis below has considered borrowings and cash and cash equivalents of the Company as at 31 December 2012 and 2011 respectively.

<u>Financial Instruments in Euros</u>

Increase in basis points	**Effect on profit before tax 31/12/2012**	**Effect on profit before tax 31/12/2011**
25	(258.891,27)	(256.491,93)
50	(517.782,53)	(512.983,86)
75	(776.673,79)	(769.475,79)
100	(1.035.565,06)	(1.025.967,72)

<u>Financial Instruments in US Dollars</u>

Increase in basis points	**Effect on profit before tax 31/12/2012**	**Effect on profit before tax 31/12/2011**
25	22.896,68	26.489,95
50	45.793,37	52.979,90
75	68.690,06	79.469,85
100	91.586,74	105.959,80

A respective decrease in the basis points would result in an equal yet opposite effect on the profit before tax.

Capital management

The primary objective of the Group and Company capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business plans and maximize shareholder value.

The Group and Company manage capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ending 31 December 2012 and 31 December 2011.

The Group and Company monitor capital using gearing ratio, which is net debt divided by total equity plus net debt. The Group and Company's policy is to keep the gearing ratio between 40% and 50%. The Group and the Company include within net debt, interest bearing loans and borrowings and trade and other payables less cash and cash equivalents excluding discontinued operations. Equity includes equity attributable to the equity holders of the parent.

	Group		Company	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Interest-bearing loans and borrowings (Note 29)	110.745.078,40	117.615.153,56	108.400.600,00	113.900.600,00
Trade and other payables (Note 33)	86.728.895,00	109.286.243,71	66.498.297,75	66.463.818,82
Minus Cash and Cash Equivalents (Note 25)	(30.926.050,70)	(59.742.060,01)	(15.295.889,94)	(23.160.094,12)
Net Liabilities	166.547.922,70	167.159.337,26	159.603.007,81	157.204.324,70
Equity due to the holders of the parent	183.208.604,06	222.284.309,58	192.824.783,71	234.433.275,29
Total equity	183.208.604,06	222.284.309,58	192.824.783,71	234.433.275,29
Total equity and net liabilities	**349.756.526,76**	**389.443.646,84**	**352.427.791,52**	**391.637.599,99**
Ratio of capital structure/leverage	**48%**	**43%**	**45%**	**40%**

Fair value estimation

The fair value of financial instruments traded in active markets (stock exchange) (i.e. derivatives, stocks, bonds) is based on quoted market rates at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of valuation methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

The nominal values less any estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the prevailing market interest rate available to the Group for similar financial instruments.

39. Financial instruments

Fair values

Comparison of fair values against carrying amount as presented in the separate and consolidated financial statements for each category of financial assets and liabilities for the years as at 31 December 2012 and 2011 are as following:

Group

	Carrying amount		Fair value	
	2012	**2011**	**2012**	**2011**
Financial assets				
Cash	30.926.050,70	59.742.060,01	30.926.050,70	59.742.060,02
Δάνεια εισπρακτέα	15.981,60	-	15.981,60	-
Available-for-sale investments	261.923,00	269.265,79	261.923,00	269.265,79
Derivative financial instruments	-	10.297,69	-	10.297,69
Financial liabilities				
Bank overdraft	654.496,64	2.298.084,80	654.496,64	2.298.084,80
Obligations under finance leases	94.651,36	144.528,79	94.651,36	144.528,79
Floating rate borrowings	109.995.930,40	115.172.539,97	109.995.930,40	115.172.539,98

Company

	Carrying amount		Fair value	
	2012	**2011**	**2012**	**2011**
Financial assets				
Cash	15.295.889,94	23.160.094,12	15.295.889,94	23.160.094,12
Intragroup loans receivable	14.448.356,70	15.335.951,39	14.448.356,70	15.335.951,39
Financial liabilities				
Floating rate borrowings	108.400.600,00	113.900.600,00	108.400.600,00	113.900.600,00

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of loan notes receivable and other financial assets have been calculated using market interest rates. For the valuation of unlisted available-for-sale assets see Note 20.

40. Events after the statement of financial position date

There were no events after the balance sheet date of December 31, 2012, that relate to the Company or the Group, which can materially affect the understanding of those Financial Statements and should be reported or differentiate the amounts of published financial statements.