



Friday, March 30, 2007

## **INTRACOM HOLDINGS GROUP**

- **The completion of the corporate transformation of the Group resulted in extraordinary losses in 2006**
- **New contracts signed worth of € 691 mil. in 2006**
- **Proposed dividend of € 0.10 per share**

INTRACOM HOLDINGS Group concluded in 2006 its corporate transformation. 2006 financial results are affected by many extraordinary items, as a result of the aforementioned transformation. Therefore, 2006 results are not comparable with those of 2005. More specifically:

- a) INTRACOM TELECOM group is fully consolidated for the 1<sup>st</sup> half of 2006, whereas for the 2<sup>nd</sup> half, it is consolidated under the equity method.
- b) In group earnings/losses before taxes, a capital loss of € 18.5 mil. resulting from the sale of the 51% stake of INTRACOM TELECOM to SITRONICS, is included. Under both the parent and the group taxes figures, an amount of € 6.6 mil. resulting from the above transaction is included.
- c) INTRACOM TELECOM group is considered as "investment in affiliated companies" after 01/07/2006. As a result, in INTRACOM HOLDINGS consolidated figures, the financial result related to the 49% of INTRACOM TELECOM for the 2<sup>nd</sup> half of 2006 appears as "Losses from the participation in affiliated companies". These losses are mainly due to inventory write-offs because of harmonization of the accounting practices used by INTRACOM TELECOM Group with those of the Sistema Group.
- d) Provisions for receivables, extraordinary events, and inventory write-offs are included in INTRACOM IT SERVICES Group's financial results.
- e) Hellas On Line is fully consolidated from 01/02/2006 showing extended losses due to the increased capital investment for the development of its own private fiber optics network, to the severe competition in order to increase its customer base, and to the aggressive marketing strategy it has followed.



More specifically:

<b>INTRACOM HOLDINGS GROUP</b> <b>SALES - RESULTS</b> <b>according to IFRS</b> <b>1 January - 31 December 2006</b> (mil. €)		
<b>Companies/Groups that are consolidated</b>	<b>Sales</b>	<b>Earnings/Losses before tax</b>
INTRACOM HOLDINGS (Parent)	19,2	9,3
INTRACOM DEFENSE	78,8	4,1
HELLAS ON LINE (consolidated from 1/2/06 to 31/12/06)	31,2	-20,2
INTRACOM HOLDINGS INTERNATIONAL group (Cyprus)	17,1	-0,1
INTRAKAT group	103,7	-2,6
INTRACOM TELECOM group A' Half 2006	176,7	1,3
INTRACOM TELECOM group B' Half 2006 (using the equity method for the 49% stake)	147,7 *	-17,1
INTRACOM IT SERVICES group	126,5	-13,9
INTRACOM HOLDINGS group	553,1	-58,0
Less: Intra-group figures	-29,1	-2,8
<b>Group Consolidated Figures</b>	<b>523,9</b>	<b>-60,8</b>

\* Not included in the consolidated sales figure.



INTRACOM HOLDINGS parent headline figures were as follows:

<b>Headline Figures</b>		(mil. €)
Sales	:	<b>19,2</b>
EBITDA	:	<b>14,6</b>
EBIT	:	<b>10,9</b>
Earnings before taxes (EBT)	:	<b>9,3</b>
Net profits (EAT)	:	<b>0,1</b>

INTRACOM HOLDINGS group has signed new contracts worth of € 691 mil. in 2006, vs € 505 mil. in 2005. More specifically:

<b>New contracts</b> (mil. €)	<b>2006</b>	
	<b>Domestic</b>	<b>Inter'l</b>
Telecom Systems	179,9	187,8
Defense Electronics	1,3	45,7
IT Services	50,8	85,8
Construction	108,6	0,0
Telecom Services	31,1	0,0
TOTAL	371,7	319,3
<b>Grand total</b>	<b>691,0</b>	

## Dividend

The company has decided to propose to the next Annual General Meeting, the distribution of € 0.10 per share as dividend for 2006.