INTRACOM HOLDINGS S.A.

Annual Report
for the Year 2010 (1st January – 31st December 2010)
in accordance with Law 3556/2007

Contents

The attached annual financial statements of the Group and the Company have been approved for issue by the Board of Directors on 30th March 2011.

THE CHAIRMAN OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS & DEPUTY MANAGING DIRECTOR
S.P. KOKKALIS ID No AI 091040/05.10.2009	**D.C. KLONIS** ID No. P 539675/06.11.1995

THE CHIEF ACCOUNTANT

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

A) Directors' Statements

(pursuant to article 4 par. 2 of Law 3556/2007)

The members of the Board of Directors, of INTRACOM HOLDINGS SA

1. Socrates P. Kokkalis, Chairman & Managing Director,
2. Dimitrios C. Klonis, Vice Chairman and Deputy Managing Director,
3. Georgios A. Anninos, Member of the Board of Directors

In our above mentioned capacity declare that:

As far as we know:

a. the parent company and consolidated annual financial statements for the year 01/01/2010 to 31/12/2010 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of 'INTRACOM HOLDINGS SA' and of the undertakings included in consolidation, taken as a whole, and

b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of the Company and of the undertakings included in the consolidation, taken as whole, including a description of the major risks and uncertainties they confront.

CHAIRMAN & MANAGING DIRECTOR	VICE CHAIRMAN & DEPUTY MANAGING DIRECTOR
S. P. KOKKALIS	**D.C. KLONIS**
ID No AI 091040/05.10.2009	ID No. P 539675/06.11.1995

MEMBER OF THE BOARD

G. A. ANNINOS

ID No. AE 550167 / 17.04.2007

B) Board of Directors' Report

Annual Report

for the Year 2010 (1st January – 31st December 2010)

in accordance with Law 3556/2007

FINANCIAL RESULTS – ACTIVITY REVIEW

Despite the adverse economic conditions, INTRACOM HOLDINGS Group during the fiscal year 2010 managed to increase its turnover and what is more to make profitable sales since it increased in parallel the gross results.

Group sales in 2010 amounted to € 575,4 mn. versus € 547,4 mn. in 2009, that is increased by 5% in respect to previous year. The increase in sales is mostly due, firstly, to HELLAS ONLINE with a significant 25,2% sales increase, (2010: € 200,5 mn., 2009: € 160,1 mn.), and secondly, to IT SERVICES Group whose consolidated turnover raised by 6,5% (2010: € 148,4 mn., 2009: € 139,4 mn).

Particularly positive is the change in gross results which stood at € 79,2 mn. versus € 59,4 mn. in 2009, an increase of 33%. Operating expenses for the Group following the growth in sales were increased, resulting in decreased EBITDA to € 63,2 mn. against € 77,2 mn. in 2009. It is worth underlying however, that if the profit recognition of € 51,8 million from the indirect sale of hellas online which is an extraordinary and non recurring event, is deducted by the results of 2009, the operating results of the Group is clearly improved compared with 2009.

In terms of earnings before taxes (EBT), the group reported losses due to high depreciation resulting from strong investment activity of its subsidiaries in recent years, the major example being hellas online. Earnings before taxes (EBT) of 2010 are losses of € 38,8 mn. against losses of € 5,3 mn. in 2009. As already mentioned, the two years results are not comparable since 2009 statements included extraordinary income.

In general, the performance of the Group is highly satisfactory given the adverse conditions, since in their majority group companies, either they substantially reduced their losses - hellas online-or-as in the case of INTRAKAT Group increased profitability.

In the financials of the parent company, a slight drop in sales of € 0,5 million, with a significant reduction in losses before tax (2010: € -9,7 mn., 2009: € -12,4 mn.) is due mainly to the decrease in administrative expenses by € 1,4 mn. and to the decrease by € 1,3 mn. of other accounts.

Total shareholders' equity on 31/12/2010 amounts to € 452,8 mn. compared to € 500,5 mn. on 31/12/2009.

The total assets of the Group amounted to € 1.166,7 mn, representing an increase in relation to 31/12/2009 (€ 1.208,8 mn). Total borrowings of the Group on 31/12/2010 amounted to € 351,1 mn., slightly increased compared with 31/12 / 2009 (€ 340,6 mn.)

Key financial ratios depicting the Group's and Company's financial condition in a static format are as follows:

a. Financial Structure Ratios	**GROUP**	**COMPANY**
Current Assets/Total Assets	40,2%	4,4%
Total Equity/Total Liabilities	63,4%	1207,5%
Total Equity/Fixed Assets	81,5%	503,6%
Current Assets/Short-term Liabilities:	92,0%	96,0%

b. Profitability Ratios	**GROUP**	**COMPANY**
EBITDA/Sales	11,0%	-243,9%
Gross Profit/Sales	13,8%	16,5%
Sales/Total Equity	127,07%	0,63%

The company's international activity is based upon its subsidiaries and not to branches.

MAIN EVENTS

In June 2010, Intracom Telecom and SoftAtHome, a software provider of home operating platforms signed a strategic partnership. The integration of Intracom Telecom's Full Service Content Delivery Network (fs|cdnT) Solution on the SoftAtHome Operating Platform (SOP), will enable the seamless provision of IPTV services with OTT and Smart Home applications.

In May 2010, INTRACOM Defense Electronics was awarded a $17,9 million frame contract from Northrop Grumman to manufacture electronic modules for the AN/APG-68(V)9 radar for the F-16 aircraft worldwide. Furthermore, within the year the company signed with RAYTHEON, a worth $4,8 mil. contract for the manufacturing of subsystems of PATRIOT air-defense systems for third countries' needs. The aforementioned contract is a continuation of previous contracts worth in total $ 81,7 mil.

Moreover, in February 2010 INTRACOM Defense Electronics expanded its collaboration with NAMSA (NATO Maintenance and Supply Agency), since a series of the company's products have been included in NATO's procurement system.

In May 2010, INTRACOM IT Services was chosen by GENIKI Bank, member of the Societe Generale Group, for the upgrade of its Core Banking System to the new version of PROFITS R v. 7.0.

INTRASOFT International, has been selected by the European Chemicals Agency (ECHA), based in Helsinki, Finland, as one of the preferred suppliers for 4 lots out of 10 under a 2-year competitive framework contract for the provision of IT consulting services with a maximum capacity budget of € 5,8 mn. for all preferred suppliers. The initial estimate is that INTRASOFT International may receive one fourth of the total budget for the contract. The contract may also be extended for 2 additional periods of 12 months. This project will boost INTRASOFT International's profile in Helsinki, Finland, a new area of expansion for the company's business operations.

Finally, INTRAKAT on December 2010, signed a contract of € 51,6 mn. with the Perfecture of Central Macedonia, for the implementation of the Highway construction, Potidea – Cassandria part, in Northern Greece. The project is part of the Operational Programme Macedonia-Thrace. Furthermore, a contract of € 5,5 mn. worth has been signed, during the third quarter between PRISMA DOMI ATE and the Perfecture of Thessalia for the implementation of Road Detour construction of Artesiano & Rizovouni in Central Greece.

MAIN EVENTS AFTER THE BALANCE SHEET DATE

In February 2011, the company's Board of Directors reformed its composition in 6-member board, after the resignations of Mr. K. Dimitriadis and Mr. N. S. Labroukos.

GOALS AND PERSPECTIVES

The Group's main goals are summarised in the following axes:

- Further enhancement of Group's international presence
- Increase in the Group's sales with improvement of existing activities' profitability by both organic growth and targeted acquisitions
- Explore possibilities for strategic alliances, aiming in the promotion of the Group's products and the increase of its competitiveness
- Enhancement of Group's product portfolio in new activities

In this context, the Group has developed a wide range of advanced products, integrated solutions and services reaching 64 markets in countries around the world, while companies maintain subsidiaries or participations in 21 countries.

INTRACOM IT SERVICES GROUP is the leading IT services provider in the Greek market and a major regional IT solutions integrator. It avails of a very strong international orientation having physical presence in 11 countries, while it provides solutions and services to public organizations and enterprises in 64 different countries. The strategy of the group is adhering to the trilogy “international activity-specialization-quality”. Based on these axes and using the potential of its subsidiaries, the group deploys integrated solutions in specific areas where it has high expertise, emphasizing on continuous improvement of its competitiveness. This strategy resulted in the claim of significant projects in new markets such as New Zealand, Vietnam, Malaysia, Argentina, Kenya, Iraq and USA. Finally, strategic alliances as the one with IBM in the Customs market, significantly reinforces the Group’s presence and activity worldwide.

INTRACOM DEFENSE ELECTRONICS is Greece’s leading defense electronics supplier with emphasis on Communications and Electronics systems. The company participates in a large number of national, multinational, European and NATO R&D programs. Highly investing in competitiveness, infrastructure and highly skilled personnel, the company aims at establishing itself as a reliable partner in international projects. Given a quite unfavourable macroeconomic environment, domestic and international defense electronics markets are characterized, under current economic conditions, by delays in programs procurement and completion,due mainly to fiscal reasons. Under these circumstances and the company’s ability to adjust to current economic conditions, the basic target is to maintain profitability and enrich international presence.

INTRAKAT, the construction arm of INTRACOM HOLDINGS GROUP, has shown considerable resistance to the adverse financial conjunctures. This is mainly due to the fact that since 2003 the company has undertaken efficient strategic moves and careful planning in reasonable investments while continuing its expansion into new business areas. For the years to come, INTRAKAT Group is strategically positioned and awaiting developments in the field of environmental projects (management of natural resources projects, green development projects) as well as in the field of waste management. The Group’s international presence is mostly significant- Poland, Romania, Syria, Cyprus, Albania.

HELLAS ONLINE Group holds a solid position among alternative providers in Greek market and is dynamically and healthily growing. Having as growth drivers the first place in net additions of LLU customers, efficient operational management, focused investments in infrastructure and customer service, the company managed to present in a difficult economic environment, high rates of revenue growth. The Group aims at increasing its customer base, at securing the necessary funds to expand its network and offer new products, at further expansion, modernization and development of the telecommunication network, at the use of IPTV technology and the availability of new commercial packages aimed at small companies. The company’s targeted strategy comprises enhancement of the company's brand, further investment on network build up and qualitative and quantitative development of its human resources so as to meet the needs of its growing customer base.

RISKS AND UNCERTAINTIES

Financial risk factors

INTRACOM S.A., being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group include short-term bank loans, long-term bank loans, bond loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise are analyzed below.

Market risk

Foreign exchange risk

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Group may convert part of the borrowings to that currency or may use forward currency contracts.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

Cash flow and fair value interest rate risk

The interest-rate risk arises mainly from the fact that almost all of the Group's borrowings carry floating interest rates. The Group assesses that during the current year, interest rate risk is limited since it is expected that interest rates will either remain stable or increase slightly in the medium-term. At the same time, the Group assesses the possibility for converting part of the borrowings to fixed rate.

Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In cases that vendor financing to an overseas customer is required, the Group insures its credit risk via the Export Credit Insurance Organisation (ECIO). As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

Liquidity risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities.

The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use.

The available undrawn borrowing facilities to the Group, are sufficient to address any potential shortfall in cash.

SIGNIFICANT RELATED PARTY TRANSACTIONS

(Article 2 rule 7/448/11.10.2007 of Capital Market Commission)

The company's significant transactions with related parties as defined in International Accounting Standard 24 relate to transactions with its subsidiaries and affiliates (related companies according to article 42e of L. 2190/20) and companies in which the major shareholder of INTRACOM HOLDINGS holds an interest share, which are presented in the tables below:

Income & Receivables Period 1/1-31/12/2010
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	SALES OF FIXED ASSET	DIVIDENDS	RECEIVABLES
INTRAKAT SA	414	283	-	-	1.476
INTRACOM I.T. SERVICES SA	71	-	8	-	-
INTRASOFT INTERNATIONAL SA (GR)	781	64	-	-	700
INTRACOM DEFENSE SA	316	-	-	200	937
HELLAS ON LINE A.E.	204	1.322	-	-	3.577
ATTICA TELECOMMUNICATIONS SA	450	-	-	-	2.628
OTHER SUBSIDIARIES	2	2	-	-	51
Sum	2.238	1.671	8	200	9.369
ASSOCIATES					
INTRACOM TELECOM SA	285	287	-	-	1.955
INTRACOM LTD SKOPJE	-	-	-	-	750
Sum	285	287	0	0	2.705
OTHER RELATED PARTIES					
INTRALOT	-	153	-	-	1.025
SPORTNEWS AE	13	10	-	-	167
OTHER RELATED PARTIES	-	3	-	-	2
Sum	13	166	0	0	1.194
TOTAL	2.536	2.124	8	200	13.268

Income & Receivables Period 1/1-31/12/2009
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	SALES OF FIXED ASSET	DIVIDENDS	RECEIVABLES
INTRAKAT SA	335	265	-	-	1.314
INTRACOM I.T. SERVICES SA	96	-	82	-	503
INTRASOFT INTERNATIONAL SA (GR)	814	51	-	-	614
INTRACOM DEFENSE SA	575	-	-	1.500	2.948
HELLAS ON LINE A.E.	258	1.346	1	-	2.658
ATTICA TELECOMMUNICATIONS SA	549	-	-	-	2.075
OTHER SUBSIDIARIES	2	2	-	-	48
Sum	2.629	1.664	83	1.500	10.160
ASSOCIATES					
INTRACOM TELECOM SA	411	562	-	-	1.424
INTRACOM LTD SKOPJE	-	-	-	-	750
OTHER ASSOCIATES	-	-	-	-	270
Sum	411	562	0	0	2.444
OTHER RELATED PARTIES					
INTRALOT	2	142	4.505	-	4.274
SPORTNEWS AE	-	22	-	-	145
OTHER RELATED PARTIES	-	3	-	-	4
Sum	2	167	4.505	0	4.423
TOTAL	3.042	2.393	4.588	1.500	17.027

Expenses & Payables Period 1/1-31/12/2010
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	PAYABLES
IN MAINT SA	307	20	3	11
INTRADEVELOPMENT SA	-	-	-	41
INTRACOM I.T. SERVICES SA	140	-	-	705
HELLAS ON LINE A.E.	7	-	-	216
OTHER SUBSIDIARIES	-	-	-	-
Sum	454	20	3	973
ASSOCIATES				
INTRACOM TELECOM SA	6	-	-	3.415
OTHER ASSOCIATES	-	-	-	27
Sum	6	0	0	3.442
OTHER RELATED PARTIES				
OTHER RELATED PARTIES	26	-	-	80
Sum	26	0	0	80
TOTAL	486	20	3	4.495

Expenses & Payables Period 1/1-31/12/2009
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	PAYABLES
INTRAKAT SA	-	100	-	630
IN MAINT SA	309	45	-	190
INTRADEVELOPMENT SA	-	-	-	40
INTRACOM I.T. SERVICES SA	141	-	-	1.122
HELLAS ON LINE A.E.	12	-	-	215
OTHER SUBSIDIARIES	-	-	-	1
Sum	462	145	0	2.198
ASSOCIATES				
INTRACOM TELECOM SA	67	-	-	3.158
CONKLIN	-	-	-	175
OTHER ASSOCIATES	-	-	-	39
Sum	67	0	0	3.372
OTHER RELATED PARTIES				
OTHER RELATED PARTIES	53	-	-	53
Sum	53	0	0	53
TOTAL	582	145	0	5.623

In relation to the above transactions:

The Company's income from services comes mainly from the provision of administrative, accounting, legal and computer support services.

The purchases from IN MAINT SA relate to maintenance of facilities and networks, and purchases from INTRACOM IT SERVICES SA relate to IT services and maintenance of systems and computer software.

The transactions have taken place under normal market conditions.

Directors’ remuneration and key management compensation amounted to €2.103 during the year 2010 in comparison to €2.636 during the previous year. There was no outstanding receivable or payable to directors as at 31st December 2010.

PAIANIA 30 March 2011

The Board of Directors

C) Independent Auditors' Report

To the Shareholders of INTRACOM HOLDINGS S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of INTRACOM HOLDINGS S.A. and its subsidiaries, which comprise the separate and consolidated balance sheet as of 31 December 2010, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated 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 and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of 31 December 2010 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of c.L. 2190/1920.

b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

Athens, 30 March 2011

Maria N. Charitou
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15161

Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

D) Annual Financial Statements

In accordance with International Financial Reporting Standards

As adopted by the European Union

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.

Contents

(All amounts in €'000)

Balance Sheet

		Group		Company	
ASSETS	**Note**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Non-current assets					
Property, plant and equipment	6	362.394	375.496	25.425	29.190
Goodwill	7	68.387	65.788	-	-
Intangible assets	8	56.604	64.832	7	8
Investment property	9	68.368	57.618	65.768	64.009
Investments in subsidiaries	10	-	-	250.098	237.088
Investments in associates	11	110.844	113.316	115.900	115.900
Available - for - sale financial assets	13	11.191	12.562	9.470	9.520
Deferred income tax assets	14	5.236	7.310	-	-
Long-term loans	15	8.706	8.385	8.706	8.385
Trade and other receivables	16	6.009	15.824	39	36
		697.740	**721.130**	**475.411**	**464.136**
Current assets					
Inventories	17	44.166	47.140	-	-
Trade and other receivables	16	367.125	332.553	17.900	22.058
Construction contracts	18	12.374	21.618	-	-
Financial assets at fair value through profit or loss	19	187	298	-	-
Current income tax assets		10.166	11.142	-	-
Cash and cash equivalents	20	34.994	64.641	4.048	10.146
		469.012	**477.392**	**21.948**	**32.204**
Assets classified as held for sale	37	-	10.291	-	-
		469.012	**487.683**	**21.948**	**32.204**
Total assets		**1.166.752**	**1.208.813**	**497.359**	**496.340**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	21	381.771	377.148	381.771	377.148
Reserves		30.409	66.047	77.551	91.113
		412.180	443.195	459.322	468.261
Non-controlling interest		40.637	57.300	-	-
Total equity		**452.817**	**500.495**	**459.322**	**468.261**
LIABILITIES					
Non-current liabilities					
Borrowings	23	158.328	168.848	13.699	6.196
Deferred income tax liabilities	14	3.089	2.853	1.140	1.071
Retirement benefit obligations	24	5.215	4.881	335	298
Grants	25	20.888	21.382	-	-
Derrivative financial instruments	26	1.241	436	-	-
Provisions for other liabilities and charges	27	1.939	3.631	-	-
Trade and other payables	28	13.387	16.744	-	-
		204.087	**218.776**	**15.174**	**7.565**
Current liabilities					
Trade and other payables	28	291.457	284.285	7.456	9.248
Current income tax liabilities		5.175	2.723	-	-
Construction contracts	18	8.190	18.057	-	-
Borrowings	23	192.805	171.792	13.840	9.698
Grants	25	5.432	3.168	-	-
Provisions for other liabilities and charges	27	6.790	6.921	1.568	1.568
		509.848	486.945	22.864	20.514
Liabilities directly associated with non-current assets classified as held for sale	37	-	2.596	-	-
		509.848	**489.541**	**22.864**	**20.514**
Total liabilities		**713.935**	**708.317**	**38.037**	**28.078**
Total equity and liabilities		**1.166.752**	**1.208.813**	**497.359**	**496.340**

The notes on pages 23 to 92 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Comprehensive Income

		Group		Company	
	Note	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Sales		575.384	547.414	2.898	3.392
Cost of goods sold	29	(496.163)	(488.021)	(2.421)	(2.944)
Gross profit		**79.220**	**59.393**	**477**	**448**
Selling and research costs	29	(43.250)	(39.814)	(123)	(157)
Administrative expenses	29	(67.694)	(61.983)	(8.927)	(10.355)
Other operating income	31	17.824	9.327	3.130	4.702
Other gains/ (losses) - net	32	(2.170)	(4.632)	(3.685)	(6.833)
Gain from change in interest held in subsidiary / sale of pre-emption rights	10	-	51.771	-	764
Operating profit / (loss)		**(16.069)**	**14.061**	**(9.127)**	**(11.430)**
Finance expenses	33	(21.626)	(21.558)	(1.153)	(1.764)
Finance income	33	1.018	2.264	608	755
Finance income /(expenses) - net		**(20.608)**	**(19.294)**	**(545)**	**(1.009)**
Share of losses of associates	11	(2.127)	(78)	-	-
Loss before income tax		**(38.804)**	**(5.311)**	**(9.672)**	**(12.438)**
Income tax expense	34	(7.077)	2.733	(88)	(594)
Loss for the year		**(45.881)**	**(2.577)**	**(9.761)**	**(13.032)**
Other comprehensive income :					
Fair value gains / (losses) on available for sale financial assets , net of tax	13	(1.376)	(119)	(5)	(2)
Currency translation differences, net of tax		(169)	(967)	-	-
Cash flow hedges	26	(805)	(436)	-	-
Effect of change in non-controlling interest	10	-	(51.007)	-	-
Other comprehensive income for the year, net of tax		**(2.350)**	**(52.529)**	**(5)**	**(2)**
Total comprehensive income for the year		**(48.231)**	**(55.107)**	**(9.766)**	**(13.034)**
Profit / (loss) attributable to:					
Equity holders of the Company		(30.530)	10.497	(9.761)	(13.032)
Non-controlling interest		(15.351)	(13.075)	-	-
		(45.881)	**(2.577)**	**(9.761)**	**(13.032)**
Total comprehensive income attributable to:					
Equity holders of the Company		(32.100)	9.406	(9.766)	(13.034)
Non-controlling interest		(16.131)	(64.513)	-	-
		(48.231)	**(55.107)**	**(9.766)**	**(13.034)**
Earnings per share for profit / (loss) attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	35	(0,23)	0,08	(0,07)	(0,10)
Diluted	35	(0,23)	0,08	(0,07)	(0,10)

The notes on pages 23 to 92 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Changes in Equity - Group

	Note	Attributable to equity holders of the Company			Non-controlling interest	Total equity
		Share capital	Other reserves	Retained earnings		
Balance at 1 January 2009		374.046	187.099	(128.481)	35.822	468.487
Loss for the year		-	-	10.497	(13.075)	(2.577)
Fair value losses on available for sale financial assets	13	-	(75)	-	(44)	(119)
Currency translation differences		-	(730)	-	(237)	(967)
Cash flow hedge	26	-	(286)	-	(150)	(436)
Effect of change in non-controlling interest	10	-	-	-	(51.007)	(51.007)
Total comprehensive income for the year		**-**	**(1.091)**	**10.497**	**(64.513)**	**(55.107)**
Share capital increase in subsidiary	10	-	-	-	83.957	83.957
Distribution of treasury shares	21	3.102	-	(2.123)	65	1.044
Employees stock options scheme		-	-	-	-	-
- value of employee services	21	-	-	175	5	180
Dividend		-	-	-	(204)	(204)
Acquisition of subisidiaries		-	-	-	2.138	2.138
Transfer	22	-	216	(246)	30	-
		3.102	216	(2.194)	85.991	87.116
Balance at 31 December 2009		**377.148**	**186.224**	**(120.177)**	**57.300**	**500.495**
Balance at 1 January 2010		377.148	186.224	(120.177)	57.300	500.495
Loss for the year		-	-	(30.530)	(15.351)	(45.881)
Fair value losses on available for sale financial assets	13	-	(859)	-	(518)	(1.376)
Currency translation differences		-	(280)	-	112	(168)
Cash flow hedge	26	-	(430)	-	(375)	(805)
Total comprehensive income for the year		**-**	**(1.568)**	**(30.530)**	**(16.132)**	**(48.231)**
Distribution of treasury shares	21	4.622		(3.955)	159	826
Employees stock options scheme						
- value of employee services	21	-	45	-	-	45
Dividend		-	-	-	(2)	(2)
Effect of change in interest held in subsidiary	10	-	(5)	(55)	81	21
Disposal of subisidiaries	10	-	171	(171)	(338)	(338)
Transfer		-	1.485	(1.054)	(431)	-
		4.622	1.696	(5.234)	(532)	552
Balance at 31 December 2010		**381.771**	**186.352**	**(155.942)**	**40.636**	**452.817**

Analysis of other reserves is presented in note 22.

The notes on pages 23 to 92 are an integral part of these financial statements.

(All amounts in €'000)

Statement of Changes in Equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2009		374.046	147.118	(40.913)	480.251
Loss for the year		-	-	(13.032)	(13.032)
Fair value gains on available for sale financial assets	13	-	(2)	-	(2)
Total comprehensive income for the year		**-**	**(2)**	**(13.032)**	**(13.034)**
Distribution of treasury shares	21	3.102	-	(2.058)	1.044
Transfer		-	614	(614)	-
		3.102	614	(2.672)	1.044
Balance at 31 December 2009		**377.148**	**147.730**	**(56.617)**	**468.261**
Balance at 1 January 2010		377.148	147.730	(56.617)	468.261
Loss for the year		-	-	(9.761)	(9.761)
Fair value gains on available for sale financial assets	13	-	(5)	-	(5)
Total comprehensive income for the year		**-**	**(5)**	**(9.761)**	**(9.766)**
Distribution of treasury shares	21	4.622	-	(3.796)	826
		4.622	-	(3.796)	826
Balance at 31 December 2010		**381.771**	**147.725**	**(70.174)**	**459.322**

Analysis of other reserves is presented in note 22.

The notes on pages 23 to 92 are an integral part of these financial statements.

(All amounts in €'000)

Cash Flow Statement

		Group		Company	
	Note	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Cash flows from operating activities					
Cash generated from operations	36	55.045	45.545	(5.923)	(2.264)
Interest paid		(21.669)	(21.384)	(1.153)	(1.764)
Income tax paid		(1.484)	3.647	(95)	5.075
Net cash generated from operating activities		**31.891**	**27.808**	**(7.171)**	**1.047**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(55.332)	(68.933)	(58)	(373)
Purchase of investment property		(396)	-	(2)	-
Purchase of intangible assets		(28.165)	(29.443)	(2)	(33)
Proceeds from sale of PPE		5.585	5.045	3.737	1.093
Proceeds from sale of investment property		3.269	22	969	22
Proceeds from sale of intangible assets		942	53	-	53
Acquisition of financial assets at fair value through profit or loss	19	-	(118)	-	-
Acquisition of available-for-sale financial assets	13	(52)	(8)	-	(8)
Proceeds from sale of financial assets at fair value trough profit or loss		-	401	-	-
Proceeds from sale of available - for - sale financial assets		-	470	-	-
Acquisition of subsidiary, net of cash acquired	38	(1.013)	(896)	-	(1.000)
Disposal of subsidiaries	10	415	-	-	-
Establishment of subsidiary/Share capital increase by subsidiary	10	95	49.823	(15.589)	-
Purchase of associates	11	(297)	-	-	-
Dividends received		-	12	200	1.500
Interest received		626	1.004	216	255
Net cash from investing activities		**(74.321)**	**(42.568)**	**(10.528)**	**1.509**
Cash flows from financing activities					
Dividends paid to Company's shareholders		(43)	(75)	(43)	(75)
Dividends paid to non-controlling interest		(2)	(204)	-	-
Proceeds from borrowings		42.822	64.362	15.100	-
Repayments of borrowings		(30.618)	(59.397)	(3.098)	(3.400)
Proceeds from grants	25	5.764	20.924	-	-
Repayments of finance leases		(5.140)	(4.892)	(357)	-
Net cash from financing activities		**12.783**	**20.718**	**11.602**	**(3.475)**
Net (decrease) / increase in cash and cash equivalents		**(29.647)**	**5.958**	**(6.097)**	**(919)**
Cash and cash equivalents at beginning of year		64.641	58.682	10.146	11.064
Cash and cash equivalents at end of year	20	**34.994**	**64.641**	**4.048**	**10.146**

The notes on pages 23 to 92 are an integral part of these financial statements.

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

1. General Information

INTRACOM Holdings S.A., with the distinctive title "INTRACOM HOLDINGS" ("INTRACOM"), was incorporated in Greece and its shares are traded in the Athens Stock Exchange.

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

The Group operates in Greece, U.S.A, Bulgaria, Romania, as well as in other foreign countries.

The Company's registered office is at 19 km Markopoulou Ave., Peania Attikis, Greece. Its website address is ***www.intracom.com*.**

These financial statements have been approved for issue by the Board of Directors on 30 March 2011 and are subject to approval by the Annual General Meeting of the Shareholders.

2. Summary of Significant Accounting Policies

Basis of Preparation

These financial statements consist of the stand alone financial statements of Intracom Holdings S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Accounting policies used in the preparation of the financial statements of subsidiaries, associates and joint ventures are consistent with those applied by the parent company.

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

Standards/ interpretations effective in 2010

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements"

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards will be applied prospectively and will affect future acquisitions and transactions with non-controlling interests. The Group has applied these changes from 1st January 2010.

IFRS 2 (Amendment) "Share-based Payment"

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment had no impact on the Group's financial statements.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment has no impact on the Group's financial statements.

IFRIC 15 - Agreements for the construction of real estate (EU endorsed for annual periods beginning on or after 1 January 2010)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation has no impact on the Group's financial statements.

Amendments to standards that form part of the IASB's 2009 annual improvements project

The amendments set out below describe the key changes to IFRS's following the publication in April 2009 of the results of the IASB's annual improvements project. These amendments have not yet been endorsed by the EU. The following amendments are effective for the current period / year. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

IFRS 2 "Share-Based payment"

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

IFRS 8 "Operating Segments"

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 "Presentation of Financial Statements"

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 7 "Statement of Cash Flows"

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities**.**

IAS 17 "Leases"

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 "Revenue"

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 "Impairment of Assets"

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

IAS 38 "Intangible Assets"

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

Standards/ interpretations that are not yet effective and have not been early adopted by the Group

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortized cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognized in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been approved by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The presumption cannot be rebutted for freehold land that is an investment property, because land can only be recovered through sale. This amendment has not yet been endorsed by the EU.

IAS 24 (Amendment) "Related Party Disclosures" (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group's financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. The following amendments are effective for annual periods beginning on or after 1 January 2011. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

Consolidated Financial Statements

(a) Business Combinations and Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or 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. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.
The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(b) Joint Ventures

Joint ventures or jointly controlled entities are accounted for by proportional consolidation. The Group combines its share in the joint venture on a line-by-line basis in the financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in joint ventures in its stand alone financial statements at cost less impairment.

(c) 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 recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated amortisation) on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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

The Company accounts for investments in associates in its stand alone financial statements at cost less impairment.

Segmental Reporting

The segments are determined on the basis of internal information reviewed by the management of the Group and are reported in the financial statements based on this internal component classification.

Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Group Companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

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

(3) All resulting exchange differences are recognised as a separate component of equity and are transferred to income statement upon disposal of these 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 recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Investment Property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields. Investment property is measured at cost less depreciation. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in the income statement.

The Company classifies all land and buildings rented to subsidiaries as investment property in its stand alone financial statements.

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

Property, Plant and Equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group 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 income statement 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
- Motor vehicles	5-7	years
- Telecommunications equipment	5-10	years
- Other equipment	5-10	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the income statement.

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 income statement.

Finance costs are recognized in the income statement in the period in which they arise.

Leases

(a) Finance leases

Leases of property, plant and equipment whereby the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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 income statement on a straight-line basis over the period of the lease.

Goodwill

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognized.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets". The Group has performed impairment tests, at a Group level, on cash-generating units to which goodwill has been allocated, and no impairment loss has resulted.

Intangible Assets

The caption 'intangible assets' includes:

a) Computer software: Purchased computer software is stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group (internally-generated software), are recognised as part of intangible assets. Direct costs include materials, staff costs of the software development team and an appropriate portion of relevant overheads. Internally-generated software is amortised using the straight-line method over its useful live, not exceeding a period of 5-10 years.

b) Customer acquisition costs: they relate to one-off connection fees as well as commissions paid for the acquisition of new customers of the subsidiary company Hellas online and are amortised over 12 months, which is the contract period with the customer.

c) Customer relationships: they relate to amounts recognised on the acquisition of the subsidiary companies Hellas online SA, Attica Telecommunications SA and IT Services Denmark A/S and they are amortised over a period of 9, 10 and 10 years respectively.

d) Trade name: it mainly relates to asset recognised on the acquisition of the subsidiary company Hellas online SA. The trade name has an indefinite useful life.

Impairment of Assets

(i) Non Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arms' length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(ii) Financial Assets

The Group assesses at each balance sheet 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 balance sheet of the parent company), assets measured at amortised cost based on the effective interest rate method (non-current receivables) and available for sale investments.

The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.

For the purposes of impairment testing of the other financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognised in the income statement.

Financial Assets

The Group classifies its investments 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 trough Profit or Loss

This category refers to financial assets acquired principally for the purpose of selling in the short term or if so designated by Management. Derivatives are also categorised as held for trading unless they are designated as hedges. If these assets are either held for trading or are expected to be realised within 12 months of the balance sheet date these assets are classified as current assets.

(b) Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest method.

(c) Held-to-Maturity Investments

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(d) Available-for-Sale Financial Assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

Realised 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 income statement in the period in which they arise.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In cases where the fair value cannot be measured reliably, investments are measured at cost.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivatives to hedge interest rate risks. These derivatives are initially recognised on balance sheet at fair value on the date the contract is entered into and are subsequently remeasured 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 Group 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 income statement.

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 recognised asset or liability or an unrecognised firm 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 recognised asset or liability or a highly probable forecast transaction.
- Hedges of net investment in a foreign operation.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, 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 recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

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

When a hedging instrument expires or is 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 recognised when the forecast transaction is ultimately recognised in the income statement. 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 income statement.

The derivative financial instruments of the Group at 31 December 2010 include interest rate swaps (IRS) and interest rate caps for which cash flow hedge accounting is applied.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provisions for slow-moving or obsolete inventories are formed when necessary.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Factoring

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

Cash and Cash Equivalents

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

Non-current Assets Held for Sale and Discontinued Operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in the income statement. Any subsequent increase in fair value will be recognised in the income statement, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

Share Capital

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.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Borrowings

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

Borrowing Costs

All borrowing costs are recognized in the income statement as incurred.

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.

Trade Payables

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

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 in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Deferred income tax 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 Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Employee benefits

(a) Pension Obligations

The Group contributes to both defined benefit and defined contribution plans.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date 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 income over the employees' expected average remaining working lives. Past-service costs are recognised immediately in 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 amortised on a straight-line basis over the vesting period.

(b) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Group discloses information about the contingent liability.

(c) Share-Based Plans

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Government Grants

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

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

Provisions

Provisions are recognized when:

1. There is present legal or constructive obligation as a result of past events
2. It is probable that an outflow of resources will be required to settle the obligation

3. The amount can be reliably estimated.

(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 balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated Absences

The claims over compensated absences are recognized as incurred. The Group recognizes the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making Contracts

The Group recognizes a provision with an immediate charge to the income statement 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 within the Group. Revenue is recognised as follows:

(a) Sales of Goods

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of Services

Sales of services are 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 balance sheet 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) Construction Contracts

Revenue from fixed price contracts are recognized, as long as the contract outcome can be estimated reliably, on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

(d) Interest

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

(e) Dividends

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

Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company (after deducting interest on convertible shares, net of tax) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

Roundings

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

Reclassification of amounts

In the group balance sheet at 31 December 2009, the amount of €447 has been reclassified from current income tax assets ('current assets') to deferred income tax assets ('non-current assets').

3. Financial Risk Management

Financial Risk Factors

INTRACOM S.A., being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group include short-term loans, long-term loans, bond loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

(All amounts in €'000)

In summary, the financial risks that arise are analyzed below.

(a) Market Risk

Foreign exchange risk

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Group may convert part of the borrowings to that currency or may use forward currency contracts.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

The following table presents the sensitivity of the Group's net profit in possible fluctuations of the foreign exchange rates for the years 2010 and 2009. This analysis takes into consideration borrowings and cash and cash equivalents of the Group, as well as trade receivables and payables in USD as at 31st December 2010 and 2009 respectively.

Increase in EUR/USD rate by	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
3,00%	323	54
6,00%	647	108
9,00%	970	161
12,00%	1.293	215

The following table presents the sensitivity of the Company's net profit in possible fluctuations of the foreign exchange rates for the years 2010 and 2009. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31st December 2010 and 2009 respectively.

Increase in EUR/USD rate by	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
3,00%	(2)	(29)
6,00%	(4)	(57)
9,00%	(7)	(86)
12,00%	(9)	(114)

(All amounts in €'000)

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

Cash flow and fair value interest rate risk

The interest-rate risk arises mainly from the fact that almost all of the Group's borrowings carry floating interest rates. The Group assesses that during the current year, interest rate risk is limited since it is expected that interest rates will increase slightly in the medium-term. At the same time, the Group assesses the possibility for converting part of the borrowings into fixed rate.

The following tables present the sensitivity of the Group's net profit in possible fluctuations of the interest rates for the years 2010 and 2009. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2010 and 2009 respectively.

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
25,00	(813)	(702)
50,00	(1.626)	(1.404)
75,00	(2.439)	(2.107)
100,00	(3.252)	(2.809)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
25,00	6	8
50,00	12	16
75,00	18	24
100,00	24	31

The following tables present the sensitivity of the Company's net profit in possible fluctuations of the interest rates for the years 2010 and 2009. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2010 and 2009 respectively.

(All amounts in €'000)

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
25,00	(61)	(26)
50,00	(122)	(52)
75,00	(183)	(78)
100,00	(244)	(105)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net profit 31/12/2010	Effect on net profit 31/12/2009
25,00	-	3
50,00	-	7
75,00	1	10
100,00	1	14

(b) Credit Risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In cases that vendor financing to an overseas customer is required, the Group insures its credit risk via the Export Credit Insurance Organisation (ECIO). As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

(c) Liquidity Risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The available undrawn borrowing facilities to the Group are sufficient to address any potential shortfall in cash.

On 31 December 2010 current and non-current borrowings of the Group amounted to 55% (2009: 51%) and 45% (2009: 49%) of total borrowings respectively. The increase in short-term borrowings has resulted from the maturity of medium-term bond loans. In addition to the above, it must be noted that further action is taken by the Group in order to replace the borrowings of several Group companies, currently financed through short-term facilities, with medium-term bond loans.

(All amounts in €'000)

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Group's capital is considered sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less 'cash and cash equivalents'. Total capital employed is calculated as 'equity attributable to Company's equity holders' as shown in the consolidated balance sheet plus net debt.

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Total borrowings (Note 23)	351.133	340.640	27.539	15.894
Less: Cash and cash equivalents (Note 20)	(34.994)	(64.641)	(4.048)	(10.146)
Net borrowings	**316.140**	**275.999**	**23.491**	**5.748**
Equity	452.817	500.495	459.322	468.261
Total capital employed	**768.957**	**776.495**	**482.812**	**474.010**
Gearing ratio	41,11%	35,54%	4,87%	1,21%

Fair Value Estimation

Effective 1st January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This amendment requires disclosures of fair value measurements by level of a fair value measurement 3-level hierarchy.

On 31 December 2010 the Group had:
- Financial assets at fair value through profit or loss of €187 which are classified in Level 1.
- Derivative financial instruments of €1.241 which are classified in Level 2.
- Available-for-sale financial assets out of which €847 are classified in Level 1 and €10.344 are classified in Level 3.

On 31 December 2009 the Group had:
- Financial assets at fair value through profit or loss of €298 which are classified in Level 1.
- Derivative financial instruments of €436 which are classified in Level 2.
- Available-for-sale financial assets out of which €2.222 are classified in Level 1 and €10.340 are classified in Level 3.

The fair value of financial instruments traded in active markets is based on quoted market rates at the balance sheet date ('Level 1').

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on observable market data at the balance sheet date ('Level 2').

If the fair values of financial instruments that are not traded in an active market are based on valuation methods and assumptions that are not mainly based on observable market data, the instruments are classified in Level 3. Investments in shares, which are not publicly traded and for which the fair value cannot be reliably estimated, are presented at cost less impairment. There were no significant changes in the instruments included in Level 3 during the year.

4. Critical Accounting Estimates and Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

- The Group uses the percentage of completion method of IAS 11 in order to recognise revenue from construction contracts. Revenue is recognised by reference to the stage of completion of the project at the balance sheet date, based on actual amounts compared to total estimated amounts. Possible adjustments to total estimated contract costs and revenues are taken into consideration in the period in which they arise.

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

5. Segment Information

At 31 December 2010, the Group is organised into five segments:

(1) Telecommunications systems

(2) Technology solutions for government and banking sector

(3) Defence systems

(4) Construction

(5) Telecom operations

(All amounts in €'000)

The segment information for the year ended 31 December 2010 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales	5.407	148.183	43.292	191.833	200.497	3.032	592.244
Inter-segment sales	-	(5.978)	(8)	(8.360)	(268)	(2.245)	(16.860)
Sales from external customers	**5.407**	**142.205**	**43.284**	**183.473**	**200.228**	**787**	**575.384**
Operating profit / (loss)	124	3.921	414	8.826	(19.953)	(9.401)	(16.069)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**175**	**6.778**	**2.540**	**12.166**	**48.789**	**(7.294)**	**63.154**
Depreciation (note 29)	(51)	(2.857)	(2.126)	(3.341)	(68.742)	(2.107)	(79.223)
Impairment of receivables (note 29)	(12)	(1.475)	-	(4.626)	(9.294)	-	(15.407)
Impairment of inventory (note 29)	(8)	(225)	(440)	-	-	-	(673)
Impairment of investment property and intangibles assets (note 32)	-	(496)	-	-	-	-	(496)
Finance income (note 33)	20	-	111	266	5	616	1.018
Finance expenses (note 33)	(3)	(3.968)	23	(5.013)	(11.505)	(1.159)	(21.626)
Share of (loss) / profit of associates	(1.888)	-	-	(239)	-	-	(2.127)
Income tax	(17)	(2.941)	(433)	(2.912)	(643)	(130)	(7.077)
Total assets	**109.282**	**158.050**	**111.099**	**245.556**	**404.176**	**138.589**	**1.166.752**
Total assets include:							
Invetsments in associates (note 11)	109.802	-	-	1.042	-	-	110.844
Non-current assets*	153	31.700	51.686	60.219	310.732	101.264	555.754
Additions in Non-current assets* (notes 6, 7, 8 and 9)	83	7.645	514	6.893	55.418	62	70.616
Total liabilities	**645**	**118.872**	**44.780**	**148.747**	**363.151**	**37.739**	**713.935**

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

The segment information for the year ended 31 December 2009 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales	13.391	137.425	43.237	210.162	157.993	5.683	567.890
Inter-segment sales	-	(7.583)	(7)	(9.965)	(209)	(2.712)	(20.476)
Sales from external customers	**13.391**	**129.842**	**43.230**	**200.197**	**157.784**	**2.970**	**547.414**
Operating profit / (loss)	(1.702)	7.491	1.042	4.027	20.472	(17.269)	14.061
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(1.332)	10.126	3.345	7.893	53.669	3.522	77.223
Depreciation (note 29)	(370)	(2.635)	(2.303)	(3.866)	(50.574)	(3.415)	(63.162)
Impairment of receivables (note 29)	(149)	(267)	-	(2.400)	(3.239)	(112)	(6.166)
Impairment of inventory (note 29)	-	-	(543)	-	(239)	-	(783)
Impairment of investment property and intangibles assets (note 32)	-	(928)	-	-	(2.285)	(1.579)	(4.791)
Finance income (note 33)	110	57	51	361	132	1.552	2.264
Finance expenses (note 33)	(155)	(3.485)	(469)	(5.389)	(10.281)	(1.779)	(21.558)
Share of (loss) / profit of associates	(2.130)	-	-	2.059	-	(6)	(78)
Income tax	-	(1.239)	(287)	(1.020)	6.256	(976)	2.733
Total assets	**116.694**	**156.657**	**119.948**	**250.493**	**422.110**	**142.911**	**1.208.812**
Total assets include:							
Invetsments in associates (note 11)	112.412	-	-	904	-	-	113.316
Non-current assets*	130	28.359	53.305	54.444	326.653	100.842	563.733
Additions in Non-current assets* (notes 6, 7, 8 and 9)	64	7.766	903	10.186	123.490	1.712	144.121
Total liabilities	**3.236**	**114.610**	**33.480**	**170.920**	**359.861**	**26.210**	**708.317**

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

(All amounts in €'000)

The activities of the parent company Intracom Holdings SA, as well as its assets and liabilities are included under the column 'Other'. The assets consist primarily of property, plant and equipment and investment property.

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

	1/1-31/12/2010	1/1-31/12/2009
Earnings before interest, tax, depreciation and amortisation (EBITDA)	63.154	77.223
Depreciation	(79.223)	(63.162)
Finance cost - net (note 33)	(20.608)	(19.294)
Loss from associates	(2.127)	(78)
Loss before income tax	**(38.804)**	**(5.311)**

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

Information per geographical area:

Sales	1/1 - 31/12/2010	1/1 - 31/12/2009
Greece	406.920	369.382
European Community	136.003	143.471
Other European countries	846	3.099
Other countries	31.614	31.461
Total	**575.384**	**547.414**

Non-current assets*	31/12/2010	31/12/2009
Greece	636.720	665.823
European Community	26.979	6.463
Other countries	2.899	4.763
Total	**666.598**	**677.049**

* Includes property, plant and equipment (PPE), investment property, intangible assets, goodwill and investments in associates.

Sales are allocated based on the country in which the customer is located. Assets are allocated based on their geographical location.

Sales per category	1/1 - 31/12/2010	1/1 - 31/12/2009
Sales of products	2.777	56.951
Sales of goods	65.973	7.823
Revenue from services	357.869	305.800
Revenue from construction contracts	148.765	176.839
Total	**575.384**	**547.414**

The revenue deriving from sales to the Greek public sector for the year amounts to €88.966.

(All amounts in €'000)

6. Property, Plant and Equipment

Group

	Land - buildings	Machinery	Vehicles	Telecommunications Equipment	Furniture & other equipment	Prepayments and assets under construction	Total
Cost							
Balance at 1 January 2009	139.654	43.203	3.838	201.036	32.521	19.003	439.255
Exchange differences	(71)	34	(41)	(16)	(9)	(8)	(109)
Additions	398	3.461	168	19.950	564	31.140	55.681
Acquisition of subsidiaries / businesses	692	2.526	1	28.429	21	1.150	32.819
Disposals	(3.485)	(6.953)	(834)	(500)	(2.583)	(33)	(14.388)
Transfer to investment property (Note 9)	(5.332)	-	-	-	-	-	(5.332)
Reclassifications	999	2.307	-	44.305	(2.159)	(45.451)	-
Transfer to assets held for sale (Note 37)	(333)	(643)	(94)	-	(118)	(0)	(1.188)
Balance at 31 December 2009	132.522	43.935	3.037	293.204	28.237	5.801	506.737
Balance at 1 January 2010	132.522	43.935	3.037	293.204	28.237	5.801	506.737
Exchange differences	(14)	(4)	2	36	29	(2)	48
Additions	168	1.242	97	20.645	1.632	14.118	37.903
Disposals	(237)	(3.124)	(247)	(322)	(505)	(105)	(4.539)
Acquisition of subsidiaries / businesses	-	-	-	-	-	34	34
Disposal of subsidiaries	(18)	(12)	-	-	(220)	-	(250)
Reclassifications	681	118	(2)	12.471	250	(13.518)	-
Transfer to investment property (Note 9)	(6.340)	-	-	-	-	-	(6.340)
Transfer from investment property (Note 9)	1.522	-	-	-	-	-	1.522
Balance at 31 December 2010	128.284	42.155	2.887	326.035	29.423	6.330	535.114
Accumulated depreciation							
Balance at 1 January 2009	20.837	21.726	1.727	35.943	25.169	-	105.401
Exchange differences	(5)	42	(16)	(8)	(2)	-	10
Depreciation	2.486	3.698	447	26.363	1.946	-	34.941
Acquisition of subsidiaries / businesses	-	-	-	-	-	-	-
Disposals	(555)	(4.122)	(707)	(449)	(2.491)	-	(8.324)
Reclassifications	-	1.717	-	59	(1.776)	-	-
Transfer from / (to) investment property (Note 9)	(16)	-	-	-	-	-	(16)
Transfer to assets held for sale (Note 37)	(16)	(608)	(59)	-	(89)	-	(771)
Balance at 31 December 2009	22.732	22.454	1.392	61.907	22.756	-	131.241
Balance at 1 January 2010	22.732	22.454	1.392	61.907	22.756	-	131.241
Exchange differences	(2)	(3)	-	21	18	-	34
Depreciation	2.379	3.248	406	36.975	1.700	-	44.708
Disposals	-	(1.422)	(182)	(181)	(488)	-	(2.274)
Disposals of subsidiaries	(18)	(4)	-	(0)	(176)	-	(198)
Reclassifications	-	-	-	(152)	152	-	
Transfer to investment property (Note 9)	(829)	-	-	-	-	-	(829)
Transfer from investment property (Note 9)	37	-	-	-	-	-	37
Balance at 31 December 2010	24.299	24.272	1.617	98.570	23.962	-	172.720
Net book amount at 31 December 2009	**109.790**	**21.481**	**1.645**	**231.297**	**5.481**	**5.801**	**375.496**
Net book amount at 31 December 2010	**103.985**	**17.883**	**1.271**	**227.465**	**5.461**	**6.330**	**362.394**

(All amounts in €'000)

The above table includes assets held under finance lease as follows:

	Buildings	Telecommunications Equipment	Machinery	Vehicles	Furniture & other equipment	Total
31/12/2009						
Cost	601	15.620	5.171	934	-	22.325
Accumulated depreciation	(41)	(2.679)	(1.591)	(268)	-	(4.579)
Net book amount	**559**	**12.941**	**3.580**	**665**	**-**	**17.746**
31/12/2010						
Cost	601	15.620	4.592	757	988	22.557
Accumulated depreciation	(62)	(3.838)	(1.485)	(276)	(50)	(5.712)
Net book amount	**539**	**11.782**	**3.107**	**481**	**937**	**16.845**

Furthermore, during the period, the Company entered in a sale and lease back agreement of a fixed asset with net book value as at 31/12/2010 amounting to €15.963, which is included in property, plant and equipment. The leaseback transaction is treated as finance lease with a 12 year duration (see note 23).

Company

	Land - buildings	Machinery	Vehicles	Furniture & other equipment	Prepayments and assets under construction	Total
Cost						
Balance at 1 January 2009	43.096	898	131	8.603	-	52.728
Additions	324	2	8	5	33	373
Disposals	(3.348)	(10)	(11)	(225)	(33)	(3.627)
Transfer to investment property (Note 9)	(6.721)	-	-	-	-	(6.721)
Balance at 31 December 2009	**33.351**	**891**	**128**	**8.383**	**-**	**42.753**
Balance at 1 January 2010	33.351	891	128	8.383	-	42.753
Additions	7	-	33	4	14	58
Disposals	-	-	(2)	(23)	-	(25)
Transfer to investment property (Note 9)	(3.180)	-	-	-	-	(3.180)
Balance at 31 December 2010	**30.178**	**891**	**159**	**8.364**	**14**	**39.606**
Accumulated depreciation						
Balance at 1 January 2009	6.301	792	100	5.667	-	12.859
Additions	756	31	15	619	-	1.421
Disposals	(514)	(10)	(7)	(186)	-	(717)
Balance at 31 December 2009	**6.543**	**813**	**107**	**6.100**	**-**	**13.564**
Balance at 1 January 2010	6.543	813	107	6.100	-	13.564
Depreciation charge	613	25	17	506	-	1.160
Disposals	-	-	(2)	(15)	-	(17)
Transfer to investment property (Note 9)	(526)	-	-	-	-	(526)
Balance at 31 December 2010	**6.630**	**839**	**122**	**6.591**	**-**	**14.181**
Net book amount at 31 December 2009	**26.808**	**78**	**21**	**2.282**	**-**	**29.190**
Net book amount at 31 December 2010	**23.548**	**52**	**37**	**1.773**	**14**	**25.425**

During the period, the Company entered in a sale and lease back agreement of a fixed asset with net book value as at 31/12/2010 amounting to €15.963, which is included in property, plant and equipment. The leaseback transaction is treated as finance lease with a 12 year duration (see note 23).

(All amounts in €'000)

7. Goodwill

	Group
Balance at 1 January 2009	58.259
Acquisition of subsidiaries / businesses	7.529
Balance at 31 December 2009	**65.788**
Balance at 1 January 2010	65.788
Acquisitions of subsidiaries (note 38)	2.600
Balance at 31 December 2010	**68.388**

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

	31/12/2010	**31/12/2009**
Intrasoft International SA	11.361	11.361
Hellas online AE	30.219	30.219
Attica Telecommunications SA	18.107	18.107
IT Services Denmark A/S	2.212	2.212
Intrakat s.a.- construction segments	3.562	3.562
Prisma - Domi ATE	326	326
AMBTILA Enterprises Ltd (note 38)	2.600	-
	68.388	**65.788**

The Group, in order to determine whether there is goodwill impairment as at 31 December 2010, performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated, and no impairment loss resulted.

The recoverable amount of goodwill from Intrasoft International SA and IT Services Denmark A/S was determined using comparable company indicators. This approach takes into consideration among others, the risk profile and the growth prospects of a selected sample of comparable listed companies.

The recoverable amount of goodwill from Hellas online SA was calculated based on the quoted stock prices.

The recoverable amount of goodwill from Attica Telecommunications SA and Intrakat SA was determined based on value-in-use calculations. The value-in-use reflects the present value of future expected cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. The activity of each subsidiary was the CGU.

(All amounts in €'000)

8. Intangible Assets

Group

	Software	Internally-generated software	Customer acquisition costs	Trade name	Customers Relationships	Other	Total
Cost							
Balance at 1 January 2009	59.140	2.532	16.126	7.671	14.719	1.037	101.224
Exchange differences	(28)	(1)	-	2		(11)	(37)
Additions	8.079	3.583	23.989	-	1.705	1	37.357
Disposals	(1.103)	(33)	-	-	-	-	(1.137)
Impairment	(4.576)	-	-	-	-	-	(4.576)
Additions from acquisitions	9.460	-	-	-	-	-	9.460
Transfer to assets held fos sale (Note 37)	(1.422)	-	-	-	-	(699)	(2.121)
Reclassifications	(432)	434	10	-	-	(12)	-
Balance at 31 December 2009	69.117	6.514	40.126	7.672	16.424	317	140.170
Balance at 1 January 2010	69.117	6.514	40.126	7.672	16.424	317	140.170
Exchange differences	(4)	5	-	(1)	2	-	2
Additions	2.189	4.677	20.162	-	-	-	27.028
Disposals	(968)	(12)	-	-	-	-	(980)
Reclassifications	796	(796)	-	-	-	-	-
Balance at 31 December 2010	71.130	10.388	60.288	7.671	16.426	317	166.221
Accumulated depreciation							
Balance at 1 January 2009	38.756	1.462	9.154	-	2.823	1.000	53.196
Exchange differences	(15)	(1)		-		(10)	(25)
Additions	6.893	17	18.892	-	1.840	18	27.660
Disposals	(1.083)	-	-	-	-	-	(1.083)
Impairment	(2.291)	-	-	-	-	-	(2.291)
Transfer to assets held fos sale (Note 37)	(1.419)	-	-	-	-	(699)	(2.118)
Reclassifications	541	(540)	10	-	-	(12)	-
Balance at 31 December 2009	41.382	939	28.057	-	4.663	298	75.338
Balance at 1 January 2010	41.382	939	28.057	-	4.663	298	75.338
Exchange differences	(1)	2	-	-	-	-	1
Additions	9.438	74	22.449	-	1.840	17	33.818
Disposals	(25)	(12)	-	-	-	-	(37)
Impairment	496	-	-	-	-	-	496
Balance at 31 December 2010	51.289	1.003	50.506	-	6.503	315	109.617
Net book amount at 31 December 2009	**27.735**	**5.576**	**12.069**	**7.672**	**11.761**	**19**	**64.832**
Net book amount at 31 December 2010	**19.841**	**9.385**	**9.782**	**7.671**	**9.923**	**2**	**56.604**

(All amounts in €'000)

Company

	Software	**Total**
Cost		
Balance at 1 January 2009	2.134	2.134
Disposals	(161)	(161)
Balance at 31 December 2009	1.973	1.973
Balance at 1 January 2010	1.973	1.973
Acquisitions	2	2
Balance at 31 December 2010	1.975	1.975
Accumulated depreciation		
Balance at 1 January 2009	1.915	1.915
Amortisation charge	191	191
Disposals	(141)	(141)
Balance at 31 December 2009	1.964	1.964
Balance at 1 January 2010	1.964	1.965
Amortisation charge	4	4
Balance at 31 December 2010	1.968	1.968
Net book amount at 31 December 2009	**8**	**8**
Net book amount at 31 December 2010	**7**	**7**

(All amounts in €'000)

9. Investment Property

	Group	Company
Cost		
Balance at 1 January 2009	67.837	68.941
Exchange differences	(108)	-
Acquisition of subsidiaries/ businesses	1.275	-
Transfer to assets held for sale	(7.369)	-
Disposals	(1.683)	(960)
Impairment	(2.506)	(1.579)
Transfer from PPE (Note 6)	5.332	6.721
Balance at 31 December 2009	62.777	73.123
Balance at 1 January 2010	62.777	73.123
Exchange differences	139	-
Additions	396	2
Acquisition of subsidiaries (note 38)	2.655	-
Transfer from assets held fos sale (Note 37)	7.369	-
Disposals	(3.220)	-
Transfer to PPE (Note 6)	(1.522)	-
Transfer from PPE (Note 6)	6.340	3.180
Balance at 31 December 2010	74.934	76.305
Accumulated depreciation		
Balance at 1 January 2009	4.712	8.491
Exchange differences	11	-
Transfer from PPE (Note 6)	16	-
Depreciation charge	561	764
Disposals	(141)	(141)
Balance at 31 December 2009	5.160	9.114
Balance at 1 January 2010	5.160	9.114
Exchange differences	26	-
Transfer to PPE (Note 6)	(37)	-
Transfer from PPE (Note 6)	829	526
Depreciation charge	696	897
Disposals	(109)	-
Balance at 31 December 2010	6.565	10.537
Net book amount at 31 December 2009	**57.618**	**64.009**
Net book amount at 31 December 2010	**68.368**	**65.768**

Rental income from investment properties for 2010 amounted to €1.918 and €2.930 for the Group and the Company respectively (2009: €2.072 and €3.180 for the Group and the Company respectively).

(All amounts in €'000)

10. Investments in Subsidiaries

The movement in investments in subsidiaries is analyzed as follows:

	Company	
	31/12/2010	**31/12/2009**
Balance at the beginning of the year	237.088	247.019
Share capital increases	15.891	1.000
Treasury shares (Note 21)	643	498
Impairment	(3.524)	(11.430)
Balance at the end of the year	**250.098**	**237.088**

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

		31/12/2010		31/12/2009	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intracom SA Information Technology	Greece	100%	52.407	100%	52.269
Intracom SA Defence Electronic Systems	Greece	100%	71.151	100%	71.013
Intrakat SA	Greece	62,24%	22.030	62,24%	21.892
Intracom Holdings International Ltd	Cyprus	100%	7.132	100%	6.829
Intracom Group USA Inc	USA	2,91% (**)	65	-	-
Hellas on Line SA	Greece	49,25% (*)	97.313	49,25%	85.084
			250.098		**237.088**

(*) The total shareholding as at 31 December 2010 is 53,40% through the participation of subsidiaries of the Group.

(**) The total shareholding as at 31 December 2010 is 100% through the participation of subsidiaries of the Group.

The above list contains only the direct investments in subsidiaries. A list of all the direct and indirect interests in subsidiaries is presented in note 43.

Year 2010

Hellas online SA

During the year 2010, Intracom Holdings paid the amount of €12.000 to its subsidiary Hellas online SA ("HoL") for the purposes of a future share capital increase. The share capital increase was approved by the General Meeting of the subsidiary's shareholders on 21/12/2010, and it was also validated by a ministerial decision.

On the date of approval of the financial statements, the share capital increase of the subsidiary is still in progress.

Intracom Holdings International Ltd

During the year, the subsidiary Intracom Holdings International Ltd made a share capital increase of €3.826, in which Intracom Holdings participated by contributing this amount.

On 31 December 2010, the Company performed an impairment test of its shareholding in the subsidiary and recorded a loss of € 3.524.

Intracom Group USA

In December 2010, the subsidiary company Intracom Group USA, subsidiary to Intracom Holdings International Ltd., proceeded to a share capital increase amounting to €65, with Intracom Holdings participating in this increase directly.

Fornax RT

In February 2010, the subsidiary company Intracom Technologies Ltd disposed of its entire holding (67%) in the subsidiary company Fornax RT for the consideration of €360. The activities of the company as well as the result from the disposal were not material for the Group. This transaction resulted in a decrease of the non-controlling interest by €11, while the net cash inflow arose to €200.

Unibrain Inc

In March 2010, the subsidiary company Hellas online SA disposed of its entire holding (100%) in the subsidiary company Unibrain Inc for the total amount of €845. The activities of the company as well as the result from the disposal were not material for the Group. The net cash inflow deriving from the sale totaled to €171.

Dialogos SA

In June 2010, the subsidiary company Intracom IT Services SA disposed of its entire holding (39,5%) in the subsidiary company Dialogos SA for €265. The activities of the company as well as the result from the disposal were not material for the Group. This transaction resulted in a decrease of the non-controlling interest by €327, while the net cash inflow arose to €143.

Eurokat SA

In April 2010, Intrakat SA transferred part of its shareholding in the subsidiary company Eurokat ATE for €243. As a result, the shareholding has decreased from 94,38% to 54,38% and non-controlling interests increased by €246. Prior to this, there was a share capital decrease of the subsidiary resulting in a decrease of non-controlling interests by €56.

Databank AE

During the third quarter of the current year, the subsidiary company Databank reduced its share capital by €2.042. As a result, the non-controlling interests decreased by €204.

Intrakat SA sub-Group

During the year and in connection with Intrakat subgroup, the share capital increase of the subsidiary company Fracasso Hellas SA took place. As a result, the non-controlling interests increased by €45.

For the business combinations that took place during the year 2010 see note 38.

Year 2009

Hellas online AE

(a) On 10 March 2009 the share capital increase of the subsidiary company Hellas online ("HoL") was completed through the issuance of 31.692.308 new common shares at € 1,60 each, following the decision of the Extraordinary General Meeting of the company's shareholders on 12/12/2008 for the increase of share capital through cash and with pre-emption rights in favor of existing shareholders. Intracom Holdings SA and Intracom IT Services SA did not participate in the share capital increase of the subsidiary company. The Company sold its pre-emption rights to third parties with net proceeds of €764.

Net proceeds from the share capital increase of the subsidiary to third parties amounted to €49.823 (total proceeds €50.708 and expenses on issue of share capital €885) and have resulted in an increase to the minority interests in the statement of changes in equity.

Prior to the share capital increase of the subsidiary, the percentage interest held by the Group in Hellas online was 84,17%. Following the share capital increase, the Group's interest dropped to 63,13%, out of which 60,43% is held directly and 2,7% is held indirectly, through its 100% subsidiary company Intracom IT Services.

Due to the change in the interest holdings, the Group recorded a gain of €33.630 which is included in the profit of the year 2009 with a corresponding change in the minority interests. Total gain for the Group amounted to €34.394, which includes the gain of €764 from the sale of the pre-emption rights.

(b) During the last quarter of 2009 the Group acquired an interest of 2,39% in its subsidiary Hellas online through the acquisition of a company by a subsidiary company of the Group. This transaction resulted in the reduction of minority interests by €398 and the recognition of goodwill amounting to €7.203.

(c) On 28 December 2009, the Minister of Economy, Competitiveness and Marine approved the acquisition of Vodafone's business sector of fixed line and broadband services (DSL) by the subsidiary HoL. The share capital increase was completed on 2 February 2010 and the corresponding 28,775,838 new shares of HoL, which account for 18.5% of the issued share capital, are traded on the Athens Stock Exchange since that date.

Management considered that the date of acquisition of the sector was the 28 December 2009. The fair value of the issued shares at that date amounted to € 34.531. This amount has increased minority interests in the statement of changes in equity.

Following the share capital increase, the Group's interest is 53,40%, out of which 49,25% is held directly and 4,14% is held indirectly, through subsidiaries of the Group.

Due to the change in the interest holdings, the Group recorded a gain of €17.377 which is included in the profit of the year 2009 with a corresponding change in the minority interests.

Intracom Holdings International Ltd

During the year 2009, the subsidiary Intracom Holdings International Ltd made a share capital increase of €1.000, in which Intracom Holdings participated by contributing this amount.

On 31 December 2009, the Company performed an impairment test of its shareholding in the subsidiary and recorded a loss of € 11.430.

(All amounts in €'000)

11. Investments in Associates

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Balance at the beginning of the year	**113.316**	**116.397**	**115.900**	**116.175**
Additions	297	-	-	-
Disposals	-	(200)	-	(276)
Transfer to subsidiary	(70)	-	-	
Share of loss	(1.998)	(2.322)	-	-
Effect of tax, dividends and exchange differences	(702)	(560)	-	-
Balance at the end of the year	**110.844**	**113.316**	**115.900**	**115.900**

The direct shareholding of the Company in associates relates to Intracom SA Telecommunication Services.

Information about the Group's associates is presented below:

2010

Name	Country of incorporation	Assets	Liabilities	Equity	Revenue	Profit / (Loss)	Interest Held
INTRACOM SA TELECOMMUNICATIONS	GREECE	552.456	322.427	230.029	256.409	(5.145)	49,00%
ALPHA MOGILANY	POLAND	6.846	4.484	2.363	-	(263)	25,00%
I.C.C. S.A. Construction Company	GREECE	2.847	2.334	513	1.196	(295)	50,00%
		562.149	**329.244**	**232.904**	**257.605**	**(5.703)**	

On 22 June 2010 the subsidiary Intrakat SA has acquired 50% of I.C.C. SA Construction Company's share capital for an amount summing up to a total of €297. Due to lack of management's control, this investment was classified as an associate and is accounted for using the equity method. The effect of the acquisition on the Group's financial statements is considered to be immaterial.

2009

Name	Country of incorporation	Assets	Liabilities	Equity	Revenue	Profit / (Loss)	Interest Held
INTRACOM SA TELECOMMUNICATIONS	GREECE	561.083	324.399	236.684	297.514	(4.018)	49,00%
ALPHA MOGILANY	POLAND	6.884	4.339	2.546	17	(322)	25,00%
SC PLURIN srl	ROMANIA	1.029	883	146	524	123	50,00%
		568.996	**329.620**	**239.376**	**298.056**	**(4.216)**	

On 7 April 2009, the Company disposed of its entire holding (32,85%) in the associate company "Moldovan Lottery". The gain from the disposal for the Company and the Group amounting to €374 and €450 respectively is included in "Other gains – net" (note 32). The consideration amounting to €650 has not been received and is included in other short term receivables.

(All amounts in €'000)

12. Joint Ventures

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

	31/12/2010	31/12/2009
Assets		
Non-current assets	1.508	3.500
Current assets	27.106	28.150
	28.613	31.649
Liabilities		
Non-current liabilities	30	286
Current liabilities	32.117	33.882
	32.146	34.168
Equity	(3.533)	(2.518)
Income	49.489	43.890
Expenses	(48.409)	(43.782)
Profit (after tax)	**1.080**	**108**

Information for the Group's joint ventures is included in Note 43.

13. Available-for-Sale Financial Assets

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Balance at the beginning of the year	12.562	13.287	9.520	9.514
Additions	52	8	-	8
Disposals	-	(615)	-	-
Fair value gains / (losses)	(1.376)	(119)	(5)	(2)
Impairment	(46)	-	(46)	-
Balance at the end of the year	**11.191**	**12.562**	**9.470**	**9.520**

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Listed securities:				
- equity securities	847	2.221	6	11
Unlisted securities:				
- equity securities	10.344	10.340	9.464	9.510
	11.191	**12.562**	**9.470**	**9.520**

Investments in unlisted shares are shown at cost less impairment.

The investments in listed companies relate to companies listed in the Athens Stock Exchange, and are measured at their quoted stock prices at the balance sheet date.

(All amounts in €'000)

14. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Deferred tax assets	(5.236)	(7.310)	-	-
Deferred tax liabilities	3.089	2.853	1.140	1.071
	(2.148)	**-4.457**	**1.140**	**1.071**

The gross amounts are as follows:

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Deferred tax assets:				
To be recovered after more than 12 months	(13.200)	(13.890)	(75)	(67)
To be recovered within 12 months	(5.534)	(4.375)	(14)	(26)
	(18.734)	**(18.265)**	**(89)**	**(93)**
Deferred tax liabilities				
To be settled after more than 12 months	12.417	10.028	1.225	1.164
To be settled within 12 months	4.170	3.780	4	1
	16.587	**13.808**	**1.228**	**1.165**
	(2.148)	**(4.457)**	**1.140**	**1.071**

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

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Balance at the beginning of the year	(4.457)	3.325	1.071	660
Exchange differences	(22)	(31)	-	-
Charged/ (credited) to the income statement (note 34)	2.238	(7.271)	68	411
Charge in equity	-	(3)	-	-
Acquisition of subsidiary	-	(478)	-	-
Disposal of subsidiaries	93	-	-	-
Balance at the end of the year	**(2.148)**	**(4.457)**	**1.140**	**1.071**

(All amounts in €'000)

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

Deferred tax assets:

	Provisions / Impairment losses	Tax losses	Other	Total
Balance at 1 January 2009	(3.219)	(4.045)	(5.117)	(12.382)
Exchange differences	4	(40)	(45)	(81)
Charged / (credited) to the income statement	(680)	(4.822)	289	(5.213)
Charge in equity	-	-	(3)	(3)
Acquisition of subsidiaries	(19)	(18)	(549)	(586)
Balance at 31 December 2009	**(3.914)**	**(8.926)**	**(5.425)**	**(18.265)**
Balance at 1 January 2010	(3.914)	(8.926)	(5.425)	(18.265)
Exchange differences	-	1	(23)	(21)
Charged / (credited) to the income statement	739	(1.233)	(71)	(565)
Disposal of subsidiaries	-	-	117	117
Balance at 31 December 2010	**(3.174)**	**(10.158)**	**(5.402)**	**(18.734)**

Deferred tax liabilities:

	Trade name & Customers relationships	Accrued Income	Accelerated tax depreciation	Other	Total
Balance at 1 January 2009	4.355	2.747	4.689	3.917	15.707
Exchange differences	-	-		50	50
Charged / (credited) to the income statement	(369)	-	(140)	(1.549)	(2.058)
Acquisition of subsidiaries	-	-	108	-	108
Balance at 31 December 2009	**3.986**	**2.747**	**4.657**	**2.418**	**13.808**
Balance at 1 January 2010	3.986	2.747	4.657	2.418	13.808
Exchange differences	-	-	(1)	(0)	(1)
Charged / (credited) to the income statement	(357)	881	142	2.137	2.803
Disposal of subsidiaries	-	-	-	(23)	(23)
Balance at 31 December 2010	**3.629**	**3.628**	**4.799**	**4.531**	**16.587**

Company

Deferred tax assets:

	Provisions	Total
Balance at 1 January 2009	(308)	(308)
Charged / (credited) to the income statement	215	215
Balance at 31 December 2009	**(93)**	**(93)**
Balance at 1 January 2010	(93)	(93)
Charged / (credited) to the income statement	5	5
Balance at 31 December 2010	**(89)**	**(89)**

(All amounts in €'000)

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance at 1 January 2009	855	114	968
Charged / (credited) to the income statement	309	(113)	196
Balance at 31 December 2009	**1.164**	**1**	**1.165**
Balance at 1 January 2010	1.164	1	1.165
Charged / (credited) to the income statement	1	63	64
Balance at 31 December 2010	**1.165**	**64**	**1.228**

The Company has not recognized deferred tax asset on the losses of the previous and the current year. These losses amount to €23.390.

15. Long-Term Loan Receivables

In 2008, the Company participated in the issue of a subordinated bond loan of a total amount of €55.000 by Moreas SA, in which Intracom Holdings holds an interest of 13,33%. The Company participated in the issue of the bond loan up to its percentage shareholding in Moreas SA (13,33%), paying an amount of €7.332. The loan carries a floating interest rate (1m Euribor plus 4,0% margin).

The amount recorded on the balance sheet as at 31 December 2010 consists of the initial capital plus interest of the period 2008-2010.

(All amounts in €'000)

16. Trade and Other Receivables

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Trade receivables	240.607	228.515	809	637
Less: provision for impairment	(37.625)	(23.053)	-	-
Trade receivables - net	202.982	205.462	809	637
Prepayments	23.554	14.090	-	-
Receivables from related parties (Note 41)	17.678	23.961	13.268	17.027
Prepaid expenses	9.663	3.304	24	-
Accrued expenses	57.028	47.927	36	61
Other receivables	62.230	53.633	3.801	4.369
Total	**373.134**	**348.377**	**17.938**	**22.094**
Non-current assets	6.009	15.824	39	36
Current assets	367.125	332.553	17.900	22.058
	373.134	**348.377**	**17.938**	**22.094**

Other receivables of the Group on 31 December 2010 include VAT receivable of approximately €20 mil. (2009: €25 mil.).

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

Ageing analysis of trade receivables

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Total	202.982	205.462	809	637
Not past due and not impaired at the balance sheet date	107.035	104.861	161	145
Impaired at the balance sheet date	39.002	23.635	-	-
Provision made for the following amount:	(37.625)	(23.053)	-	-
	1.377	582	-	-
Not impaired at the balance sheet date but past due in the following periods:				
< 90 days	21.346	20.728	4	61
90-180 days	14.702	20.226	101	95
180-270 days	11.075	9.713	4	-
270-365 days	8.315	11.009	98	95
1- 2 years	22.107	22.907	296	241
>2 years	17.025	15.437	145	-
	94.570	100.019	647	492
Total trade receivables	**202.982**	**205.462**	**809**	**637**

(All amounts in €'000)

Trade receivables of the Group which are past due for more than one year include receivables from the Greek State of approximately €21 mil (31 December 2009: €20 mil. approximately).

There is no concentration of credit risk in relation to trade receivables, since the Group has a great number of customers. The Group has developed policies to ensure that the sales agreements take place with customers with sufficient credit quality. The credit policy of the Group is determined on a case by case basis and is set out in the agreed terms in the contract signed with each customer.

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

	Group	**Company**
Balance at 1 January 2009	20.453	-
Exchange differences	(6)	-
Provision for impairment (Note 29)	6.166	-
Receivables written-off during year	(2.892)	-
Acquisition of subsidiaries	1.162	
Unused amounts reversed	(1.831)	-
Balance at 31 December 2009	**23.053**	**-**
Exchange differences	5	-
Provision for impairment (Note 29)	15.407	-
Receivables written-off during year	(778)	-
Unused amounts reversed	(62)	-
Balance at 31 December 2010	**37.625**	**-**

Trade and other receivables are analyzed in the following currencies:

	Group		**Company**	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Euro (EUR)	329.112	309.695	17.938	22.094
US Dollar (USD)	24.359	16.552	-	-
Polish Zloty (PLN)	7.998	10.461	-	-
Romanian New Lei (RON)	3.757	8.460	-	-
Jordan Dinar (JOD)	5.407	2.444	-	-
Danish Corona (DKK)	1.389	-	-	-
Other	1.113	764	-	-
	373.134	**348.377**	**17.938**	**22.094**

(All amounts in €'000)

17. Inventories

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Raw materials	24.504	27.980	-	-
Semifinished goods	7.498	8.532	-	-
Finished goods	8.598	9.194	-	-
Work in progress	1.219	818	-	-
Merchandise	4.337	2.133	-	-
Other	318	304	-	-
Total	**46.473**	**48.960**	**-**	**-**
Less: Provisions for obsolete inventories				
Raw materials	1.566	146	-	-
Semifinished goods	370	1.057	-	-
Finished goods	359	414	-	-
Work in progress	-	13	-	-
Merchandise	12	191	-	-
	2.307	**1.820**	**-**	**-**
Net realisable value	**44.166**	**47.140**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance 1 January 2009	1.390	-
Provision for impairment	543	-
Amount of provision reversed during the year	(113)	
Balance 31 December 2009	**1.820**	**-**
Provision for impairment	673	-
Amount of provision reversed during the year	(187)	-
Balance 31 December 2010	**2.307**	**-**

(All amounts in €'000)

18. Construction Contracts

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Assets				
Contracts in progress at the balance sheet date:				
Receivables from construction contracts	12.374	21.618	-	-
Total	**12.374**	**21.618**	**-**	**-**
Liabilities				
Contracts in progress at the balance sheet date:				
Liabilities from construction contracts	8.190	18.057	-	-
Total	**8.190**	**18.057**	**-**	**-**
Accumulated contract costs plus accumulated recognised profits less accumulated recognised losses	533.926	582.630	-	-
Less: Progress billings	(529.742)	(579.070)	-	-
Construction contracts	**4.184**	**3.561**	**-**	**-**

19. Financial Assets at Fair Value through Profit or Loss

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Balance at the beginning of the year	298	552	-	-
Additions	-	118	-	-
Disposals	-	(308)	-	-
Fair value adjustments (Note 32)	(111)	(65)	-	-
Balance at the end of the year	**187**	**298**	**-**	**-**

Investments relate to shares of companies listed in Athens Stock Exchange Market.

(All amounts in €'000)

20. Cash and Cash Equivalents

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

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Cash at bank and in hand	23.914	30.327	489	1.875
Short-term bank deposits	11.079	34.313	3.559	8.270
Total	**34.994**	**64.641**	**4.048**	**10.146**

The effective interest rate on short-term bank deposits for the Company was 1,99% (2009: 1,74%).

Cash and cash equivalents are analysed in the following currencies:

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Euro (EUR)	21.664	51.040	372	2.557
US Dollar (USD)	4.986	5.811	97	1.136
Japanese Yen (JPY)	3.100	6.420	3.100	6.420
Romanian New Lei (RON)	4.205	496	474	-
Bulgarian Leva (BGN)	424	331	-	-
Other	615	543	5	32
	34.994	**64.641**	**4.048**	**10.146**

The Group's bank deposits in JPY have fixed exchange rate / fixed return, and as a result there is no exposure to risk from JPY exchange rate changes.

21. Share Capital

	Number of shares	**Share capital**	**Share premium**	**Treasury shares**	**Total**
Balance at 1 January 2009	131.345.181	187.567	194.204	(7.724)	374.046
Treasury shares	600.000	-	-	3.102	3.102
Balance at 31 December 2009	**131.945.181**	**187.567**	**194.204**	**(4.622)**	**377.148**
Balance at 1 January 2010	131.945.181	187.567	194.204	(4.622)	377.148
Treasury shares	1.080.815	-	-	4.622	4.622
Balance at 31 December 2010	**133.025.996**	**187.567**	**194.204**	**-**	**381.771**

(All amounts in €'000)

On 31 December 2010 the Company's share capital comprised 133.026.017 shares with a nominal value of €1,41 each.

Treasury shares

During 2009, the Company granted 600.000 treasury shares with total acquisition cost of €3.102. During 2010 the Company granted 1.080.836 treasury shares to Group employees the cost of which was €4.622. As a result on 31 December 2010 the Company does not possess any treasury shares.

The charge to the income statement from the free distribution of treasury shares for the Group and the Company was €826 and €183 respectively (2009: €1.044 and €546 respectively).

Share options

Share options are granted to directors, management and employees of the Group.

A summary of share options granted is as follows:

Share options	**2010**	**2009**
Outstanding at 1 January	99.160	121.790
Expired	(84.860)	(22.630)
Outstanding at 31 December	**14.300**	**99.160**

The outstanding share options can be exercised wholly or partly within a period of 5 years from the year granted, during the first 15 days of December of each respective year. Consequently, the share options granted during 2006 can be exercised up to December 2011. No share options were granted by the Company after year 2006.

During the year 2007, a subsidiary company granted to executives 220 share options which are based on its share price, giving the right to the executives to exchange the share options with a determined amount of cash at the end of the vesting period (31 March 2010). These benefits were accounted partly as an obligation and partly through equity.

The total charge in the consolidated income statement is €183 (liability €138 and equity €45). For the year 2009 the total charge in the consolidated income statement was €767 (liability €587 and equity €180).

During the exercise of the share options, the amounts received net of any transaction costs are included in the share capital (nominal value) and in the share premium.

The fair value of the share options is determined on grant date using the Binomial model. Fair value reflects the inputs into the model, such as the risk-free interest rate, the expected share volatility, the dividend yield and the expected option life. The fair value is recognised as an expense over the vesting period of the share options. In the case that the share options are cash-settled and thus a liability is recorded, the fair value of the share options is determined at each balance sheet date.

(All amounts in €'000)

22. Other Reserves

Group

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Fair value reserves	Total
Balance at 1 January 2009	29.956	8.099	121.804	56.797	(28.901)	(655)	187.099
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(75)	(75)
Exchange differences	-	-	-	-	-	(730)	(730)
Fair value loss on cash flow hedge	-	-	-	-	-	(286)	(286)
Transfers between reserves	255	-	962	-	(920)	(81)	216
Balance at 31 December 2009	**30.211**	**8.099**	**122.765**	**56.797**	**(29.822)**	**(1.826)**	**186.224**
Balance at 1 January 2010	30.211	8.099	122.765	56.797	(29.822)	(1.826)	186.224
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(859)	(859)
Exchange differences	-	-	-	-	-	(280)	(280)
Fair value loss on cash flow hedge	-	-	-	-	-	(430)	(430)
Disposal of subsidiaries	-	206	-	-	(35)	-	171
Transfers between reserves	263	-	1.720	-	812	(1.315)	1.480
Stock options	-	-	-	-	45	-	45
Balance at 31 December 2010	**30.474**	**8.305**	**124.485**	**56.797**	**(29.000)**	**(4.710)**	**186.351**

Company

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Fair value reserves	Total
Balance at 1 January 2009	26.719	8.069	55.376	56.981	(27)	147.118
Fair value loss on available-for-sale financial assets	-	-	-	-	(2)	(2)
Transfer between reserves	-	-	614	-	-	614
Balance at 31 December 2009	**26.719**	**8.069**	**55.990**	**56.981**	**(28)**	**147.730**
Balance at 1 January 2010	26.719	8.069	55.990	56.981	(28)	147.730
Fair value loss on available-for-sale financial assets	-	-	-	-	(5)	(5)
Balance at 31 December 2010	**26.719**	**8.069**	**55.990**	**56.981**	**(34)**	**147.725**

(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.

(All amounts in €'000)

(b) Special reserve

The special reserve includes amounts that were created following resolutions of the Annual General meetings, have no specific purpose and can therefore be used for any reason following approval from the Annual General meeting, as well as amounts, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Tax free reserve

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 development laws in force each time. In other words, this reserve is created from profits for which no tax is calculated or paid.

Reserves created under the provisions of tax law from tax free income or from income taxed under special provisions

This reserve includes the portion of the net income carried forward every year that comes from tax-free profits and profits taxed under special provisions by using up the tax liability.

The above-mentioned reserves can be capitalised or distributed, following the approval of the Annual General Meeting, after taking into consideration the restrictions that may apply. In case of capitalisation or distribution, tax is calculated at the current tax rate.

(d) Fair value reserve

It includes the amount of €1.241 which relates to fair value losses for the year from cash flow hedges, the amount of €641 which relates to fair value losses from available for sale investments and foreign exchange currency differences.

23. Borrowings

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Non-current borrowings				
Bank loans	4.772	9.514	3.098	6.196
Finance lease liabilities	13.272	4.783	10.601	-
Bond loans	140.284	154.551	-	-
Total non-current borrowings	**158.328**	**168.848**	**13.699**	**6.196**
Current borrowings				
Bank loans	169.376	162.853	13.098	9.698
Bond loans	19.589	3.999	-	-
Finance lease liabilities	3.840	4.940	742	-
Total current borrowings	**192.805**	**171.792**	**13.840**	**9.698**
Total borrowings	**351.133**	**340.640**	**27.539**	**15.894**

(All amounts in €'000)

The loans of the Group and Company are analyzed in the following currencies.

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Euro	345.556	334.484	27.539	15.894
US dollar (USD)	2.587	2.718	-	-
Danish Corona (DKK)	1.410	1.093	-	-
Polish Slot	1.574	2.226	-	-
Other	6	118	-	-
	351.133	**340.640**	**27.539**	**15.894**

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

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Between 1 and 2 years	31.198	28.783	3.176	3.376
Between 2 and 3 years	36.691	33.709	-	3.217
Between 3 and 5 years	91.702	127.209	-	-
More than 5 years	-	1.235	-	-
	159.591	**190.936**	**3.176**	**6.594**

As at December 2010 the subsidiary companies had bond loans with weighted average floating interest rate of 4,27% (2009: 3,61%).

The weighted average interest rate for all the other borrowings of the Group and the Company for 2010 was approximately 4,60% and 5,26% respectively (2009: 4,02% and 3,47% respectively).

Long-term borrowings of the Group relates mainly to the syndicated loan of the subsidiary Hellas online SA of €144,5 mil. The repayment of the loan will be in 8 installments, of which the first 7 installments will repay 50% of the total loan and the last installment payable on the expiration date of the loan will repay the remaining balance. The first installment is due in April 2011 and the last in October 2014.

Securities relating to the above borrowings are disclosed in note 40.

(All amounts in €'000)

Finance leases

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	4.585	5.414	1.293	-
Between 2 and 5 years	7.884	5.245	5.179	-
More than 5 years	8.681	-	8.484	-
Total	21.150	10.659	14.957	-
Less: Future finance charges on finance leases	(4.038)	(936)	(3.614)	-
Present value of finance lease liabilities	**17.112**	**9.723**	**11.343**	**-**

Present value of finance lease liabilities:				
Not later than 1 year	3.840	4.940	742	-
Between 2 and 5 years	5.864	4.783	3.373	-
More than 5 years	7.408	-	7.228	-
Total	**17.112**	**9.723**	**11.343**	**-**

During the period the Company has signed a sale and leaseback agreement for a building. From the transaction, the Company has received €11.700 that is shown under "Proceeds from borrowings" in the cash-flow statement.

24. Retirement Benefit Obligations

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Balance sheet obligations for:				
Pension benefits	**5.215**	**4.881**	**335**	**298**
Income statement charge				
Pension benefits (Note 30)	**2.840**	**2.143**	**123**	**483**

The amounts recognized in the balance sheet are determined as follows:

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Present value of unfunded obligations	6.164	5.476	427	387
Unrecognised actuarial gains / (losses)	(949)	(595)	(92)	(90)
Liability on the balance sheet	**5.215**	**4.881**	**335**	**298**

(All amounts in €'000)

The amounts recognised in the income statement are as follows:

	Group		Company	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Current service cost	908	979	47	41
Interest cost	306	275	22	29
Net actuarial losses recognised during the year	545	92	3	-
Past-service cost	3	-	-	-
Losses on curtailment	1.078	797	52	413
Total, included in staff costs	**2.840**	**2.143**	**123**	**483**

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

	Group		Company	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Cost of goods sold	1.666	959	-	-
Selling costs	524	303	-	-
Administrative expenses	650	881	123	483
	2.840	**2.143**	**123**	**483**

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

	Group		Company	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Balance at the beginning of the year	4.880	4.480	298	504
Exchange differences		3	-	-
Total expense charged to the income statement	2.840	2.143	123	483
Contributions paid	(2.448)	(1.746)	(86)	(689)
Disposal of subsidiary	(58)	-	-	-
Balance at the end of the year	**5.214**	**4.880**	**335**	**298**

The principal actuarial assumptions used are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
Discount rate	5,60%	5,60% - 6,00%	5,60%	5,60%
Future salary increases	4,00%	0,50% - 4,50%	4,00%	4,50%

(All amounts in €'000)

25. Grants

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Balance at the beginning of the year	24.549	12.624	-	-
Additions	11.485	16.911	-	-
Depreciation charge (note 31)	(9.714)	(4.986)	-	-
Balance at the end of the year	**26.320**	**24.549**	**-**	**-**
Current portion	5.432	3.168	-	-
Non-current portion	20.888	21.382	-	-
Total	**26.320**	**24.549**	**-**	**-**

The grants received in the years 2009 and 2010 relate to subsidies from the "Society of Information" and "Development Law" to the subsidiary company Hellas online for the expansion of its telecommunications network. The amount of €5.721 included in additions of 2010 was not received until 31 December 2010.

26. Derivative Financial Instruments

	Group		Nominal Value	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Cash flow hedge	**Liabilities**	**Liabilities**		
Interest rate swaps	948	192	29.875	29.875
Interest rate caps	293	244	44.375	44.375
Total	**1.241**	**436**	**74.250**	**74.250**
Non-current liabilities	**1.241**	**436**		
	1.241	**436**		

There was not any portion determined to be an ineffective hedge recognized in the income statement.

The derivative financial instruments are recognized as non-current assets / non-current liabilities if the remaining period to maturity exceeds 12 months and as current assets/current liabilities if the remaining period to maturity is less than 12 months.

Gains and losses recognized in equity (note 22) from interest rate swaps at 31 December 2010 will be gradually transferred to the income statement until the repayment of the related debt.

Loss for the period amounts to €805 (2009:€436).

(All amounts in €'000)

27. Provisions

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Current liabilities	6.790	6.921	1.568	1.568
Non- current liabilities	1.939	3.631	-	-
Total	**8.729**	**10.551**	**1.568**	**1.568**

Group

	Warranties	Unused compensated absences	Unaudited tax years	Other	Total
Balance at 1 January 2009	4.838	767	1.748	7.375	14.727
Additional provisions	-	727	605	4.499	5.831
Unused amounts reversed	(1.951)	-	(34)	(2.465)	(4.449)
Provisions used during the year	(1.833)	(667)	(546)	(2.536)	(5.582)
Acquisition of subsidiary	-	-	-	46	46
Disposal of subsidiary	-	-	-	(21)	(21)
Balance at 31 December 2009	**1.054**	**826**	**1.773**	**6.898**	**10.551**
Balance at 1 January 2010	1.054	826	1.773	6.898	10.551
Additional provisions	420	825	540	3.498	5.282
Unused amounts reversed	-	-	-	(158)	(158)
Provisions used during the year	(696)	(759)	(654)	(4.807)	(6.917)
Disposal of subsidiary	-	-	(29)	-	(29)
Balance at 31 December 2010	**778**	**892**	**1.629**	**5.430**	**8.729**

The amount of other provisions €5.430 as at 31 December 2010 includes inter alia the amount of €1.020 for the recognition of losses from loss making contracts and the amount of €2.148 for accrued employee benefits. The corresponding amount as at 31 December 2009 includes the amount of €579 for the recognition of losses from loss making contracts and the amount of €3.613 for accrued employee benefits.

Company

	Unused compensated absences	Other	Total
Balance at 1 January 2009	68	1.574	1.642
Unused amounts reversed	-	(74)	(74)
Balance at 31 December 2009	**68**	**1.500**	**1.568**
Balance at 1 January 2010	68	1.500	1.568
Balance at 31 December 2010	**68**	**1.500**	**1.568**

(All amounts in €'000)

28. Trade and Other Payables

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Trade payables	129.746	134.159	1.246	1.299
Prepayments from customers	56.412	58.761	-	-
Deffered income	20.199	12.589	-	-
Amounts due to related parties (Note 41)	62.305	56.861	4.495	5.623
Accrued expenses	11.457	15.199	138	1.081
Social security and other taxes	7.204	7.763	570	451
Other liabilities	17.521	15.696	1.007	794
Total	**304.844**	**301.030**	**7.456**	**9.248**
Non-current liabilities	13.387	16.744	-	-
Current liabilities	291.457	284.285	7.456	9.248
	304.844	**301.030**	**7.456**	**9.248**

Non-current liabilities as at 31 December 2010 include an amount of €13.387 that relates to deferred income (31 December 2009: €4.058).

The credit payment terms provided to the Group are determined on a case-by-case basis and are set out in the contracts signed with each supplier.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Euro	259.479	268.749	7.381	9.010
US Dollar (USD)	37.536	18.345	22	186
Romanian New Lei (RON)	1.274	6.680	-	-
Polish Zloty (PLN)	1.534	3.824	-	-
Bulgarian Leva (BGN)	578	766	-	-
Jordan Dinar (JOD)	3.492	1.379	-	-
Other	951	1.287	53	52
	304.844	**301.030**	**7.456**	**9.248**

(All amounts in €'000)

29. Expenses by Nature

	Note	Group		Company	
		1/1 - 31/12/2010	1/1 - 31/12/2009	1/1 - 31/12/2010	1/1 - 31/12/2009
Employee benefit expense	30	133.401	134.064	4.470	5.609
Inventory cost recognised in cost of goods sold		81.784	89.372	-	-
Depreciation of PPE	6	44.708	34.941	1.160	1.421
Depreciation of investment property	9	696	561	897	764
Amortisation of intangible assets	8	33.818	27.660	4	191
Impairment of inventories		673	783	-	-
Repairs and maintenance		2.619	7.360	382	427
Operating lease payments		9.040	6.965	-	-
Subcontractors' fees		100.835	128.191	-	-
Impairment of receivables	16	15.407	6.166	-	-
Telecommunications cost		104.794	91.592	-	-
Transportation and travelling expenses		6.505	6.806	881	911
Third party fees		28.012	29.038	1.080	1.425
Advertisement		9.945	12.231	245	372
Other		34.870	14.089	2.351	2.334
Total		**607.107**	**589.819**	**11.471**	**13.455**
Split by function:					
Cost of goods sold		496.163	488.021	2.421	2.944
Selling and research costs		43.250	39.814	123	157
Administrative expenses		67.694	61.983	8.927	10.355
		607.107	**589.819**	**11.471**	**13.455**
Split of depreciation by function:					
Cost of goods sold		64.323	50.729	227	317
Selling and research costs		1.036	1.347		5
Administrative expenses		13.864	11.086	1.834	2.054
		79.223	**63.162**	**2.061**	**2.376**

30. Employee Benefits

	Group		Company	
	1/1 - 31/12/2010	1/1 - 31/12/2009	1/1 - 31/12/2010	1/1 - 31/12/2009
Wages and salaries	104.907	106.110	3.754	4.120
Social security costs	23.438	23.316	354	396
Other employers' contributions and expenses	1.022	1.229	56	64
Share options granted to employees / treasury shares (Note 21)	1.009	1.811	183	546
Pension costs - defined contribution plans	606	480	-	-
Pension costs - defined benefit plans (Note 24)	2.840	2.143	123	483
Other post-employment benefits	1.319	1.300	-	-
Less: capitalisations to assets under construction	(1.740)	(2.324)	-	-
Total	**133.401**	**134.064**	**4.470**	**5.609**

The subsidiary company Hellas online has capitalized during the year 2010 employee costs of €1.740 (2009: €2.324) which relate to the construction of its telecommunications network.

(All amounts in €'000)

31. Other Operating Income

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Dividend income	2	12	200	1.500
Rental income	1.918	2.072	2.930	3.180
Depreciation of grants received (Note 25)	9.714	4.986	-	-
Income from grants	76	183	1	22
Insurance compensations	2.626	-	-	-
Other	3.487	2.073	-	-
Total	**17.824**	**9.327**	**3.130**	**4.702**

32. Other Gains / (Losses) – Net

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Gains / (losses) from sale of PPE	(410)	1.479	1	681
Gains / (losses) from sale of investment property	(811)	724	-	172
Impairment of investment property	-	(2.506)	-	(1.579)
Fair value losses of financial assets at fair value through profit or loss	(111)	(65)	-	-
Gains from sale of financial assets at fair value through profit or loss	-	92	-	-
Losses from sale of available-for-sale financial assets	-	(145)	-	-
Impairment of available-for-sale financial assets	(46)	-	(46)	-
Impairment of intangibles assets	(496)	(2.285)	-	-
Losses from sale of subsidiaries	(7)	-	-	-
Gains from sale of associates (Note 11)	-	450	-	374
Impairment of subsidiaries (Note 10)	-	-	(3.524)	(11.430)
Proceeds from receivables	-	7.304	-	6.034
Write offs / impairment of other receivables	-	(9.482)	-	-
Negative goodwill from acquisition of businesses (note 38)	193	-	-	-
Net foreign exchange gains / (losses)	(18)	121	15	-
Other	(464)	(320)	(130)	(1.085)
Total	**(2.170)**	**(4.632)**	**(3.685)**	**(6.833)**

(All amounts in €'000)

33. Finance Expenses / (Income) - Net

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Finance expenses				
Interest and related expense				
- Bank borrowings	8.880	7.365	862	887
- Bond loans	6.835	8.083	-	-
- Finance leases	709	516	291	-
- Letters of credit and related costs	2.222	2.157		
- Net foreign exchange gains / (losses)	(305)	3.543	-	-
- Other	3.284	794	-	876
	21.626	22.459	1.153	1.764
Finance income				
Interest income	(610)	(386)	(216)	(255)
Interest income from loans	(392)	(500)	(392)	(500)
Other	(16)	(1.378)	-	
	(1.018)	(2.264)	(608)	(755)
Less: Capitalisations to assets under construction	-	901	-	-
Finance expenses / (income) - net	**20.608**	**19.294**	**545**	**1.009**

34. Income Tax Expense

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Current tax	4.839	4.538	20	183
Deffered tax (Note 14)	2.238	(7.271)	68	411
Total	**7.077**	**(2.733)**	**88**	**594**

On 6 May 2010 the Greek Government implemented the Law regarding the "Special Tax Contribution" (Law 3845/2010). This special contribution, which was imposed retrospectively on the overall net income of the Group of year 2009, amounted to €609 for the Group and was recorded in the income tax of the year.

During the year 2010 the corporate income tax regime was amended under the Law 3842/23.04.2010, based on which the income tax rate on non-distributed profits arises to 24% (to be reduced annually by 1 percentage point until it reaches 20% by 2014), whereas on distributed profits it arises to 40%.

The tax on the profit before tax of the Group and the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of the group companies as follows:

(All amounts in €'000)

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Loss before tax	(38.804)	(5.311)	(9.672)	(12.438)
Tax calculated at tax rates applicable to Greece	(9.313)	(1.328)	(2.321)	(3.110)
Income not subject to tax	(879)	(15.759)	(56)	(1.706)
Expenses not deductible for tax purposes	11.766	7.792	615	25
Differences in tax rates	830	1.746	-	-
Utilisation of previously unrecognised tax losses	(49)	(638)	-	-
Income tax effect from prior years' tax losses that cannot be carried forward	749	-	-	-
Tax losses for which no deferred tax asset was recognised	2.543	4.839	1.851	5.202
Tax losses for the year	-	-	-	-
Prior years' taxes	615	-	-	-
Special Tax Contribution N.3845/2010	609	-	-	-
Other	206	615	-	183
Tax charge	**7.077**	**(2.733)**	**88**	**594**

35. Earnings per Share

Basic earnings / (losses) per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 21).

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Profit / (loss) attributable to equity holders of the Company	(30.530)	10.497	(9.761)	(13.032)
Weighted average number of ordinary shares in issue (thousands)	131.648	131.648	132.472	131.648
Basic earnings per share (€ per share)	**(0,23)**	**0,08**	**(0,07)**	**(0,10)**

Diluted Earnings / (Losses) per Share

Diluted earnings/(loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(All amounts in €'000)

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Profit / (loss) attributable to equity holders of the Company	(30.530)	10.497	(9.761)	(13.032)
Weighted average number of ordinary shares in issue (thousands)	131.648	131.648	132.472	131.648
Diluted earnings per share (€ per share)	**(0,23)**	**0,08**	**(0,07)**	**(0,10)**

From the calculation of the weighted average number of ordinary shares of diluted earnings, no difference has occurred in relation to basic earnings per share.

36. Cash Generated from Operations

		Group		Company	
	Note	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Loss for the year		(45.881)	(2.577)	(9.761)	(13.032)
Adjustments for:					
Tax		7.077	(2.733)	88	594
Depreciation of PPE	6	44.708	34.941	1.160	1.421
Amortisation of intangible assets	8	33.818	27.660	4	191
Depreciation of investment property	9	696	561	897	764
Impairment of investment property	32	-	2.506	-	1.579
Impairment of intangible assets	32	496	2.285	-	-
Loss / (Profit) on sale of PPE	32	410	(1.479)	-	(681)
Loss / (Profit) on sale of investment property	32	811	(724)	-	(172)
Fair value losses of financial assets at fair value through profit or loss	32	111	65	-	-
Losses / (gains) from sale of financial assets at fair value through profit or loss	32	-	(92)	-	-
Losses from sale of available-for-sale financial assets	32	-	145	-	-
Impairment of available-for-sale financial assets	32	46	-	46	-
Impairment of subsidiary	32	-	-	3.524	11.430
Loss on disposal of subsidiary	32	7	-	-	-
Gains on disposal of associates	32	-	(450)	-	(374)
Gain from change in interest held in subsidiary	10	-	(51.007)	-	-
Negative goodwill from acquisition of subsidiaries	32	(193)	-	-	-
Distribution of treasury shares	21	826	1.044	183	546
Employees share option scheme	21	45	183	-	-
Interest income	33	(1.018)	(2.264)	(608)	(755)
Interest expense	33	21.626	21.558	1.153	1.764
Dividend income	31	-	(12)	(200)	(1.500)
Depreciation of grants received	31	(9.714)	(4.986)	-	-
Share of profit from associates and joint ventures	11	1.998	2.322	-	-
Exchange loss / (gain)		253	(194)	-	-
		56.124	**26.750**	**(3.513)**	**1.774**
Changes in working capital					
Decrease in inventories		2.773	1.996	-	-
(Increase)/ decrease in trade and other receivables		(14.889)	6.665	(513)	39
Increase/ (decrease) in trade and other payables		12.438	13.908	(1.934)	(3.797)
Decrease in provisions		(1.793)	(4.175)	-	(74)
Increase/ (decrease) in retirement benefit obligations		392	400	37	(206)
		(1.079)	**18.795**	**(2.409)**	**(4.039)**
Cash generated from operations		**55.045**	**45.545**	**(5.923)**	**(2.264)**

(All amounts in €'000)

37. Assets Classified as Held for Sale

Intrakat SA

The amount of €7.369 classified as asset held for sale in 2009 relates to the cost of land of the subsidiary company Intrakat SA for which a preliminary sales agreement with IASO SA has been drafted for the construction of a private maternity clinic. Due to the mutual cancellation of the agreement on 21 May 2010, the land was transferred to investment property at cost, which is lower than its fair value.

Fornax RT

On 26 February 2010 the subsidiary company Intracom Technologies Ltd disposed of its entire holding (67%) in the subsidiary Fornax RT («Fornax group») for €350.000. Negotiations for the disposal had begun in the last quarter of 2009. The disposal resulted to a marginal gain for the Group.

The assets of €2.922 and liabilities of €2.596 as at 31 December 2009, as detailed in the table below, are presented in separate lines in the balance sheet.

Assets	**31/12/2009**
Property, plant and equipment	417
Intangibles assets	3
Trade and other receivables	2.213
Cash and cash equivalents	222
Other assets	67
	2.922
Liabilities	
Borrowings	1.218
Trade and other payables	1.358
Provisions	21
	2.596

(All amounts in €'000)

38. Business Combinations

Intrapower SA (Sub-Group Intrakat SA)

Intrapower SA was founded on 8 April 2010, it is established in Greece and its main activity is the supply, construction, installment and operation of photovoltaic parks and other energy or environmental projects. Its share capital amounts to €60 divided into 6.000 ordinary shares with a nominal value of €10 per share. Intrakat holds 4.500 shares of the newly established company, representing 75% of its share capital. The effect of the establishment on the Group's results was not material.

Rominplot srl (Sub-Group Intrakat SA)

In June 2010, Intrakat fully acquired the company Rominplot Srl, the main activity of which is the ownership of a plot of land in Bucharest.

The fair value of assets and liabilities at the acquisition date are as follows:

Assets	**Fair values**
Investment property	2.655
Cash and cash equivalents	151
Other assets	4
	2.810
Liabilities	
Borrowings	2.600
Other liabilities	86
	2.686
Net assets	**123**
Purchase consideration	0
Negative goodwill	**(123)**
Cash outflows	
Purchase consideration	(0)
Cash and cash equivalents of acquired entity	151
	151

The acquisition resulted in negative goodwill of €123 which has been recorded in the income statement of the year, in the line "Other gain / (losses)" (Note 32). The effect of the acquisition on the Group's results was not material.

SC Plurin (Sub-Group Intrakat SA)

In August 2010, the subsidiaries Intrakat International Ltd and Intracom Construct SA acquired the remaining 50% of the shares of SC Plurin Telecommunications SRL, for €0,5. Until then, the Group owned 50% of the company's share capital, through its subsidiary Intrakat International Ltd, and it was consolidated as an associate using the equity method. After the acquisition of the remaining 50% (total shareholding held by Intrakat International Ltd is 99% and by Intracom Construct SA is 1%), the company is consolidated using the full consolidation method. The fair value of assets and liabilities at the acquisition date are as follows:

(All amounts in €'000)

Assets	**Fair values**
Cash and cash equivalents	127
Other assets	28
	155
Liabilities	
Other liabilities	16
	16
Net assets	**139**
Percentage 50%	**70**
Purchase consideration	1
Negative goodwill	**(69)**
Cash outflows	
Purchase consideration	(1)
Cash and cash equivalents of acquired entity	127
	126

The acquisition resulted in negative goodwill of €69 which has been recorded in the income statement of the year, in the line "Other gain / (losses)" (Note 32). The effect of the acquisition on the Group's results was not material.

Ambtila Enterprises Limited (Sub-Group Intrakat SA)

On 31 December 2010 the Group acquired, through its subsidiary Intrakat International, the 100% of the share capital of the company Ambtila Enterprises Limited, established in Cyprus, the only activity of which is the ownership of 50% of the share capital of the company A. Katselis Energeiaki SA. The aforementioned acquisition's scope is the construction and development of a wind park in the Prefecture of Voiotia by A. Katselis Energeiaki SA, which owns the license for the production of wind energy with a total capacity of 20,7 MW.

The fair value of assets and liabilities at the acquisition date are as follows:

Assets	**Fair values**
Property, plant and equipment	34
Cash and cash equivalents	4
Other assets	7
	45
Liabilities	
Other liabilities	57
	57
Net assets	**(13)**
Purchase consideration	2.588
Goodwill	**2.600**
Cash outflows	
Purchase consideration	(1.294)
Cash and cash equivalents of entity acquired	4
	(1.290)

The total purchase consideration consists of €1.294 paid in cash and €1.294 consideration payable. The acquisition resulted in positive goodwill of €2.600. The effect of the acquisition on the Group's results was not material.

(All amounts in €'000)

Intra-Phos (Sub-Group Intrakat SA)

The company Intra-Phos SA was founded on 23 September 2010, it is established in Greece and its operation includes any activity relating to energy. Its share capital amounts to €60 divided into 6.000 ordinary shares with a nominal value of €10 per share. Intrakat holds 2.520 shares of the new company which stands for 42% of its share capital and has control on the company's management. Consequently, the investment is classified as a subsidiary and is consolidated using the full consolidation method. The effect of the establishment on the Group's results was not material.

39. Commitments

Capital commitments

As at the balance sheet date there were capital commitments for Property, plant and equipment of €8.253 for the Group (2009: €7.859).

Operating lease commitments

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Up to 1 year	3.984	2.684	313	327
From 2 to 5 years	7.018	4.749	227	354
More than 5 years	4.651	992	-	-
	15.653	**8.426**	**540**	**681**

40. Contingencies / Outstanding Legal Cases

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

	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Guarrantees for advance payments	50.360	78.088	47.229	71.330
Guarrantees for good performance	167.089	155.370	152.113	113.468
Guarrantees for participation in contests	23.479	15.495	10.126	6.236
Other	14.588	11.732	9.775	5.645
	255.516	**260.685**	**219.243**	**196.680**

The Company has given guarantees to banks for subsidiaries' loans amounting to €362.976.

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

<u>Outstanding legal cases</u>

There is an outstanding legal case against a subsidiary company from the Ministry of Merchant Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed have been reduced to €9 mil., following relevant appeals of the Company and ministerial decisions. Subsequently, according to a decision by the administrative court of appeal of Piraeus, the above mentioned penalties and rebates were cancelled. According to the Company's legal advisers the appeal exercised by the Greek State against the previous decision by the administrative court of appeal of Piraeus will not succeed and hence there will be no surcharge on the Company. In addition the company, in order to ensure its claim for the remaining balance of the project consideration (€9 mil. approximately) against an assumed request by the State for statutory-limitation, it filed an appeal against the Greek State.

On 4 March 2008 specific major shareholders of Teledome S.A. took legal action against Intracom Holdings, Hellas Online and members of the Management, requesting among others, to abolish the earlier decision of key management personnel (Board of Directors and General Meeting) of the Group for the annulment of the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €141 mil. is claimed from the parent company and the subsidiary, for the loss and the moral damage that the plaintiffs allege to have suffer. The Group's management and its lawyers assess that the possibility of any material liabilities arising for the Group in relation to this case is very low.

The Hellas Online Group is in dispute, which is under examination by EETT (Hellenic Telecommunications and Post Commission), with OTE SA regarding certain charges of the latter which are claimed to be unlawful. In relation to this case, the company disputed charges of €2.825 as at 31 December 2010, for which a provision of an equal amount has been recorded.

It is not anticipated that any material liabilities will arise from the contingent liabilities.

(All amounts in €'000)

41. Related Party Transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Sales of goods / services:				
To subsidiaries	-	-	2.237	2.629
To associates	3.032	3.472	285	411
To other related parties	6.389	2.943	13	2
	9.421	**6.415**	**2.536**	**3.042**
Purchases of goods / services:				
From subsidiaries	-	-	457	462
From associates	8.809	10.637	6	67
From other related parties	140	853	26	53
	8.948	**11.490**	**489**	**581**
Rental income:				
From subsidiaries	-	-	1.671	1.664
From associates	722	941	287	562
From other related parties	306	288	166	167
	1.028	**1.229**	**2.124**	**2.393**
Dividend income:				
From subsidiaries	**-**	**-**	**200**	**1.500**

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Purchases of fixed assets:				
From subsidiaries	-	-	20	145
From associates	19.423	24.583	-	-
From other related parties	-	531	-	-
	19.423	**25.114**	**20**	**145**
Disposals of fixed assets:				
To subsidiaries	-	-	8	83
To other related parties	-	4.505	-	4.505
		4.505	**8**	**4.588**

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

(All amounts in €'000)

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

	Group		Company	
	1/1 - 31/12/2010	**1/1 - 31/12/2009**	**1/1 - 31/12/2010**	**1/1 - 31/12/2009**
Receivables from related parties				
From subsidiaries	-	-	9.369	10.160
From associates	7.908	8.451	2.705	2.443
From other related parties	9.770	15.510	1.195	4.423
	17.678	**23.961**	**13.268**	**17.027**
Payables to related parties				
To subsidiaries	-	-	973	2.198
To associates	61.571	56.058	3.442	3.372
To other related parties	734	803	80	52
	62.305	**56.861**	**4.495**	**5.623**

Key Management compensations

Total amount of €2.103 has been paid by the Company as directors' remuneration and key management compensation for the year 2010 (2009: €2.636). The outstanding balance due to directors as at 31 December 2010 was €0 (2009: €0).

42. Post-Balance Sheet Events

No significant events occurred after the balance sheet date.

(All amounts in €'000)

43. Subsidiaries

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

31 December 2010

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2007 - 2009
*	HELLAS ON LINE	Greece	49,25% (note 1)	Full	2007- 2009
	- Attica Telecommunications SA	Greece	100,00%	Full	2008-2009
*	Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Group USA	USA	100,00%	Full	From establishment - 2009
	- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment - 2009
*	Intracom IT Services	Greece	100,00%	Full	2005- 2009
	- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2009
	- Data Bank SA	Greece	90,00%	Full	2009
	- Intracom IT Services Middle East & Africa	Jordan	80,00%	Full	2009
	- Intracom IT Services Denmark AS	Denmark	100,00%	Full	2008 - 2009
	- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intrasoft International SA	Luxemburg	99,76%	Full	2008-2009
	- Intrasoft SA	Greece	99,00%	Full	2008-2009
	- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2009

Note 1: The total shareholding in Hellas on Line is 53,40% through the participation of subsidiary companies of the Group.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intrakat SA	Greece	62,24%	Full	2009
- Inmaint SA	Greece	62,00%	Full	2009
- KEPA Attica SA	Greece	51,00%	Full	2005-2009
- Intracom Construct SA	Romania	96,54%	Full	2009
-Oikos Properties SRL.	Romania	100,00%	Full	2007-2009
-Rominplot SRL**	Romania	99,99% (note 2)	Full	-
- Eurokat SA	Greece	54,38%	Full	2007-2009
-J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	18,00%	Proportional	2007-2009
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2009
-SC Plurin Telecommunications SRL	Romania	99,00% (note 3)	Full	2008-2009
-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2009
-Ambtila Enterprises Limited **	Cyprus	100,00%	Full	2006-2009
-A. Katselis Energiaki SA**	Greece	50,00%	Proportional	2008-2009
- Intradevelopment SA	Greece	100,00%	Full	2004-2009
- Fracasso Hellas AE Design & construction of road safety systems	Greece	55,00%	Full	-
-Prisma - Domi ATE	Greece	50,00%	Full	2009
-J/V Athinaiki Techniki s.a.- "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Department East Macedonia & Thraki)	Greece	10,00%	Proportional	2007-2009
-J/V VIOTER s.a. - Prisma Domi ATE constructor (Sewages process facilities & subpipe of Ag.Theodorous municipality)	Greece	10,00%	Proportional	2008-2009
-J/V/ NOEL s.a. - Prisma Domi ATE - (Wind park in "Driopi")	Greece	17,50%	Proportional	2009
-J/V Prisma - Domi ATE - Mesogeios ES SA - (operation & mainten. of biolog.wastewater treatment In Oinofita-Schimatari)**	Greece	25,00%	Proportional	-
-Intrapower SA Company of Energy Works**	Greece	75,00%	Full	-
-Intra - Phos S.A. Alternative energy **	Greece	42,00%	Full	-
-ICC ATE**	Greece	50,00%	Equity	2006-2009
J./V. Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2006-2009
J./V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2003-2009
J./V. Panthessalikon Stadium	Greece	15,00%	Equity	2008-2009
J./V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2008-2009
J./V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2009
J./V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2009
J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	57,50%	Equity	2005-2009
J./V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2009
J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2009
J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2009
J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49,00%	Proportional	2007-2009
J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50,00%	Proportional	2007-2009
J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2009

Note 2: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

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

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13,33%	Proportional	2008-2009
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica South Region	Greece	49,00%	Proportional	2007-2009
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	50,00%	Proportional	2008-2009
J./V. Eurokat-ETVO- Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2009
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2007-2009
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2006-2009
J/V Intrakat - Elter - (dam construction in Filiatra)	Greece	50,00%	Proportional	2009
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1)	Greece	60,00%	Proportional	-
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2009
J/V Elter ATE - Intrakat - Nea Messimvria project**	Greece	50,00%	Proportional	-
J/V Intrakat - Filippod SA - Anthipolis project**	Greece	50,00%	Proportional	-
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Filothei & Kiffisias Aven. Network construction)**	Greece	24,00%	Proportional	-

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intracom Telecom Solutions SA	Greece	49,00%	Equity	2009
-Intracom Bulgaria S.A.	Bulgaria	100,00%	Full	1998-2009
-Intracom Svyaz Ltd.	Russia	100,00%	Full	From establishment - 2009
-Intracom Doo Skopje	FYROM	100,00%	Full	2006-2009
-Intralban Sha	Albania	95,00%	Full	2005-2009
-Intrarom S.A.	Romania	66,70%	Full	2004-2009
-Sitronics Intracom India PL	India	100,00%	Full	From establishment - 2009
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Middle East L.L.C.	United Arab Emirates	100,00%	Full	Not applicable
- Connklin Corporation	USA	100,00%	Full	2001-2009
- Intracom Telecom solutions S.R.L.	Moldova	100,00%	Full	From establishment - 2009
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2009
- E-Teleserv doo Belgrade	Serbia	100,00%	Full	-
- Intracom doo Armenia	Armenia	100,00%	Full	2008 -2009
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	Full	From establishment - 2009

* Direct shareholding

(**) These companies have been included in the Group for the first time in the current year but were not included in the corresponding year of 2009.

The companies Unibrain Inc, Fornax RT, Fornax Integrator, Fornax Informatica Doo Croatia, Fornax Slovakia, Switchlink NV and Dialogos SA were included in the consolidated financial statements for the year 2009, but not in the current year's financial statements. In particular, Dialogos SA was included in the consolidated financial statements up to 7 June 2010, at which date it was disposed of. Furthermore, Intracom Jordan has been renamed to Intracom IT Services Middle East & Africa and Razobeco Development SRL to Rominplot SRL.

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

(All amounts in €'000)

31 December 2009

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2007 - 2009
*	HELLAS ON LINE	Greece	49,25% (note 1)	Full	2007- 2009
	- Attica Telecommunications SA	Greece	100,00%	Full	2008-2009
	- Unibrain Inc	USA	100,00%	Full	From establishment - 2009
*	Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Fornax RT	Hungary	67,00%	Full	2003, 2006-2009
	- Fornax Integrator	Hungary	100,00%	Full	2001-2009
	- Fornax Informatika Doo Croatia	Croatia	100,00%	Full	2005-2009
	- Fornax Slovakia	Slovakia	100,00%	Full	2005-2009
	- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Group USA	USA	100,00%	Full	From establishment - 2009
	- Duckelco Holdings Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	From establishment - 2009
*	Intracom IT Services	Greece	100,00%	Full	2005- 2009
	- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2009
	- Dialogos SA	Greece	39,50%	Full	2007-2009
	- Data Bank SA	Greece	90,00%	Full	2009
	- Intracom Jordan Ltd	Jordan	80,00%	Full	2009
	- Intracom IT Services Denmark AS	Denmark	100,00%	Full	2008 - 2009
	- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2009
	- Intrasoft International SA	Luxembourg	99,76%	Full	2008-2009
	- Intrasoft SA	Greece	99,00%	Full	2008-2009
	- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2009
	- Switchlink NV	Belgium	65,16%	Full	From establishment - 2009

Note 1: The total shareholding in Hellas on Line is 53,40% through the participation of subsidiary companies of the Group.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intrakat SA	Greece	62,24%	Full	2008 - 2009
- Inmaint SA	Greece	62,00%	Full	2009
- KEPA Attica SA	Greece	51,00%	Full	2005-2009
- Intracom Construct SA	Romania	96,54%	Full	2009
-Oikos Properties SRL.	Romania	100,00%	Full	2007-2009
- Eurokat SA	Greece	94,38%	Full	2007-2009
-J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	31,46%	Proportional	2007-2009
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2009
-SC Plurin Telecommunications SRL	Romania	50,00%	Equity	2008-2009
-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2009
- Intradevelopment SA	Greece	100,00%	Full	2004-2009
- Fracasso Hellas AE Design & construction pf road safety systems	Greece	55,00%	Full	-
-Prisma - Domi ATE	Greece	50,00%	Full	2009
-J/V Athinaiki Techniki s.a.- "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Department East Macedonia & Thraki)	Greece	10,00%	Equity	2007-2009
-J/V VIOTER s.a. - Prisma Domi s.a. constructor (Sewages process facilities & subpipe of Ag.Theodorous municipality)	Greece	10,00%	Equity	2008-2009
-J/V/ NOEL s.a. - Prisma Domi ATE - (Wind park in "Driopi")	Greece	17,50%	Equity	2009
J./V. Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2006-2009
J./V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2003-2009
J./V. Panthessalikon Stadium	Greece	15,00%	Equity	2008-2009
J./V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2008-2009
J./V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2009
J./V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2009
J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	50,00%	Equity	2005-2009
J./V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2009
J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2009
J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2009
J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural gas installation project- Schools	Greece	30,00%	Proportional	2007-2009
South)	Greece	49,00%	Proportional	2007-2009
J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50,00%	Proportional	2007-2009
J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2009
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13,33%	Proportional	2008-2009
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2007-2009
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica	Greece	49,00%	Proportional	2007-2008
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2008-2009
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	50,00%	Proportional	2008-2009
J./V. Eurokat-ETVO- Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2009
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2007-2009
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2006-2009
J/V Intrakat - Elter - (dam construction in Filiatra)	Greece	50,00%	Proportional	2009
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1)	Greece	60,00%	Proportional	-
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2009

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intracom Telecom Solutions SA	Greece	49,00%	Equity	2009
-Intracom Bulgaria S.A.	Bulgaria	100,00%	Full	1998-2009
-Intracom Svyaz Ltd.	Russia	100,00%	Full	From establishment - 2009
-Intracom Doo Skopje	FYROM	100,00%	Full	2006-2009
-Intralban Sha	Albania	95,00%	Full	2005-2009
-Intrarom S.A.	Romania	66,70%	Full	2004-2009
-Sitronics Intracom India PL**	India	100,00%	Full	From establishment - 2009
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Middle East L.L.C.	United Arab Emirates	100,00%	Full	Not applicable
- Connklin Corporation	USA	100,00%	Full	2001-2009
- Intracom Telecom solutions S.R.L.	Moldova	100,00%	Full	From establishment - 2009
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2009
- E-Teleserv doo Belgrade**	Serbia	100,00%	Full	-
- Intracom doo Armenia	Armenia	100,00%	Full	2008 -2009
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	Full	From establishment - 2009

* Direct shareholding

E) Notes and Information

INTRACOM HOLDINGS SA
(Ledger No SA 13906/06/B/86/20)
19 km MARKOPOULOU AVE., GR-19002, PEANIA ATHENS
Concise financial information for the period from 1 January 2010 to 31 December 2010
(reported under the provisions of L.2190 Art.135 for companies which prepare annual financial statements consolidated or stand alone in accordance with IFRS)

The purpose of the financial information set out below is to provide an overview of the financial position and financial results of INTRACOM HOLDINGS SA and INTRACOM GROUP. We advice the reader, before making any investment decision or other transaction with the Company, to visit the Company's website (www.intracom.com) where the interim financial statements prepared in accordance with International Financial Reporting Standards together with the audit review of the independent auditors, whenever this is required, are presented.

Authority in charge: Ministry of Development
Web Address : www.intracom.com
Date of approval of the financial statements by the BoD: 30/03/2011

Board of Directors:
Chairman of the Board of Directors, Executive Member: Socrates P. Kokkalis
Vice Chairman and Deputy CEO, Executive Member: Dimitrios X. Klonis,
Advisor, Executive Member: George Ar. Anninos,
Non-Executive Member: Konstantinos G. Antonopoulos
Independent Non-Executive Members: Sotirios N. Filos, Dimitrios K. Hatzigrigoriadis.

Certified Auditors Accountants: Maria Charitou (L.C./ Accociation of Certified Auditors 15161)
Auditing Firm: - SOL S.A. CERTIFIED AUDITORS ACCOUNTANTS
Type of review Opinion: With no qualification

CONDENSED BALANCE SHEET
Amounts in € thousands

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
ASSETS				
Property plant and equipment	362.394	375.496	25.425	29.190
Investment property	68.368	57.618	65.768	64.008
Intangible assets	124.992	130.619	7	8
Other Non-current assets	141.986	157.397	384.211	370.930
Inventories	44.166	47.140		-
Trade Receivables	220.590	229.423	7.676	8.551
Other current assets	204.256	200.829	14.272	23.653
Non current Assets classified as held for sale	0	10.291	0	-
TOTAL ASSETS	**1.166.752**	**1.208.813**	**497.359**	**496.340**
EQUITY AND LIABILITIES				
Share capital	187.567	187.567	187.567	187.567
Reserves	224.613	255.628	271.755	280.694
Capital and reserves attributable to the Company's equity holders (a)	412.180	443.195	459.322	468.261
Non controlling interest (b)	40.637	57.300	-	-
Total Equity (c) = (a) + (b)	452.817	500.495	459.322	468.261
Long-term bank borrowings	158.328	168.848	13.699	6.196
Provisions/Other long-term liabilities	45.759	49.928	1.475	1.369
Short-term bank borrowings	192.805	171.792	13.840	9.698
Other short-term liabilities	317.043	315.154	9.023	10.816
Liabilities related to non-current assets available for sale	0	2.596	-	-
Total Liabilities (d)	713.935	708.318	38.037	28.079
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.166.752**	**1.208.813**	**497.359**	**496.340**

STATEMENT OF CHANGES IN EQUITY
Amounts in € thousands

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Balance at the beginning of period (01.01.2010 and 01.01.2009 respectively)	**500.495**	**468.487**	**468.261**	**480.251**
Total comprehensive income for the period after tax	-48.230	-55.107	-9.766	-13.034
Share capital Increase/ (Decrease)	0	83.957	-	-
Dividend Distributed	-2	-204	-	-
Effect from percentage changes in non-controlling interests	21	-	-	-
Disposal of Subsidiary	-339	0	0	0
Acquisition of Subsidiaries	0	2.138	-	-
Employees stock options scheme	45	181	-	-
Distribution of Treasury Shares	827	1.043	827	1.044
Balance at the end of period (31/12/2010 and 31/12/2009 respectively)	**452.817**	**500.495**	**459.322**	**468.261**

ADDITIONAL DATA AND INFORMATION:

1. There are no pledges on the Company's or Group's assets
2. Number of employees at the end of current period: Company 42 employees (2009, 43employees)
Group 5.487 employees (2009, 5.761 employees).
3. There are no legal disputes or cases on arbitration which may materially affect the financial position of the Company or the Group.
Other Provisions on 31.12.2010 sum up to€ 1.568 thous. for the company and € 7.100 thous. for the Group.
There are no provisions for unaudited fiscal periods for the Company, whereas provisions for unaudited fiscal periods for the Group sum up to € 1.629 thous.
There are no material provisions for legal disputes or cases on arbitration, neither for the Company nor for the Group.
4. Sales and purchases amounts, cumulatively from the beginning of the fiscal year, and the balances of receivables and payables at the end of the current period deriving, for the Company and the Group, by related party transactions, under the light of IAS 24 provisions are as follows :

(Amounts in € thousands)	Group	Company
a) Income	10.448	4.868
b) Expenses	28.372	509
c) Receivables	17.678	13.268
d) Payables	62.305	4.498
e)Transactions and remuneration of directors and key management.	2.103	2.103
f) Receivables from directors and key management	0	0
g) Payables to directors and key management	0	0

5. Information about the subsidiaries, associates and the joint ventures of the Group as at 31 December 2008 (name, country of incorporation, direct interest held), as well as the consolidation method is presented in Note 43 of the financial statements.
Furthermore, in Note 43 changes in the consolidation method are mentionned. There are no changes in the consolidation method for the companies included in the group financial statements, or companies that are not included in the consolidation.
6. The Company's tax returns have been audited by the tax authorities up to and including the fiscal year 2007.
Unaudited fiscal years by tax authorities for the Group's Companies are equally stated in Note 43.
7. At 31/12/2010 neither the company nor the Group hold any treasury shares of the mother company.
8. During the current period, expenses of€ 5 thous., referring to valuation of financial assets available for sale,have been recorded directly to Shareholder's Equity (Fair value Reserves) of the company.
Respectively, for the Group losses have been recorded of€ 2.349 thous., from which € 1.376 thous. refer to valuation of financial assets available for sale, € 168 thous.are losses from exchange rate conversion, and € 805 thous. are fair value losses of cash flow hedge.
9. In the group balance sheet at 31 December 2009, the amount of€447 has been reclassified from current income tax assets ('current assets') to deferred income tax assets ('non-current assets').
(Note 2 of financial statements).
10. Amount of € 189.581 thous. has been reclasified from share capital to Other reserves, both in the group and stand-alone balance sheet at 31 December 2009.
Mother company's Equity has not been affected by the reclassification.

STATEMENT OF COMPREHENSIVE INCOME
Amounts in € thousands

	GROUP		COMPANY	
	01/01-31/12/2010	01/01-31/12/2009	01/01-31/12/2010	01/01-31/12/2009
Sales	575.384	547.414	2.898	3.392
Gross profit (loss)	79.220	59.393	477	448
Profit/(loss) before tax, financing and investing results	-16.069	14.061	-9.128	-11.430
Profit/(loss) before income tax	-38.804	-5.311	-9.672	-12.438
Profit/(Loss) after Tax (A)	-45.881	-2.577	-9.761	-13.032
-Equity holders of the Company	-30.530	10.497	-9.761	-13.032
-Non-controlling Interest	-15.351	-13.074	-	-
Other comprehensive Income for the period, net of tax (B)	-2.349	-52.530	-5	-2
Total comprehensive Income, net of Tax (A) + (B)	-48.230	-55.107	-9.766	-13.034
-Equity holders of the Company	-32.099	9.406	-9.766	-13.034
-Non-controlling Interest	-16.131	-64.513	-	-
Earnings After Tax per share - basic (in €)	-0,2305	0,0797	-0,0737	-0,0990
Profit/(loss) before income tax, financing, investing results and total depreciation	63.154	77.223	-7.067	-9.054

CONDENSED CASH FLOW STATEMENT
Amounts in € thousands

	GROUP		COMPANY	
Indirect Method	01/01-31/12/2010	01/01-31/12/2009	01/01-31/12/2010	01/01-31/12/2009
Operating activities				
Profit/(Loss) before Income Tax (from continuing activities)	-38.804	-5.311	-9.672	-12.438
Profit/(Loss) before Income Tax (from discontinued activities)			-	-
Plus / Minus Adjustments for:				
Depreciation	79.223	63.162	2.061	2.376
Impairement of Tangible and Intangible assets	496	4.791	0	1.579
Provisions	-1.401	-3.776	37	-280
Translation Differences	253	-195	-	-
Net cash from investing activities	-6.671	-57.257	2.945	8.493
Interest expense and related costs	21.626	21.558	1.153	1.764
Plus / Minus Adjustments for Working Capital Changes or related to operating activities.				
Decrease / (increase) in inventories	2.773	1.996	-	-
Decrease / (increase) in receivables	-14.889	6.668	-513	39
Decrease / (increase) in liabilities (other than banks)	12.438	13.908	-1.934	-3.797
Less:				
Interest expenses and related costs paid	-21.669	-21.384	-1.153	-1.764
Income Tax paid	-1.484	3.647	-95	5.075
Total inflow / (ouflow) from operating activities (a)	**31.891**	**27.807**	**-7.171**	**1.047**
Investing activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	-1.267	-151	-15.588	-1.008
Proceeds from Share capital increase of subsidiary		49.823	-	-
Purchase of PPE and intangible assets	-83.893	-98.376	-62	-406
Proceeds from sales of PPE and intangible assets	9.798	5.120	4.706	1.168
Proceeds from sale of subsidiary	415	0	0	0
Interest received	626	1.004	216	255
Dividends received		12	200	1.500
Total (outflow)/ inflow from investing activities (b)	**-74.321**	**-42.568**	**-10.528**	**1.509**
Financing activities				
Proceeds from share capital increase	-	-	-	-
Payments for share capital decrease	-	-	-	-
Expenses on issue of share capital	-	-	-	-
Proceeds from borrowings	48.586	85.287	12.002	-
Repayments of borrowings	-30.618	-59.397	0	-3.400
Repayments of finance leases	-5.140	-4.892	-357	-
Dividends paid	-45	-278	-43	-75
Proceeds from grants	-	-	-	-
Total inflow / outflow from financing activities (c)	**12.783**	**20.720**	**11.602**	**-3.475**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-29.647**	**5.959**	**-6.097**	**-919**
Cash and cash equivalents at beginning of period	**64.641**	**58.682**	**10.145**	**11.064**
Cash and cash equivalents at end of period	**34.994**	**64.641**	**4.048**	**10.145**

Peania, March 30th 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO

S.P. KOKKALIS
ID No AI 091040/05.10.2009

VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND DEPUTY MANAGING DIRECTOR

D.C. KLONIS
ID No P 539675/06.11.1995

ACCOUNTING MANAGER

I. K. TSOUMAS
ID No AZ 505361/10.12.2007
L.C. 637 First Class