

ALTEC A.B.E.E. IT & TELECOMS SYSTEMS
Intermediate Financial Statements
For the period from 1 January 2007 to 30 June 2007
(figures in €)

Altec



ALTEC ABEE
FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 30 JUNE 2007
PURSUANT TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS)

It is hereby attested that the Intermediate Financial Statements attached hereto are those approved by the Board of Directors of ALTEC ABEE on 20/08/2007 and have been published in the press and uploaded on the Internet, on www.altec.gr. Note that the concise financial figures published in the press aim to provide readers with certain general financial figures but do not offer a thorough idea about the financial position and results of the Company and the Group pursuant to International Financial Reporting Standards (International Accounting Standards). It is also stressed that for the purpose of simplification the concise financial data published in the press have been abridged and items have been reclassified.

Athanassios Athanassoulis
President of the BoD.
ALTEC ABEE

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**AUDIT REPORT OF THE INDEPENDENT CHARTERED ACCOUNTANT- AUDITOR
ON INTERMEDIATE FIANCIAL STATEMENTS**

To the Shareholders of:

ALTEC ABEE IT & TELECOMMUNICATIONS SYSTEMS

Introduction

We have reviewed the attached balance sheet of “ALTEC ABEE IT & TELECOMMUNICATIONS SYSTEMS” and the attached consolidated company and subsidiaries balance sheet (The “Group”) of 30 June 2007, the relevant income statements, statements of changes in equity and cash flow statements of the Company and Group for the six month period ended on that date, as well as a selection of explanatory notes. Company management is responsible for the compilation and presentation of the summary intermediate financial information, according to International Financial Reporting Standards – IFRS, as adopted by the European Union and applied on intermediate financial information (IAS 34). Our responsibility is to express an opinion – conclusion on that summary intermediate financial information on tha basis of our review.

Review Amplitude

We have conducted our review according to International Standard 2410 “Review of Intermediate Financial Information conducted by the Independent Auditor of the Econommic Unit” to which the Greek Auditing Standards refer. The review is comprised of procedures for searching data, mainly from people responsible for financial and accounting matters, and of the application of critical analysis and other review procedures. The amplitude of a review is materially smaller than an audit based on Greek Auditing Standards and therefore it does not provide as the the ability to be assured that all important matters, otherwise noticed in an audit, are appreciated. Therefore, the current review does not hold as an audit report.

Review Conclusion

On the basis of the conducted review, we have not noticed anything that could lead us to the concusion that the attached intermediate financial information for the Company and the Group is not compiled, in any metrial way, according to IAS 34.

Athens, 24/08/2007

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	Note	THE GROUP			
		1/1-30/06/2007	1/1-30/06/2006	1/4-30/06/2007	1/4-30/06/2006
<u>INCOME STATEMENT</u>					
Sales		99.399.069	89.871.896	48.833.156	43.150.669
less: Cost of Goods Sold		-59.876.447	-61.739.563	(24.375.144)	(25.994.379)
Gross Profit		<u>39.522.622</u>	<u>28.132.333</u>	<u>24.458.012</u>	<u>17.156.290</u>
Other Operating Income		864.282	1.781.876	500.188	917.015
		<u>40.386.905</u>	<u>29.914.209</u>	<u>24.958.200</u>	<u>18.073.305</u>
Administration expenses		-6.134.267	-4.364.686	(3.767.369)	(3.076.948)
Selling & Distribution expenses		-18.316.441	-13.355.531	(10.268.639)	(7.283.084)
R & D expenses		-3.303.535	-2.758.200	(1.848.740)	(1.118.130)
Other operating expenses		-808.305	-777.945	(386.511)	(407.429)
Operating Profit		<u>11.824.356</u>	<u>8.657.847</u>	<u>8.686.941</u>	<u>6.187.714</u>
Financial expenses	7	-4.618.123	-4.330.506	(2.376.092)	(2.251.358)
Income from ordinary activities		<u>7.206.233</u>	<u>4.327.341</u>	<u>6.310.849</u>	<u>3.936.356</u>
Investment income	8	69.248	115.084	15.252	(803.976)
Income before taxes		<u>7.275.481</u>	<u>4.442.425</u>	<u>6.326.101</u>	<u>3.132.380</u>
Income tax	9	-2.677.755	-1.130.508	(2.047.828)	(879.356)
Income after taxes – Net Income		<u>4.597.727</u>	<u>3.311.917</u>	<u>4.278.273</u>	<u>2.253.024</u>
Minority interests		-65.063	81.098	(179.809)	96.470
Net income attributable to the Group		<u>4.532.664</u>	<u>3.393.015</u>	<u>4.098.464</u>	<u>2.349.494</u>
Earnings per Share (€ per share)					
Basic		0,05	0,03		

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	Note	THE COMPANY			
		1/1-30/06/2007	1/1-30/06/2006	1/4-30/06/2007	1/4-30/06/2006
<u>INCOME STATEMENT</u>					
Sales		68.017.143	49.695.274	31.567.275	23.196.917
less: Cost of Goods Sold		-44.785.029	-32.391.112	-16.596.840	-12.484.461
Gross Profit		23.232.115	17.304.163	14.970.436	10.712.455
Other operating income		787.603	1.006.117	426.605	532.342
		24.019.718	18.310.280	15.397.040	11.244.797
		0	0		
Administration expenses		-1.233.836	-1.064.981	-745.156	-506.018
Selling & Distribution expenses		-7.370.526	-6.054.798	-4.132.328	-3.138.724
R & D expenses		-3.262.832	-2.714.612	-1.835.087	-1.560.148
Other operating expenses		-432.023	-278.626	-227.489	-125.349
Operating Profit		11.720.501	8.197.263	8.456.979	5.914.558
Financial expenses	7	-4.124.365	-3.886.256	-2.148.865	-1.998.043
Income from ordinary activities		7.596.136	4.311.007	6.308.115	3.916.514
Investment income	8	69.248	115.084	15.252	-803.976
Income before taxes		7.665.384	4.426.091	6.323.366	3.112.538
Income tax	9	-2.076.223	-908.496	-1.606.668	-648.596
Income after tax – Net Income		5.589.160	3.517.595	<u>4.716.698</u>	<u>2.463.942</u>
Minority interests		0	0	0	0
Net income attributable to the Group		<u>5.589.160</u>	<u>3.517.595</u>	<u>4.716.698</u>	<u>2.463.942</u>
EPS (€ per share)					
Basic		0,06	0,04		

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BALANCE SHEET	Note	THE GROUP		THE COMPANY	
		30/6/2007	31/12/2006	30/6/2007	31/12/2006
ASSETS					
Fixed Assets					
Tangible Fixed Assets	11	34.054.968	34.701.567	20.637.446	21.134.627
Intangible Fixed Assets	12	26.968.191	18.283.774	3.604.511	3.936.347
Goodwill		0	0	0	0
Investments in subsidiaries		0	0	28.844.770	28.844.770
Investments in affiliates	13	0	0	0	0
Investments held for sale	14	2.022.828	2.022.828	2.022.828	2.022.828
Investment property	15	5.046.524	5.046.524	5.046.524	5.046.524
Long-term claims	16	305.106	304.608	68.101	70.201
Deferred tax claims	9	3.368.717	3.580.926	3.324.060	3.568.582
Total Fixed Assets		<u>71.766.334</u>	<u>63.940.227</u>	<u>63.548.241</u>	<u>64.623.880</u>
Current Assets					
Inventories	17	57.572.254	60.600.750	49.281.233	52.257.764
Trade & other receivables	18	137.805.324	140.611.244	133.000.750	123.175.435
Investments at fair value through income statement	19	15.873	700.131	15.030	479.288
Cash & cash equivalents	20	14.550.077	21.536.122	9.719.570	14.586.768
Total Current Assets		<u>209.943.528</u>	<u>223.448.247</u>	<u>192.016.584</u>	<u>190.499.256</u>
TOTAL ASSETS		<u>281.709.862</u>	<u>287.388.474</u>	<u>255.564.825</u>	<u>255.123.136</u>
OWNERS EQUITY & LIABILITIES					
OWNERS EQUITY					
Share Capital	21	44.155.320	44.155.320	44.155.320	44.155.320
Share premium reserve	21	85.390.652	85.390.652	85.390.652	85.390.652
Other reserves	22	3.606.224	3.607.342	27.769.217	27.769.217
Retained Earnings/(Losses)		-54.916.400	-59.444.187	-52.826.272	-58.415.432
Total Equity of Group Shareholders		<u>78.235.796</u>	<u>73.709.126</u>	<u>104.488.917</u>	<u>98.899.757</u>
Minority Interests		4.433.524	4.361.343	0	0
Total Equity		<u>82.669.320</u>	<u>78.070.469</u>	<u>104.488.917</u>	<u>98.899.757</u>
LIABILITIES					
Long-Term Liabilities					
Loans	24	36.456.000	45.053.538	36.456.000	45.053.538
Employee Benefits	25	2.202.861	2.070.022	1.783.916	1.682.394
Deferred Tax Liabilities	9	1.145.376	924.617	0	0
Future proceeds from state subsidiaries		33.040	0	0	0
Provisions	26	1.423.122	1.290.188	1.137.500	1.097.500
Other L/T liabilities	27	20.103	20.103	20.103	20.103
Total Long-Term Liabilities		<u>41.280.502</u>	<u>49.358.469</u>	<u>39.397.519</u>	<u>47.853.535</u>
Short-Term Liabilities					
Trade & other payables	28	79.084.585	90.543.092	38.832.841	44.370.339
Loans	24	73.522.333	66.151.568	68.367.462	61.882.312
Short-Term tax liabilities		5.153.121	3.264.877	4.478.086	2.117.193
Total short-term liabilities		<u>157.760.039</u>	<u>159.959.536</u>	<u>111.678.389</u>	<u>108.369.844</u>
Total Liabilities		<u>199.040.541</u>	<u>209.318.005</u>	<u>151.075.908</u>	<u>156.223.379</u>
TOTAL EQUITY & LIABILITIES		<u>281.709.862</u>	<u>287.388.474</u>	<u>255.564.825</u>	<u>255.123.136</u>

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STATEMENT OF CHANGES IN EQUITY - GROUP

	Share Capital	Share Premium Reserve	Revaluation Reserve	Regular Reserve	Other Reserves	Retained Profit/(Loss)	Minority Interests	Total
Balance on 31 December 2005 according to IFRS	44.155.320	85.390.652	-5.162.362	3.975.993	820.617	-57.536.455	4.277.267	75.921.032
Income for 1/1-30/6/2006 after tax	0	0	0	0	0	3.393.015	-81.098	3.311.917
Other movements	0	0	0	0	-2.126.335	-156.992	-205.110	-2.488.437
Balance on 30 June 2006 according to IFRS	44.155.320	85.390.652	-5.162.362	3.975.993	-1.305.718	-54.300.432	3.991.059	76.744.512
Balance on 31 December 2006 according to IFRS	<u>44.155.320</u>	<u>85.390.652</u>	<u>0</u>	<u>3.986.436</u>	<u>-379.094</u>	<u>-59.444.187</u>	<u>4.361.343</u>	78.070.469
Income for 1/1-30/6/2007 after tax	0	0	0	0	0	4.532.664	65.063	4.597.727
Other movements	0	0	0	5.934	-7.051	-4.877	7.119	1.124
Balance on 30 June 2007 according to IFRS	<u>44.155.320</u>	<u>85.390.652</u>	<u>0</u>	<u>3.992.369</u>	<u>-386.145</u>	<u>-54.916.400</u>	<u>4.433.524</u>	<u>82.669.320</u>

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STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share Capital	Share Premium Reserve	Revaluation Reserve	Regular Reserve	Other Reserves	Retained Profit/(Loss)	Own Shares	Total
Balance on 31 December 2005 according to IFRS	44.155.320	85.390.652	-5.162.362	3.975.993	20.210.128	-52.796.383	0	95.773.348
Income for 1/1-30/6/2006 after tax	0	0	0	0	0	3.517.595	0	3.517.595
Other movements	0	0	0	0	2.986.845	-4.855.659	0	-1.868.814
Balance on 30 June 2006 according to IFRS	44.155.320	85.390.652	-5.162.362	3.975.993	23.196.973	-54.134.447	0	97.422.129
Balance on 31 December 2006 according to IFRS	44.155.320	85.390.652	0	3.975.993	23.793.224	-58.415.432	0	98.899.757
Income for 1/1-30/6/2007 after tax	0	0	0	0	0	5.589.160	0	5.589.160
Balance on 30 June 2007 according to IFRS	<u>44.155.320</u>	<u>85.390.652</u>	<u>0</u>	<u>3.975.993</u>	<u>23.793.224</u>	<u>-52.826.272</u>	<u>0</u>	<u>104.488.917</u>

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CASH FLOWS STATEMENT

	THE GROUP		THE COMPANY	
	<u>1/1-30/06/2007</u>	<u>1/1-30/06/2006</u>	<u>1/1-30/06/2007</u>	<u>1/1-30/06/2006</u>
<u>Cash Flows from Operating Activities:</u>				
Income before tax	7.275.481	4.442.425	7.665.384	4.426.091
+/- Adjustments for:				
Depreciation	5.113.975	4.241.390	1.575.767	1.278.178
Depreciation of fixed asset subsidies	-1.291	0	0	0
Provisions	134.679	0	101.523	0
Loss/(Profit) from asset sales	8.734	0	11.693	0
Income (expense), profit (loss) from investments	-218.957	0	-166.944	0
Forex differences	-63.794	0	-46.171	0
Interest & related expenses	4.728.969	4.907.453	4.217.121	4.453.275
	<u>16.977.796</u>	<u>13.591.268</u>	<u>13.358.372</u>	<u>10.157.544</u>
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (Increase) of Inventories	3.028.496	-6.799.962	2.976.531	-5.678.575
Decrease / (Increase) of Receivables	2.873.271	10.448.260	-9.777.044	10.734.391
(Decrease) / Increase of Liabilities (other than banks)	-11.537.917	3.023.626	-5.537.498	5.102.802
(Less):				
Interest & related expenses paid-up	-4.728.969	-4.907.453	-4.217.121	-4.453.275
Taxes paid-up	-96.542	0	569.191	0
Total Inflows/(Outflows) from Operating Activities (a)	6.516.135	15.355.740	-2.627.568	15.862.887
<u>Cash Flows from Investing Activities:</u>				
Acquisition of subsidiaries, affiliates, joint ventures & other investments	-38.500	0	-38.500	363.328
Own share purchase	0	0	0	0
Acquisition of tangible & intangible fixed assets	-13.211.111	-3.947.056	-797.643	-3.048.915
Proceeds from subsidies on fixed assets	15.828	0	0	0
Proceeds from sale of tangible & intangible fixed assets	50.585	12.685.000	39.200	12.685.000
Proceeds from sale of participations and treasury investments	796.946	0	576.946	0
Interest received	110.846	692.031	92.756	682.103
Dividends received	0	0	0	0
Total Inflows/(Outflows) from Investing Activities (b)	-12.275.406	9.429.975	-127.241	10.681.516
<u>Cash Flows from Financing Activities:</u>				
Proceeds from share capital increase	0	0	0	0
Proceeds (Payments) from/of Loans	-1.226.773	-24.393.239	-2.112.389	-21.854.836

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Lease proceeds/(payments)	0	0	0	0
Dividends paid-up	0	0	0	0
BoD compensation	0	0	0	0
Total Inflows/(Outflows) from Financing Activities (c)	-1.226.773	-24.393.239	-2.112.389	-21.854.836
Net Increase/(Decrease) in Cash & Equivalents for period (a)+(b)+(c)	<u>-6.986.044</u>	<u>392.476</u>	<u>-4.867.198</u>	<u>4.689.567</u>
Cash & cash equivalents at the beginning of the period	21.536.122	17.330.318	14.586.768	9.764.673
Cash & cash equivalents at the end of the period	<u>14.550.077</u>	<u>17.722.794</u>	<u>9.719.570</u>	<u>14.454.240</u>

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ALTEC GROUP PROFILE

ALTEC Group (the “Group”) is a strong Group providing products and services in both Greece and Europe in the field of communications and information technology.

The Parent Company (the “Company”) of the Group is ALTEC S.A., which is a societe anonyme set up and operating in Greece at 12, Patmou St., Marousi, 151 23.

The shares of the parent company are listed in the Athens Stock Exchange - ASE.

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1. PRESENTATION BASIS OF FINANCIAL STATEMENTS

1.1 General

The individual-entity and consolidated financial statements of the Group and the Company of the year 1/1 – 31/12/2006 attached hereto (hereinafter referred to as “financial statements”) have been prepared pursuant to the historical cost principle except for some categories of tangible fixed assets which are assessed at fair value, on the date of transition (1/1/2004) to IFRS, which is used from then as the historic cost. Also, the financial statements have been prepared on the basis of the “going concern” rule.

The financial statements attached hereto have been prepared pursuant to IFRS, which have been issued by the International Financial Reporting Standards Board and the Interpretations issued by the Interpretations Committee, in power from 31 December 2006.

1.2 First-time adoption of IFRS

The financial statements of the Company were published, until the year ended on 31 December 2004, according to Law 2190/1920 and the Accounting Standards predetermined by the Greek Legislation up until that date. On the basis of Greek Law 3229/2004 (as amended by Law 3301/2004), Greek companies listed on any stock exchange (Greek or international) are obliged to prepare their statutory financial statements (individual entity and consolidated) pursuant to IFRSs as of the year starting on 1 January 2005 and thereafter. Therefore the Company and the Group applied IFRS 1 “First-time Adoption of IFRSs” to the preparation of the financial statements with transition date 1 January 2004. The first financial statements prepared according to IFRSs were that of the year ended on 31 December 2005.

The accounting principles that are stated on the financial statements attached hereto have been applied consistently on all years and on all companies included in them.

1.3 Statutory Financial Statements

ALTEC S.A. and its subsidiaries keep their accounting on the basis of Greek Commercial Law 2190/1920 and applicable tax laws. As of 1 January 2005 and thereafter, the subsidiaries included in the consolidated financial statements are obliged by applicable laws to prepare their statutory financial statements pursuant to International Financial Reporting

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Standards that have been adopted by the European Union. Therefore, as regards the attached consolidated financial statements, they are based on the the financial statements of subsidiaries prepared in accordance to applicable tax laws, on which have been applied all appropriate off-balance-sheet entries so as to comply with IFRSs.

1.4 Use of estimates

For financial statements to be prepared pursuant to IFRSs, the Management should proceed to estimates and assumptions affecting the amounts of assets, liabilities and the income statement, and also the disclosure of contingent liabilities and assets on the date of financial statements. These estimates and assumptions are based on experience and other factors that are presumed as fair and are amended on regular time intervals. The effect of the reviews and the adopted estimates and assumptions is recognised during the year in which they take place or during subsequent years if the review affect not only the current but also subsequent years.

1.5 Approval of Annual Financial Statements

The annual financial statements of the year ended on 31 December 2006 (1/1-31/12/2006) are approved for publication by the Board of Directors on 20 March 2007.

1.6 New Standards, Interpretations and Amendments

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued a series of new accounting standards and interpretations whose application is obligatory for the accounting periods beginning on 1 January 2006 and thereafter (unless otherwise indicated). The Company management estimates the impact of these new standards and interpretations as follows:

IAS 19 (amendment) Employee Benefits (in power from 1 January 2006)

The amendment allows companies to chose one among alternative methods of recognition of actuarial profits and losses. It is possible to impose new requirements for recognition in cases there are multi-employer pention plans, for which there is no sufficinent information for

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the implication of the accounting method. It also adds new disclosure requirements. It does not apply to the Group.

IAS 39 (amendment) Cash Flow Hedges of Forecast Intragroup Transactions (in power from 1 January 2006)

Permits the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in consolidated financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect consolidated financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognised directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated profit or loss. The amendment does not apply to the Group.

IAS 39 (amendment) Fair Value Option (in power from 1 January 2006)

The amendment restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss (the 'fair value option'). Limits the use of the option to those financial instruments that meet certain conditions. The Group does not expect the amendment will have significant effects to the enlistment of its financial instruments.

IAS 39 και IFRS 4 (amendment) Financial Guarantee Contracts (in power from 1 January 2006)

The amendment does not apply to the Group.

IFRS 1 (amendment) First-Time Adoption if IFRS & IFRS 6, Exploration & Evaluation of Mineral Assets (in power from January 2006)

The amendments are not relevant to the Group's activities.

IFRS 6 Exploration & Evaluation of Mineral Assets (in power from January 2006)

The amendment does not apply to the Group and will not affect its financial statements.

IFRS 7 Financial instruments: Disclosures and complementary adaption to IAS 1

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Financial Statements Presentation, Capital disclosures (in power from January 2007)

Adds certain new disclosures about financial instruments to those currently required by IAS 32. Replaces the disclosures now required by IAS 30 and puts all of those financial instruments disclosures together in a new standard on *Financial Instruments: Disclosures*. The remaining parts of IAS 32 deal only with financial instruments presentation matters. The Group will apply IFRS 7 and the amendment of IAS 1 from 1 January 2007.

IFRS 8 Operating Segments (in power from 1 January 2009)

The application of IFRS 8 will not affect significantly the way of segment presentation in the base of IAS 14 "Segmental Information".

IFRIC 3 Emission rights

This interpretation was subsequently withdrawn by the Interpretations Committee. It does not apply to the Group and will not affect its financial statements.

IFRIC 4 Determining whether an arrangement contains a lease

The Interpretation specifies that an arrangement that meets the following criteria is, or contains, a lease that should be accounted for in accordance with IAS 17 Leases. (a) Fulfilment of the arrangement depends upon a specific asset. (b) The arrangement conveys a right to control the use of the underlying asset. It is not expected that the application of IFRIC 4 will change the accounting treatment of any applicable contracts of the Group.

IFRIC 5 Rights to interests from decommissioning, restoration and environmental rehabilitation funds

It does not apply to the Group and will not affect its financial statements.

IFRIC 6 Liabilities arising from participating in a specific market – Waste Electrical and Electronic Equipment

It does not apply to the Group and will not affect its financial statements.

IFRIC 7 Applying the restatement approach under IAS 29

It does not apply to the Group.

IFRIC 8 Scope of IFRS 2

It does not apply to the Group.

IFRIC 9 Reassessment of Embedded Derivatives (in power from January 2006)

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It does not apply to the Group.

IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)

The Interpretation addresses an apparent conflict between the requirements of IAS 34 Interim Financial Reporting and those in other standards on the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets. IFRIC 10 concludes that: (a) An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. (b) An entity shall not extend this consensus by analogy to other areas of potential conflict between IAS 34 and other standards. IFRIC 10 is effective for annual periods beginning on or after 1 November 2006. Earlier application is encouraged. The interpretation is not yet adopted by the E.U.

IFRIC 11 IFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007)

Provides guidance on applying IFRS 2 in the following circumstances: (a) Share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments (treasury shares) to settle the share-based payment obligation. (b) A subsidiary grants rights to equity instruments of its parent to its employees. Does not apply to the Group. It is not yet adopted by the E.U.

IFRIC 12 Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

Does not apply to the Group. It is not yet adopted by the E.U.

1.7 Item Reclassification

Certain items of the balance sheet and the income statement of last year were reclassified for presentation purposes so as to become similar and comparable with the respective items of the current year. These items are not important.

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2. Group Structure

The consolidated financial statements of the Company for the year ended 31 December 2006 include the Company and the subsidiaries (ALTEC GROUP).

Subsidiaries are all companies managed and controlled, directly or indirectly, by the parent company ALTEC ABEE, through the possession of the majority of shares or the substantial control of the activities of the company in which the investment was made. The financial statements of the subsidiaries are included in the consolidated from the date the control was acquired until the date this control is terminated.

Affiliated companies are the companies on which the Group exercises significant influence but cannot be characterized as subsidiaries. The consolidated financial statements of the Group include the proportion of the Group on the profits and losses of the affiliated companies, on the basis of the corresponding accounting principles, from the date the Group acquires the significant influence up until the date the influence is terminated. When the proportion of the Group on the losses of the affiliated company exceeds the accounting value of the investment, the accounting value of the investment is downsized to zero and the subsequent recognition of losses is ended, except from the case when the Group has undertaken more liabilities or contingent liabilities of the affiliated company than the ones that emerge from the share capital participation.

Ο Όμιλος **ALTEC** απαρτίζεται από τις ακόλουθες εταιρείες:

COMPANY	COURT	% PARTICIPATION	MAIN ACTIVITY
ALTEC ABEE	Greece	Parent	Trading & production of IT, Telecoms & related systems & equipment
<i>I.Subsidiaries</i>			
MICROLAND COMPUTERS AEBE	Greece	48,08%	Retail chain of IT & Telecoms products
MICROLAND CYPRUS LTD	Cyprus	48,08%	Import & retail trading of electric, electronic, IT and related systems & equipment
MICROLAND ROMANIA SRL	Romania	48,08%	Import/Export & trading of PCs, production of PCs, provision of technical services, development & trading of IT systems
UNISOFT ROMANIA SA	Romania	99,60%	Production & trading of software
ALTEC TELECOMS AE	Greece	70,00%	Internet & Telecoms products & services
DATAMEND AE	Greece	70,00%	Integrated IT systems & solution for the healthcare sector
HEMS ΕΠΕ	Greece	90,00%	Production & Software services

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SYCHRONES EKPEDEYTIKES IPIRESIES SA	Greece	100,00%	Training services on It, Finance & management. It is a certified training center (K.E.K.).
OROSIMO PLIROFORIKI SA	Greece	51,00%	Production & Software srevices
OTS AE	Greece	60,00%	Production & Software srevices
SYSWARE BULGARIA AD	Bulgaria	99,00%	Integrated IT solutions
SYSWARE ROMANIA SRL	Romania	100,00%	Integrated solutions for IT & Telecoms
UNISOFT BULGARIA AD	Bulgaria	96,50%	Production & trading of software
II. Affiliated			
Joint Venture ALTEC-BYTE	Greece	50,00%	Assembly of IBM PCs under contract between the joint venture and IBM Hellas SA

3. Accounting Principles

3.1 Tangible Fixed Assets

Tangible fixed assets, except from land and buildings, are illustrated in values of acquisition. Buildings and land used for own purposes are valued at fair value. The positive revaluation is entered in special revaluation reserve in Owners Equity and the negative is entered in the Income Statement, except when a revaluation reserve exists, so it decreases it. On the buildings used for own purposes, depreciation is applied according to expected usefull life.

Investment land and buildings are valued at fair value and the revaluation defference is entered to the Income Statement. No depreciation is applied. On the 1 January 2004 the land and property of the Group used for own purposes were valued at fair value based on a study from certified surveyors. The values are reduced by accumulated depreciation and psysical depreciation of assets.

The initial acquisition cost of any tangible asset consists of the purchase price plus import taxes and non-refundable purchase taxes, as well as any necessary cost to bring the asset in full operating condition.

The subsiquent expenses, relevant to tangible fixed assets, are capitalised only if they increase future economic benefits from the asset. All other maintainance, etc. expenses are registered in the expenses of the year in which they occur.

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At the time sale or withdrawal of an asset, the relevant cost and the accumulated depreciation are written-off from the accounts at the period of sale or withdrawal and the relevant profits or losses are recognised in the Income Statement.

Depreciation is charged in the Income Statement of the year, on the straight-line method, during the estimated useful life of the assets. Land is not depreciated. The estimated useful life of main asset categories is as follows:

Buildings	14-50 years
Machinery & equipment	10-15 years
Transportation means	5-20 years
Furniture & other equipment	5-15 years

Equipment in third party buildings are depreciated according to the length of the underlined lease contract. The scrap value and the useful life of tangible fixed assets are under review in every annual financial statement. When the accounting value of tangible fixed assets are above their resale value, the differences are recorded as expenditures in the income statement.

3.2 Intangible Fixed Assets

3.2.1 Software Programs

Software programs concern the cost of acquisition or the cost of in-house production like, payroll, materials, services and any other expense relevant to software development so it is ready to operate. The expenses that enhance or extend the capabilities of the software beyond the initial ones, are recognized as a capital expenditure and are added to the initial cost of the software.

The amortization of software programs is charged in the income statement, based on the straight-line method, during the useful life. The estimated useful life is as follows:

Software programs	10 years
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3.2.2 Goodwill

Goodwill represents the difference between the acquisition cost and fair value of the participation of the Group on the net assets of subsidiaries on the date of acquisition. goodwill is included in intangible fixed assets. At the end of every year, the Group evaluates if there is a reduction of Goodwill. If there is, an analysis takes place for the evaluation of the recovery of the accounting value of goodwill. In case the accounting value is greater than the recovery value, a provision is made.

The profit or loss from the sale of a subsidiary includes the accounting value of the goodwill of that subsidiary.

3.3 Impairment of assets

The tangible and intangible fixed assets and other non-current assets are examined for any possible impairment loss and therefore an evaluation may show that the accounting value can't be recovered. Whenever the book value of an asset exceeds the recovery value, an impairment loss is entered in the income statement. The recovery value of an asset is the larger amount between the estimated net resale price and the value of usage. Net resale price is the attainable income from the sale of an asset in the framework of a reciprocal transaction in which the transacting parties have full knowledge and act at their own will, after the abstraction of any additional direct cost for the disposition of the asset. Usage value is the present value of the expected future cash flows from the use of the asset from its acquisition to the end of the estimated useful life. If the recovery value of an asset that there is a sign of impairment in its value can't be estimated, then we calculate the recovery value of the unit that creates the cash flows in which the asset belongs.

3.4 Investments in subsidiaries

The investments of the Group in subsidiaries are accounted for with the total method. Subsidiaries are companies in which the Group exercises control. Control of a subsidiary takes place when the parent company defines the relevant business and financial decisions in order to benefit. The financial statements of the subsidiaries in order to be included in the consolidated financial statements of the Group, are prepared in the same day under the same accounting principles with the parent company. Every intragroup transactions, intragroup profits and losses and the intragroup account balances are canceled out in the

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consolidated financial statements. The subsidiaries are consolidated from the date the control is acquired from the Group and stop to be consolidated from the date the control is transferred outside the Group.

3.5 Investments in affiliates

The investment of the Group in affiliated companies are accounted for with the equity method. Affiliated companies are the ones in which the Group exercises substantial influence but they are not subsidiaries neither joint ventures. The investments in affiliated companies are entered in the balance sheet at cost of acquisition and evaluations take place according to any impairments in their value. The income statement includes the participation of the Group to the financial results of the affiliated companies.

3.6 Available-for-sale investments

The investments available-for-sale are the ones that are expected to last for an undefined time period but can be sold directly in cases of liquidity needs or alterations in interest rates. These investments are included in fixed assets.

The relevant transactions are registered at acquisition cost at the date of the transaction, that is, the date at which the Group has the commitment to buy or sell the asset. The cost of acquisition includes the transaction costs. The investments available-for-sale are valued at fair value. The non incurred profits (losses) from the transactions at fair value are recognized in equity. The fair value of these investments is based on the price of offer or the amounts produced by cash flow models. Fair values for stocks of not listed companies are calculated by using the price-to-profits or price-to-cash flows ratios adjusted to the conditions of the issuer.

3.7 Investments in property

The property investments are acquired for the expected benefits from rent income and the appreciation of their market values. The rest privately owned property is used for the operating needs of the Group and for administration.

The property investments are long-term investments and are valued at fair value, which is the current market value estimated by certified property surveyors. Any changes in fair value are entered in the income statement.

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3.8 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value of finished and semi-finished goods is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value of raw materials is equal to the estimated replacement cost in the ordinary course of business. A provision for slow turnover rate or obsolete inventories is set up wherever deemed necessary.

3.9 Trade and other receivables

Short-term receivable accounts are presented at their nominal value following provisions for any non-collectable balances while long-term receivable accounts (balances not included in standard credit terms) are valued at unamortized cost. The Company has established criteria regarding the provision of credit to customers, which are in general based on the size of each customer's activity while assessing the respective financial information. The balance of the specific provision for doubtful debts is adjusted accordingly on each closing date of the balance sheet so as to reflect the estimated relevant risks. Each deletion of customers' balances is charged to the existing provision for doubtful debts.

3.10 Cash

Cash also includes the cash equivalents like deposits and short-term time deposits. Bank overdrafts payable at first request are included in cash management of the Group and for cash flow statement preparation reasons are included in cash balances.

3.11 Foreign currency transactions

The transactions in foreign currency are converted in Euro at the exchange rate at the date of the transaction. On the date of the balance sheet, the currency assets and liabilities that are expressed in foreign currency are converted to Euro at the exchange rate at that date. The differences from the conversion are entered in the income statement.

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3.12 Share capital

Ordinary shares are characterized as share capital. The added external cost directly allocated to the issuance of new shares is presented to share capital reducing the received amount.

During share buy-backs, the paid amount, including all relevant costs, is presented reducing the shareholders' own funds.

3.13 Loans

All loans are initially entered at cost that is the fair value of the loaned amount reduced by the cost of the loan. Loans are subsequently valued at the amortised initial cost using the method of the discounted rate. Any difference between the initial value and the repayment value is recognized during the loan period.

3.14 Leases

Finance leases are those in which all the risks and rewards incident to the leased property are substantially transferred to the Company. These are capitalized at inception of the lease and they are recognized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and reduction of the outstanding liability so as to attain a constant periodic rate of interest on the outstanding liability. The finance charge is imputed to results. The capitalized leased assets are depreciated over the shorter of the lease term and the asset's useful life.

3.15 Income Tax (current & deferred)

Current tax is calculated on the basis of the balance sheets of each one of the companies included in the consolidated financial statements pursuant to the tax laws applying in Greece or any other tax framework within which foreign subsidiaries operate. The expenditure of income tax includes the current income tax payable in respect of each company's taxable profits as reformed in its tax returns, provisions for additional taxes and surcharges for fiscal

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years that are not audited in tax terms, and is calculated according to the enacted or substantially enacted tax rates.

Deferred income tax relates to all temporary differences between the carrying amount of assets and liabilities in the balance sheet, and the tax base of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

A deferred tax asset is recognized in respect of all deductible temporary differences and deferred tax assets and tax liabilities only to the extent that it is probable that a tax benefit will be realized in the future. In such a case, a deferred tax asset is recognized on the deductible temporary differences, deferred unused tax credits and unused tax losses.

As regards the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, a deferred tax asset is recognized to the extent that it is probable that temporary differences will reverse in the foreseeable future and a tax benefit will be realized, which will be used in respect of temporary differences. Deferred tax assets are assessed on each balance sheet date and are reduced to the extent it is estimated that there will not be enough taxable profits in respect of which part or all deferred tax assets may be used. Deferred tax assets and liabilities are measured at tax rates expected to apply when the deferred tax asset (liability) is realized (settled). The tax rates (and tax laws) used must have been enacted or substantially enacted by the balance sheet date. Current and deferred taxes are recognized in equity, if the items to which they relate are credited or charged directly to equity, and not in the income statement.

3.16 Dividends

The dividends payable are presented as liability at the time of their approval from the Shareholders' Genral Meeting.

3.17 Staff compensation

The liabilities for staff compensation are calculated at the present value of future benefits that are considered to be accrued at year-end on the basis of employees' recognized right to benefits throughout their expected working life. The above obligations are calculated on the basis of the financial and actuarial assumptions detailed below and are specified by applying the actuarial "projected unit credit method". The respective provisions for the period in the income statements attached hereto are included in payroll cost and consist of the present

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value of the benefits that were accrued during the year, the interest of the obligatory benefits, cost of past service, actuarial gains or losses recognized during the year and any other additional retirement costs. Past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. Non-recognized actuarial gains and losses that exceed 10% of the defined benefit obligation at the beginning of each period are recognized over the average remaining working lives of employees and are included in net retirement cost. Obligations for the above benefits are not financed.

3.18 State insurance schemes

The staff of the Company is mainly covered by the principal state insurance agency which concerns the private sector (Social Security Foundation-IKA) granting retirement and medical benefits. All employees are obliged to contribute part of their monthly salaries to the Fund while part of the total contribution is covered by the Company. At the time of retirement, the retirement fund is responsible to pay retirement benefits to employees. Therefore, the Company has no legal or imputed obligation to pay future benefits on the basis of this scheme.

3.19 Provisions

Provisions are made when the Group has legal or imputed liability, as an effect of a past event, and it is probable that a cash outflow will take place for the settlement of the liability, and there is a reasonable estimate about it.

Provisions are re-examined at the end of each year so they present the best possible estimates and when necessary they are discounted with a pre-tax discount rate. The prospective liabilities are not entered in the financial statements but are disclosed, except when the possibility of a cash outflow is minimal. The prospective receivables are not entered in the financial statements except when the possibility of a benefit is material.

3.20 Government subsidies

The government subsidies are initially recognized at nominal value when there is a reasonable assurance that the subsidy will be received and the Group will abide to the regulations.

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The subsidies relevant to the acquisition of tangible fixed assets are included in the long-term liabilities as income of subsequent periods and are recognized as income and entered in the income statement for the useful life of the assets bought with the subsidy.

3.21 Financial tools

The basic financial tools of the Group are cash, bank deposits and short-term receivables and liabilities. Given the short-term nature of these tools, the Group's management believes that their fair value is equal to their book value on the Group's accounts. Additionally, management believes that interest rates on loans are equal to the current market interest rates and therefore there are no reasons for any adjustments in the values these liabilities are presented. The Group does not use financial derivative products.

3.22 Income recognition

Income from the sale of products and services is recognized when risks and benefits stemming from possession are transferred to the buyer. Income from the sale of services are based on the percentage of completion method.

Interest income is recognized on the basis of time analogy, taking into account the rest of the initial amount and the prevailing rate of the period up to the end, when it is defined that such income is payable to the Group.

3.23 Expenditures

3.23.1 Operating leases

The payments of operating leases are entered in the income statement as expenditures at the period of rent usage.

3.23.2 Financial leases

Financial leases are treated as loan contracts, and therefore the leased assets are presented as Group assets (and depreciated), and the relevant financial liability is recognized to the lessor. The financing cost is entered in the income statement as an expense at the period it becomes accrued.

3.23.3 Financing cost

The net financing cost includes accrued interest on loans undertaken, that are calculated

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with the method of real interest rate.

3.24 Earnings per share

Basic EPS are calculated by dividing the net profits of the period with the weighted average outstanding ordinary shares during the period, by excluding the average ordinary shares of the parent company that were acquired by the companies of the Group as own shares.

3.25 Segmentation of Group activities

Segment or sector of Group activities is every distinctive business activity with unique characteristics in nature and risk (business segment). An analog segmentation is done on the basis of the business environment in which the sector operates (geographic segment).

4. Financial risk management

The Group is exposed to several financial risks. Main risks are the unanticipated interest rate volatility, credit risk and liquidity risk. Risk management policies of the Group target the minimization of the negative effects of the risks on the financial position and return of the Group.

Group management examines and reviews the relevant policies and processes in frequent time intervals. The financial risks are the following:

Credit risk

The Group does not have any grouping of credit risk in any one of its counterparties. The Company proceeds to sales mainly through agreements, thus ensuring its right to collect receivables. Maximum exposure to a credit risk is reflected on the level of each asset. The policy of the Group consists in entering into contracts with parties meeting top standards. Moreover, the Company does not find necessary the conclusion of pledging contracts having regard to the top credit rating of its counterparties.

Fair value

The amounts presented in the attached balance sheets for cash, receivables and short-term liabilities, are close to the respective fair values due to their short-term maturity. The fair values of securities listed on stock exchanges are based on their market valuation on the preparation date of the balance sheet.

Interest rate risk

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The risk of interest rate fluctuation is due mainly to long-term loans. The Management constantly monitors the fluctuations in exchange rates and interest rates and assesses whether the respective positions must be adopted so as to hedge the resultant risks.

Foreign exchange risk

The exposure of the Group to foreign exchange risks is limited because transactions are mainly carried out in Euro while sales to countries with currencies other than Euro are settled within a short period of time, thus minimizing the exposure of the Group to foreign exchange risks.

Liquidity risk

Liquidity risk is kept at low levels through the availability of sufficient cash on hand and credit limits.

5. Important accounting estimates & management judgements

Group management makes estimates, assumptions and judgements in order to choose the most appropriate accounting principles and rules relevant to future events and current transactions. The above mentioned assumptions are reviewed periodically in order to respond to current facts and to represent current risks. These are based to management experiences in relation to the nature and the magnitude of the relevant events and transactions.

Value impairment control

The Group controls the impairment of the value of goodwill, on the basis of the relevant IFRS's, that emerge from the acquisition or merge of companies that the Group has acquired their control or substantial influence at least for one year.

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6. Segmentation of Group activities

All companies of the Group are active in Information Technologies and Telecommunications.

I) Segmentation according to activity

Data for period 1/1-30/06/2007

	IT	Telecoms	Integrated Solutions	Software	Other	Cancel-out of intragroup transactions	GROUP TOTAL
Sales to third parties	25.104.987	59.476.864	34.406.810	18.410.776	1.102.045	-39.102.413	99.399.069
less: Cost of goods sold	-16.509.940	-46.455.104	-23.177.019	-12.152.400	-684.396	39.102.413	-59.876.447
Gross Profit / (Loss)	8.595.047	13.021.760	11.229.791	6.258.376	417.649		39.522.622
Other Operating Income	256.914	52.190	448.696	211.248	85.459	-190.225	864.282
Administrative expenses	-624.369	-3.655.226	-1.329.635	-430.664	-151.442	57.068	-6.134.267
Selling & Distribution expenses	-2.706.087	-9.532.682	-3.810.639	-2.046.826	-353.365	133.158	-18.316.441
R&D expenses	-1.026.835	0	-1.406.740	-869.960	0	0	-3.303.535
Other Operating expenses	-154.802	-307.975	-211.577	-129.318	-4.633	0	-808.305
Operating Profit / (Loss)	4.339.868	-421.932	4.888.903	2.992.857	-6.332		11.824.356
Financing expenses						0	-4.618.123
Profit / (Loss) from ordinary activities							7.206.233
Revenue / (Expense) from Investments						0	69.248
Income before tax							7.275.481
Tax							-2.677.755
Net Income							4.597.726
Other Information							
Depreciation	546.307	3.295.952	750.106	437.054	84.556	0	5.113.975

**Data for period
1/1-30/06/2006**

	IT	Telecoms	Integrated Solutions	Software	Other	Cancel-out of intragroup transactions	GROUP TOTAL
Sales to third parties	21.088.492	35.248.177	25.662.931	7.288.611	583.686	0	89.871.896
less: Cost of goods sold	-14.487.224	-24.214.545	-17.629.740	-5.007.079	-400.977	0	-61.739.563
Gross Profit / (Loss)	6.601.268	11.033.632	8.033.191	2.281.532	182.709		28.132.333
Other Operating Income	418.118	698.860	508.815	144.510	11.573	0	1.781.876
Administrative expenses	-1.024.176	-1.711.850	-1.246.337	-353.976	-28.347	0	-4.364.686
Selling & Distribution expenses	-3.133.883	-5.238.102	-3.813.673	-1.083.134	-86.739	0	-13.355.531
R&D expenses	-647.213	-1.081.779	-787.604	-223.690	-17.914	0	-2.758.200
Other Operating expenses	-182.545	-305.114	-222.142	-63.091	-5.052	0	-777.945
Operating Profit / (Loss)	2.031.569	3.395.648	2.472.249	702.151	56.230	0	8.657.847

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Financing expenses	-4.330.506
Profit / (Loss) from ordinary activities	4.327.341
Revenue / (Expense) from Investments	115.084
Income before tax	4.442.425
Tax	-1.130.508
Net Income	3.311.917

Other Information

Depreciation	995.245	1.663.493	1.211.129	343.977	27.546	0	4.241.390
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II) Other Balance Sheet Information

On 30/06/2007

	IT	Telecoms	Integrated Solutions	Software	Other	Cancel-out of intragroup transactions	TOTAL GROUP
Intangible Fixed Assets	1.454.074	22.789.773	1.742.990	961.061	20.293	0	26.968.191
Tabgible Fixed Assets	6.903.578	12.170.105	9.158.460	5.541.446	281.379	0	34.054.968
Participations & other investments	9.355.270	349.895	13.314.763	8.234.151	0	-29.215.378	2.038.701
Other assets	65.549.712	37.916.109	128.933.691	53.942.774	1.735.411	-69.429.697	218.648.000
Total liabilities	48.828.587	70.010.512	107.240.152	40.824.895	1.566.092	-69.429.697	199.040.542
Total equity	34.007.742	3.215.369	45.909.753	27.854.536	470.990	-29.215.378	82.669.318

On 31/12/2006

	IT	Telecoms	Integrated Solutions	Software	Other	Cancel-out of intragroup transactions	TOTAL GROUP
Intangible Fixed Assets	3.154.451	8.540.642	4.678.303	1.799.623	110.755	0	18.283.774
Tabgible Fixed Assets	5.986.970	16.209.654	8.879.153	3.415.583	210.207	0	34.701.567
Participations & other investments	469.785	1.271.937	696.728	268.014	16.494	0	2.722.959
Other assets	39.971.169	108.221.497	59.280.429	22.803.662	1.403.417	0	231.680.174
Total liabilities	36.113.083	97.775.772	53.558.580	20.602.613	1.267.957	0	209.318.005
Total equity	13.469.292	36.467.959	19.976.034	7.684.268	472.917	0	78.070.469

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7. Net Financing Expenses

Financing revenues / (expenses) are analysed as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
Interest expense on bank loans	4.109.678	3.770.539	3.985.117	3.545.446
Other financing expense	619.291	612.167	232.004	383.082
Total Financing Expenses	4.728.969	4.382.706	4.217.121	3.928.528
Interest & related revenue	110.846	52.200	92.756	42.272
Net Financing Income / (Expense)	<u>(4.618.123)</u>	<u>(4.330.506)</u>	<u>(4.124.365)</u>	<u>(3.886.256)</u>

8. Investing Revenues/Expenses

Are analysed as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
Income from participations	0	33.375	0	33.375
Profit from sale & investment valuations	71.477	606.456	71.477	606.456
Total Investment Income	71.477	639.831	71.477	639.831
Provisions for investment value impairment	(2.710)	0	(2.710)	0
Investment losses / expenses	4.940	524.747	4.940	524.747
Total Investment Expense	2.230	524.747	2.230	524.747
Net Investment Results – Profit/(Loss)	<u>69.248</u>	<u>115.084</u>	<u>69.248</u>	<u>115.084</u>

9. Income Tax

The tax burden on results in calculated as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
Income Tax for period	1.984.786	670.032	1.791.701	559.591
Deferred Taxes	432.968	460.476	244.522	348.905
Provisions for tax audit differences	260.000	0	40.000	0

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Total Tax on Income Statement	<u>2.677.755</u>	<u>1.130.508</u>	<u>2.076.223</u>	<u>908.496</u>
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The fact that in some cases the income and expense accounting recognition takes place in different period than the one in which the income is taxed or the expense deducted, for taxable income specification, creates the need for accounting recognition of deferred tax assets or deferred tax liabilities. The Group deferred tax is analyzed as follows:

GROUP		
	On 30/06/2007	On 31/12/2006
Deferred tax claims	3.368.716	3.580.926
Deferred tax liabilities	-1.145.376	-924.617
Total Deferred Tax on Balance Sheet	<u>2.223.340</u>	<u>2.656.309</u>

	On 30/06/2007	On 31/12/2006
Balance at beginning	2.656.309	3.338.046
Tax on Income	-432.968	-681.737
Tax on Equity	0	0
Balance at end	<u>2.223.340</u>	<u>2.656.309</u>

	On 31/12/2006	Credit (Debit) in Income Statement	Credit (Debit) in Equity	On 30/06/2007
Deferred tax claims / liabilities				
Fixed asset depreciation	-2.146.085	-3.754	0	-2.149.839
Un-recognition & adjustment of depreciation on assets	-3.571.836	84.180	0	-3.487.656
Adjustment of accounts receivable value	4.281.922	0	0	4.281.922

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Provision for staff compensation due to retirement	517.506	33.210	0	550.715
Tax losses to be recognized in subsequent years	2.747.935	-432.553	0	2.315.382
Profit from re-rental of tangible assets	826.867	-114.051	0	712.817
Total Deferred Taxes on Balance Sheet	2.656.309	-432.968	0	2.223.341

COMPANY

	On 30/06/2007	On 31/12/2006
Deferred tax claims	3.324.060	3.568.582
Deferred tax liabilities	0	0
Total Deferred taxes on Balance Sheet	<u>3.324.060</u>	<u>3.568.582</u>

	On 30/06/2007	On 31/12/2006
Beginning Balance	3.568.582	3.384.083
Tax on Income	-244.522	184.499
Tax on Equity	0	0
Ending Balance	<u>3.324.060</u>	<u>3.568.582</u>

On 31/12/2006	Credit (Debit) in Income Statement	Credit (Debit) in Equity	On 30/06/2007
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Deferred tax claims / liabilities

Fixed asset depreciation	-1.256.924	6.085	0	-1.250.839
Un-recognition & adjustment of depreciation on assets	-171.960	-161.937	0	-333.896
Adjustment of accounts receivable value	3.750.000	0	0	3.750.000
Provision for staff compensation due to retirement	420.598	25.381	0	445.979

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Profit from re-rental of tangible assets	826.867	-114.051	0	712.817
Total Deferred Taxes on Balance Sheet	3.568.582	-244.522	0	3.324.060

10. Earnings per share

Calculation of basic earnings per share is as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
Net profits attributable to ordinary share holders of company	4.532.664	3.393.015	5.589.160	3.517.595
Weighted average number of shares in circulation	100.353.000	100.353.000	100.353.000	100.353.000
Less: Weighted average number of own sahers	0	0	0	0
Total weightred average number of shares in circualtion	100.353.000	100.353.000	100.353.000	100.353.000
Basic profit (loss) per share (in €)	0,05	0,03	0,06	0,04

11. Tangible Fixed Assets

Group tangible assets are analysed as follows:

	Ο ΟΜΙΛΟΣ						
	Land & Fields	Buildings & Facilities	Mashines & Equipment	Transportation Means	Furniture & Equipment	Fixed Assets under construction or Installation	Total
Acquisition or Valuation value							
On 31/12/2006	11.069.174	22.324.038	1.988.234	428.453	33.554.586	0	69.364.484

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Additions	0	10.694	30.246	54.362	1.489.751	28.559	1.613.611
Reductions	0	5.821	0	53.823	10.655	0	70.299
On 30/06/2007	11.069.174	22.328.911	2.018.479	428.992	35.033.682	28.559	70.907.796
<u>Accumulated depreciation</u>							
On 31/12/2006	0	6.352.336	1.832.621	194.819	26.283.141	0	34.662.918
Additions	0	574.479	64.458	18.387	1.542.943	0	2.200.267
Reductions	0	5.248	0	3.433	1.675	0	10.356
On 30/06/2007	0	6.921.566	1.897.079	209.773	27.824.410	0	36.852.829
<u>Net value</u>							
On 31/12/2006	11.069.174	15.971.702	155.612	233.634	7.271.444	0	34.701.567
On 30/06/2007	11.069.174	15.407.344	121.400	219.219	7.209.272	28.559	34.054.968

The period depreciation for tangible and intangible fixed assets was charged on the income as follows:

	GROUP	COMPANY
COGS	601.860	472.730
Administration exp.	1.016.483	78.788
R&D exp.	473.406	472.730
Selling&Distr. Exp.	3.022.225	551.518
Not included in operating cost	0	0
	5.113.975	1.575.767

Registration of future mortgage has taken place with respect to land and buildings of the Group (on 30/06/2007) so as to secure bank loans amounting to € 124.402.054.

On 30 June 2007 and 2006, ALTEC had no contractual obligations regarding the purchase of tangible assets.

12. Intangible Fixed Assets

Group intangible fixed assets are analysed as follows:

Intangibles	
<u>Acquisition / Valuation value</u>	
On 31/12/2006	44.435.319
Additions	11.598.100
Reductions	-14.694
On 30/06/2007	56.048.113
<u>Accumulated Depreciation</u>	
On 31/12/2006	26.151.545
Additions	2.913.708

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Reductions	-14.669
On 30/06/2007	29.079.922
Net value	
On 31/12/2006	18.283.774
On 30/06/2007	26.968.191

13. Participations in affiliated companies

Investments in affiliated companies concern a participation of 50% in the ALTEC-BYTE joint-venture that was established without share capital. Investments in affiliated companies are entered in the Balance Sheet at acquisition cost and are adjusted afterwards according to the participation of the Group to the equity. Income statement presents the participation of the Group to the affiliates profits. The analysis of the investments in affiliated companies is as follows:

Affiliated Companies	% Participation	Book Balance	Total Equity	Country of Establishment
Joint-Venture ALTEC-BYTE	50,00%	0	(61.986)	Ελλάδα

14. Available-for-sale investments

Available-for-sale investments concern participations in the following companies:

COMPANIES	GROUP			
	On 30/06/2007		On 31/12/2006	
	Book Value	Participation	Book Value	Participation
SHARES OF ETHNIKI ANAPTIXIAKI BORIOU ELLADOS	1.778.430	20,00%	1.778.430	20,00%
SHARES OF INA (INΣT.EP.)	139.398	10,55%	139.398	10,55%
SHARES OF I.S.I. LTD	0	45,00%	0	45,00%
PARTICIPATION IN TECHNOPOΛIS "AKROPOLIS"	45.000	0,65%	45.000	0,65%
PARTICIPATION IN JOINT VENTURE OF OLYMPIC PROJECT ON I.T.	60.000	25,00%	60.000	25,00%
A.A.T.E S.A.	0	3.642.701 μετοχές	0	3.642.701 μετοχές

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Total	<u>2.022.828</u>	<u>2.022.828</u>
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The available-for-sale investments for which there is an active market in which they participate are presented at fair value. The rest are presented at acquisition cost reduced, to the extent there are certain conditions, with the expense entered in the income statement of the period in which the reduction has taken place.

15. Investment property

The value of property investments on 30/06/2007 was € 5,046,524 and concerns the current value of land and building rented to third party.

Buildings valuation at fair value: The Group hired certified surveyors to value the buildings on 1 January 2004 (date of transition to IFRS). The estimates were based on the appropriate valuation methods according to nature and use of the buildings under valuation.

Property investments concern a privately owned of the parent company on 40 Ag. Paraskevis Str. Peristeri, Attika. The property investments are accounted for as long-term investments and are valued at fair value that is equal to the current market value estimated by certified surveyors.

Rent income from the above mentioned building during the period 1/1-30/06/2007 amount to € 63,075.42

16. Long-term claims

Long-term claims on 30 June 2007 represent given guarantees.

17. Inventories

Company and Group inventories are analyzed as follows:

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	GROUP		COMPANY	
	On 30/06/2007	On 31/12/2006	On 30/06/2007	On 31/12/2006
Merchandise	11.666.185	10.869.258	4.720.798	4.167.421
Inventory of finished & semi-finished products	519.982	169.062	519.982	169.062
Works-in-process	41.987.563	46.560.187	41.987.563	46.560.187
Materials	2.052.891	1.373.919	2.052.891	1.361.095
Advances for inventory purchases	1.345.634	1.628.325	0	0
TOTAL	<u>57.572.254</u>	<u>60.600.750</u>	<u>49.281.233</u>	<u>52.257.764</u>

18. Trade & other receivables

Total receivables of Group and Company are analyzed as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 31/12/2006	On 30/06/2007	On 31/12/2006
Trade receivables	123.914.808	128.020.829	135.694.004	121.737.416
Notes receivable	0	10.313	0	0
Notes at bank as guarantee	0	1.356	0	0
Notes overdue	0	63.132	0	0
Cheques receivable	2.701.622	21.059.340	937.128	20.439.632
Cheques receivable as guarantee	13.130.693	907.657	12.177.016	0
Cheques overdue	6.716.344	6.645.614	6.404.030	6.333.300
Short-term claims from subsidiaries	0	0	1.076.854	786.173
Short-term claims from other company participations	0	0	166.165	165.014
Bank accounts as covenants	15.422	15.422	15.422	15.422
Doubtful - Litigious customers & debtors	61.629	61.629	61.629	61.629
Other debtors	31.631.759	31.924.649	28.720.333	29.141.128
Advancements accounts	284.620	260.990	235.826	235.262

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Accrued expenses	11.406.564	3.214.951	3.333.487	247.791
Accrued income	6.041.674	6.666.026	0	0
Other asset interim accounts	166.190	24.358	166.190	0
	196.071.324	198.876.266	188.988.083	179.162.767
Less: Provisions	(58.266.000)	(58.265.022)	(55.987.332)	(55.987.332)
Total	<u>137.805.324</u>	<u>140.611.244</u>	<u>133.000.750</u>	<u>123.175.435</u>

All receivables are short-term and there is no need for discounting at the date of balance sheet. There is no grouping of credit risk in relation to receivables from customers since risk is dispersed among a great number of Group customers.

19. Fair value investments through income statement

	GROUP		COMPANY	
	On 30/06/2007	On 31/12/2006	On 30/06/2007	On 31/12/2006
Shares	15.873	254.113	15.030	253.270
Bonds	0	226.018	0	226.018
Other investments	0	220.000	0	0
Own shares	0	0	0	0
BALANCE	<u>15.873</u>	<u>700.131</u>	<u>15.030</u>	<u>479.288</u>

20. Cash & cash equivalents

These are Group cash at hand and bank deposits available at request

21. Share capital & Share premium reserve

Company share capital consists of 100.353.000 ordinary shares of nominal value €0,44 each.

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The share capital of the company remains unchanged from 1 January 2007 until the date of the annual financial statements approval.

According to the Shareholders registry, on 30/06/2007, shareholders with shares above 2.0% of the paid share capital are as follows:

SHAREHOLDER	SHARES	Participation On 30/06/2007
ATHANASSOULIS ATHANASSIOS	39.106.669	39,0%
ALEVROMAGIRAS THEODOROS	2.835.000	2,8%
BEAR STEARNS SECURITIES CORPORATION	2.435.000	2,4%
OTHERS (< 2%)	55.976.331	55,8%
Total	<u>100.353.000</u>	<u>100,00%</u>

	30/6/2007	31/12/2006
Shares	100.353.000	100.353.000
Par value	0,44	0,44
Total shareholders capital	44.155.320	44.155.320

22. Capital reserves

According to greek commercial law, the creation of “regular reserve” with the 5% of the annual after tax profits, is compulsory until the reserve reaches the 1/3 of share capital. The “regular reserve” can be distributed only at company termination but it can be used to compensate accumulated losses.

The “investments revaluation reserve” is a reserve created from the valuation of investments available-for-sale at fair value.

The rest reserves were created according to tax laws that allow the transfer of taxation of certain incomes at the time these incomes are distributed to shareholders, or they allow for tax reductions as an incentive for investments.

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23. Dividends

Pursuant to the provisions of Greek commercial laws, each year companies are obliged to distribute a dividend corresponding at least to 35% of post-tax earnings and after the establishment of the statutory reserve required by law or, as a minimum, an amount reflecting 6% of the paid-up share capital, whichever is the highest. However, the Company may not declare dividends following unanimous approval by all shareholders.

24. Loans

Group loans are granted by greek banks and are nominated in Euro. The amounts payable within one year from the date of the balance sheet are characterized a short-term and the amounts payable in a subsequent stage are characterized as lont-term loans. Group loans are analyzed by main financier as follows:

Bank	GROUP				Time of quittance of long term liabilities	Interest Rate
	On 30/06/2007		On 31/12/2006			
	Short-Term Liabilities	Long-Term Liabilities	Short-Term Liabilities	Long-Term Liabilities		
NATIONAL BANK OF GREECE	5.904.508	0	2.933.626			
PIRAEUS BANK	8.762.337	0	2.613.965			
EFG EUROBANK	22.201.231	0	14.227.714			
ATTICA BANK	3.209.104	0	3.672.424			
EMPORIKI BANK	2.893.890	0	5.942.673			
GENIKI BANK	420.287	0	1.197.251			
SOCIETE GENERALE	380.000	0	500.000			
BNP	1.497.000	0	1.797.000			
MARFIN BANK	6.953.616	0	9.704.569			
EPENDITIKI BANK OF GREECE	4.024.587	0	6.201.467			
GENIKI BANK	274.172	0	359.279	96.738	2008	Euribor+2,25%
SOCIETE GENERALE	17.001.600	36.456.000	17.001.600	44.956.800	2008	Euribor+2,25%
Liabilities from fiancial leases	0	0	0	0		
Total Loan Liabilities	<u>73.522.333</u>	<u>36.456.000</u>	<u>66.151.568</u>	<u>45.053.538</u>		

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Registration of future mortgage has taken place with respect to land and buildings of the Group so as to secure the above long-term bank loans amounting to € 124.402.054.

25. Employee benefits

The liability of the Group and the Company to people working in Greece for payment of future benefits depending on years of service, is calculated and presented on the basis of the expected accrued right of each employe to be paid on balance sheet date, discounted to present value. The accrued benefits of each period are charged on the income statement by increasing the relevant retirement liability. Payments to employes retiring exiting due to retirement reduce the retirement liability.

The number of employes of the Group and the Company and the relevant payroll cost, is as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
People:				
Employees	1.146	1.048	584	570
Wage-earners	0	0	0	0
Σύνολο	<u>1.146</u>	<u>1.048</u>	<u>584</u>	<u>570</u>
Payroll cost analysis:				
Payroll expenses	14.509.049	12.783.691	8.866.327	8.325.205
Redundancy expenses	105.393	113.636	67.385	76.330
Total Cost	<u>14.614.442</u>	<u>12.897.327</u>	<u>8.933.712</u>	<u>8.401.535</u>

The changes in the net retirement liability is as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 30/06/2006	On 30/06/2007	On 30/06/2006
Net liability at beginning of period	2.070.022	1.914.635	1.682.394	1.476.787
Burden on income statement	132.839	-94.888	101.523	22.076
Net liability at end of period	<u>2.202.861</u>	<u>1.819.747</u>	<u>1.783.916</u>	<u>1.498.863</u>

The Company liability to retiring employes was determined by an independent actuarial study. The basic financial figures and assumptions of the actuarial study on 30 June 2007 are as follows:

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Basic assumptions of actuarial study

Average yearly inflation rate	2,00%
Average yearly long-term increase of GNP	3,00%
Average yearly maturity of payroll - Law.2112	6,10%

The cost of extra benefits is mainly related to benefits paid to employees dismissed.

26. Provisions for potential risks and contingent liabilities

These provisions relate to the coverage of future expenditures and costs that may arise at forfeiture of guarantees that the Group has granted for bank liabilities of subsidiaries.

27. Other long-term liabilities

Οι λοιπές μακροπρόθεσμες υποχρεώσεις του Ομίλου και της Εταιρείας αναλύονται ως ακολούθως:

	GROUP		COMPANY	
	On 30/06/2007	On 31/12/2006	On 30/06/2007	On 31/12/2006
Other long-term liabilities	20.103	20.103	20.103	20.103
Balance	<u>20.103</u>	<u>20.103</u>	<u>20.103</u>	<u>20.103</u>

28. Ventors and other liabilities

Total liabilities of Group and Company to ventors and other parties are as follows:

	GROUP		COMPANY	
	On 30/06/2007	On 31/12/2006	On 30/06/2007	On 31/12/2006
Trade payables - ventors	41.515.828	49.648.712	15.955.488	19.927.294
Cheques payable	16.415.553	18.218.823	9.127.860	9.562.530
Customer advancements	10.901.744	12.269.611	4.354.132	5.130.592
Insurance organisations	666.842	1.267.218	376.369	745.570
Dividends payable	829.188	829.188	829.188	829.188
Other creditors	2.270.485	1.983.547	2.038.695	2.045.478
Accrued income	6.083.658	6.110.642	6.064.267	6.064.267
Accrued expenses	317.345	132.270	4.502	4.502
Other interim accounts	83.943	64.578	82.339	60.918
Balance	<u>79.084.585</u>	<u>90.543.092</u>	<u>38.832.841</u>	<u>44.370.339</u>

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29. Transactions & Balances with Affiliates

AFFILIATES	COMPANY				GROUP			
	For the period 1/1-30/06/2007		For the period 30/06/2007		For the period 1/1-30/06/2007		For the period 30/06/2007	
	Sales to affiliates	Purchases from affiliates	Claims from affiliates	Liabilities to affiliates	Sales to affiliates	Purchases from affiliates	Claims from affiliates	Liabilities to affiliates
A. Affiliates								
ALTEC SA								
MICROLAND COMPUTERS SA	780.257	13.872.989	9.569.612	41.734				
ALTEC TELECOMS SA	18.893.268	2.581.671	21.154.591	41.390				
OTS SA	232.602	643.004	0	1.773.765				
OROSIMO PLIROFORIKI SA	120.904	90.190	62.113	35.926				
SYGXRONES EKPEDEYTIKES YPIRESIES SA	1.905	50.960	209.045	93.131				
DATAMED SA	29.257		899.954	1.057.350				
HEMS LTD			68.753	0				
UNISOFT ROMANIA SA	49.135		53.935	0				
UNISOFT BULGARIA AD			13.139	0				
SYSWARE ROMANIA SRL		26.853	30.799.189	1.010.782				
SYSWARE BULGARIA AD			387.811	0				
J/V ALTEC BYTE			530.653	0	0	0	530.653	0

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J/V OLOKLIROMENON ERGON PLIROFORIKIS	31.545		91.194	0	31.545	0	91.194	0
B. Executives – management members	297	0	4.463	0	297	0	4.463	0
	20.139.168	17.265.668	63.844.452	4.054.077	31.842	0	626.310	0

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30. Contingent liabilities

30.1 Court cases

The Company on 30/06/2007 is involved (in the capacity of both defendant and plaintiff) in various court cases and arbitration procedures in the framework of its regular operation of € 6,617,851. The Management and the legal advisers estimate that the pending affairs will be settled without important negative impact on the Company's consolidated financial position or on the results of its operation.

30.2 Other contingent liabilities

Οι εταιρείες του Ομίλου δεν έχουν ελεγχθεί φορολογικά για τις ακόλουθες χρήσεις:

COMPANY	FROM	TO	
ALTEC SA	2001	2006	2001-2006
MICROLAND COMPUTERS SA	2006	2006	2006-2006
MICROLAND CYPRUS LTD	1999	2006	1999-2006
MICROLAND ROMANIA SRL	1999	2006	1999-2006
UNISOFT ROMANIA SA	1996	2006	1996-2006
ALTEC TELECOMS SA	2003	2006	2003-2006
DATAMEND SA	2003	2006	2003-2006
HEMS LTD	1999	2006	1999-2006
SYGXRONES EKPEDEYTIKES YPIRESIES SA	current		current
OROSIMO PLIROFORIKI SA	2003	2006	2003-2006
OTS SA	2003	2006	2003-2006
SYSWARE BULGARIA AD	2000	2006	2000-2006
SYSWARE ROMANIA SRL	1999	2006	1999-2006
UNISOFT BULGARIA AD	2000	2006	2000-2006
J/V ALTEC-BYTE	2002	2006	2002-2006

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31. Events after the balance sheet date

Except from the above mentioned facts, after the compilation of the financial statements, the tax audit of subsidiary SYGXRONES EKPEYTIKES YPIRESIES SA for the years 2003 – 2006 was completed and resulted to tax audit differences of € 79,058 that will burden the income of next quarter (1/7/2007 – 30/9/2007). Except from the above mentioned events, there are no other events after the balance sheet date (30 JUNE 2007) relevant to the Group that need to be referred under the International Financial Reporting Standards – IFRS.

The President to the BoD & Managing Director

Athanassios X. Athanassoulis
ΑΔΤ ΑΒ 297408

The Vice-President to the BoD

Athanassios I. Avraam
ΑΔΤ Χ 053059

The Finance Director

Efstratios X. Kordoulas
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The Chief Accountant

Apostolos E. Saltas
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