

MICROLAND COMPUTERS A.E.B.E.
Interim Financial Statements
For the period from 1 January 2007 to 31 December 2007
(figures in €)



MICROLAND COMPUTERS A.E.B.E.
FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 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 MICROLAND COMPUTERS A.E.B.E. on 11th March 2008 and have been published in the press and uploaded on the Internet, on www.eml.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.

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AUDIT REPORT OF THE INDEPENDENT CHARTERED ACCOUNTANT- AUDITOR

To the Shareholders of:

MICROLAND COMPUTERS AEBE

Report on the Financial Statements

We have audited the attached Company and Consolidated Financial Statements of MICROLAND COMPUTERS AEBE, that are comprised of the balance sheet of 31 December 2007 and the income, changes in equity and cash flows statements, of the year ended on that date as well as a summary of important accounting policies and other explanatory notes.

Management Responsibility on Financial Statements

Company management bears the responsibility for the preparation and fair presentation of the financial statements according to IFRS as adopted by the E.U. The responsibility includes the planning, application and maintenance of an internal audit process relevant to the preparation and fair presentation of financial statements, relieved from material inaccuracies, due to mistake or fraud. The responsibility also includes the choice and application of appropriate accounting policies and accounting estimates that are reasonable for the occasions.

Auditor's Responsibility

Our responsibility is to express opinion on the attached financial statements based on our audit. We have performed our audit based on the Greek Auditing Standards that are adapted to International Auditing Standards. The standards require our compliance with ethical standards and the planning and conduct of our audit to assure in a fair manner that financial statements are relieved from material inaccuracies.

The audit includes the application of processes for the collection of audit evidence relevant to the amounts and information included in the financial statements. The processes are chosen at the discretion of the auditor and include the assessment of risk for material inaccuracies of the financial statements due to mistake or fraud. For the risk assessment the auditor takes into consideration the internal audit system regarding the preparation and fair presentation of the financial statements, in order to plan audit processes for the occasions and not to express opinion on the effectiveness of the internal audit system of the company. The audit also includes the evaluation of the suitability of the accounting policies applied and the fairness of estimates from management, as well as the appraisal of the general presentation of the financial statements.

We believe that the audit evidence we collected is sufficient and appropriate to base our opinion.

Opinion

In our opinion, the financial statements attached hereto, present the fair, in every material way, financial position of the Group and the Company on 31 December 2007, the financial performance and the cash flows for the year ended on that date, according to IFRS, as adopted by the E.U.

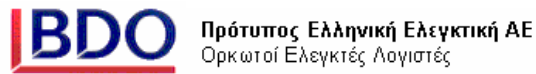
Report on other Legal and Statutory matters

The content of the management report of the board of directors is consistent with the financial statements attached hereto.

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Athens, 18 March 2008
The Chartered Accountant - Auditor

GEORGE AN. BATSOULIS
Register No in College of Chartered Accountants – Auditors 14001



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**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF
Microland Computers AEBE FOR THE YEAR 1.1.2007 – 31.12.2007**

To the Shareholders of Microland Computers AEBE

The Management of the Company would like to express its satisfaction for the economic results that were realized during the fiscal year 2007, which were driven by the right choices and decisions of its members. The change in the plan of Microland was result of organized operations which were targeted in the growth and purification on solid and healthy environment.

The plan of the Company for developing a powerfull network of “smart shops”, which are going to offer to the customers quick, flexible, reliable and moreover the most economic solution of the market, had the acceptance from investors all over Greece, who realized the positive response of the consumers against the new idea.

Thus, according to the new concept, the previous year, was constructed a significant number of stores, based on the franchise model.

The Management and the personnel of the Company will continue to operate methodically and with consistency in order to sustain its leader position and efficiency.

The intencive progress of the Company will continue with high design, friendliness, flexibility, and the ‘Smart-Efficient’ Stores gradually establish in every neighborhood, covering the bigger part of the country.

The financial results for the period 1/1- 31/12/2007 are shown below:

The Group

| | <u>2007</u> | <u>2006</u> | <u>% Diff.</u> |
|---|--------------------|--------------------|-----------------------|
| Sales | 85,306,447 | 78,414,620 | 8.79% |
| Gross Profit | 10,305,183 | 9,024,893 | 14.19% |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 4,285,337 | 4,942,890 | -13.30% |
| Earnings before Interest and Taxes (EBIT) | 2,402,633 | 3,159,587 | -23.96% |
| Profit before Tax (EBT) | 2,351,456 | 2,934,235 | -19.86% |
| Profit after Tax (EAT) | 1,700,877 | 2,175,943 | -21.83% |
| Net Position | 10,682,557 | 8,981,680 | 18,94% |

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The Company

| | <u>2007</u> | <u>2006</u> | <u>% Diff.</u> |
|---|--------------------|--------------------|-----------------------|
| Sales | 85,306,447 | 78,414,620 | 8.79% |
| Gross Profit | 10,305,183 | 9,024,893 | 14.19% |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 4,287,082 | 4,977,834 | -13.88% |
| Earnings before Interest and Taxes (EBIT) | 2,404,378 | 3,194,531 | -24.73% |
| Profit before Tax (EBT) | 1,982,594 | 2,969,179 | -33.23% |
| Profit after Tax (EAT) | 1,332,015 | 2,210,887 | -39.75% |
| Net Position | 11,277,365 | 9,945,350 | 13.39% |

The President of Board of Directors
Athanasios X. Athanassoulis

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**DETAILED REPORT FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
MICROLAND COMPUTERS AEBE ARTICLE 11A N.3371/2005**

The present detailed report of the Board of Directors for the Annual General Meeting of Shareholders includes detailed information based on the topics of paragraph, 1 of article 11a, of N. 3371/2005.

A. Share Capital Structure

Company share capital consists of thirteen million five hundred fifty five thousands one hundred euro (13.555.100) which is divided in thirteen million five hundred fifty five thousands one hundred euro ordinary shares with voting right (13.555.100 shares), of nominal value €1 each.

The Company Shares are listed in the Athens Stock Exchange (Category: Small & Mid Capitalization). The rights of the Company's Shareholders that derive from the shares depend on the percentage of the capital, in which corresponds the value of the share. Every share provides all the rights that the law and the memorandum of association enforces, and specially:

- The right on the dividend from annual or the at the liquidation profits of Company.
- The right of undertaking of the contribution at the liquidation or, respectively, the damping of capital that corresponds in the action, provided that this is decided by the General Assembly.
- The right of preference in each increase of participial capital of Company with cash and the undertaking of new action.
- The right of reception of copy of economic situations and reports of sworn controllers and Administrative Council of Company.
- The right of attendance in the General Assembly, which is specialised in the following individual rights: legalisation, presence, attendance in the discussions, submission of proposals on issues the daily provision, registration of opinions in the proceeding of also vote.
- The General Assembly of shareholders of Company maintains all her rights at the duration of liquidation.

The responsibility of the Shareholders is restricted to the nominal value of the shares they hold.

B. Limits in the transfer of the Company Shares

The transfer of the Company Shares follows the procedure that the Law defines. The katastatiko does not limit the transmission of the shares, given that it refers to intangible shares which are listed in the ASE.

C. Important direct or indirect participations according to the N.3556

On the 28.02.2008 the shareholders that held more than 5% of the total of the voting rights of the Company, were the following:

- ALTEC 48,08%
- Athanassios X. Athanassoulis 27,30 %

The above percentage of the shareholder Athanassios X. Athanassoulis in voting rights, was 27,30%, which is analyzed in direct percentage of the shareholders voting rights, 18,80% and the rest through the controlled companies WINTER VENTURES CORP (1,65%) and MARR INVEST & FINANCE S.A (6,85%), according to the articles 7 & 8 of the PD 51/92.

D. Shares with Special Controlling Rights

There are not any Company Shares which give to the Shareholders Special Controlling Rights.

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E. Limits in the voting right

There are not providing any limits in the memorandum of association of the Company about the voting right.

F. Shareholders Agreements

It has not devolved to knowledge of company existence of agreements between her shareholders, what they involve restrictions in the transfer of her action or in the exercise of rights of vote that arises from her action.

G. Rules of nomination and replacement of BOD members and modification of statute

The rules that forecast memorandum of association the Company for the nomination and the replacement of members of her Administrative Council and the modification of his provisions are not differentiated by forecasted in the K.N. 2190/1920.

H. BOD's Responsibility for the circulation new or for the purchase of own shares

According the the article 6 of the Company's of statute, after the desicion of the General Meeting, decision which is under the publicity of article 7v of K.N. 2190/1920 as it is in effect, can be ceded in the Administrative Council the right, with his decision that will be taken with majority of two third (2/3) at least total of his members, to increase the participial chapter certain or totally with the publication of new action, up to the sum of chapter that is overwhelmed at the date that was granted in the Administrative Council the power in question.

I. Important agreements that are placed in force, are modified or they expire in case of change of control then public proposal

They do not suffer agreements, what they are placed in force, they are modified or expire in case of change in the control of Company then public proposal.

J. Agreements among the members of the Board or the Company staff

There are not raised any Agreements among the members of the Board or the Company staff, which they specifically forecast the payment of compensation in case of resignation or redundancy without well-founded reason or finish of military service or their employment because of public proposal.

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The President of Board of Directors
Athanasios X. Athanassoulis

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| | Note | GROUP | | COMPANY | |
|---|------|------------------|------------------|------------------|------------------|
| | | 1/1-31/12/2007 | 1/1-31/12/2006 | 1/1-31/12/2007 | 1/1-31/12/2006 |
| INCOME STATEMENT | | | | | |
| Sales | 6 | 85.306.447 | 78.414.620 | 85.306.447 | 78.414.620 |
| Cost of Sales | | -75.001.264 | -69.389.727 | -75.001.264 | -69.389.727 |
| Gross Profit | | 10.305.183 | 9.024.893 | 10.305.183 | 9.024.893 |
| Other operating income | 7 | 114.552 | 6.872 | 114.552 | 6.872 |
| | | 10.419.735 | 9.031.765 | 10.419.735 | 9.031.765 |
| Administration expenses | 8 | -1.228.551 | -941.046 | -1.226.805 | -941.046 |
| Selling & Distribution expenses | 9 | -6.388.104 | -4.702.031 | -6.388.104 | -4.702.031 |
| Other operating expenses | 10 | -400.448 | -229.101 | -400.448 | -194.157 |
| Operating Profit | | 2.402.633 | 3.159.587 | 2.404.378 | 3.194.531 |
| Financial expenses | 11 | -51.176 | -225.352 | -51.176 | -225.352 |
| Profit from ordinary activities | | 2.351.456 | 2.934.235 | 2.353.202 | 2.969.179 |
| Income/Expense from investments | 12 | 0 | 0 | -370.608 | 0 |
| Profit before tax | | 2.351.456 | 2.934.235 | 1.982.594 | 2.969.179 |
| Income tax | 13 | -650.579 | -758.291 | -650.579 | -758.291 |
| Net Profit | | 1.700.877 | 2.175.943 | 1.332.015 | 2.210.887 |
| Minority interests | | 0 | 0 | 0 | 0 |
| Net profit attributable to the Group | | 1.700.877 | 2.175.943 | 1.332.015 | 2.210.887 |
| EPS (€ / share) | | | | | |
| Basic | 14 | 0,13 | 0,161 | 0,10 | 0,163 |

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BALANCE SHEET

| | Note | GROUP | | COMPANY | |
|--|------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 31/12/2007 | 31/12/2006 | 31/12/2007 | 31/12/2006 |
| ASSETS | | | | | |
| Fixed Assets | | | | | |
| Tangible non-current assets | 15 | 6.295.178 | 6.992.032 | 6.295.178 | 6.992.032 |
| Intangible non-current assets | 16 | 4.800.618 | 5.862.467 | 4.800.618 | 5.862.467 |
| Investments in subsidiaries | | 0 | 0 | 0 | 76.042 |
| Long-term claims | 17 | 97.343 | 96.616 | 97.343 | 96.616 |
| Total Non-Current Assets | | <u>11.193.139</u> | <u>12.951.115</u> | <u>11.193.139</u> | <u>13.027.156</u> |
| Current Assets | | | | | |
| Inventories | 18 | 1.282.620 | 1.969.299 | 1.279.880 | 1.966.559 |
| Trade & other receivables | 19 | 20.379.690 | 20.339.349 | 20.794.296 | 21.129.801 |
| Investments at fair value through income statement | | 842 | 842 | 842 | 842 |
| Cash & equivalents | 21 | 2.160.061 | 2.264.817 | 2.158.807 | 2.263.563 |
| Total Current Assets | | <u>23.823.214</u> | <u>24.574.308</u> | <u>24.233.825</u> | <u>25.360.765</u> |
| TOTAL ASSETS | | <u>35.016.353</u> | <u>37.525.423</u> | <u>35.426.964</u> | <u>38.387.921</u> |
| OWNERS EQUITY & LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share Capital | 22 | 13.555.100 | 13.555.100 | 13.555.100 | 13.555.100 |
| Capital Reserves | 23 | 745.361 | 745.361 | 745.361 | 745.361 |
| Retained earnings (losses) | | -3.617.904 | -5.318.781 | -3.023.096 | -4.355.112 |
| Total Equity of Group Shareholders | | <u>10.682.557</u> | <u>8.981.680</u> | <u>11.277.365</u> | <u>9.945.350</u> |
| Minority interests | | 0 | 0 | 0 | 0 |
| Total Equity | | <u>10.682.557</u> | <u>8.981.680</u> | <u>11.277.365</u> | <u>9.945.350</u> |
| LIABILITIES | | | | | |
| Long-term liabilities | | | | | |
| Employee benefits | 26 | 89.114 | 68.403 | 89.114 | 68.403 |
| Deferred tax liability | 13 | 1.314.169 | 723.590 | 1.314.169 | 723.590 |
| Provisions | 27 | 60.000 | 97.913 | 60.000 | 0 |
| Total long-term liabilities | | <u>1.463.283</u> | <u>889.906</u> | <u>1.463.283</u> | <u>791.993</u> |
| Short-term liabilities | | | | | |
| Trade & other payables | 28 | 22.726.149 | 26.818.417 | 22.541.952 | 26.815.159 |
| Loans | 25 | 0 | 801.017 | 0 | 801.017 |
| Short-term tax liabilities | | 144.364 | 34.403 | 144.364 | 34.403 |
| Total short-term liabilities | | <u>22.870.513</u> | <u>27.653.837</u> | <u>22.686.316</u> | <u>27.650.578</u> |
| Total Liabilities | | <u>24.333.796</u> | <u>28.543.743</u> | <u>24.149.599</u> | <u>28.442.572</u> |
| TOTAL EQUITY & LIABILITIES | | <u>35.016.353</u> | <u>37.525.423</u> | <u>35.426.964</u> | <u>38.387.921</u> |

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STATEMENT OF CHANGES IN EQUITY – GROUP

| | | Share Capital | Share Premium | Revaluation Reserve of Treasury Investments | Regular Reserve | Other Reserves | Retained Profit/Loss | Minority Interests | Consolidation Differences | Total |
|--------------------------------------|----------------------|--------------------------|------------------|---|-----------------------|-----------------------|--------------------------|--------------------|---------------------------|--------------------------|
| Balance | On 31/12/2005 | 13.555.100 | 9.473.790 | 0 | 295.884 | 1.413.115 | -17.899.537 | -53 | | 6.838.298 |
| Income after Tax | | 0 | 0 | 0 | 0 | 0 | 2.175.943 | 0 | | 2.175.943 |
| Increase/(Decrease) of Share Capital | | 0 | -9.473.790 | 0 | 0 | -963.637 | 10.437.427 | 0 | | 0 |
| Other movements | | 0 | 0 | 0 | 0 | 0 | -32.615 | 53 | | -32.562 |
| Balance | On 31/12/2006 | <u>13.555.100</u> | <u>0</u> | <u>0</u> | <u>295.884</u> | <u>449.477</u> | <u>-5.318.781</u> | <u>0</u> | <u>0</u> | 8.981.680 |
| Balance | On 31/12/2006 | 13.555.100 | 0 | 0 | 295.884 | 449.477 | -5.318.781 | 0 | 0 | 8.981.680 |
| Income after Tax | | 0 | 0 | 0 | 0 | 0 | 1.700.877 | 0 | | 1.700.877 |
| Balance | On 31/12/2007 | <u>13.555.100</u> | <u>0</u> | <u>0</u> | <u>295.884</u> | <u>449.477</u> | <u>-3.617.904</u> | <u>0</u> | <u>0</u> | <u>10.682.557</u> |

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STATEMENT OF CHANGES IN EQUITY - COMPANY

| | | Share Capital | Share Premium | Revaluation Reserve of Treasury Investments | Regular Reserve | Other Reserves | Retained Profit/Loss | Minority Interests | Consolidation Differences |
|--------------------------------------|----------------------|--------------------------|------------------|---|-----------------------|-----------------------|--------------------------|--------------------|---------------------------|
| Balance | On 31/12/2005 | 13.555.100 | 9.473.790 | 0 | 295.884 | 1.413.115 | -17.003.426 | 0 | 7.734.462 |
| Income after Tax | | 0 | 0 | 0 | 0 | 0 | 2.210.887 | 0 | 2.210.887 |
| Increase/(Decrease) of Share Capital | | 0 | -9.473.790 | 0 | 0 | -963.637 | 10.437.427 | 0 | 0 |
| Balance | On 31/12/2006 | 13.555.100 | 0 | 0 | 295.884 | 449.477 | -4.355.112 | 0 | 9.945.350 |
| Balance | On 31/12/2006 | 13.555.100 | 0 | 0 | 295.884 | 449.477 | -4.355.112 | 0 | 9.945.350 |
| Income after Tax | | 0 | 0 | 0 | 0 | 0 | 1.332.015 | 0 | 1.332.015 |
| Balance | On 31/12/2007 | <u>13.555.100</u> | <u>0</u> | <u>0</u> | <u>295.884</u> | <u>449.477</u> | <u>-3.023.096</u> | <u>0</u> | <u>11.277.365</u> |

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CASH FLOW STATEMENT FOR THE PERIOD

| | GROUP | | COMPANY | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 1/1-31/12/2007 | 1/1-31/12/2006 | 1/1-31/12/2007 | 1/1-31/12/2006 |
| Cash flows from Operating Activities: | | | | |
| Profit before tax | 2.351.456 | 2.934.235 | 1.982.594 | 2.969.179 |
| Adjustments for: | | | | |
| Depreciation | 1.882.704 | 1.783.303 | 1.882.704 | 1.783.303 |
| Provisions | 29.825 | 13.207 | 29.825 | 13.207 |
| Loss (Profit) from sale of fixed assets | 10.256 | 33.781 | 10.256 | -1.163 |
| Loss / (Profit) from revaluations/impairments of balance sheet items | 104.977 | 0 | 104.977 | 0 |
| Results from investment activities | -13.182 | 0 | 357.425 | 0 |
| Forex differences | 21 | 0 | 21 | 0 |
| Interest & related expenses | 64.359 | 225.352 | 64.359 | 225.352 |
| | <u>4.430.414</u> | <u>4.989.878</u> | <u>4.432.160</u> | <u>4.989.878</u> |
| (+/-) Adjustments for changes in working capital accounts: | | | | |
| Decrease / (increase) of Inventories | 581.702 | -191.556 | 581.702 | -191.556 |
| Decrease / (increase) of Receivables | -50.203 | -6.013.257 | 325.643 | -5.779.507 |
| (Decrease) / Increase of Liabilities (non-bank) | -4.190.182 | 4.752.547 | -4.273.207 | 4.518.797 |
| (less): | | | | |
| Interest & related expenses paid-up | -64.359 | -226.078 | -64.359 | -226.078 |
| Taxes paid-up | 109.961 | -67.968 | 109.961 | -67.968 |
| | <u>817.335</u> | <u>3.243.566</u> | <u>1.111.901</u> | <u>3.243.566</u> |
| Cash Flows from Investing Activities | | | | |
| Acquisition of subsidiaries/affiliates/joint ventures & other investments | 0 | 0 | -294.566 | 0 |
| Purchase of tangible & intangible fixed assets | -134.554 | -927.730 | -134.554 | -927.730 |
| Receipts from tangible & intangible fixed assets sale | 298 | 140.999 | 298 | 140.999 |
| Interest received | 13.182 | 725 | 13.182 | 725 |
| | <u>-121.074</u> | <u>-786.006</u> | <u>-415.640</u> | <u>-786.006</u> |
| Cash Flows from Financing Activities: | | | | |
| Receipts/Payments of Loans | -801.017 | -1.972.269 | -801.017 | -1.972.269 |
| | <u>-801.017</u> | <u>-1.972.269</u> | <u>-801.017</u> | <u>-1.972.269</u> |
| Net Increase/(Decrease) in Cash Position for Period (a)+(b)+(c) | <u>-104.756</u> | <u>485.292</u> | <u>-104.756</u> | <u>485.292</u> |
| Cash Position at beginning of period | <u>2.264.817</u> | <u>1.779.525</u> | <u>2.263.563</u> | <u>1.778.271</u> |
| Cash Position at end of period | <u>2.160.061</u> | <u>2.264.817</u> | <u>2.158.807</u> | <u>2.263.563</u> |

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Group Description

MICROLAND COMPUTERS A.E.B.E is a company founded in Greece according to Law 2190/1920. Head office is situated at the municipality of Marousi, at 12 Patmou street.

The activity of the company is:

1. The sale to the final customer and the commercialization of any type of technology products, especially of the IT and telecommunications sector, through a wide network of retail shops.
2. The sale of mobile and fixed telephony contracts, prepaid cards for mobile and fixed telephony and any type of network cards.
3. The production, sale and distribution of any type of telecommunications equipment, products, appliances, peripherals and parts, as well as sound, vision and data networks and parts, the development and sale of software for the above.
4. The provision of services relevant to the above activities, the design of systems, the development, production, use, sale, lease and maintenance of telecoms equipment, the provision of telecoms services offered by GSM networks or PCS and telecoms services through satellites.
5. The provision of support services for telecoms equipment and parts, and of telecoms products, appliances and parts.
6. The design, development, production and sale of cd-roms of entertaining and informative character.
7. The design and development of databases with data on information, training, and entertainment of end users, as well as the use of these databases in various electronic ways.

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8. The exploitation, for the increase of customer base of the company, of the subscriber base on internet, mobile telephony, telecoms, etc. and the provision to these subscribers of various products, services and information.
9. The provision of training services and support to end users of advanced technology products and the maintenance assembly, upgrade, etc., of any advanced technology products, especially of telecoms and IT products.
10. The design, development and exploitation of infrastructures for modern electronic commerce and payment applications.
11. The research, development, application and execution of relevant to the company activities projects, the provision of consulting services and the undertaking and compilation of studies for the public and private sector on mobile, fixed telephony and generally on telecommunication systems and networks.
12. Representation of foreign and domestic firms, the import and export and the sale of the above products and services and the cooperation with foreign and domestic companies in the sector of advanced technologies.
13. The design, construction, renovation, decoration of the inside and outside area of the stores which have the brand name of the company, whether these belong to the company or to third parties under special agreements.

The above activities can be accomplished through:

- a) The foundation of branches in the form of offices and stores, as well as through subsidiaries in Greece and abroad,
- b) The participation of the company to other companies, foreign or domestic, of any legal form, and through the cooperation with other companies of any legal form and joint-ventures,

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- c) The participation of the company to joint-ventures with other companies of any legal form or with persons,

- d) The merge with other companies of any legal form,

- e) Contracts for franchising with any person or company of any legal form,

- f) The provision of guarantees on behalf of third parties according to article 23 a of Law 2190/1920.

The consolidated financial statements are included to the consolidated financial statements of the parent company ALTEC A.B.E.E., which participates directly to the share capital of Microland at 48.08% which is located in Greece (Patmou 12, Marousi).

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1. PRESENTATION BASIS OF FINANCIAL STATEMENTS

1.1 General

The financial statements have been prepared pursuant to the historical cost principle and are modified to reflect the reviewed expected economic life of fixed assets. The Group and the Company have applied IFRS 1 presenting initially fixed assets on the basis of historic cost.

The interim financial statements for the period 1/1 – 31/12/2007 have been compiled under IFRS that are published by IASB (International Accounting Standards Board) and the amendments published by IFRIC.

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

Company 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 Standards that have been adopted by the European Union. Therefore, as regards the attached consolidated financial statements, they are based on 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.

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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 interim financial statements for the period ended on 31 December 2007 (1/1-31/12/2007) are approved for publication by the Board of Directors on 11 March 2008.

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 pension plans, for which there is no sufficient information for 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

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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 restricts 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, because of the fact that the Group has not rated other financial instruments, except from the one which are used for business reasons.

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

This amendment requires that the existing financial Guarantee Contracts, apart from the ones that are Insurance Contracts, have to be primarily recognised as rational value and after to be rated as bigger values between: (a) the non depreciated balance of the relevant payments which have been collected and postponed and (b) the expense that is required in order to adjust the commitment at the day of the balance sheet. The Management has ended up to the conclusion that this amendment is not relevant to the Group's activities.

IFRS 1 (amendment) First-Time Adoption of 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 adoption to IAS 1 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

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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 has estimated the effect of the IFRS 7 and the IAS 1 and has come up to that the rest disclosures which are required are the sensitivity analysis that has to do with the market risk and the capital disclosures. The Group applies IFRS 7 and the amendment of IAS 1 from 1 January 2007.

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

The IFRS 8 requires that the provided information which refers to operating activity Segments should be the one that the Management takes into consideration in order to allocate the available recourses and to estimate the return. 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(in power from January 1st January 2006)

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(in power from January 1st January 2006)

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 (in power from 1st December 2005)

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

IFRIC 7 Applying the restatement approach under IAS 29 (in power from January 1st

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It does not apply to the Group.

IFRIC 8 Scope of IFRS 2 (in power from January 1st March 2006)

It does not apply to the Group.

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

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. 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)

Provides the way in which the must apply the existing **IFRIC** in order to register the obligations that undertake the rights that are granted to them in the relative conventions of concession. It will not be supposed they recognize the relative infrastructure as corporal constant elements, but they recognize a financing active element or a bodiless asset. The **IFRIC 12** question does not have application in the Group. **IFRIC 12** still has not been adopted by the E.E..

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2. Group Structure

The consolidated financial statements of the Company for the period ended 30 June 2007 include the Company and the subsidiaries (MICROLAND GROUP).

Subsidiaries are all companies managed and controlled, directly or indirectly, by the parent company MICROLAND 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.

The intragroup balances and the intragroup transactions, and the Group's profits, which have come from intragroup transactions and have not realized yet, are not included in the aggregate financial statements.

MICROLAND Group consists of the following companies:

| COMPANY | LOCATION | PARTICIPATION PERCENTAGE | MAIN ACTIVITY |
|------------------------------|-----------|--------------------------|---------------------------|
| MICROLAND COMPUTERS A.E.B.E. | Athens | Parent | Commerce of PC & Telecoms |
| Subsidiaries: | | | |
| MICROLAND CYPRUS LIMITED | Limassol | 100% | Commerce of PC & Telecoms |
| MICROLAND ROMANIA S.R.L. | Bucharest | 100% | Commerce of PC & Telecoms |

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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 useful life.

Investment land and buildings are valued at fair value and the revaluation deference 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 physical 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 subsequent expenses, relevant to tangible fixed assets, are capitalised only if they increase future economic benefits from the asset. All other maintenance, etc. expenses are registered in the expenses of the year in which they occur.

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 of main asset categories is as follows:

| | |
|-----------------------------|-------------|
| Buildings | 12-25 years |
| Machinery & equipment | 7-10 years |
| Transportation means | 10-15 years |
| Furniture & other equipment | 7-10 years |

Equipment in third party buildings are depreciated according to the length of the underline 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.

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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:

| | |
|-------------------|--------------|
| Intangible Assets | 3 - 12 years |
|-------------------|--------------|

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 transaction, intragroup profits and losses and the intragroup account balances are canceled out in the 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.

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3.6 Available-for-sale investments

There are not any.

3.7 Investments in property

There are not any.

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.

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

There are not any.

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3.14 Leases

There are not any.

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 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' General 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 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.

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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.

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 is 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.

3.24 Expenditures

3.24.1 Operating leases

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

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3.24.2 Financial leases

There are not any.

3.24.3 Financing cost

The net financing cost includes different financial payments.

3.25 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.

3.26 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.

As stated before in paragraph 3.21, the basic financial tools of the Group are cash, bank deposits and short-term receivables and liabilities. Group management examines and reviews the relevant policies and processes in frequent time intervals. The financial risks are the following:

- **Credit Risk:** The danger of damage of Group that arises from not achievement of conventional obligations of customer or third party in transaction of financing means. It is mainly related with the requirements by customers and investments on securities. The Group has explicit credit policy which is applied consequently. The Group has large number of customers and consequently the wide dissemination of his cliental base contributes in the existence of low credit danger concerning this requirements. The Administration of Group watches permanently the financing situation of customers, the size and the limits of provided credits. In the end of use the Administration considered that does not exist no important credit danger that would not be covered by some guarantee or by sufficient forecast of precarious requirement. The biggest report in credit danger is reflected by the height of each element of asset. The financing active elements that includes credit danger are portrayed below:

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| | GROUP | | COMPANY | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2007 | 31/12/2006 | 31/12/2007 | 31/12/2006 |
| Financial Tools available for sale | 0 | 0 | 0 | 0 |
| Customers | 8.500.949 | 12.390.453 | 8.292.549 | 12.182.053 |
| Cash & Cash Equivalent | 2.160.061 | 2.264.817 | 2.158.807 | 2.263.563 |
| TOTAL | 10.661.010 | 14.655.270 | 10.451.356 | 14.445.616 |

- **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:** The company is not exposed in such kind of risk because it has not taken any loan.
- **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.

| <u>GROUP 2006</u> | <u>EURO</u> |
|---|----------------------------|
| <i>Customers – Trade receivables</i> | <i>20.339.349</i> |
| <i>Loan</i> | <i>(801.017)</i> |
| <i>Trade & other Creditors</i> | <i>(26.852.820)</i> |
| <i>Disposables</i> | <i>2.264.817</i> |
| <i>TOTAL RISK</i> | <i>(5.049.671)</i> |

| <u>COMPANY 2006</u> | <u>EURO</u> |
|---|----------------------------|
| <i>Customers – Trade receivables</i> | <i>21.129.801</i> |
| <i>Loan</i> | <i>(801.017)</i> |
| <i>Trade & other Creditors</i> | <i>(26.849.562)</i> |
| <i>Disposables</i> | <i>2.263.563</i> |
| <i>TOTAL RISK</i> | <i>(4.257.215)</i> |

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| <u>GROUP 2007</u> | EURO |
|--------------------------------------|---------------------|
| Customers – Trade receivables | 20.379.690 |
| Loan | 0 |
| Trade & other Creditors | (22.870.513) |
| Disposables | 2.160.061 |
| TOTAL RISK | (330.762) |

| <u>COMPANY 2007</u> | EURO |
|--------------------------------------|---------------------|
| Customers – Trade receivables | 20.794.296 |
| Loan | |
| Trade & other Creditors | (22.686.316) |
| Disposables | 2.158.807 |
| TOTAL RISK | 266.787 |

- **Liquidity risk:** Liquidity risk arises from the potential danger of the Group to not come up with its financial liabilities. In order to achieve that it must guarantee sufficient financier available and credit limits with collaborating banks so that is ensured the achievement of obligations at their expiry so much under usual what under difficult conditions without it suffers not acceptable damage or is jeopardized his fame.

The analysis of financial obligations with based on their expiry are portrayed below.

| <u>GROUP</u> | 31/12/2006 | < 1 year | 1 – 2 έτη | 2 + έτη | Σύνολο |
|--------------------------|------------|------------|-----------|---------|------------|
| Bank Loan | 801.017 | 801.017 | | | 801.017 |
| Suppliers | 25.712.015 | 25.712.015 | | | 25.712.015 |
| Other Liabilities | 1.140.805 | 1.140.805 | | | 1.140.805 |
| Total | 27.653.837 | 27.653.837 | | | 27.653.837 |

| <u>GROUP</u> | 31/12/2007 | < 1 year | 1 – 2 years | 2 + years | Total |
|--------------------------|-------------------|------------|-------------|-----------|------------|
| Bank Loan | 0 | | | | |
| Suppliers | 20.621.609 | 20.621.609 | | | 20.621.609 |
| Other Liabilities | 2.248.904 | 2.248.904 | | | 2.248.904 |
| Total | 22.870.513 | 22.870.513 | | | 22.870.513 |

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| Company | 31/12/2006 | < 1 year | 1 – 2 years | 2 + years | Total |
|--------------------------|------------|------------|-------------|-----------|------------|
| Bank Loan | 801.017 | 801.017 | | | 801.017 |
| Suppliers | 25.912.973 | 25.912.973 | | | 25.912.973 |
| Other Liabilities | 936.589 | 936.589 | | | 936.589 |
| Total | 27.650.578 | 27.650.578 | | | 27.650.578 |

| Company | 31/12/2007 | < 1 year | 1 – 2 years | 2 + years | Total |
|--------------------------|-------------------|------------|-------------|-----------|------------|
| Bank Loan | 0 | 0 | 0 | 0 | 0 |
| Suppliers | 20.822.567 | 20.822.567 | | | 20.822.567 |
| Other Liabilities | 1.863.749 | 1.863.749 | | | 1.863.749 |
| Total | 22.686.316 | 22.686.316 | | | 22.686.316 |

5. Important accounting estimates & management judgments

Group management makes estimates, assumptions and judgments 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 on management experiences in relation to the nature and the magnitude of the relevant events and transactions.

The estimates and judgments which refer to situations that might influence the financial statements' accounts for the next twelve months are:

a) Income Tax

The provision about Income Tax according to IFRS 12 is conducted by estimating the taxes which are going to be delivered to the taxation authorities and includes the current income tax as well as the provision for further taxes which might appear after taxation control.

The Group Companies are liable to different income tax legislation. In order to define the provision that has to do with the Income Taxes it is required the next. In case that the taxes after the tax control are different from the from the initial numbers, will affect the income tax and the provisions for postponed taxes. More details are given in the Note 13.

b) Doubtful Debt Provision

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The management estimates periodically the sufficiency of the provision that has to do with the doubtful debt in accordance with credit policy by taking into account the Legal Department features, which result from the elaboration of past data and recent progress of the cases that it manages.

6. Segmentation of Group activities

Company and subsidiaries are activated in the sector of IT and Telecommunication services in Greece and abroad.

I) Segmentation according to activity

| Data for period | 1/1- 31/12/2007 | | | | TOTAL |
|---|--------------------|------------------|---------------|---|-------------------------|
| | IT | TELECOMS | OTHER | Cancel-out of intragroup transactions | |
| Sales to third parties | 4.483.943 | 80.416.099 | 406.405 | 0 | 85.306.447 |
| Cost of Sales | -3.942.274 | -70.701.680 | -357.310 | 0 | -75.001.264 |
| Gross profit (loss) | 541.669 | 9.714.419 | 49.095 | 0 | 10.305.183 |
| Other operating revenue | 6.021 | 107.986 | 546 | 0 | 114.552 |
| Administration expenses | -64.484 | -1.158.222 | -5.845 | 0 | -1.228.551 |
| Selling & Distribution expenses | -335.776 | -6.021.894 | -30.433 | 0 | -6.388.104 |
| R&D expenses | 0 | 0 | 0 | 0 | 0 |
| Other operating expenses | -21.049 | -377.491 | -1.908 | 0 | -400.448 |
| Operating profit (loss) | 126.381 | 2.264.797 | 11.455 | 0 | 2.402.633 |
| Financing expenses | | | | | -51.176 |
| Income from ordinary activities | | | | | 2.351.456 |
| Income/Expense from investment activity | | | | | 0 |
| Income before taxes | | | | | 2.351.456 |
| Income tax | | | | | -650.579 |
| Net Income | | | | | <u>1.700.877</u> |
| Other info on Income Statement | | | | | |
| Depreciation | 98.961 | 1.774.773 | 8.969 | 0 | 1.882.704 |

| Data for period | 1/1- 31/12/2006 | | | | TOTAL |
|---------------------------------|--------------------|------------------|----------|---|------------------|
| | IT | TELECOMS | OTHER | Cancel-out of intragroup transactions | |
| Sales to third parties | 1.280.303 | 77.134.317 | 0 | 0 | 78.414.620 |
| Cost of Sales | -1.132.950 | -68.256.777 | 0 | 0 | -69.389.727 |
| Gross profit (loss) | 147.353 | 8.877.540 | 0 | 0 | 9.024.893 |
| Other operating revenue | 112 | 6.760 | 0 | 0 | 6.872 |
| Administration expenses | -15.365 | -925.681 | 0 | 0 | -941.046 |
| Selling & Distribution expenses | -76.772 | -4.625.259 | 0 | 0 | -4.702.031 |
| Other operating expenses | -3.170 | -225.931 | 0 | 0 | -229.101 |

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| | | | | | |
|---|--------|-----------|---|---|-------------------------|
| Operating profit (loss) | 52.158 | 3.107.429 | 0 | 0 | 3.159.587 |
| Financing expenses | | | | | -225.352 |
| Income from ordinary activities | | | | | 2.934.235 |
| Income/Expense from investment activity | | | | | 0 |
| Income before taxes | | | | | 2.934.235 |
| Income tax | | | | | -758.291 |
| Net Income | | | | | <u>2.175.943</u> |
| Other info on Income Statement | | | | | |
| Depreciation | 29.117 | 1.754.186 | 0 | 0 | 1.783.303 |

II) Balance Sheet Information

Other B/S information

On 31/12/2007

| | IT | TELECOMS | OTHER | Cancel-out of intragroup transactions | TOTAL |
|-----------------------------------|-----------|------------|---------|---|------------|
| Intangible Fixed Assets | 252.334 | 4.525.413 | 22.870 | 0 | 4.800.618 |
| Tangible Fixed Assets | 330.892 | 5.934.296 | 29.991 | 0 | 6.295.178 |
| Participation & other investments | 0 | 0 | 842 | 0 | 842 |
| Other assets | 1.278.869 | 23.391.806 | 115.911 | -866.872 | 23.919.715 |
| Total Liabilities | 1.269.370 | 23.816.248 | 115.050 | -866.872 | 24.333.796 |
| Total Equity | 592.770 | 10.036.062 | 53.726 | 0 | 10.682.557 |

Other B/S information

On 31/12/2006

| | IT | TELECOMS | OTHER | Cancel-out of intragroup transactions | TOTAL |
|-----------------------------------|---------|------------|-------|---|------------|
| Intangible Fixed Assets | 146.562 | 5.715.905 | 0 | 0 | 5.862.467 |
| Tangible Fixed Assets | 174.800 | 6.817.232 | 0 | 0 | 6.992.032 |
| Participation & other investments | 1.045 | 75.839 | 0 | -76.042 | 842 |
| Other assets | 345.950 | 25.566.849 | 0 | -1.242.717 | 24.670.082 |
| Total Liabilities | 386.529 | 29.399.931 | 0 | -1.242.717 | 28.543.743 |
| Total Equity | 135.155 | 8.922.566 | 0 | -76.042 | 8.981.680 |

7. Other Operating Income

Other operating income is shown on next table:

| | GROUP | | COMPANY | |
|-----------------------------|---------------|------------------|------------------|------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| ALLOWANCES | 3.739 | 0 | 3.739 | |
| THIRD PARTY SERVICES INCOME | 17.407 | 0 | 17.407 | |

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| | | | | |
|----------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| RENTS | 1.240 | 1.200 | 1.240 | 1.200 |
| COLLECTABLE ADVERTISING EXPENSES | 85.218 | 0 | 85.218 | |
| AFTER AVOCATION INCOME | 0 | 4.509 | | 4.509 |
| OTHER UNSCHEDULED INCOME | 4.844 | 0 | 4.844 | 0 |
| PROFITS FROM ASSET SALE | 295 | 1.163 | 295 | 1.163 |
| PREVIOUS FINANCIA YEAR INCOME | 1.810 | 0 | 1.810 | |
| Balance | <u>114.552</u> | <u>6.872</u> | <u>114.552</u> | <u>6.872</u> |

8. Administration Expenses

Administration Expenses are shown on next table:

| | GROUP | | COMPANY | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| WAGES | 422.010 | 222.010 | 422.010 | 222.010 |
| APPRENTICES REWARDS | 0 | 0 | | |
| BENEFITS AND STAFF EXPENSES | 5.358 | 2.358 | 5.358 | 2.358 |
| IKA | 117.420 | 57.420 | 117.420 | 57.420 |
| COMPENSATION | 6.084 | 3.084 | 6.084 | 3.084 |
| REMUNERATION & EXPENSES OF FREE LANCER | 2.048 | 1.902 | 302 | 1.902 |
| REMUNERATION & EXPENSES OF NON FREE LANCER | 150.393 | 150.393 | 150.393 | 150.393 |
| THIRD PARTY PROMITHIES | 0 | 0 | | |
| THIRD PARTY PROCESSING | 2.140 | 2.140 | 2.140 | 2.140 |
| NON INCOME TAX THIRD PARTY SALARIES | 14.153 | 14.899 | 14.153 | 14.899 |
| THIRD PARTY REMUNERATION | 452 | 0 | 452 | |
| TELECOMMUNICATION | 80.897 | 42.497 | 80.897 | 42.497 |
| RENT | 47.659 | 17.209 | 47.659 | 17.209 |
| INSURANSE FEES | 1.050 | 2.205 | 1.050 | 2.205 |
| STORAGE COST | 0 | 0 | | |
| MAINTENANCE & REPAIR | 28.446 | 6.744 | 28.446 | 6.744 |
| THIRD PARTY OFFERS | 10.484 | 10.484 | 10.484 | 10.484 |
| VEHICLES TAXES | 55 | 55 | 55 | 55 |
| MUNICIPALITY TAXES | 3.125 | 3.125 | 3.125 | 3.125 |
| OTHER TAXES | 7.500 | 4.500 | 7.500 | 4.500 |
| TRANSPORATION EXPENSES | 9.871 | 9.532 | 9.871 | 9.532 |
| TRAVEL EXPENSES | 52.897 | 5.897 | 52.897 | 5.897 |
| DISPLAY & ADVESTISING EXPENSES | 4.352 | 125.627 | 4.352 | 125.627 |
| EXHIBITION EXPENSES | 6.918 | 6.918 | 6.918 | 6.918 |
| SUBSCRIPTIONS | 15.169 | 2.737 | 15.169 | 2.737 |
| DONATIONS | 13.000 | 0 | 13.000 | |
| PRINTS & STATIONARY | 5.671 | 4.325 | 5.671 | 4.325 |
| EXPENDABLE SUPPLIES | 4.274 | 12.797 | 4.274 | 12.797 |
| PUBLICITY EXPENSES | 29.342 | 3.313 | 29.342 | 3.313 |
| OTHER EXPENSES | 1.408 | 1.673 | 1.408 | 1.673 |
| DEPRECIATION FIXED & INTANGIBLE ASSETS | 176.022 | 213.996 | 176.022 | 213.996 |
| COMPENSATION PROVISION DUE TO STAFF PENSION | 10.355 | 13.207 | 10.355 | 13.207 |
| Balance | <u>1.228.551</u> | <u>941.046</u> | <u>1.226.805</u> | <u>941.046</u> |

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9. Selling & Distribution expenses

Selling & Distribution expenses are shown below:

| | GROUP | | COMPANY | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| WAGES | 1.904.461 | 1.628.073 | 1.904.461 | 1.628.073 |
| APPRENTICES REWARDS | 0 | 0 | | |
| BENEFITS AND STAFF EXPENSES | 26.679 | 17.289 | 26.679 | 17.289 |
| IKA | 477.732 | 421.082 | 477.732 | 421.082 |
| COMPENSATION | 52.342 | 22.618 | 52.342 | 22.618 |
| REMUNERATION & EXPENSES OF FREE LANCER | 1.231 | 5.707 | 1.231 | 5.707 |
| REMUNERATION & EXPENSES OF NON FREE LANCER | 2.225 | 0 | 2.225 | |
| THIRD PARTY PROMITHIES | 0 | 0 | | |
| THIRD PARTY PROCESSING | 1.621 | 6.421 | 1.621 | 6.421 |
| NON INCOME TAX THIRD PARTY SALARIES | 41.054 | 44.698 | 41.054 | 44.698 |
| THIRD PARTY REMUNERATION | 1.513 | 0 | 1.513 | |
| TELECOMMUNICATION | 195.024 | 259.647 | 195.024 | 259.647 |
| RENT | 234.027 | 149.145 | 234.027 | 149.145 |
| INSURANSE FEES | 22.004 | 8.820 | 22.004 | 8.820 |
| STORAGE COST | 25.267 | 0 | 25.267 | |
| MAINTENANCE & REPAIR | 99.850 | 26.977 | 99.850 | 26.977 |
| THIRD PARTY OFFERS | 53.818 | 41.936 | 53.818 | 41.936 |
| VEHICLES TAXES | 164 | 164 | 164 | 164 |
| MUNICIPALITY TAXES | 7.219 | 9.375 | 7.219 | 9.375 |
| OTHER TAXES | 37.698 | 13.499 | 37.698 | 13.499 |
| TRANSPORATION EXPENSES | 97.797 | 38.129 | 97.797 | 38.129 |
| TRAVEL EXPENSES | 33.107 | 23.588 | 33.107 | 23.588 |
| DISPLAY & ADVESTISING EXPENSES | 1.728.437 | 502.509 | 1.728.437 | 502.509 |
| EXHIBITION EXPENSES | 24.556 | 27.670 | 24.556 | 27.670 |
| SUBSCRIPTIONS | 8.811 | 10.947 | 8.811 | 10.947 |
| DONATIONS | 69.452 | 17.299 | 69.452 | 17.299 |
| PRINTS & STATIONARY | 20.448 | 51.186 | 20.448 | 51.186 |
| EXPENDABLE SUPPLIES | 0 | 13.250 | | 13.250 |
| PUBLICITY EXPENSES | 6.443 | 6.691 | 6.443 | 6.691 |
| OTHER EXPENSES | 1.195.654 | 1.355.310 | 1.195.654 | 1.355.310 |
| DEPRECIATION FIXED & INTANGIBLE ASSETS | 10.355 | 0 | 10.355 | 0 |
| DOUBTFULL DEBT PROVISION | 9.114 | 0 | 9.114 | 0 |
| Balance | <u>6.388.104</u> | <u>4.702.031</u> | <u>6.388.104</u> | <u>4.702.031</u> |

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10. Other Operating Expenses

Other Operating Expenses are analyzed as follows:

| | GROUP | | COMPANY | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| TAX FINES | 201.324 | 6.748 | 201.324 | 6.748 |
| IKA ACCESSION | 53.302 | 13 | 53.302 | 13 |
| FORFEITURE OF BOND | 0 | 19.738 | 0 | 19.738 |
| EXCHANGE DIFFERENCES | 21 | 19.654 | 21 | 19.654 |
| OTHER UNSCHEDULED EXPENSES | 20.823 | 4.006 | 20.823 | 4.006 |
| ASSET SALE LOSS | 10.551 | 0 | 10.551 | |
| STOCK DAMAGE | 104.977 | 0 | 104.977 | |
| PREVIOUS YEARS EXPENSES | 0 | 25.306 | 0 | 25.306 |
| INTANGIBLE DELETE | 9.450 | 153.637 | 9.450 | 118.693 |
| Balance | <u>400.448</u> | <u>229.101</u> | <u>400.448</u> | <u>194.157</u> |

11. Net Financing Cost

Financing income (expenditure) is analyzed as follows:

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Interest expense on bank liabilities | 0 | 84.933 | | 84.933 |
| Other financing expenses | 64.359 | 141.145 | 64.359 | 141.145 |
| Total Financing Cost | 64.359 | 226.078 | 64.359 | 226.078 |
| Interest & other financing income | 13.182 | 725 | 13.182 | 725 |
| Net Financing Income (Expenditure) | -51.176 | -225.352 | -51.176 | -225.352 |

12. Revenues/Expenses from Investing

The Expenses refer to provisions for reducing the value of Investments.

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13. Income Taxes

The tax burden on income was defined as follows:

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Deferred taxes | 590.579 | 758.291 | 590.579 | 758.291 |
| Provisions for tax audit differences | 60.000 | 0 | 60.000 | 0 |
| Total taxes on income statement | <u>650.579</u> | <u>758.291</u> | <u>650.579</u> | <u>758.291</u> |

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 | | COMPANY | |
|--|--------------------------|------------------------|--------------------------|------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Deferred tax liabilities | -1.314.169 | -723.590 | -1.314.169 | -723.590 |
| Total Deferred Taxes on Balance Sheet | <u>-1.314.169</u> | <u>-723.590</u> | <u>-1.314.169</u> | <u>-723.590</u> |

| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
|-----------------------|--------------------------|------------------------|--------------------------|------------------------|
| Beginning Balance | -723.590 | 34.701 | -723.590 | 34.701 |
| Tax on Income | -590.579 | -758.291 | -590.579 | -758.291 |
| Ending Balance | <u>-1.314.169</u> | <u>-723.590</u> | <u>-1.314.169</u> | <u>-723.590</u> |

| | GROUP | | | |
|--|------------------|-----------------------------|--------------------------------|------------------|
| | On 31/12/2006 | Credit (Debit) on Income | Credit (Debit) on Equity | On 31/12/2007 |
| Deferred tax claims/liabilities | | | | |
| Depreciation of fixed assets | -557.334 | 29.881 | 0 | -527.453 |

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| | | | | |
|--|-----------------|-----------------|----------|-------------------|
| Un-recognition & adjustment of intangible asset amortization | -1.586.818 | 132.823 | 0 | -1.453.994 |
| Adjustment of accounts receivable | 435.672 | 0 | 0 | 435.672 |
| Provision for staff compensation due to retirement | 17.101 | 5.178 | 0 | 22.279 |
| Tax losses of previous years | 967.789 | -758.461 | 0 | 209.327 |
| Total Deferred Taxes on Balance Sheet | -723.590 | -590.579 | 0 | -1.314.169 |

| COMPANY | | | | |
|--|--------------------------|-------------------------------------|---|--------------------------|
| | On 31/12/2006 | Credit (Debit) on Income | Credit (Debit) on Equity | On 31/12/2007 |
| Deferred tax claims/liabilities | | | | |
| Depreciation of fixed assets | -557.334 | 29.881 | 0 | -527.453 |
| Un-recognition & adjustment of intangible asset amortization | -1.586.818 | 132.823 | 0 | -1.453.994 |
| Adjustment of accounts receivable | 435.672 | 0 | 0 | 435.672 |
| Provision for staff compensation due to retirement | 17.101 | 5.178 | 0 | 22.279 |
| Tax losses of previous years | 967.789 | -758.461 | 0 | 209.327 |
| Total Deferred Taxes on Balance Sheet | -723.590 | -590.579 | 0 | -1.314.169 |

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14. Earnings per Share (EPS)

The calculation of (basic) earning per share is as follows:

| | GROUP | | COMPANY | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Net Income attributable to common shareholders | 1.700.877 | 2.175.943 | 1.332.015 | 2.210.887 |
| Weighted average number of shares in circulation | 13.555.100 | 13.555.100 | 13.555.100 | 13.555.100 |
| Less: Weighted average number of own shares | 0 | 0 | 0 | 0 |
| Total Weighted Average number of shares in circulation | 13.555.100 | 13.555.100 | 13.555.100 | 13.555.100 |
| Basic Earnings (Losses) per Share (in €) | 0,13 | 0,16 | 0,10 | 0,16 |

15. Tangible Assets

Group tangible assets are analyzed as follows:

| | Land & Fields | Buildings & Facilities | Machinery & Equipment | Transportation Means | Furniture & Equipment | Total |
|---|--------------------------|-----------------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------|
| <u>Acquisition or Valuation cost</u> | | | | | | |
| On 31/12/2006 | 0 | 7.742.165 | 334.622 | 44.784 | 3.603.039 | 11.724.609 |
| Additions | 0 | 6.999 | 8 | 0 | 102.241 | 109.248 |
| Decreases | 0 | 0 | 0 | 0 | 39.030 | 39.030 |
| On 31/12/2007 | 0 | 7.749.164 | 334.629 | 44.784 | 3.666.250 | 11.794.827 |
| <u>Accumulated Depreciation</u> | | | | | | |
| On 31/12/2006 | 0 | 2.026.395 | 262.487 | 17.936 | 2.425.758 | 4.732.576 |
| Additions | 0 | 296.975 | 29.165 | 1.679 | 467.730 | 795.549 |
| Decreases | 0 | 0 | 0 | 0 | 28.476 | 28.476 |
| On 31/12/2007 | 0 | 2.323.370 | 291.652 | 19.615 | 2.865.012 | 5.499.649 |
| <u>Net Value</u> | | | | | | |
| On 31/12/2006 | 0 | 5.715.770 | 72.135 | 26.848 | 1.177.280 | 6.992.032 |
| On 31/12/2007 | 0 | 5.425.794 | 42.978 | 25.169 | 801.238 | 6.295.178 |

Depreciation of tangible and intangible fixed assets during the period are charged on Income as follows:

| | GROUP | COMPANY |
|---------------------------------|------------------|------------------|
| Cost of Sales | 509.360 | 509.360 |
| Administration expenses | 176.236 | 176.236 |
| Selling & Distribution expenses | 1.197.108 | 1.197.108 |
| | 1.882.704 | 1.882.704 |

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16. Intangible Assets

Group intangible fixed assets are analyzed as follows:

| | GROUP |
|---|------------------------------|
| | Intangible Assets |
| <u>Valuation or Acquisition Cost</u> | |
| On 31/12/2006 | 13.327.856 |
| Additions | 25.306 |
| Decreases | 0 |
| On 31/12/2007 | 13.353.162 |
| <u>Accumulated Depreciation</u> | |
| On 31/12/2006 | 7.465.389 |
| Additions | 1.087.155 |
| Decreases | 0 |
| On 31/12/2007 | 8.552.545 |
| <u>Net Value</u> | |
| On 31/12/2006 | 5.862.467 |
| On 31/12/2007 | 4.800.618 |

The intangible assets refer to applications for stores administration, connection settlement, customer administration (franchise stores).

17. Long-Term Claims

Long-term claims on 31 December 2007 represent given guarantees amounting to € 97.343,09.

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18. Inventories

Group and Company Inventories are as follows:

| | GROUP | | COMPANY | |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Inventories | 1.282.620 | 1.969.299 | 1.279.880 | 1.966.559 |
| Total | <u>1.282.620</u> | <u>1.969.299</u> | <u>1.279.880</u> | <u>1.966.559</u> |

19. Trade Receivables & other claims

Total Group and Company receivables are as follows:

| | GROUP | | COMPANY | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Customers | 8.977.998 | 12.858.389 | 8.769.597 | 12.649.988 |
| Notes receivable at bank as guarantee | 0 | 1.356 | 0 | 1.356 |
| Bank cheques receivable | 467.855 | 367.314 | 467.855 | 367.314 |
| Bank cheques overdue | 268.756 | 268.756 | 268.756 | 268.756 |
| Other Debtors | 2.084.401 | 2.249.862 | 2.707.408 | 3.248.714 |
| Advancements & credits accounts | 2.235 | 3.075 | 2.235 | 3.075 |
| Subsequent period expenses | 4.440.930 | 12.943 | 4.440.930 | 12.943 |
| Current year income receivable | 5.889.318 | 6.320.345 | 5.889.318 | 6.320.345 |
| | <u>22.131.493</u> | <u>22.082.038</u> | <u>22.546.099</u> | <u>22.872.490</u> |
| Less: Provisions | <u>-1.751.803</u> | <u>-1.742.689</u> | <u>-1.751.803</u> | <u>-1.742.689</u> |
| Balance | <u>20.379.690</u> | <u>20.339.349</u> | <u>20.794.296</u> | <u>21.129.801</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. The account "Other Debtors" refers to claims from credit cards, claims from Government (taxes and deferred taxes), and creditors advanced deposits.

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20. Fair value investments through income statement

These are shares of companies listed in the Athens Stock Exchange:

| | | GROUP | | COMPANY | |
|--------------|----------------|-------------------|-------------------|-------------------|-------------------|
| | | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| PIRAEUS BANK | BALANCE | 842 | 842 | 842 | 842 |
| | | <u>842</u> | <u>842</u> | <u>842</u> | <u>842</u> |

21. Cash & Cash Equivalents

Cash at hand amounts to € 618.192 for the Group and bank deposits amount to € 1.541.869 available at request.

22. Share capital & Share premium reserve

Company share capital consists of 13.555.100 ordinary shares of nominal value €1 each.

The share capital of the Company from the 1st January 2004 until the approval date of financial statements was:

By the K2-7253/9/6/2005 article of the Ministry of Development it was approved the merge, with transformation balance of 10 December 2005, of the companies "MICROLAND COMPUTERS AEBE and ALTCOM AET with absorption of the second by the first.

The share capital was increased about € 791.100 and was numbering € 13.555.100. This increase was made by the shareholders of ALTCOM A.E. Telecommunications in order to replace the company shares due to consolidation, which was accomplished on 10 June 2005.

On 31/12/2007, shareholders with participation greater than 2% on the fully paid-up share capital were as follows:

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| SHAREHOLDER | SHARES | ΠΟΣΟΣΤΟ ΣΥΜΜΕΤΟΧΗΣ Κατά την 31/12/2007 |
|------------------------------|-------------------|---|
| ALTEC ABEE ΣΠΕ | 6.517.917 | 48,08% |
| ATHANASSOULIS ATHANASSIOS | 2.547.869 | 18,8% |
| MARR INVEST | 929.246 | 6,9% |
| KOUTSOUGERAS IOANNIS | 402.150 | 3,0% |
| DOL A.E | 357.535 | 2,6% |
| FRASCATI INVESTMENTS LIMITED | 318.290 | 2,3% |
| OTHERS (< 2%) | 2.482.093 | 18,3% |
| TOTAL | 13.555.100 | 100,0% |

23. Capital Reserves

The Capital Reserves of the Group and the Company are analyzed as follows:

| | GROUP | | COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Regular Reserve | 295.884 | 295.884 | 295.884 | 295.884 |
| Non Tax reserve funds of special provisions of laws | 157.578 | 157.578 | 157.578 | 157.578 |
| Reserve funds from exempted the taxation income | 263.551 | 263.551 | 263.551 | 263.551 |
| Reserve funds from income taxed at special way | 27.408 | 27.408 | 27.408 | 27.408 |
| Reserve fund of value of investments | 941 | 941 | 941 | 941 |
| BALANCE | <u>745.361</u> | <u>745.361</u> | <u>745.361</u> | <u>745.361</u> |

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 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. The tax liability that will be accumulated at the distribution of these reserves, calculated on 31 December 2007, amounts to about €110.000 and will be recognized only if the distribution takes place.

24. 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

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establishment of the statutory reserve required by law.

On the 11th March 2008, the board of Directors of the Company proposed not to declare any dividend due to the fact of the bad financial results.

25. 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 long-term loans. Group loans are analyzed by main financier as follows:

| Bank | GROUP | | | |
|-------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| | On 31/12/2007 | | On 31/12/2006 | |
| | Short-Term Liabilities | Long-Term Liabilities | Short-Term Liabilities | Long-Term Liabilities |
| National Bank of Greece | | | 561.506 | |
| Emporiki Bank | | | 108.660 | |
| Geniki Bank | | | 130.851 | |
| TOTAL BANK LIABILITIES | <u>0</u> | <u>0</u> | <u>801.017</u> | <u>0</u> |

All Group bank loans are in euro. The Group creates provisions for the accrued interest expense and charges them against income of the appropriate period. There is no registration of future mortgage with respect to land and buildings of the Group.

26. Staff compensation

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 employee 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 employees retiring exiting due to retirement reduce the retirement liability.

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

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| | GROUP | | COMPANY | |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| People: | | | | |
| Employees | 115 | 118 | 115 | 118 |
| Wage-earners | 0 | 0 | 0 | 0 |
| TOTAL: | <u>115</u> | <u>118</u> | <u>115</u> | <u>118</u> |
| Payroll cost analysis: | | | | |
| Payroll expenses | 2.953.660 | 1.569.344 | 2.953.660 | 1.569.344 |
| Redundancy expenses | 58.427 | 21.916 | 58.427 | 21.916 |
| TOTAL COST | <u>3.012.087</u> | <u>1.591.260</u> | <u>3.012.087</u> | <u>1.591.260</u> |

The changes in the net retirement liability is as follows:

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Net liability at the beginning | 68.403 | 55.197 | 68.403 | 55.197 |
| Charge on Income of period | 20.711 | 13.207 | 20.711 | 13.207 |
| Net liability at the end of period | <u>89.114</u> | <u>68.403</u> | <u>89.114</u> | <u>68.403</u> |

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 compensation is relevant to compensation given to people made redundant.

27. Provisions for potential risks and contingent liabilities

The Provisions for potential risks and contingent liabilities refer to future expenses and losses that might affect the company.

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28. Trade Creditors & other liabilities

Total liabilities of Group and Company to trade creditors and other third parties are as follows:

| | GROUP | | COMPANY | |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | On 31/12/2007 | On 31/12/2006 | On 31/12/2007 | On 31/12/2006 |
| Trade Creditors - vendors | 15.744.213 | 20.940.697 | 15.945.171 | 21.141.655 |
| Cheques payable | 4.877.396 | 4.771.318 | 4.877.396 | 4.771.318 |
| Customer advances | 766.969 | 189.964 | 766.969 | 189.964 |
| Insurance organisations | 140.625 | 129.554 | 140.625 | 129.554 |
| Other creditors | 1.192.492 | 782.431 | 807.338 | 578.215 |
| Accrued expenses | 4.453 | 4.453 | 4.453 | 4.453 |
| BALANCE | <u>22.726.149</u> | <u>26.818.417</u> | <u>22.541.952</u> | <u>26.815.159</u> |

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29. Transactions & Balances with Affiliates

The company refers as affiliates to the members of the Board of Directors (**inclusive** of the affiliate persons), as well as to the shareholders who hold more than 5 % of its share capital. The transactions and balances of the Company and the Group, for the period 1/1-31/12/2007 and the 31st December 2007, are shown on the table:

| AFFILIATES | COMPANY | | | | GROUP | | | |
|-------------------------------------|----------------------------------|---------------------------------|---------------------------|------------------------------|----------------------------------|---------------------------------|---------------------------|------------------------------|
| | For the Period 1/1-31/12/2007 | | For the Period 31/12/2007 | | For the Period 1/1-31/12/2007 | | For the Period 31/12/2007 | |
| | 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 ABEE | 16.619.987 | 1.438.146 | 0 | 9.549.041 | 16.619.987 | 1.438.146 | 0 | 9.549.041 |
| OROSIMO PLIROFORIKI AE | 0 | 259 | 0 | 166 | | 259 | | 166 |
| SYGXRONES EKPEDEYTIKES YPIRESIES AE | 5.022 | 0 | 11.997 | 32.627 | 5.022 | 0 | 11.997 | 32.627 |
| DATAMED AE | 11 | 0 | 0 | 0 | 11 | 0 | 0 | 0 |
| ALTEC TELECOMS AE | 1.918.198 | 1.718.690 | 712.007 | 0 | 1.918.198 | 1.718.690 | 712.007 | 0 |
| OTS AE | 0 | 30 | 0 | 0 | 0 | 30 | 0 | 0 |
| MICROLAND CYPROS LTD | 0 | 0 | 638.808 | 0 | 0 | 0 | | 0 |
| MICROLAND ROMANIA SRL | 0 | 0 | 228.064 | 0 | 0 | 0 | | 0 |
| UNISOFT ROMANIA SA | 0 | 0 | 14.051 | 0 | 0 | 0 | 14.051 | 0 |
| SYSWARE ROMANIA SRL | 0 | 0 | 1.903.484 | 0 | 0 | 0 | 1.903.484 | 0 |
| | 18.543.217 | 3.157.123 | 3.508.411 | 9.581.834 | 18.543.217 | 3.157.123 | 2.641.539 | 9.581.834 |

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Management and BoD members compensation for the period 1/1-30/12/2007 amount to €176.686. On 31/12/2007 there were no claims from or liabilities to members of management and BoD for the Group and Company.

The above companies are controlled directly or indirectly from the parent company ALTEC ABEE or the shareholders of it, in the consolidated – Group financial statements in which the financial statements of MICROLAND COMPUTERS AEBE are included.

30. Contingent Liabilities & Court Cases

30.1 Court Cases

On 31/12/2007 the Group don not have court cases and arbitration procedures in the framework of its regular operation.

30.2 Other Contingent Liabilities

Group companies not yet tax audited are as follows:

| <u>COMPANY</u> | <u>FROM</u> | <u>UNTIL</u> |
|------------------------------|-------------|--------------|
| MICROLAND COMPUTERS A.E.B.E. | 2006 | 2007 |
| MICROLAND CYPRUS LIMITED | 1999 | 2006 |
| MICROLAND ROMANIA S.R.L. | 1999 | 2006 |

31. Events after the Balance Sheet Date

There are no other events after the balance sheet date (31 December 2007) relevant to the Group that need to be referred under the International Financial Reporting Standards – IFRS.

President of the BoD

The Managing Director

Athanassios X. Athanassoulis

Dimitrios A. Pagourtzis

The Accountant

Dimitrios I. Fafoutis