



## **2007 Annual Financial Statements**

It is hereby certified that the attached herein Annual Financial Statements for 01/01 – 31/12/2007 period are the financial statements approved by SingularLogic S.A Board of Directors on 11/03/2008, uploaded on the Web on [www.singularlogic.eu](http://www.singularlogic.eu). It is underscored that the summary financial data publicized in the press aim at providing readers with some general financial data but do not give a complete picture of the Company and the Group income statement and financial status, in accordance with the International Accounting Standards.

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## A. Board of Directors Management Report

### A. 2007 Significant Events Review

2007 was a considerably important year for SingularLogic marked by a series of developments which could be summarized as follows:

#### Lifting of surveillance

Following a relevant Athens Exchange Governing Board resolution, during its 22/03/2007 meeting, Singularlogic SA shares came out of the surveillance regime and as of Friday 23/3/2007 joined the Medium and Small capitalization category of Athens Exchange.

Subsequently, based on Athens Exchange Governing Board resolution dated 30/10/2007, the company shares were brought to Big Capitalization category from Medium and Small Capitalization category and were included in Index FTSE/Athens Exchange. International.

#### Subsidiaries

##### 1. SYSTEM SOFT SA.

In October 2007 **SYSTEM SOFT SA** acquisition was completed at a price of 295.000 euros. The acquisition regards 49% of the above company shares.

##### 2. DEMSTAR BUSINESS APPLICATIONS LTD

In December 2007 **DEMSTAR BUSINESS APPLICATIONS LTD** acquisition was completed at a price of 357.000 euros The acquisition regards 70% of the above company shares.

##### 3. METASOFT SA

4. The company increased its participation to 68,8% in its 11% subsidiary METASOFT SOFTWARE DEVELOPMENT AND PRODUCTION SA through capital increase amounting to 111.000 euros, totally covered by Singularlogic SA.

#### Share Capital increase with € 56 million total cash payment

Share capital increase completion with 56 million euros cash payment diversified the Company shareholders structure, because waiving existing shareholders pre-emption right, strategic and institutional investors were given the possibility to join the share capital. On February 9<sup>th</sup>, 2007 the new post share capital increase shares trading started.

Following the 18.09.2006 Company B' Adjourned Extraordinary General Shareholders Meeting resolution, a share capital increase was decided with 6.000.000 euros cash payment, issuing 20.000.000 new shares, of 0,30 euros nominal value at a price of 2,80 euros per share, waiving existing shareholders pre-emption rights in favour of strategic and institutional investors from Greece or abroad. The difference between each share nominal value and strike price amounting to 50.000.000euros was brought to a special reserve through shares issue at share premium. The Company's share capital increase in question was approved with Ministry for Development decision No. K2-18430/29.12.2006. The increase amount was certified by the Company Board of Directors on its 22.12.2006 special meeting.

#### Bank borrowing refinancing

On 29/06/2007 a common bond loan contract of 26.000.000 euros was signed, at a floating rate, of 5 years duration, without guarantees or collateral securities with EFG Eurobank Ergasias, Marfin Bank, ALPHA BANK, Proton Bank and Marfin Bank as underwriter. The Bond Loan purpose is refinancing of short term company borrowing.

## Group new organisation chart

Acquisitions and mergers implemented by the Company during the 2007 financial year changed the Group structure, being the following on 31/12/2007:

COMPANY TRADE NAME	% PARTICIPATION
SINGULARLOGIC S.A.	Parent company
PCS S.A .	Directly 50,50%
SINGULARLOGIC INTEGRATOR S.A.	Directly 100,00%
COMPUTER TEAM S.A	Indirectly 35,00%
INFOSUPPORT S.A	Directly 34,00%
COMPUTER PROJECT S.A	Directly 100,00%
LOGODATA S.A	Directly 34,00%
METASOFT S.A	Directly 68,80%
DEMSTAR BUSINESS APPLICATIONS LTD	Directly 70,00%
SYSTEM SOFT S.A	Directly 49,00%

## B. Financial Review

The Consolidated turnover amounted to 81.850.028 euros from 45.632.106 euros in 2006 registering an increase by 79,4%. This increase is due inter alia to the different Group structure and in particular to turnover contribution of acquired companies SingularLogic Software and SingularLogic Integrator and the subsidiaries thereof for the period from 12/09/2006 to 31/12/2006

The Company turnover rose to 57.210.137 euros from 35.556.433 euros in 2006 registering an 60,9% increase.

Adopting a customer-centred approach for Group activities monitoring and classifying customers in three sectors Large Corporations, Small & Medium-sized Enterprises and Public Sector, we present herein a Group sales analysis per business segment.

SALES PER BUSINESS SEGMENT				
	31.12.2007	Percentage %	31.12.2006	Percentage %
Large Corporations	39.582.000	48,36%	25.855.928	56,66%
Small & Medium-sized enterprises	22.085.000	26,98%	11.712.403	25,67%
Public Sector	20.183.000	24,66%	8.063.805	17,67%
<b>Total</b>	<b>81.850.000</b>	<b>100,00%</b>	<b>36.766.851</b>	<b>100,00%</b>

Sales from Large Corporations constituted the largest total Turnover part rising to 48,36%.

The following table presents the Group turnover structure per category for the period 01.01.-31.12.2007 και 01.01.-31.12.2006:

SALES PER CATEGORY				
(Amounts in Euro)	31/12/2007	percentage %	31/12/2006	percentage %
Software licences sales	12.963.891	15,84%	6.889.415	15,10%
Development Services & Service Sales	20.916.980	25,56%	14.526.908	31,83%
Development Services & Service Sales	31.802.997	38,86%	15.852.031	34,74%
Sales of merchandise	16.166.161	19,75%	8.363.782	18,33%
<b>Total</b>	<b>81.850.028</b>	<b>100,00%</b>	<b>45.632.136</b>	<b>100,00%</b>

Consolidated earnings before interest, taxes, depreciation and amortization rose to 10.051.450 euros against 1.012.808 euros in 2006. Respectively, Company earnings before interest, taxes, depreciation and amortization rose to 8.332.342 euros against 250.434 euros in 2006.

This significant improvement in earnings before interest, taxes, depreciation and amortization is due to the operational restructuring plan successfully applied to reduce operating cost via Group and Company operations rationalisation.

## C. Risk Management

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### Financial risk factors

The Group is exposed to several financial risks such as market risks (changes in interest rates and market prices), credit risk, liquidity risk, cash flows risk and fair value risk from changes in interest rates. The overall Group risk management plan focuses on non recovery of claims.

#### (a) Fx translation risk

The Group is active mainly in Greece and is exposed to Fx translation risk through the purchases it carries out by enterprises in countries outside the Euro zone. No policy of Fx translation risk hedging is followed.

The Group holds participations in foreign entities, whose net assets are exposed to Fx translation risk. This kind of Fx translation risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure while the one from the exchange risk USD/€ is hedged.

#### (b) Technological Developments risk

Technological developments concerning Information technology sector companies may affect their competitiveness, hence the need for ongoing renewal and updating. Probably some significant and necessary differentiations in the existing terminology may require important investments and a period of operating consolidation in the existing activity.

In any event, we need to underscore that the Company makes great effort to be sufficiently covered against reduced technological development risk in the following ways:

- By developing its products in widely spread international platforms with a significant life cycle and demanding great change resources from the Company customer basis,
- Having experience of products adoption and products development adjustment in four (4) technological phases of operating systems (DOS, IBM midrange, UNIX, Windows),
- Participating in European projects such as 'CTS', 'ESPRIT' and 'ESSI', with the sole objective to update and recognize the most innovative technologies to be integrated in its products development procedure.

#### (c) Credit and liquidity risk

The Group applies an assignment of receivables policy mitigating, thus, the liquidity risk brought about by the time span interval up to collection. This policy is mainly followed for large customers accepted by Factoring companies.

The liquidity risk is preserved at low levels with sufficient cash flow and sufficient credit limits with cooperating banks.

#### (d) Risk of fair value changes due to interest rate changes

The Group balance sheet includes important interest bearing items, mainly loans. The interest rate changes risk derives mostly from long term loans. Loans with adjustable interest rate expose the Group to a cash flow risk. Loans with a

fixed interest rate expose the Group to fair value changes risk. Depending on the amount of liabilities in floating rate, the Group proceeds to a rates risk assessment and when necessary investigates the need for interest rate derivatives.

## **D. Corporate Governance**

SingularLogic S.A. endorses and applies corporate governance principles, fixed in L.3016/2002 as in force, aiming at transparency in communication with its Shareholders and immediate and ongoing briefing of investors.

SingularLogic Board of Directors consists of 9 Members, 6 Executive and 3 non Executive of whom 2 are Independent non Executive members. BoD was elected by the Ordinary General Meeting on 28.04.2006, was constituted on 23.01.2008 and its mandate expires at 27/04/2009.

By a BoD resolution, an Audit Committee was set up with the mission to assist the Board of Directors to exercise its duties in Internal Audit system operation sector and to ensure transparency in corporate activities.

By a Company BoD resolution, a Remunerations Committee has been established dealing with remuneration paid to Company Top Executives and the overall remunerations policy.

The Internal Audit Division is an independent organisation unit under the Company BoD Audit Committee, entrusted with the task of implementing a modern and effective internal audit system. Its mission is to safeguard, apply and observe the internal operation regulation, to ensure Company compliance with the legislation in effect and audit and evaluate internal audit procedures sufficiency.

Share capital increase completion with 56 million euros cash payment diversified the Company shareholders structure, because waiving existing shareholders pre-emption right, strategic and institutional investors were given the possibility to join the share capital. Therefore, on February 9<sup>th</sup>, 2007 when new post share capital increase shares trading started. On March 7<sup>th</sup> 2008 the Company's basic shareholders with more than 5% of shareholding rate are the Greek Information Technology Holdings S.A. with 21,87%, Marfin Fianancial Group Holdings S.A. with 12,28% and Koubas Holdings S.A with 5,28%.

## **E. Significant events after the end of financial year**

In implementation of the new business plan, in line with the single corporate identity of Singular Logic Group companies, the trade name of the 100% subsidiary 'Computer Project SA' was renamed into 'SingularLogic Business Services Information & Communication Technology Solutions SA' with the distinctive title 'SingularLogic Business Services SA'. 'SingularLogic Business Services SA' proceeded to a share capital increase of 999.486,00 euros total amount, fully covered by the parent company SingularLogic, in order to enhance and boost its business activity. SingularLogic Business Services SA is active in the field of implementing and supporting Integrated Information Technology and Communication solutions, based on products portfolio of SingularLogic Software business segment and addresses private sector medium and fast developing companies.

On 23/01/2008 the Company BoD structure changed whereby Mr. Kontopoulos was elected substituting Mr. Stavrinoudakis. The BoD was constituted as follows:

Ioannis Karakadas – Chairman & CEO

Michael Cariotoglou – Vice-Chairman, Executive member

Nikolaos Kontopoulos- Executive member

Marica Labrou- Executive member

Dimitrios Kafalis- Executive member

Kyriakos Magiras- Non Executive member

Periklis Argiropoulos- Executive Member

Ilias Konstantopoulos- Independent, non Executive Member

Konstantinos Pyladakis - Independent, non Executive Member

## **F. 2008 Perspectives**

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Our basic 2008 priorities are further strengthening the Group operating profitability and capacity.

Prospects for growth, geographical expansion and activities broadening both in Greece and abroad shall constitute our current financial year characteristics. Business development capacity shall pervade all of our activities sectors.

In particular:

In large corporations sector: Reinforcing the existing customer base by joining new markets and expanding our activities in Southern-eastern Europe base on the long standing and well tested know-how and the range of integrated solutions offered covering complex needs and requirements.

In small and medium sized enterprises sector: Broadening the distribution network, upgrading existing products by adding innovative solutions and creating new solutions packages to cover existing needs.

In Public and broader Public sectors: Claiming new public sector projects. We are already at the evaluation stage for our participation in more than 25 Public entities tenders of 100.000.000 Euros total budget.

In addition, in the current period, we focus on our Company's further operational restructuring, as a result of the merger by absorption completion of SingularLogic Software, in order to attain financial and organisational benefits attempting a flexible and effective management through administrative units and operations consolidation, optimization of internal procedures and best administrative and business practices application.

Moreover, setting up common infrastructures both for new software and new versions of Company existing programmes and products elaboration shall constitute an important pole to bringing down the Cost of Goods sold and to improving the Company Gross Profit.

Founding SingularLogic Group value is our primary objective. For its attainment we are ready to invest any effort, to face any challenge and seize each opportunity which may bring us closer to our objective.

All of our people pursuit is to take on a leading role in information technology market preserving our Company's Values, Vision and Mission unchanged.

Further to the aforementioned, an annex follows herein with our Explanatory Note including detailed information with regard to article 11a of L.3371/2005 issues forming an integral part of the present Report.

We place at your judgement the Consolidated and Company Financial Statements for 2006 financial year, along with the present Management Report, the chartered auditor Audit Report and we request your approval thanking you firstly for your confidence in the Company.

**N. Ionia, March 11<sup>th</sup> 2008**  
**BoD Chairman & CEO**

**Ioannis Karakadas**

ANNEX

**Explanatory Note to ‘SINGULAR LOGIC SA-INFORMATION SYSTEMS & APPLICATIONS’ ordinary general shareholders meeting, pursuant to article 11a of L.3371/2005**

**A) Share Capital Structuring**

With regard to Company share capital structure the following are underlined:

By the Board of Directors resolution dated November, 22<sup>nd</sup> 2006 the Company share capital was increased by 31.920,00 euros due to stock option Plan. The 106.400 new common nominal shares, resulting from the share capital increase, were listed for trading on the Athens Exchange on January 17<sup>th</sup>, 2008.

Further to the above, the Company share capital stands at 13.057.203 euros and is divided in 43.524.010 common nominal shares of 0,30 euros nominal value each

According to the Company shareholding as of 07/03/2008, shareholding structure is as follows:

Shareholders	%
GREEK INFORMATION TECHNOLOGY HOLDINGS S.A.	21,87%
MARFIN FINANCIAL CROUP HOLDINGS S.A	12,28%
KOUBAS HOLDINGS SA	5,28%
Institutional below 5%	8,62%
Other shareholders below 5%	51,95%
<b>Total</b>	<b>100,00%</b>

All Company shares are common nominal and indivisible shares and there are no special shares categories.

Rights and obligations deriving from the share, according to Company Articles of Association and codified law 2190/1920, as in effect, are as follows:

Each Company share incorporates all rights and obligations fixed by Law and Company Articles of Association. Holding a share title means outright acceptance on behalf of its holder of the Company Articles of Association and of shareholders General Meetings lawful resolutions, even if shareholders did not participate in them.

Shareholders liability is limited in their shares nominal value. Shareholders participate in the management and Company profits according to Law and Articles of Association provisions. Rights and obligations deriving from each share are carried over to any shareholder general or special successor.

Company Articles of Association does not include special rights in favour of specific shareholders.

Shareholders hold pre-emption right in any future share capital increase, not carried out by contribution in kind or bonds issuing with conversion right into shares, depending on their participation in the existing share capital, as defined in article 13, par. 5 of codified law 2190/1920 and article 7, par. 3 of Company Articles of Association.

## **Dividend Right**

The minimum dividend to be distributed annually to Company shareholders cannot be less than 35% of Company profit before tax deducting liens and encumbrances, the legal reserve and the corresponding tax, or 6% on the paid up share capital, whichever of the above amounts is higher.

The Company may distribute provisional dividend by resolution of its Board of Directors if at least 20 days in advance it has published a relevant financial statement. The provisional dividend shall not exceed 50% of financial statement net profits.

Each share dividend is paid to the bearer within two months since the date of the Ordinary General Meeting approving the annual financial statements. The place and mode of payment is announced through press releases.

Dividends not claimed for five years since they became payable, are written off in favour of the Public sector.

## **Voting Rights**

Each share provides one voting right.

Shareholders exercise the rights related to Company Management only by participating in the General Meeting; besides the Meeting they exercise their rights only in the cases stipulated by Law.

Each shareholder is entitled to participate in Company shareholders General Meeting either in person or by proxy. Joint share owners must designate in writing to the Company a common representative for this share, who shall represent them in the General Meeting.

Shareholders must keep their shares deposited in order to exercise right of attendance and voting right in the General Meeting. As to shares deposit procedure in order for the shareholder to participate in the Company General Meetings, Regulation of operation and liquidation of Dematerialized Securities System of the Central Securities Depository shall be applied, as in force. Shareholders not complying with the above shall participate in the General Meeting only after a permit by the latter.

## **Pre-emption right**

Shareholders hold a pre-emption right in case of Company share capital increase not carried out by contribution in kind or bonds issuing with conversion right into shares. They hold a pre-emption right in the entire new capital, or the bond loan in favour of shareholders at the issuing period, depending on their participation in the Share Capital. By virtue of paragraphs 6 and 7, article 13 of codified law 2190/1920 restrictions, as in force, the General Meeting may limit or eliminate the option right by way of its resolution.

## **Liquidation rights**

In case of Company liquidation, the BoD assumes liquidator duties until the General Meeting elects liquidators. The latter could range between two and four, shareholders or not. Appointment of liquidators entails *ipso jure* Board of Directors members cessation of powers.

Liquidators must bring Company's outstanding affairs to an end without delay, convert corporate assets in cash, pay off its debts and collect the claims thereof. They may carry out new operations if they serve the liquidation purpose and the Company interest. Following liquidation, liquidators reimburse shareholders contributions and distribute corporate assets liquidation balance to shareholders depending on their participation ratio in the paid up share capital.

## **Minority Interest**

Shareholders representing one twentieth of the paid up share capital, inter alia:

- Have the right to request control of the Company from the Court of First Instance of the Company's head office, pursuant to articles 40, 40e of codified law 2190/1920.
- May request convocation of shareholders Extraordinary General Meeting. The Board of Directors is obliged to convene this Meeting within thirty (30) days since application submission to the BoD Chairman. In said application applicant shareholders must outline the items the General Meeting is called upon to decide.
- May request the decision making deferment from the Ordinary or Extraordinary General Meeting once and a new General Meeting to be convened within thirty (30) days since the deferment date.
- May apply five (5) days before the Ordinary General Meeting to the Board of Directors requesting a) to announce at the General Meeting the amounts paid in the last two years to BoD members, to Managers or other Company employees as well as any other benefits to the individuals in question or any contract concluded for any reason whatsoever between the Company and the same individuals, b) to provide the necessary information on corporate affairs to the extent they are useful to actually assess the agenda items.
- May request that resolutions on any of the General Meeting agenda items be taken by roll call voting.

Shareholders representing one third (1/3) of the paid up share capital:

- May request by application five (5) days before the Ordinary General Meeting to the Board of Directors to provide them information on corporate affairs progress and company assets during the Meeting, before, or after it. The Board of Directors may decline to provide the requested information on the grounds of sufficient due cause but it is obliged to include the relevant justification in the minutes.
- Have the right to request Company control from the Court of First Instance of its head office, on the condition that corporate affairs progress gives credibility to their not being managed in a sound and prudent way.

Requesting shareholders exercising the abovementioned rights must submit to the Company a certificate by the Central Securities Depository stating their shares are being deposited and must be kept deposited for the time periods fixed by codified law 2190/1920.

Every shareholder, ten (10) days prior to the Ordinary General Meeting, may request the annual Financial Statements, the corresponding Board of Directors and Company Auditors reports and the Company Annual Report.

## **B) Restrictions in shares transfer/possession**

Shares transfer is free and carried out according to article 8b, codified law 2190/1920 and there are no transfer restrictions deriving from the Company Articles of Association.

Pursuant to article 4, L.3016/2002 as in force, BoD independent non executive members cannot hold Company shares above 0,5% of the paid up share capital.

**C) Significant direct-indirect participations based on PD 51/92 provisions**

Natural persons and legal entities direct and indirect participations in the entire Company share capital and voting rights pursuant to PD 51/92 provisions, as of March 7<sup>th</sup> 2008 are presented as follows:

Shareholders	% of Share Capital	% of Voting rights	Kind of participation
GREEK INFORMATION TECHNOLOGY HOLDINGS S.A.	21,87%	21,87%	directly
MARFIN FINANCIAL CROUP HOLDINGS SA	12,28%	12,28%	directly
KOUBAS HOLDINGS S.A	5,28%	5,28%	directly

To the best of Company knowledge there are no other shareholders holding directly or indirectly over 5% of the Company share capital.

**D) Shares possessors offering special audit rights**

There are no shares offering their possessors special audit rights.

**E) Voting right restrictions- Voting rights exercise term**

There are no voting right restrictions.

Each share provides one voting right at the General Meeting. Shareholders exercise their Company administration rights solely by participating in the General Meeting.

According to the Company Articles of Association, shareholders wishing to take part in the General Meeting must submit a pertinent certificate by the Central Securities Depository, pursuant to article 51 L. 2396/96 or a certificate corresponding to Central Securities Depository certificate at least five (5) full days before the General Meeting date. Shareholders with a participation right in the General Meeting may be represented in it by proxy.

Certificates submission receipts and shareholders representatives proxy documents must be submitted to the Company at least five (5) full days before the General Meeting date.

Shareholders not complying with the above may take part in the General Meeting only after a General Meeting authorization.

**F) Shareholders agreements on restrictions in shares transfer or voting rights exercise**

There are no shareholders agreements known to the Company on restrictions in shares transfer or voting rights exercise.

**G) BoD members nomination/substitution rules and Articles of Association amendment rules**

Rules on Board of Directors members nomination and substitution as well as Articles of Association amendment rules do not differ from codified law 2190/1920 provisions.

According to article 19 of the Company Articles of Association, the Board of Directors consists of five up to fifteen (5-15) consultants elected by the General Shareholders Meeting. Their term of office duration is two (2) years and cannot exceed the three-year period being prolonged automatically up to the first Ordinary General Meeting after their term of office expiry. Board of Directors members whose term has expired may be re-elected.

Pursuant to article 22 of the Company's Articles of Association, if for any reason, a consultant position becomes vacant, the remaining consultants, if three (3) in number, shall provisionally elect a substitute for the rest of the substituted consultant's term. This election is submitted for approval in the immediately following Ordinary or Extraordinary General Meeting. The acts of the consultant elected in this way are deemed valid even if the election is not approved by the General Meeting.

Pursuant to article 9 of the Company Articles of Association, the General Meeting is the sole competent body to decide upon Articles of Association amendment.

## **H) Board of Directors competence on new shares issuing or treasury shares purchase**

According to article 5 of the Company Articles of Association and article 13 provisions of codified law 2190/1920, the Board of Directors is entitled, following a General Meeting resolution (subject to publication formalities of article 7b, codified law 2190/20) to increase the share capital by new shares issuing for which an at least two thirds (2/3) majority of its members is required. In this case, share capital may be increased up to the paid up amount on the date the powers in question were conferred upon the Board of Directors by the General Meeting. This BoD power may be renewed by the General Meeting for a time span not exceeding five (5) years for each renewal.

Share capital increases decisions, as described above, do not constitute Articles of Association amendment.

Above powers have not been delegated to the BoD by the General Meeting.

Pursuant to codified law 2190/1920, article 13 provisions, by a General Meeting resolution, a plan of shares disposal to BoD members, Company personnel and associate companies may be introduced, based on article 42e par.5, in the form of stock option, according to said resolution terms. This General Meeting resolution must particularly establish the maximum shares number to be issued not exceeding 1/10 of existing shares, in the event of beneficiaries exercising their stock option right. The General Meeting resolution must also fix shares strike price and terms to beneficiaries.

The Company Board of Directors, by resolution, settles any other relative detail which cannot be settled otherwise by the General Meeting, issues stock option certificates and every year in December issues shares to beneficiaries who exercised their right, increasing thus the Company capital, and certifies capital increase.

Capital increase decided as described above does not constitute Articles of Association amendment.

Shareholders General Meeting dated 26.05.2006 has approved a stock option plan in force today following its modification as to individual terms by a B' Adjourned Extraordinary General Shareholders Meeting resolution on 18.09.2006.

In particular, a five-year stock option plan has been approved for company shares acquisition up to 10% of shares existing number as of the resolution date (namely 2.316.601 shares), at a price of 2,90 euros per share and the Board of Directors was authorized to settle procedural issues and details.

Shareholders General Meeting approved on 16.05.2007 a stock option plan which is also effective today.

In particular, a five-year stock option plan application has been approved for the acquisition of 1/10 of the 20.000.000 newly issued shares which derived from the share capital increase in implementation of the General Shareholders Meeting resolution as of 18.09.2006, namely 2.000.000 shares in total , in case beneficiaries exercise all company stock options, at a strike price of 4,20 euros per share. The BoD was authorized to settle the procedural issues and details.

**I) Significant agreements in force/being modified/expiring in case of Company control change following a public offer.**

There are no agreements taking effect, being modified or expiring in case of Company control change following public offer.

**J) BoD members or personnel indemnity agreements in case of unfounded resignation/dismissal or end of term/employment due to public offer.**

There are no agreements with BoD members or company personnel providing for indemnity in case of unfounded resignation or dismissal or end of term or employment due to public offer.

## **B. INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of "SINGULARLOGIC S.A."**

### **Report on Financial Statements**

We have audited the accompanying financial statements of "SINGULARLOGIC S.A." ("the Company") as well as the consolidated financial statements of the Company ("the Group"), which comprise (for both the Company and the Group), the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the abovementioned financial statements, as well as the consolidated financial statements of the Company present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2007, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

## Report on Other Legal and Regulatory Requirements

The BoD Report includes the information foreseen in articles 43a, paragraph 3 and article 107, paragraph 3 as well as in article 11a of L.3371/2005 and its content is consistent with the financial statements attached herein.

Athens, March 12th 2008

The Certified Chartered Accountant

George Ath. Paraskevopoulos

SOEL reg. n° 11851

44, Vas. Konstantinou Str.

Athens

**Grant Thornton** 

SOEL reg. n° 127

George Ath. Paraskevopoulos

### C. Profit and loss account statement

<i>Amounts in euro</i>	ref.	GROUP		COMPANY	
		1/1- 31/12/2007	1/1- 31/12/2006	1/1- 31/12/2007	1/1- 31/12/2006
<b>Sales</b>	6	81.850.028	45.632.106	57.210.137	35.556.433
Cost of goods sold	7.25	(54.705.849)	(33.324.394)	(38.378.855)	(26.755.284)
<b>Gross profit</b>		<b>27.144.180</b>	<b>12.307.712</b>	<b>18.831.282</b>	<b>8.801.149</b>
Other operating income	7.27	3.951.145	3.609.336	3.580.168	3.290.136
Sales and marketing expenses	7.26	(11.632.807)	(6.593.596)	(8.690.405)	(5.940.087)
Administrative expenses	7.26	(13.769.702)	(8.207.668)	(9.853.860)	(6.443.281)
Other operating expenses	7.27	(1.050.384)	(3.574.209)	(221.762)	(2.585.040)
<b>Operating Income</b>		<b>4.642.431</b>	<b>-2.458.425</b>	<b>3.645.423</b>	<b>-2.877.124</b>
Financial income	7.28	1.116.190	112.927	1.377.957	48.161
Financial expenses	7.28	(2.467.512)	(2.086.178)	(2.044.671)	(1.833.221)
Other financial income	7.29	221.980	(115.350)	478.676	(64.850)
Profit/(Loss) from participations	7.5	(59.089)	35.258	0	0
<b>Profit/(Loss) before tax</b>		<b>3.454.000</b>	<b>(4.511.768)</b>	<b>3.457.386</b>	<b>(4.727.034)</b>
Income tax	7.30	(1.440.179)	(588.487)	(696.243)	(227.367)
<b>Net loss/profit from continuing operations</b>		<b>2.013.821</b>	<b>(5.100.256)</b>	<b>2.761.143</b>	<b>(4.954.401)</b>
<b>Net loss/ profit from non continuing operations</b>					
<b>Profit/Loss after tax</b>		2.013.821	(5.100.256)	2.761.143	(4.954.401)
<b>Attributable to:</b>					
Parent company shareholders		1.418.714	(5.322.257)	2.761.143	(4.954.401)
Minority interest		595.107	222.001		
<b>Profit/Loss per share apportioned to parent company shareholders for the period in question from continuing operations</b> (expressed in € per share)		1.418.714	(5.322.257)	2.761.143	(4.954.401)
<b>Basic earnings per share</b>	7.31	0,0327	(0,2395)	0,0637	(0,2229)
<b>Diluted earnings per share</b>	7.31	0,0326	-	0,0635	-

The accompanying notes constitute an integral part of the financial statements

## D. Balance sheet

<i>Amounts in euro</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>ASSETS</b>				
<b>Non current assets</b>				
Tangible assets	2.540.817	2.561.357	1.417.240	1.455.486
Intangible assets	13.397.925	16.206.615	12.451.901	14.910.963
Goodwill	9.034.671	8.304.252	4.419.688	4.419.688
Investments in subsidiaries	0	0	11.358.449	10.593.229
Investments in associates (consolidated with equity method)	1.087.918	1.147.006	249.981	249.981
Deferred tax assets	2.074.371	4.140.629	1.602.730	3.618.714
Other non current assets	779.050	981.327	9.637.758	856.386
	<b>28.914.751</b>	<b>33.341.186</b>	<b>41.137.747</b>	<b>36.104.447</b>
<b>Current Assets</b>				
Reserves	2.718.173	1.458.225	1.381.121	566.810
Trade and other receivables	54.644.563	46.499.871	42.759.108	33.930.139
Other amounts due	3.923.038	3.555.895	2.911.250	2.736.485
Available for sale portfolio	196.288	102.161	169.046	74.921
Financial assets at fair value through profit and loss	66.490	63.051	0	0
Other current assets	7.083.438	4.524.702	6.057.885	3.480.159
Derivatives	68.009		68.009	
Cash and cash equivalents	32.349.052	70.106.881	26.769.132	64.148.472
	<b>101.049.051</b>	<b>126.310.786</b>	<b>80.115.551</b>	<b>104.936.986</b>
<b>Total assets</b>	<b>129.963.801</b>	<b>159.651.972</b>	<b>121.253.298</b>	<b>141.041.434</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Shareholders equity</b>				
Share capital	13.057.203	13.025.284	13.057.203	13.025.284
Share premium	49.550.268	49.397.844	49.550.268	49.397.844
Other reserves	2.292.062	2.261.189	2.171.678	2.171.677
Retained earnings	(11.713.658)	(13.191.241)	(9.594.939)	(12.510.893)
Reserves of balance sheet conversion	(2.741)	3.348		
<b>Equity attributed to Parent Company shareholders</b>	<b>53.183.133</b>	<b>51.496.424</b>	<b>55.184.209</b>	<b>52.083.911</b>
<b>Minority rights</b>	1.016.479	594.109		
<b>Total equity</b>	<b>54.199.612</b>	<b>52.090.533</b>	<b>55.184.209</b>	<b>52.083.911</b>
<b>Long term liabilities</b>				
Long term loans	26.008.398	13.787.500	26.000.000	13.787.500
Deferred tax liabilities	4.286.167	5.371.122	3.559.666	4.879.407
Liabilities for personnel compensation due to retirement	2.638.605	2.740.478	1.634.229	1.674.444
<b>Total long term liabilities</b>	<b>32.933.170</b>	<b>21.899.100</b>	<b>31.193.896</b>	<b>20.341.350</b>
<b>Short term liabilities</b>				
Suppliers and other liabilities	18.127.624	18.259.816	15.962.084	13.023.269
Short term loans	360.193	16.397.799	0	7.629.438
Derivatives	0	127.579	0	127.579
Other short term liabilities	16.188.801	44.173.597	12.751.282	42.427.841
Current tax liabilities	4.837.561	3.084.801	3.133.226	1.990.178
Provisions	3.316.840	3.618.748	3.028.602	3.417.867
<b>Total short term liabilities</b>	<b>42.831.020</b>	<b>85.662.339</b>	<b>34.875.194</b>	<b>68.616.172</b>
<b>Total liabilities</b>	<b>75.764.189</b>	<b>107.561.440</b>	<b>66.069.090</b>	<b>88.957.522</b>
<b>Total shareholders equity and liabilities</b>	<b>129.963.801</b>	<b>159.651.972</b>	<b>121.253.298</b>	<b>141.041.433</b>

The accompanying notes constitute an integral part of the financial statements.

**E. Consolidated statement of changes in equity**

*(Amounts in euro)*

	Attributable to parent company shareholders						total	Minority interest	Total equity
	Share capital	Share premium	Other reserves	Treasury shares	Balance sheet conversion reserves	Retained earnings			
<b>1-Jan-06</b>	<b>34.053.486</b>	<b>14.027.470</b>	<b>3.082.336</b>	<b>(1.317.841)</b>		<b>(60.616.449)</b>	<b>(10.770.998)</b>	<b>295.031</b>	<b>(10.475.967)</b>
Share capital increase with capitalization of convertible bond loan	7.943.187	4.477.791					12.420.978		12.420.978
Share capital increase with payment in cash	6.000.000	50.000.000					56.000.000		56.000.000
Share capital increase with conversion at share premium	18.069.492	(18.069.492)					0		0
Capital decrease with reduction of loss carried forward	(18.069.492)					18.069.492	0		0
Share capital increase with payment in cash from stock option	75.479	654.174					729.653		729.653
Equity transfer from capitalization of convertible bond loan		830.891	(830.891)				0		0
Treasury shares cancellation	(297.846)	(1.019.995)		1.317.841			0		0
Capital decrease with reduction of loss carried forward	(34.749.023)					34.749.023	0		0
Fx translation differences						3.348	3.348		3.348
Profit distribution from subsidiaries			9.744			(9.744)	0	(49.500)	(49.500)
Reclassification						(103.032)	(103.032)	103.032	0
Minority rights from acquisition of subsidiary								23.545	23.545
Stock Option reserve						41.726	41.726	0	41.726
Share capital increase expenses	0	(1.502.995)	0			0	(1.502.995)	0	(1.502.995)
Net profit for the period	0		0			(5.322.257)	(5.322.257)	222.001	(5.100.256)
<b>31-Dec-06</b>	<b>13.025.283</b>	<b>49.397.845</b>	<b>2.261.189</b>	<b>0</b>	<b>3.348</b>	<b>(13.191.241)</b>	<b>51.496.423</b>	<b>594.110</b>	<b>52.090.533</b>
<b>1-Jan-07</b>	<b>13.025.283</b>	<b>49.397.845</b>	<b>2.261.189</b>	<b>0</b>	<b>3.348</b>	<b>(13.191.241)</b>	<b>51.496.423</b>	<b>594.110</b>	<b>52.090.533</b>
Share capital increase with payment in cash from stock option	31.920	276.640					308.560		308.560
Share capital increase expenses		(124.215)				(1.110)	(125.325)		(125.325)
Profit distribution from subsidiaries			30.871			(30.871)	0	(247.500)	(247.500)
Fx translation differences						(6.089)	(6.089)		-6.089

Miscellaneous	(2)	2			(58)	(58)		(58)	
Loss from a subsidiary acquisition					(63.962)	(63.962)		(63.962)	
Minority rights from acquisition of subsidiary							74.763		
Results from stock option					154.870	0		74.763	
Net profit for the period					1.418.714	154.870	595.107	154.870	
<b>31-Dec-07</b>	<b>13.057.203</b>	<b>49.550.268</b>	<b>2.292.062</b>	<b>0</b>	<b>(2.741)</b>	<b>(11.713.658)</b>	<b>53.183.134</b>	<b>1.016.479</b>	<b>54.199.612</b>

## F. Parent Company statement of changes in equity

(Amounts in euro)

### COMPANY DATA

	Share capital	Share premium	Other reserves	Treasury shares	Retained earnings	Total equity
<b>1-Jan-06</b>	<b>34.053.486</b>	<b>14.027.470</b>	<b>3.002.568</b>	<b>(1.317.841)</b>	<b>(60.416.732)</b>	<b>(10.651.049)</b>
Treasury shares cancellation	(297.846)	(1.019.995)		1.317.841		0
Share capital increase with payment in cash	6.075.479	50.654.147				56.729.626
Share capital increase with capitalization at share premium	18.069.492	(18.069.492)				0
Share capital increase with capitalization of bond loan	7.943.186	4.477.816				12.421.003
Equity transfer from capitalization of bond loan		830.891	(830.891)			0
Capital decrease with reduction of loss carried forward	(52.818.514)				52.818.514	0
Share capital increase expenses		(1.502.995)				(1.502.995)
Results from stock options					41.726	41.726
Net profit for the period					(4.954.401)	(4.954.401)
<b>31-Dec-06</b>	<b>13.025.283</b>	<b>49.397.843</b>	<b>2.171.677</b>	<b>0</b>	<b>(12.510.894)</b>	<b>52.083.909</b>
<b>1-Jan-07</b>	<b>13.025.283</b>	<b>49.397.843</b>	<b>2.171.677</b>	<b>0</b>	<b>(12.510.894)</b>	<b>52.083.909</b>
Share capital increase with payment in cash from stock option	31.920	276.640				308.560
Share capital increase expenses		(124.215)				(124.215)
Miscellaneous					(58)	(58)
Results from stock options					154.870	154.870
Net profit for the period					2.761.143	2.761.143
<b>31-Dec-07</b>	<b>13.057.203</b>	<b>49.550.268</b>	<b>2.171.677</b>	<b>0</b>	<b>(9.594.939)</b>	<b>55.184.209</b>

The accompanying notes constitute an integral part of the financial statements

## G. Cash flow statement

ref	GROUP		COMPANY		
	2007	2006	2007	2006	
	<b><u>Cash flows from operating activities</u></b>				
Cash flows from operating activities	7.32	(2.578.234)	4.807.731	(3.092.230)	2.334.706
Interest expense		(1.508.995)	(2.602.787)	(1.316.568)	(2.352.019)
Income tax expense		163.680	(320.756)	486.282	(196.304)
<b>Net cash flows from operating activities</b>		<b>(3.923.549)</b>	<b>1.884.188</b>	<b>(3.922.516)</b>	<b>(213.617)</b>
	<b><u>Cash flows from investing activities</u></b>				
Purchase of property, plant, equipment and intangible assets		(2.579.260)	(1.114.818)	(2.212.212)	(989.763)
Sales of tangible assets		24.446	21.677	0	21.677
Dividends received		4.600		255.326	50.500
Loans to related parties		0		(8.975.000)	
Purchase of available for sale portfolio		(94.125)		(94.125)	
Purchase of financial assets at fair value through profit and loss		0		0	
Acquisition of subsidiaries, associates, joint ventures and other investments		(28.782.828)	4.788.781	(29.211.334)	1.771.845
Sale of available for sale portfolio		23.500		23.500	
Settlement of derivatives		(4.263)		(4.263)	
Interest received		809.106	125.156	1.096.854	60.390
Proceeds from loans repayment of related parties		0		0	
Proceeds from subsidiaries		884.461	592.488	772.808	592.488
<b>Net cash flows from investing activities</b>		<b>(29.714.363)</b>	<b>4.413.283</b>	<b>(38.348.446)</b>	<b>1.507.136</b>
	<b><u>Cash flows from financing activities</u></b>				
Issuing of common shares		308.560	56.383.631	308.560	56.383.631
Dividends paid to parent company shareholders		(247.500)	(19.000)	0	
Loans		12.236.428	4.231	12.212.500	
Loans repayment		(16.417.404)	(1.147.188)	(7.629.438)	(1.245.854)
Payments of leasing capital				0	
<b>Net cash flows from financing activities</b>		<b>(4.119.916)</b>	<b>55.221.674</b>	<b>4.891.622</b>	<b>55.137.777</b>
<b>Net decrease/ increase in cash and cash equivalents</b>		<b>(37.757.828)</b>	<b>61.519.147</b>	<b>(37.379.340)</b>	<b>56.431.296</b>
Cash and cash equivalents at the beginning of the period		70.106.881	8.587.734	64.148.472	7.717.176
<b>Cash and cash equivalents at the end of the period</b>		<b>32.349.052</b>	<b>70.106.881</b>	<b>26.769.132</b>	<b>64.148.471</b>

The accompanying notes constitute an integral part of the financial statements

## NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. General Information

The Group's consolidated financial statements have been prepared according to the International Financial Reporting Standards as issued by the International Accounting Standard Board.

SingularLogic S.A. is the parent company of the SingularLogic Group. The SingularLogic Group's address, which is also the address of the Company's registered offices, is Al. Panagouli & Siniosoglou Str., N. Ionia and the web address is [www.singularlogic.eu](http://www.singularlogic.eu).

SingularLogic shares are traded at Athens Exchange.

The financial statements of December 31<sup>st</sup> 2007 (which include the respective financial statements of December 31<sup>st</sup> 2006) have been approved for publication by the Company Board of Directors on 11/03/2008. According to the Capital Market Commission provisions, no amendments are allowed to be made to the financial statements after their approval.

### 2. Areas of activity

SingularLogic is active in the following segments:

- Information technology systems and state-of-the art technology products research, design, development, processing, construction, trading and promotion,
- Software applications production, development and support,
- Computer and computerization services provision in large corporations, organizations and the Public sector,
- Software, hardware and systems software programs trading.

SingularLogic's main objective is the timely satisfaction of corporations and organizations needs with high quality and cost efficient integrated solutions.

In this strategy framework, SingularLogic offers a wide range of integrated information technology solutions for Private and Public Sector corporations and organizations, based both on the software products portfolio designed and developed by SingularLogic, as well as on software applications ensured through strategic co-operations with leading software vendors, such as SAP HELLAS S.A., MICROSOFT HELLAS S.A. and ORACLE HELLAS S.A.

SingularLogic has a strong distribution network nationwide with more than 300 partners, thus ensuring the distribution and support of SingularLogic products even in the most remote areas of Greece. The distribution network aim is the promotion, as well as the immediate, constant and quality support of the products offered by SingularLogic.

The Company currently offers advanced and integrated solutions for all modern corporations, notwithstanding their size and activity. Its customers include more than 20,000 SMEs and more than 400 large and multinational corporations.

### 3. Financial statements preparation framework

**SINGULARLOGIC S.A** consolidated financial statements on 31st December 2007, covering also the entire 2006 financial year, have been compiled on the basis of the historical cost principle, as modified by assets and liabilities readjustment to current values, the going concern principle, being in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and the interpretations thereof, as issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of IASB.

Preparing financial statements in accordance with the International Financial Reporting Standards (IFRS) requires significant accounting estimates and scrutiny on behalf of the management when applying the Group accounting principles. Important assumptions by the management on the Company's accounting methods application are highlighted when deemed necessary.

In 2003 and 2004, the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS), in combination with no revised International Accounting Standards (IAS), issued by the International Accounting Standards Committee, predecessor of IASB. The aforementioned series of standards is referred to as 'IFRS Stable Platform 2005'. The Group applies IFRS Stable Platform 2005 as of January 1<sup>st</sup> 2005. The transition date for the Group was January 1<sup>st</sup> 2004.

### **3.1. Accounting Principle Changes**

#### **3.1.1. Change Review**

The Group adopted for the first time IFRS 7 Financial instruments: Disclosures. The standard applies retroactively, i.e. by adaptation to the accounts and the presentation of the financial year 2006 data. Consequently, the 2006 comparative data included in the financial statements are different than the ones published in the financial statements for the financial year which ended on 31.12.2006.

No other Standards and Interpretations were adopted during the current financial year.

The impact resulting from standards first application to the current, the previous and the future financial statements of the aforementioned standards and regard the recognition, assessment and presentation are analysed subsequently in notes 3.1.2.

Note 3.1.3 presents in summary the Standards and Interpretations to be adopted by the Group at subsequent periods.

#### **3.1.2. Accounting Principle Changes (Amendments to the published standards entering into force in 2007)**

The accounting principles changes adopted and in line with previous years' accounting principles are analysed as follows:

- **IAS 1 Amendment - Presentation of Financial Statements**

Due to the issuing of IFRS 7, some amendments were necessary to be made to IAS 1 - Presentation of Financial Statements, while some requirements were also added to IAS 1 regarding financial entity information disclosures. The Group now publishes data regarding the management aims of capitals, the procedures and the policies it follows. These disclosures required based on the IAS 1 change are presented in note 3.1.3.

- **Adoption of IFRS 7 - Financial instruments: Disclosures**

IFRS 7 applies mandatorily to annual financial statements published for a period starting on or posterior to 1.1.2007. IFRS 7 replaces and amends the required disclosures previously defined by IAS 32 and adopted by the Group for the 2007 consolidated financial statements. All disclosures regarding financial instruments, as well as data of the comparative period have been updated in order to correspond to the new standard requirements.

In detail, the Group's consolidated financial statements now present:

1. A sensitivity analysis in order to justify the Group's exposure to the market risks connected to its financial instruments and
2. Maturity analysis of the financial liabilities showing the residual contractual debts,

for each financial statement presented. The Standard first application has not led to previous financial year accounts readjustments with regard to cash flows, net P & L or other Balance Sheet accounts.

- **IFRIC 11: IFRS 2- Group and Treasury Share transactions**

IFRIC 11 provides instructions on whether grants agreements depending on shares value must be considered as payments in cash or equity instruments in the financial statements. This is an important distinction as there are significant differences in the accounting treatment required.

For example, payments in cash are measured at fair value on each balance sheet date. On the contrary, in the equity instruments payments fair value is established on the date of the grant and recognized in the period in which the relevant service is provided.

Despite the fact that IFRIC 11 focuses on payments to the personnel based on equity instruments its logic can also be applied to other similar transactions with goods and services providers. The Group implements this Interpretation for annual periods starting as of January 1<sup>st</sup> 2007.

### 3.1.3. Standards, amendments and interpretations to already existing standards not yet entered into force nor adopted.

The following new Standards and Standard Revisions, as well as the following interpretations on the existing standards have been published, however they are not mandatory for the financial statements presented and the Group has not adopted these previously.

<b>Standards or Interpretations</b>	<b>Description</b>	<b>Entry into force for the financial year starting on or later than:</b>
IFRS 8	Operating Segments	01.01.2009
IFRIC 12	Service Concession Agreements	01.01.2008
IFRIC 13	Customer Loyalty Programmes	01.07.2008
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01.01.2008
IAS 23	Borrowing Costs (Revised in 2007)	01.01.2009
IAS 1	Presentation of Financial Statements (Revised in 2007)	01.01.2009

### IFRS 8 Operating Segments

IFRS 8 abides by the IAS 14 general purpose. It requires financial entities with publicly traded shares or bonds, as well as financial entities in the process of shares or bonds issuing, to report financial information per segment. If financial statements explanatory notes include the parent Company consolidated financial statements within IFRS 8 scope, as well as the parent Company financial statements, then financial information per segment is required solely for consolidated financial statements. IFRS 8 applies for financial years beginning on or post January 1<sup>st</sup> 2009.

## **IFRIC 12: Service Concession Agreements**

IFRIC 12 provides instructions on accounting handling of agreements in which (i) a public sector entity ('grantor') grants contracts for public services provision to private sector professionals ('operators') and (ii) these services provided presuppose the use of infrastructure by the operator (private business). IFRIC 12 does not cover all types of concession services. It only applies for agreements between the public and private sector in the framework of which the operator uses the infrastructure. Consequently, it does not cover concession agreements between private sector corporations.

The Guide to the Application of IFRIC 12 clarifies that these regulatory authorities or the service control do not condition that the grantor has full control of the pricing or the infrastructure mode of use. Therefore, subjective judgment is required for some cases in order to define if these fall within the Interpretation scope.

Agreements not falling within the scope of IFRIC 12 shall have to be handled according to the rest of the IFRS. Agreements within the framework of which the operator controls the infrastructure may lead to a recognition of its assets according to IAS 16 or constitute a lease (according to IFRIC 4).

IFRIC 12 applies for annual periods beginning on or post January 1<sup>st</sup> 2008.

## **IFRIC 13: Customer Loyalty Programmes**

Customer loyalty programmes provide customers with incentives in order to purchase a corporation's products or services. If the customer purchases products or services, the corporation grants him award credits, which the customer can buy off in the future to acquire products or services free of charge or at a reduced price. These programmes may be applied by the corporation itself or a third party. IFRIC 13 may apply to all customer loyalty programme award credits a corporation can grant to its customers as part of a sale transaction. IFRIC 13 shall apply mandatorily for periods beginning on or post July 1<sup>st</sup> 2008.

## **IFRIC 14: IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

IFRIC 14 covers the interaction between the minimum funding requirements (usually enforced by laws and regulations) and the defined benefit asset measurement. The issue of IFRIC 14 is only related to few cases of defined retirement benefits programmes which are "in surplus" or are subject to minimum funding requirements. Among others, it deals specifically with the concept "available" used in IAS 19. In general, the Interpretation explains that a financial benefit is available if the corporation has the unreserved right to recognise the benefit during or upon the defined benefits programme arrangement. The asset recognition does not depend on whether the financial benefits are immediately recognisable on the balance sheet date or on how it intends to use any surplus. The Interpretation also deals with the accounting management of a liability for the minimum funding requirements resulting from services already received by the corporation. IFRIC 14 applies for periods beginning on or post January 1<sup>st</sup> 2008.

## **IAS 23: Borrowing Costs (Revised in 2007)**

The revised IAS 23 abolishes the designation of the immediate recognition as a borrowing cost expense regarding the acquisition, construction or production of a fixed asset. The characteristic of this fixed asset is that a significant time period is required in order to reach a ready for use or sale status. A corporation, however, is required to capitalise such borrowing costs as part of the fixed asset costs.

The revised standard does not require borrowing costs capitalisation related to fixed assets and measured at the fair value and reserves manufactured or produced in large quantities systematically, even if a significant time period is required in order to reach a ready for use or sale status.

The revised Standard applies for borrowing costs related to fixed assets meeting the conditions and its effective date shall be on or post January 1<sup>st</sup> 2009.

## **IAS 1: Presentation of Financial Statements**

The main changes of this Standard consist in the separate presentation of the net worth changes due to transactions with the shareholders in their capacity as shareholders (e.g. dividends, capital increases) from the other net worth changes (e.g. conversion reserves). Furthermore, the improved version of the Standard brings changes to the terminology, as well as to the financial statements presentation.

The new Standard definitions, however, do not change the recognition, measurement or disclosure rules of certain transactions or other events required by the other Standards.

IAS 1 amendment is mandatory for the periods starting on or post January 1st 2009, while these requirements shall also apply to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The changes effected by IAS 1 amendment shall apply retroactively (IAS 8.19 (b)). Earlier application is encouraged, on condition that such is disclosed in the explanatory notes accompanying the company's financial statements.

Based on the Group's existing structure and the accounting policies followed, the Management does not expect significant impact on the Group's financial statements due to the application of the aforementioned Standards and Interpretations when such become applicable.

The revised IAS 23 application impact has not yet been defined. As aforementioned, the revised IAS 23 abolishes the designation of the immediate recognition as a borrowing cost expense regarding the acquisition, construction or production of a fixed asset. This is expected to influence the measurement of fixed assets created internally in the framework of the Group's research and development process. The policy followed up to now regarded the direct encumbrance of the P & L statement with all financial expenses. The change in the way of these expenses accounting policy recognition shall mainly affect the expense recognition time point, as well as the presentation of this expense (financial costs vs. depreciations).

The Group does not intend to implement any of the Standards or Interpretations earlier.

### **3.2. Significant accounting policies**

Financial statements compilation in accordance with IFRS requires on behalf of the management making estimates, assessments and assumptions affecting assets and liabilities publicized data, disclosure of contingent assets-liabilities on the date of drafting financial statements as well as revenue-expenses publicised amounts during the reference period. Actual results may differ from the estimated ones.

Estimates and judgments are continuously scrutinized and based both on past experience and on other factors including expectation for future events deemed reasonable on the basis of specific conditions.

Management estimates and judgments are continuously reassessed and based on historical data and expectations for future events deemed reasonable according to existing events. The Group provides estimates and assumptions for the future. Any accounting estimates shall be by definition hardly equivalent to the relative actual results. Estimates and assumptions entailing a significant risk to bring about substantial change in assets and liabilities book values in the following financial year are reported below.

## Judgments

The main judgments made by the Group management (except for the judgments accompanied by estimates which appear subsequently) with the greatest impact on the amounts recognized in the financial statements are mainly related to the following:

### ➤ Investments categorisation

The management decides during the acquisition of an investment if such shall be categorised as held-to-maturity, held for commercial reasons, at fair value through profit and loss or available for sale. For the investments characterised as held-to-maturity, the management examines if IAS 39 criteria are met and more specifically the extent to which the Group intends and is able to hold such to maturity. The Group categorised investments as held for commercial reasons if these have been acquired mainly for short term profit. Investments categorisation as at fair value through profit and loss depends on the way in which the management monitors these investments performance. When investments are not categorised as held for commercial reasons, but there are available and reliable fair values and the fair value changes are included in the profit or the loss in the management's accounts, they are categorised as at fair value through profit and loss. All other investments are categorised as available for sale.

## Estimates and assumptions

Specific amounts included in or affecting our financial statements, as well as the relevant disclosures, are estimated, requiring us to make assumptions with regard to values or conditions which may not be known with certainty when preparing the financial statements. An accounting estimate is considered significant when it is significant for the image of the company's financial statement and the results and requires most difficult, subjective and complex judgments on behalf of the management, often as a result of the need to make estimates with regard to the impact of uncertain assumptions. The Group assesses such estimates constantly, based on past results and experience, during meetings with experts, based on trends and other methods considered reasonable under the given circumstances, as well as based on our provisions with regard to how these may change in the future.

### ➤ Impairment estimate

The Group controls on an annual basis the existing goodwill for potential impairment and investigates the facts or the conditions enabling impairment, such as, for example, a significant adverse change in corporate climate or a decision for sale or disposal of a unit or an operating segment. Impairment definition requires the assessment of the respective unit, which is estimated using the Discounted Cash Flow method (DCF). When information is available, the multiples method is also used in order to cross-check the results from the DCF method. Upon implementation of the above methodology we are based on multiple factors including the actual operating results, future corporate plans, as well as market data (statistics or non-statistics).

If this analysis generates the need for goodwill impairment, impairment measurement requires an estimate of fair value for each recognised tangible or fixed asset. In this case, the cash flow approach is used, which is mentioned above by independent assessors, when deemed necessary.

Moreover, other recognisable intangible assets with defined useful lives and subject to depreciation are controlled on an annual basis, comparing the book value to the sum of non discounted cash flows expected to be generated by the asset.

The intangible assets with indefinite useful lives are controlled on an annual basis using a fair value method such as the discounted cash flows.

The Group conducts annual controls for goodwill depreciation. Cash flows generating units' recoverable amounts have been fixed based on calculations of value in use. These calculations require the use of estimates.

#### ➤ **Income tax**

The Group companies are subject to income tax from various tax authorities. For the income tax provisions definition significant estimates are required. There are many transactions and calculations for which the exact tax definition is uncertain during usual operations. The Group recognises liabilities for expected tax control issues based on estimates on the amount of additional taxes potentially owed. When the final result from the taxes of these issues is different than the amount initially recognised in the financial statements, the differences affect income tax and the provisions for deferred taxation for that period during which these amounts are finalised.

#### ➤ **Provisions**

Bad debt accounts are depicted with the amounts that may be recovered. Estimates on the amounts expected to be recovered arise after analysis, as well as based on the Group's experience with regard to the possibility of customer bad debts. As soon as it is notified that a certain account is subject to greater risk than the usual credit risk (e.g. low customer credit standing, disagreement with regard to the existence or the amount of the claim, etc.) the account is analysed and subsequently recorded as bad debt if the conditions suggest that the claim is unrecoverable.

#### ➤ **Potential events**

The Group is involved in legal proceedings and indemnities during usual operations. The management deems that any settlements would not affect significantly the Group's financial condition on December 31<sup>st</sup> 2007. Nevertheless, the contingent liabilities definition related to legal proceedings and claims is a complex process including judgments with regard to the potential consequences and the interpretations with regard to laws and regulations. Changes in the judgments or interpretations may lead to an increase or decrease of the Group's contingent liabilities in the future.

## **4. Accounting policies summary**

### **4.1. General**

The significant accounting policies used for the consolidated financial statements preparation are summarised below.

It is worth mentioning, as aforementioned in detail, that accounting estimates and assumptions are used when compiling the financial statements. Despite the fact that these estimates are based on the management's best knowledge with regard to current facts and actions, the actual results may finally differ from the ones estimated.

The consolidated financial statements appear in euro.

### **4.2. Consolidation and investments in associates**

#### **(a) Subsidiaries**

Subsidiaries are the all entities where the Group has the power to control the financial and business policies. The Group deems that it owns and exercises control in case of participation by a percentage higher than half of the voting rights.

When defining the extent to which the Group exercises control on another financial entity voting rights, the existence and any impact of potential voting rights which could be exercised or transformed is examined.

The Group's consolidated financial statements include the parent company financial statements, as well as the financial statements of the financial entities controlled by the Group fully consolidated.

Subsidiaries are consolidated using the full consolidation method as of the date the Group assumes control; while they cease to consolidate as of the date control ceases to exist.

Furthermore, subsidiaries acquired are subject to the application of the market method. The latter includes a readjustment to fair value of all recognisable assets and liabilities, including contingent subsidiary liabilities, on the acquisition date, regardless if these have been included in the subsidiary's financial statements prior to its acquisition. Upon initial recognition, the subsidiary's assets and liabilities are included in the consolidated balance sheet in the readjusted amounts, which are also used as a basis for their subsequent measurement according to the Group's accounting policies. Goodwill represents the excess of the acquisition costs above the fair value of the Group's share in the acquired subsidiary's Group recognisable assets during its acquisition. If the acquisition cost is smaller than the acquired subsidiary's net assets fair value, the difference is directly recognized in the result.

The subsidiaries' accounting policies were modified whenever deemed necessary in order to be in line with the policies adopted by the Group.

Intracompany claims and liabilities accounts, as well as transactions generating revenue and expenses, as well as unrealized gains or losses among the companies are eliminated.

## **(b) Associates**

Associates are the financial entities on which the Group can exercise significant influence, but which are not subsidiaries or joint venture rights. Significant influence is the power to participate in the decisions regarding the issuing company's financial and business policies, but not control over these policies. Significant influence usually exists when the Group holds 20% to 50% of voting rights through shares' ownership or other agreement.

Investments to associates are initially recognized on the cost, while for consolidation purposes the equity method is used. Goodwill is included in the investment's book value (costs) and is controlled for impairment as part of the investment. When a Group financial entity trades with a Group associate, any intercompany profits and losses are eliminated according to the Group's participation rate in the relevant associate.

All subsequent changes in the participation rate in the associate's net worth are recognised in the book value of the Group's investment. Changes which result from the profits or losses created by the associate are registered in the account "Associates (Losses)/ Profits" in the Group's consolidated profit & loss statement, therefore affecting net Group results. During consolidation, changes directly recognised in the associate's shareholders' equity and related to the result, for example resulting from the accounting handling of the associate's available for sale investments, are recognised in the Group shareholders' equity. Any changes recognised directly in the shareholder's equity and not related to a result, such as, for example, dividends distribution or other transactions with the associate's shareholders, are registered against the participation book value. No impact on the net result or the shareholders' equity is recognised in the framework of these transactions. Despite that, when the Group's loss share in an associate is equal or exceeds the investment book value, including any other non guaranteed claims, the Group does not recognise further losses, unless the investor has been burdened with commitments or has proceeded to payments on behalf of the associate.

Unrealized gains from transactions between the Group and the associates are eliminated to the extent of the Group's participation rate in the associates. Unrealized losses are also eliminated, unless the transaction suggests losses due to impairment of the value of the assets acquired by the joint venture.

The associates' Financial Statements preparation dates are the same as those for the parent company. The associates' accounting policies were modified in the cases necessary in order to ensure consistency with the policies adopted by the Group.

## (c) Joint Ventures

Financial entities whose financial activities are jointly controlled by the Group and other joint venturers, independent from the Group, are handled in terms of accounting using proportional consolidation.

In case the investing corporation sells assets to the joint venture, it shall recognise only profit or loss from the transaction corresponding to the other members' participation.

On the contrary, if the investing corporation purchases assets from the joint venture, it shall not recognise its share in the profit or loss until it sells the asset to a third party. In case there are indications of losses due to impairment of the value of the assets acquired by the joint venture, any loss shall be fully recognised.

### 4.3. Asset conversion to foreign currency

The Group's consolidated financial statements appear in euro (€), which is the parent company's operating currency.

Each of the Group's financial entities defines its operating currency and the data included in each financial entity's financial statements. In the consolidated financial entities individual financial statements, foreign currency transactions are converted into the operating currency of each individual entity using the exchange rates applicable on the transactions dates.

Transactions in foreign currency are converted into euro using the exchange rates applicable on the transactions dates. In the consolidated financial statements, all subsidiaries' and jointly controlled financial entities' individual financial statements, which initially appear in a currency other than the Group's operating currency (none of which has the currency of a hyperinflationary economy), have been converted into euro. The assets and liabilities have been converted into euro based on the closing exchange rates applicable on the balance sheet date. Revenue and expenses have been converted into the Group's reporting currency based on the mean exchange rates applicable during the reference period. Any differences during this process have been transferred to the balance sheet conversion reserve to shareholders' equity.

### 4.4. Information per segment

A business segment is defined as a group of assets and activities offering products and services, subject to different risks and yields than other business segments products and services.

A geographical segment is defined as the geographical region where products and services are offered, being subject to different risks and yields than other regions.

The Group is active in three business segments, Large Corporations, SMEs and the Public Sector.

Revenue is recognised when it is likely that future financial benefits shall be generated for the financial entity when these benefits can be measured reliably.

### 4.5. Revenue-Expenses Recognition

**Revenue:** Revenue is recognised when it is likely that future financial benefits shall be generated for the financial entity when these benefits can be measured reliably.

Revenue is measured at the fair value of the collected return and is net from value added tax, reimbursements, all kinds of deductions and after limiting intragroup sales.

The revenue amount is considered to be able to be measured reliably when all contingent liabilities related to the sale have been settled.

Intercompany revenue in the Group is fully eliminated. Revenue recognition is as follows:

- **Sales of goods:** The revenue from the sale of goods is recognised when the significant risks and the benefits of the goods ownership have been transferred to the purchaser, usually with the dispatch of goods.
- **Services provision:** The revenue from agreements at a predefined rate is recognised based on the transaction completion stage on the balance sheet date. According to the completion method percentage, the revenue in general is recognised based on the service provision activity and the performance to date as a percentage of all services to be implemented.

When the transaction result regarding the provision of services may not be soundly estimated, the revenue is recognised only to the extent the recognised expenses are recoverable.

The sale price amount related to a service agreement to be provided later is recorded in a transitional account and is recognised in the revenue of the period during which the services are provided. This revenue is included in the account "other liabilities".

In case the initial revenue estimates may change, the expenses or the completion degree are amended. These amendments may lead to increase or decrease of the estimated revenue or expenses and appear in the period's revenue, while the cases rendering an amendment necessary are disclosed by the management.

Revenue from customer-related long-term construction contracts are recognized according to the contract completion rate on the balance sheet day. The Group is bound to offer extensive after sales service in this area of works.

- **Interest income:** Interest income is recognized on a pro rata basis and the effective rate method. In case of assets impairment, their book value is reduced at the recoverable amount being the present value of the anticipated future cash flows discounted by the initial effective rate. Subsequently, interest is calculated by the same rate on the diluted (new book) value.
- **Dividends:** Dividends are considered as revenue upon establishment of their collection right.

**Expenses:** Expenses are recognized in the results on an accrued basis. Payments carried out for operational leases are carried over in the results as expenses during the leased property use. Expenses from interest are recognized on an accrued basis.

**Borrowing costs:** The borrowing costs must be recognized in the expenses of the period during which it is concluded.

#### 4.6. Construction contracts

Construction contracts regard construction of assets or a group of related assets (special software development projects), client-specific, according to terms foreseen in the relevant contracts and whose execution usually exceeds one financial year period.

Expenses regarding the contract are recognized upon realization.

In case the project construction contract result cannot be reliably measured, and mainly in case the project is at an early stage:

- Income must be recognized solely to the extent the undertaken contractual cost may be recovered
- The contractual cost must be recognized in the respective financial year expenses

Therefore, for these contracts income is recognized in a way that project profit is zero.

When a project contract result can be reliably assessed, contract income and expenses are recognized during the contract duration respectively as income and expense. The Group employs the percentage of completion method to determine the appropriate amount of income and expense to be recognized in a particular period.

The completion stage is measured based on the contractual cost incurred up to the balance sheet date in relation to the project's total estimated construction cost. If probable that the contract total cost shall exceed total income, then the anticipated loss is directly recognized in the financial year results as expense.

To calculate the cost incurred up until the end of the financial year, any expenses relative to future works with regard to the contract are exempted and displayed as project in evolution. The total cost realized and the profit/loss recognized for each contract is compared with progressive invoicing up to the end of the financial year.

Whenever realized expenses plus net profit (minus losses) exceed progressive invoicing, the difference appears as a receivable from projects contracts customers in the account 'Trade and other receivables'. When progressive invoicing exceeds realized expenses plus net profit (minus losses), which have been recognized, the balance appears as liability towards projects contracts customers in the account 'Suppliers and other liabilities'.

## **4.7. Intangible assets**

### **(a) Industrial property rights**

Industrial property rights involve purchasing copyright for software sales and are measured at the acquisition cost minus depreciations and contingent impairment loss. Depreciations are carried out with the straight line method during these assets 5-year useful life.

### **(b) Goodwill**

Goodwill represents the difference between the acquisition cost and the subsidiary/associated enterprise net worth share fair value on the acquisition date. Goodwill from subsidiaries acquisition is recognized in intangible assets. Goodwill from associated enterprises acquisition is recognized in investments in associates account. In case net worth current value on company acquisition date is higher than its acquisition consideration, a negative goodwill arises recorded directly as revenue in the P & L statement.

Goodwill is tested annually for impairment and recognized at the cost minus any impairment losses. To facilitate impairment tests, goodwill amount is distributed to cash flows generating units. Each unit illustrates Group investments in every active business segment. Profit and loss from an enterprise sale include goodwill book value corresponding to the enterprise sold.

### **(c) Software development expenses**

Research expenses are recognized as expenses in the corresponding financial year P & L statement. Software development expenses which may offer the company future economic benefits are recognized as intangible assets. The rest of development expenses are recorded as expenses in the corresponding financial year P & L statement.

Development expenses recorded as expenses in previous financial years P & L statement, are not recorded as intangible assets in a posterior financial year, if the said software development shall offer future economic benefits.

Programmes development acquired in a business combination are recognized at their fair value on the basis of the cost the Group would be burdened with if the product were developed internally.

Capitalized development expenses are depreciated at the beginning of software production, based on the straight line depreciation method during the products anticipated benefits period. Its depreciation period endorsed by the Group is of 5 years.

**(d) Software**

Software licences are measured at acquisition cost minus depreciations. Depreciations are carried out with the straight line method during assets 3.5-year useful life.

In case intangible fixed assets book value exceeds their recoverable value, the difference (impairment) is directly recorded as expense in P & L.

**(f) Trade name/mark**

Trade names are words, names, symbols or other means used in commerce to underline the source of a product and distinguish it from other producers' products. Services mark designates and distinguishes the source of a service instead of a product. General trade marks are used to designate a Group entities goods or merchandises. Certification marks are used to certify merchandise or service geographical origin or other features. Trade marks, trade names, services marks, general marks and certification marks may be validated lawfully by being submitted to state entities, being continuously used in commerce or elsewhere. A trade mark or other mark acquired in business combination, if legally documented upon submission or otherwise, constitutes an intangible fixed asset satisfying the contractual-legal criterion. Depreciations are carried out with the straight line method during assets 10-year useful life.

**(e) Assets impairment**

Assets with undetermined useful life are not depreciated and are subject to annual impairment test when certain events show that book value may not be recoverable. Depreciated assets are subject to impairment test of their value in case there are indications their book value shall not be recovered. The recoverable value is the highest value between fair value decreased by the sale required cost and the value in use. To assess impairment loss, assets are incorporated in the smallest possible cash flows generating units. Impairment losses, when arising, are recorded as expense in the results and may be reversed in a following financial year unless concerning goodwill impairment losses.

Below follows a summary of the policies implemented and regarding the useful life of intangible Group assets:

<b>Intangible asset recognised</b>	<b>Duration</b>	<b>Useful life</b>
Distinctive Title	Defined	10 years
Purchased software	Defined	3 years straight line method
Produced software	Defined	5 years straight line method

#### 4.8. Property, plant and equipment

Tangible fixed assets are measured at acquisition cost minus accumulated depreciations and impairment. The acquisition cost involves all expenditures directly attributable to assets acquisition.

Posterior expenditures are recorded in tangible fixed assets book value increase or as a separate fixed asset only if there is possible a future economic benefits inflow in the Group and the cost thereof is valuably measured. Repair and maintenance cost is recorded in the results when realized.

Lands are not depreciated. Depreciations of other tangible fixed assets are calculated with the straight line method during their useful life as follows:

- Exterior design	9 years
- Engineering equipment	3 - 5 years
- Means of transport	6.5 years
- Furniture and fittings	3 - 5 years

Residual value and tangible fixed assets useful life are subject to revision in every balance sheet.

When tangible fixed assets book values exceed their recoverable value, the difference (impairment) is directly recorded as expense in the results.

Upon tangible fixed assets sale, the differences between the consideration received and their book value are recorded as profit or loss in the results.

#### 4.9. Leases

The Group does not conclude agreements containing transactions without the legal form of a lease, but it obtains the right to asset use (property, plant and equipment) in exchange for a series of payments. The leases in which the Group participates, either as a lessee or as a lessor, are handled as operating leases.

#### 4.10. Goodwill, intangible assets, property, plant and equipment impairment control

The Group's goodwill, the intangible assets and the property, plant and equipment are subject to impairment controls.

With the exception of goodwill, all assets are subsequently re-evaluated in case the impairment loss initially recognised no longer exists.

#### 4.11. Financial Assets

The Group's financial assets, except for the hedging instruments, include the following assets categories:

- loans and receivables,
- financial assets at fair value through profit and loss,
- available for sale portfolio
- Held-to-maturity investments.

The financial instruments are divided into different categories by the management depending on the characteristics and the acquisition purpose. The category in which each financial instrument is categorised is different than the others, as well as depending on the category in which the instrument will be categorised, different rules shall apply with regard to its assessment, as well as the way of recognition of each defined result either in the profit and loss statement or directly in the Shareholders' equity.

The financial assets are recognised by application of the settlement date accounting.

The impairment assessment takes place at least on every publication date of the financial statements either when there is objective evidence that a financial asset or group of financial assets has decreased in value or not.

The Group defines if a purchase contract includes a derivative integrated in the agreement. The integrated derivative is separated from the main contract and considered a derivative when the analysis shows that the derivative's financial characteristics and risks are not related to the main contract.

#### **4.12. Held-to-maturity investments**

The Group had no held-to-maturity investments on 31.12.2007.

#### **4.13. Financial assets or financial liabilities at fair value through profit and loss**

The financial assets or financial liabilities at fair value through profit and loss include financial assets classified either as held for commercial reasons or defined by the company as at fair value through profit and loss during their initial recognition. Additionally, derivatives not meeting the hedging accounting criteria are classified as held for commercial reasons.

If a contract contains one or multiple integrated derivatives, the Group defines the whole complex contract as a financial asset at fair value through profit and loss, unless the integrated derivative does not alter significantly the cash flows which in a different case the contract would require or unless separation of the integrated derivative(s) from the contract is forbidden. Subsequently to the initial recognition, the financial assets included in this category are measured at fair value through profit and loss. The financial assets initially recognised as financial assets at fair value through profit and loss cannot be reclassified.

#### **4.14. Available for sale portfolio**

The available for sale portfolio includes non derivative financial assets which are classified as available for sale or do not meet the criteria in order to be classified in other financial asset categories. All financial assets falling within this category are measured at fair value, if such can be defined reliably, with the changes in their value to be recognised in equity, after calculation of each impact due to taxes.

During the sale or impairment of assets available for sale, the cumulative profits or losses recognised in equity are recognised in the P & L statement.

In case of impairment, the amount of cumulative losses transferred from equity and recognised in the results consists in the difference between the acquisition value (after subtracting capital repayment and depreciation) and the fair value, minus any impairment loss previously recognised.

Impairment losses recognised in the results for investment in an equity instrument classified as available for sale can not be reversed through profit and loss. Losses recognised in previous periods' consolidated financial statements which come from the impairment of debt instruments can be reversed through profit and loss if the increase (impairment reversion) is related to events occurring after the recognition of the impairment in the P & L statement.

#### **4.15. Loans and receivables**

Loans and receivables are non derivative financial assets with fixed and determinable payments which have no stock exchange value in an active market. They are created when the Group produces money, products or services directly to a

debtor without any intent of commercial exploitation. Every change in the value of loans and receivables is recognised in the results when the loans and receivables are derecognised or impaired, as well as during depreciation.

For certain liabilities a control is carried out for potential impairment for each individual liability (for example individually for each customer) in case the recovery of the claim has been characterised overdue at the financial statements date or in case objective data suggest the need for their impairment. The other liabilities are grouped and controlled for potential impairment in their entirety.

Receivables and loans are included in the current assets, except for those with maturities higher than 12 months after the balance sheet date. These are characterised as non current assets. In the balance sheet they are classified as commercial and other claims and constitute the greatest part of the Group's financial assets.

#### **4.16. Fair value**

Investments' fair value in an active market is proven by the stock exchange values report on the balance sheet date. If the market for an investment is not active, the Group defines the fair value using assessment techniques. An assessment technique purpose is the definition of the transaction value that would arise on a transaction measurement date on a clearly commercial basis, motivated by standard business factors. Assessment techniques include the use of recent transactions on a clearly commercial basis, the reference to the current fair value of a materially similar instrument, the analysis of discounted cash flows, as well as stock option assessment models.

#### **4.17. Derivatives and Hedging Accounting**

Derivatives, such as forward assets, interest rate swaps, interest rate swaps and interest rate selections are used to manage the financial risk from the Group's business activities and the financing of these activities.

All derivatives are initially recognised at fair value on the settlement date and are subsequently assessed at fair value. Derivatives appear in the assets when fair value is positive and in the liabilities when fair value is negative. Their fair value is defined by their value in an active market or using assessment techniques in case there is no active market for these instruments.

The recognition method for profit or loss depends on whether a derivative has been defined as hedging asset and whether it constitutes hedging from the nature of the asset it hedges.

Profit or loss from the change during the financial year of the derivatives fair value not recognised as hedging instruments are recognised in the P & L statement.

The Group uses hedging accounting in case, at the beginning of the hedging transaction and during the subsequent use of derivatives, the Group can define and document the hedging relationship between the hedged asset and the hedging instrument with regard to risk management and its strategy for undertaking the hedging. Moreover, hedging accounting is only followed when hedging is expected to be extremely effective and can be measured reliably and on a constant basis for all covered reference periods for which it had been defined with regard to the offsetting of fair value or cash flow changes attributed to the hedged risk.

The Group has three types of hedging relationships:

- Fair value hedging
- Cash flow hedging
- Net investment hedging in abroad operation

The Group has cash flow hedging derivatives.

## ➤ Cash flow hedging

With cash flow hedging, the corporation tries to cover the risks causing volatility of cash flows and come from an asset or liability or a future transaction and such transaction is going to affect the P & L statement.

For the derivatives characterised as hedging instruments within a cash flow hedging relationship certain accounting actions are required.

In order to meet the conditions for accounting hedging recognition, a hedging relationship must meet certain strict conditions regarding the documentation, the occurrence possibility, the hedging effectiveness and its measurement reliability.

During the current period the Group has recognised certain currency futures contracts as hedging tools for cash flow hedging relationships. These agreements have been implemented in order to mitigate the currency risk resulting from sales and purchases in US dollars. Financial claims and liabilities recognition result appear respectively in the balance sheet account "Short term financial assets" and "Short term financial liabilities".

The hedging instrument part of the profit or loss, documented as effective hedging, is directly recognised in equity through the statement of changes in equity, while the hedging instrument ineffective part of the profit or loss shall be recognised in the P & L.

The amounts accumulated in equity are transferred to the P & L statement in the periods when the hedged assets affect profit or loss, as the hedged financial profit or financial expense are recognised or as in an expected sale or purchase.

If an expected transaction hedging results later to the recognition of a financial asset or a financial liability, the related profit or loss recognised directly in equity shall be reclassified in the profit and loss in the same period(s) when the acquired asset or the obligation undertaken affects the results. However, if the financial entity expects that part of or the whole loss recognised directly in equity shall not be recovered in one or more future periods, it shall reclassify the amount not expected to be recovered in the profit and loss.

When a cash flow hedging asset expires or is sold, terminated or exercised without being replaced or when a hedged asset does no longer meet the criteria for the hedging accounting, each cumulative profit or loss in equity at that time shall remain in equity and be recognised when the expected transaction takes place. If the related transaction is not expected to take place, the amount is transferred to the profit and loss.

## 4.18. Reserves

The reserves include raw materials, materials and purchased goods.

The cost includes all expenses made in order for the reserves to come to their present position and status, directly attributable to the production process, as well as part of the general expenses related to production, which is absorbed based on the production facilities normal capacity.

The financial cost is not taken into consideration.

On the balance sheet date, reserves appear at the lowest value between acquisition cost and net liquidation value.

The net liquidation value is the expected sale price during the corporation's usual operations, minus the estimated cost necessary in order to make the sale.

The cost is defined using the weighted average cost method.

## 4.19. Income tax accounting

### 4.19.1. Current income taxation

The current income tax claim/ liability includes all liabilities or claims from the tax authorities related to the current or previous reference periods not paid until the Balance sheet date.

These are calculated according to the tax rates and the tax laws applicable for the financial year they regard, based on the year's taxable profits. All changes in the current tax claims or liabilities are recognised as tax expenses in the profit and loss.

### 4.19.2. Deferred income taxation

The deferred income taxation is calculated using the liability method focusing on temporary differences. This includes the comparison of the consolidated financial statements' claims and liabilities book value with the respective tax bases.

The deferred tax claims are recognised to the extent it is possible to be hedged against the future income tax.

The deferred tax liabilities are recognised for all taxable temporary differences.

No deferred tax is recognised for the temporary differences related to investments in subsidiaries and participations in joint ventures if the temporary differences inversion is controlled by the company and is probable that the temporary difference shall not be inverted in the future. Additionally, tax liabilities which can be transferred to future periods, as well as tax credits to the Group, are recognised as deferred tax claims.

No deferred tax is recognised upon the initial recognition of a claim or liability in a transaction not constituting a merger and which, at the time of the transaction, does not affect the accounting profit or the taxable profit or loss.

The deferred tax claims and liabilities are calculated using the tax rates expected to be implemented for the period during which the claim or liability will be settled, taking into consideration the tax rates established or substantially established until the balance sheet date.

Most changes in the deferred tax claims or liabilities are recognised as tax expenses in the profit and loss. Only changes in the deferred tax claims or liabilities related to a change in the value of the claim or liability charged directly to equity are charged or credited directly to equity.

The Group recognises a previously non recognised deferred tax claim to the extent it is possible for a future taxable profit to allow the deferred tax claim recovery.

The deferred tax claim is re-examined on every balance sheet date and is reduced to the extent it is no longer possible that sufficient taxable profit shall be available to allow the exploitation of the benefit of part of or the whole deferred tax claim.

## 4.20. Cash and cash equivalents

Cash and cash equivalents include cash in banks and in hand, as well as short term, high liquidity investments, such as stock exchange securities and term bank deposits with maturity in three months or less. The stock exchange securities are financial assets displayed at fair value through profit and loss.

For the purpose of the Consolidated Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, without including outstanding bank overdraft balances.

## 4.21. Shareholders equity

The share capital is defined according to the nominal value of the shares issued. Common shares are classified in shareholder's equity.

Share capital increase with cash payment includes all share premium differences during the initial share capital issuing. All transaction costs related to the issuing of shares, as well as any relevant income tax benefit, are deducted from the share capital increase.

The assets of a financial instrument a) creating a financial liability for the financial entity and b) providing a stock option to the instrument holder to convert such to a financial entity's equity instrument, are recognised individually as financial liabilities, financial claims or equity instruments.

Employee stock options are credited to the additional paid up capital until the relevant options are exercised.

Exchange differences from the conversion of subsidiary financial statements to the Group's operating currency are included in the conversion reserve. Profit withheld includes the current profit and loss and these of previous periods, as disclosed in the profit and loss.

## 4.22. State grants

The Group receives state grants for certain research projects. State grants are recognised as of the time the grant amount was obtained. Grants related to realized expenses are hedged against research expenses.

## 4.23. Retirement benefits and short term benefits to personnel

### 4.23.1. Retirement benefits

The Group has defined both defined-benefit plans, as well as defined-contribution plans.

A defined-benefit plan is a retirement programme not falling under a defined-contribution plan. Typically, defined-contribution plans define a certain amount of benefits which the employee shall receive upon retirement, usually depending on factors such as age, years of service and remuneration.

The liability recognised in the Balance sheet with regard to the defined retirement benefit plans is the current value of the defined-benefit liability on the Balance sheet date, minus the fair value of the plan assets, including readjustments of the non recognised proportional profit or loss and expenses of a previous service. The defined-benefit liability is calculated on an annual basis by independent actuaries based on the *Projected Unit Credit Method*. The defined-benefit liabilities current value is defined through discounting of the expected future cash outflows using high yield corporate bonds interest rates, expressed in the currency in which the benefits will be paid and have maturity terms similar to the relevant retirement liability.

The actuarial profit and loss due to empirical readjustments and changes in proportional assumptions at the end of the previous period exceeded 10% of the plan assets' fair value or 10% of the defined-benefit liabilities and are charged or credited to the results based on the expected average residual work life of the employees participating in this plan.

Working experience cost is recorded directly in the results, unless the changes in the retirement plans are optional for the stay of the employees in service for a certain time period (vesting date). In this case, the working experience cost is depreciated on a constant basis until the benefits vesting date.

A defined-contribution plan is a retirement plan for which the Group pays defined contributions to an independent management authority on a mandatory, contractual or optional basis. The corporation shall have no legal or imputed obligation to pay further contributions in case the authority has no sufficient assets to pay all benefits to the employees

for service provided during the current or previous financial years. Prepaid contributions are recognised as an asset to the extent a money return or reduction of future payments is possible.

#### **4.23.2. Termination of service benefits**

Termination of service benefits are paid when employment is terminated by the Group before the usual retirement date or when an employee accepts voluntary withdrawal from service in exchange for these benefits.

The Group recognises these termination benefits when evidently bound either to terminate employment based on a detailed typical plan without withdrawal possibility or by providing withdrawal benefits as a result of an offer in order to promote voluntary withdrawal. When benefits from termination of service become payable beyond 12 months after the balance sheet date, they are discounted at their present value.

#### **4.24. Payments based on employees' stock option**

Payments based on employees' stock options are recognised in the consolidated financial statements. For remunerations to employees the Group uses the remunerations defined by the share value and are settled in stock options.

All work services received in exchange for payments based on stock options are assessed at the fair values on the payment date. These are indirectly defined based on the fair value of the stock options granted. Their value is estimated on the granting date and excludes any impact of the vesting conditions outside the market conditions (for example, profitability and sales increase targets), but only based on terms connected to the Group share's value.

All remunerations based on stock options are finally recognised as an expense in the results with respective credit of additionally paid up capital, net from deferred tax, if applicable. If the vesting date or the vesting terms apply, the expense is distributed to the vesting period, according to the best possible estimate of the number of stock options expected to be vested. Vesting terms not related to market conditions are included in assumptions with regard to the number of stock options expected to be exercised. These estimates are revised retrospectively if there are indications that the number of stock options expected to be vested are different than previous estimates.

No adjustment of the expenses recognised during previous periods can take place if less stock options than the ones estimated were finally exercised.

During the exercise of stock options, the net profits obtained from each transaction cost of the issued shares' nominal value are distributed in equity with any excess being registered as share premium increase.

#### **4.25. Financial liabilities**

The Group's financial liabilities include bank loans and overdraft accounts, commercial and other liabilities and financial leases. Financial liabilities are recognised when the Group participates in a contractual agreement of the financial instrument and are derecognised when the Group is relieved from the liability or such is cancelled or expires.

Interest is recognised as an expense in the account "Financial liabilities" in the P & L statement.

Liabilities from financial leases are assessed at the initial value minus the financial repayments capital amount.

Commercial liabilities are initially recognised at their nominal value and subsequently are assessed at the depreciated cost minus settlement payments.

Dividends to shareholders are included in the account "Other short term financial liabilities" when dividends are approved by the Shareholders General Assembly.

Profits and losses are recognised in the P & L statement when the liabilities are derecognised, as well as through depreciations.

When an existing financial liability is exchanged for another liability of different form with the same lender, but substantially different terms or the terms of an existing liability are significantly amended, such as in case of exchange or amendment, such is handled as repayment of the initial liability and recognition of a new liability. All differences in the respective book values are recognised in the results.

#### **4.26. Loans**

Bank loans provide long term financing for the Group's operations. All loans are initially recognised in the cost, being the fair value of the return received except for the loan issuing cost.

After the initial recognition, loans are assessed at the depreciated cost and any difference between revenue and repayment is recognised in the results during the loan period based on the effective rate method.

Depreciated cost is calculated by taking into account all issuing costs and all deductions or premium share amount in the settlement.

#### **4.27. Other provisions, contingent liabilities and contingent assets**

The provisions are recognised when a present commitment is likely to lead to financial resources outflow for the Group, while such can be reliably estimated. The implementation time or the outflow amount may be uncertain.

A present commitment results from the presence of a legal or imputed liability resulting from past events, for example product guarantees, legal disputes or erroneous contracts.

When part of or the whole expense claimed for the settlement of a provision is expected to be remunerated by another party, the remuneration shall be recognised only when it is substantially certain that the remuneration shall be recovered if the financial entity settles the liability and such is handled as a particular asset. The amount recognised for the remuneration does not exceed the provision amount.

The expense with regard to a provision is presented in the results, net from the amount recognised for the remuneration.

A provision is used only for the expenses for which the provision was initially made. Provisions are re-examined on every Balance sheet date and adjusted in order to depict the current best estimate.

Provisions are assessed at the expected cost required in order to define this commitment, based on the most reliable available evidence on the Balance sheet date, including the risks and uncertainties with regard to the present commitment.

When the impact of the diachronic value of money is significant, the provision amount is the present value of the expenses expected to be claimed in order to settle the liability.

The pre-tax discount interest rate reflects the current market estimates on the diachronic value of money and the risks relevant to the liability. The interest rate does not reflect risks for which future cash flow estimates have been adjusted.

When the discount method is used, a provision book value increases in each period in order to reflect the lapse of time. This increase is recognised as borrowing costs in the results. When there are similar commitments, the possibility for an outflow to be required for settlement is defined by taking the commitments category into consideration as a whole. A provision is recognized even if the outflow possibility in relation to any asset included in the commitments category is small.

If it is not henceforth possible that an outflow of resources integrating financial benefits shall be required in order to settle the liability, the provision shall be inverted.

In such cases, when the possible outflow of financial resources as a result of present commitments is considered unlikely or the provision amount may not be considered reliable, no liability is recognised in the consolidated Balance sheet, unless considered within the framework of a merger.

These potential liabilities are recognised within the framework of the acquisition cost distribution to the assets and liabilities during a merger. Subsequently, they are assessed at the highest amount of a comparable provision, as described above and the amount initially recognised, minus any depreciation.

Potential inflows from financial benefits for the Group not yet meeting the criteria of an asset are considered contingent claims.

## 5. Group Structure

In the financial statements, investments in subsidiaries and associates have been assessed to impairment acquisition cost. The Group structure and the consolidation method thereof, are analyzed herein.

1/1 - 31/12/2007					
ref.	Trade name	Country of residence	Kind of participation	Participation %	Consolidation Method 31.12.2007
	SINGULARLOGIC S.A.	Greece	Parent		Parent
1	PCS S.A.	Greece	Direct	50,50%	Total
2	SINGULARLOGIC INTEGRATOR S.A.	Greece	Direct	100,00%	Total
2	COMPUTER TEAM S.A.	Greece	Indirect	35,00%	Equity
3	INFOSUPPORT S.A.	Greece	Direct	34,00%	Equity
3	COMPUTER PROJECT S.A.	Greece	Direct	100,00%	Total
3	LOGODATA S.A.	Greece	Direct	34,00%	Equity
3	METASOFT S.A.	Greece	Direct	68,80%	Total
3	SINGULAR ROMANIA SRL	Romania	Direct	100,00%	Total
3	SINGULAR BULGARIA EOOD	Bulgaria	Direct	100,00%	Total
4	DPS LTD	Greece	Direct	94,40%	Not consolidated
5	TASIS CONSULTING S.A.	Greece	Direct	59,60%	Not consolidated
6	VELVET VENTURE BUSINESS	Greece	Direct	50,00%	Not consolidated
7	MODULAR S.A.	Greece	Direct	60,00%	Not consolidated
8	BUSINESS LOGIC S.A.	Greece	Direct	97,40%	Not consolidated
8	HELP DESC S.A.	Greece	Indirect	87,00%	Not consolidated
9	AUTOMATION DYNAMICS S.A.	Greece	Direct	60,00%	Not consolidated
11	SYSTEM SOFT S.A.	Greece	Direct	49,00%	Total
12	DEMSTAR BUSINESS APPLICATION LTD	Cyprus	Direct	70,00%	Total
<b>TOTALS</b>					

### Notes:

1. The subsidiary PCS S.A. was consolidated on 31/12/2007 with the purchase method.
2. In application of the 09.08.2006 General Meeting resolution and the Development Minister's approval decision No K2-12001/5.09.2006, SingularLogic acquired 100% of 'SingularLogic Integrator S.A', its subsidiary S&T S.A and its associate COMPUTER TEAM S.A. on 12.09.2006. 'SingularLogic Integrator S.A.' and its subsidiaries and associates were consolidated for the first time in the 30.09.2006 accounting statements, for the 12.09.2006-30.09.2006 period. With Prefecture of Athens approval decision EM 27358-29.12.2006 SingularLogic Integrator S.A merger by absorption with S&T S.A was completed with transformation balance sheet on 30/09/2006 applying the 2 companies BoD resolutions.
3. In application of the 09.08.2006 General Meeting resolution and the Development Minister decision No K2-12001/5.09.2006, SingularLogic acquired 100% of "SingularLogic Software S.A.", its subsidiaries

(COMPUTER PROJECT S.A., METASOFT S.A., SINGULAR BULGARIA COMPUTER APPLICATION EOOD, SINGULAR ROMANIA COMPUTER APPLICATION SRL.) and its associates (LOGODATA S.A. INFOSUPPORT S.A.) on 12.09.2006. "SingularLogic Software S.A." and its associates were consolidated for the first time in the 30.09.2006 accounting statements, for the 12.09.2006 to 30.09.2006 period. Following the Development Ministry decision No K2-18110/29.12.2006, the merger by absorption of SingularLogic Software S.A. by SingularLogic S.A. was completed with transformation balance sheet dated 30/09/2006 in application of the 2 companies BoD resolutions on the 29/09/2006 meetings. On 31/12/2007 the merging company's subsidiaries were consolidated as direct participation.

In the framework of article 10 of L. 3340/2005 and article 2 of Capital Market Commission resolution 3/347/12.7.2005, the Company increased its participation rate in its subsidiary trading as "METASOFT S.A. SOFTWARE DEVELOPMENT & PRODUCTION COMMERCIAL SOCIETE ANONYME" and the distinctive title "METASOFT S.A." due to its participation in the share capital increase of METASOFT S.A. totalling 111,000 euro, which was covered fully by the Company. Following the increase in question, SingularLogic S.A participation rate in METASOFT S.A. increased from 11% to 68.8%.

4. **DPS LTD** has been inactive since 1995. SingularLogic does not exercise any administrative influence. DPS LTD was not consolidated on 31/12/2007.
5. **TASEIS-CONSULTING S.A.** entered into liquidation following its 20/07/2005 General Meeting resolution. The decision in question was approved by the Prefecture. SingularLogic does not exercise management influence. On 31/12/2007 liquidation had not been completed. TASEIS-CONSULTING S.A was not consolidated on 31/12/2007.
6. **VELVET** joint venture has been inactive since 1995. SingularLogic does not exercise any administrative influence. VELVET joint venture was not consolidated on 31/12/2007.
7. **Modular S.A** entered into liquidation following its General Meeting resolution on 30/06/2005. On 15/11/2005 the decision was approved by the Prefecture. On 31/12/2007 liquidation had not been completed. Modular S.A was not consolidated on 31/12/2007.
8. **Business Logic S.A** and its subsidiary **Helpdesk S.A** entered into liquidation based on General Meetings resolutions on 30/06/2005. The Prefecture approved the General Meeting resolutions. SingularLogic does not exercise any administrative influence on them. On 31/12/2007 liquidations had not been completed. These companies were not consolidated on 31/12/2007.
9. **Automation Dynamics S.A** entered into liquidation following a General Meeting resolution. On 30/09/2005 the decision was approved by the Prefecture. On 31/12/2007 liquidation had not been completed. Automation Dynamics S.A was not consolidated on 31/12/2007.
10. On 2/10/2007 the Company completed the acquisition of 49% of the company share capital trading as "SYSTEM SOFT INFORMATION TECHNOLOGY AND BUSINESS ORGANISATION COMMERCIAL SOCIETE ANONYME" and the distinctive title "SYSTEM SOFT S.A." ensuring administrative influence on the company management. The Company is consolidated as of the above date using the Purchase method.
11. On 28/12/2007 the Cypriot company "DEMSTAR BUSINESS APPLICATIONS LTD" share capital 70% acquisition was completed. The company is active in Cyprus and provides integrated business software solutions to private and public sector large corporations and SMEs. The Company is consolidated as of the above date using the Purchase method.

The Company, based on IAS 27, par. 21, according to which the parent Company loses control over a subsidiary in case the subsidiary is subject to state, judicial, management or supervisory control, did not consolidate on 31/12/2006 and 31/12/2007 the companies placed entered into liquidation because control is exercised by their liquidator.

## 6. Financial information per segment

### Primary information segment – business segments

The Group activities are the following:

- Information technology systems and state-of-the art technology products research, design, development, processing, construction, trading and promotion,
- Software applications production, development and support,
- Computerization services provision,
- Software, hardware and systems software programs.

The Company follows a customer-centred approach to monitor its business activities classifying its customers into three categories coinciding with the business segments in which it operates:

- large enterprises,
- SMEs
- public sector

Sales in each segment are outlined in the following table and include more than one of the above mentioned activities.

The Group results per segment are analyzed as follows:

01/01-31/12/07

	Large enterprises	SMEs	Public Sector	Total
<i>Amounts in euro</i>				
Revenue	39.581.800	22.084.914	20.183.314	<b>81.850.028</b>
<b>Results before tax, financing and investing results and depreciations</b>				
Depreciations	4.164.588	4.479.574	1.407.785	<b>10.051.947</b>
	(2.721.671)	(2.612.213)	(75.632)	<b>(5.409.516)</b>
<b>Operating profit /losses</b>				<b>4.642.431</b>
Other non attributable net income				162.891
Financial expenses				(1.351.322)
<b>Profit before tax</b>				<b>3.454.000</b>
Income tax				(1.440.179)
<b>Net profit</b>				<b>2.013.821</b>

01/01-31/12/2006

	Large enterprises	SMEs	Public Sector	Total
<i>Amounts in euro</i>				
Revenue	25.855.898	11.712.403	8.063.805	<b>45.632.106</b>
<b>Results before tax, financing and investing results and depreciations</b>				
Depreciations	892.359	22.805	-63.725	<b>1.012.808</b>
	(997.965)	(2.233.583)	(239.685)	<b>(3.471.233)</b>
<b>Operating profit /losses</b>				<b>(2.458.425)</b>
Other non attributable net income				35.258
Financial expenses				(2.088.602)
<b>Losses before tax</b>				<b>(4.511.768)</b>
Income tax				588.488
<b>Net losses</b>				<b>(5.100.256)</b>

Consolidated Assets and Liabilities in the business segments are analyzed as follows:

31/12/2007	Large enterprises	SMEs	Public Sector	Total
<i>Amounts in euro</i>				
Assets	45.386.185	25.323.507	23.143.051	93.852.743
Non attributable assets				36.111.058
<b>Consolidated Assets</b>				<b>129.963.801</b>
Liabilities per segment	23.887.184	13.328.004	12.180.410	49.395.598
Non attributable liabilities				26.368.591
<b>Consolidated liabilities</b>				<b>75.764.189</b>
31/12/2006	Large enterprises	SMEs	Public Sector	Total
<i>Amounts in euro</i>				
Assets	75.520.545	34.209.876	23.552.961	133.283.381
Non attributable assets				26.368.591
<b>Consolidated Assets</b>				<b>159.651.972</b>
Liabilities per segment	51.654.810	23.398.992	16.109.838	91.163.640
Non attributable liabilities				16.397.800
<b>Consolidated liabilities</b>				<b>107.561.440</b>

Sales are analyzed per category as follows:

Sales analysis per category	31/12/2007	31/12/2006
<i>Amounts in euro</i>		
Software licenses sales	12.963.891	6.889.415
Software maintenance sales	20.916.980	14.526.878
Services sales	31.802.997	15.852.031
Merchandises sales	16.166.161	8.363.782
<b>Total</b>	<b>81.850.028</b>	<b>45.632.106</b>

## Secondary information segment (geographical segments)

The Group registered office is in Greece where it mostly operates while presenting a small activity in Romania, Bulgaria and, since the end of December 2007, Cyprus.

## 7. Notes on the financial statements

### 7.1. Property, plant and equipment

Group property, plant and equipment on 31/12/2007 are analyzed as follows:

#### GROUP

	Land& Buildings	Transport & machinery equipment	Furniture & fittings	Total
<i>Amounts in euro</i>				
Gross book value	1.826.243	1.967.819	3.803.806	<b>7.597.868</b>
Accumulated depreciation and impairment in value	(1.601.325)	(1.916.337)	(3.368.856)	<b>(6.886.518)</b>
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>224.918</b>	<b>51.482</b>	<b>434.950</b>	<b>711.350</b>
Gross book value	1.536.027	2.736.094	5.519.111	<b>9.791.232</b>
Accumulated depreciation and impairment in value	(317.724)	(2.358.585)	(4.553.567)	<b>(7.229.875)</b>
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>1.218.303</b>	<b>377.509</b>	<b>965.544</b>	<b>2.561.357</b>
Gross book value	1.737.668	2.456.637	4.891.801	<b>9.086.106</b>
Accumulated depreciation and impairment in value	(519.445)	(2.230.549)	(3.795.296)	<b>(6.545.290)</b>
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>1.218.223</b>	<b>226.088</b>	<b>1.096.505</b>	<b>2.540.817</b>

	Land& Buildings	Transport & machinery equipment	Furniture & fittings	Total
<i>Amounts in euro</i>				
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>224.918</b>	<b>51.482</b>	<b>434.950</b>	<b>711.350</b>
Additions from subsidiaries acquisition	1.295.763	344.215	680.392	<b>2.320.370</b>
Additions	111.729	50.467	240.275	<b>402.470</b>
Sales-reductions	(2.719)	(1)	(11.519)	<b>(14.239)</b>
Depreciations	(411.388)	(69.108)	(378.596)	<b>(859.093)</b>
Net Fx transaction differences		454	43	<b>497</b>
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>1.218.303</b>	<b>377.509</b>	<b>965.543</b>	<b>2.561.357</b>
Additions from subsidiaries acquisition	550	1.219	75.779	<b>77.548</b>
Additions	293.762	24.082	634.839	<b>952.684</b>
Sales-reductions	(128.613)	(28.255)	(15.789)	<b>(172.658)</b>
Depreciations	(165.781)	(148.084)	(557.087)	<b>(870.953)</b>
Transfer			(6.761)	<b>(6.761)</b>
Net Fx transaction differences		(383)	(20)	<b>(403)</b>
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>1.218.223</b>	<b>226.087</b>	<b>1.096.505</b>	<b>2.540.817</b>

	COMPANY			
	Land & Buildings	Transport & machinery equipment	Furniture & fittings	Total
<i>Amounts in euro</i>				
Gross book value	1.750.805	1.967.819	3.588.622	7.307.246
Accumulated depreciation and impairment in value	(1.535.736)	(1.916.337)	(3.174.383)	(6.626.456)
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>215.069</b>	<b>51.482</b>	<b>414.239</b>	<b>680.790</b>
Gross book value	806.263	2.141.859	3.539.458	6.487.580
Accumulated depreciation and impairment in value	(161.707)	(2.061.717)	(2.808.672)	(5.032.096)
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>644.558</b>	<b>80.142</b>	<b>730.786</b>	<b>1.455.486</b>
Gross book value	971.414	2.094.399	3.811.646	6.877.457
Accumulated depreciation and impairment in value	(255.696)	(2.055.692)	(3.148.833)	(5.460.220)
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>715.718</b>	<b>38.707</b>	<b>662.814</b>	<b>1.417.240</b>
	Land & Buildings	Transport & machinery equipment	Furniture & fittings	Total
<i>Amounts in euro</i>				
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>215.069</b>	<b>51.482</b>	<b>414.239</b>	<b>680.790</b>
Additions from subsidiaries acquisition	716.330	69.262	434.237	1.219.829
Additions	92.698	905	197.442	291.045
Sales-reductions	(2.719)	(1)	(11.517)	(14.237)
Depreciations	(376.820)	(41.507)	(303.615)	(721.942)
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>644.558</b>	<b>80.142</b>	<b>730.786</b>	<b>1.455.486</b>
Additions	293.762	12.341	336.683	642.786
Sales-reductions	(128.613)	(11.580)	3.239	(136.954)
Depreciations	(93.989)	(42.196)	(401.134)	(537.318)
Transfer			(6.761)	(6.761)
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>715.718</b>	<b>38.707</b>	<b>662.814</b>	<b>1.417.240</b>

There are no mortgages or any other encumbrances on fixed assets.

## 7.2. Intangible assets

Group intangible assets mainly regard acquired licenses for use and accounting programs, as well as software developed by the Group companies. Their book values analysis are summarized in the following tables:

	GROUP				
	Software	Developments	Trade name/mark	Rights	Total
<i>Amounts in euro</i>					
Gross book value	1.599.790	6.857.061	0	15.000	8.471.851
Accumulated depreciation and impairment in value	(1.295.119)	(3.219.644)	0	(15.000)	(4.529.763)
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>304.671</b>	<b>3.637.417</b>	<b>0</b>	<b>0</b>	<b>3.942.088</b>
Gross book value	3.389.936	24.814.139	6.500.000	901.993	35.606.068
Accumulated depreciation and impairment in value	(3.200.619)	(15.493.184)	(176.375)	(529.275)	(19.399.453)
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>189.317</b>	<b>9.320.955</b>	<b>6.323.625</b>	<b>372.718</b>	<b>16.206.615</b>
Gross book value	4.061.346	26.435.813	6.500.000	393.794	37.390.953
Accumulated depreciation and impairment in value	(3.666.833)	(19.153.711)	(872.625)	(299.859)	(23.993.028)
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>394.513</b>	<b>7.282.102</b>	<b>5.627.375</b>	<b>93.935</b>	<b>13.397.925</b>

<i>Amounts in euro</i>	Software	Developments	Trade name/mark	Rights	Total
<b>Book value on January 1<sup>st</sup> 2006</b>	<b>304.671</b>	<b>3.637.417</b>	<b>0</b>	<b>0</b>	<b>3.942.088</b>
Additions from subsidiaries acquisition	48.134	4.230.872		434.639	4.713.645
Additions from fair value recognitions		3.050.000	6.500.000		9.550.000
Additions	92.017	570.143		50.186	712.346
Sales-reductions		(175.150)			(175.150)
Depreciations	(255.761)	(1.956.339)	(176.375)	(202.307)	(2.590.782)
Transfer	257	(35.988)		90.062	54.331
Net Fx transaction differences				139	139
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>189.318</b>	<b>9.320.955</b>	<b>6.323.625</b>	<b>372.719</b>	<b>16.206.615</b>
Additions from subsidiaries acquisition	2.121				2.121
Additions	382.064	1.354.435			1.736.499
Sales-reductions	(1.414)				(1.414)
Depreciations	(214.128)	(3.446.736)	(696.250)	(181.307)	(4.538.421)
Transfer	36.553	53.448		(97.418)	(7.417)
Net Fx transaction differences				(59)	(59)
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>394.513</b>	<b>7.282.103</b>	<b>5.627.375</b>	<b>93.935</b>	<b>13.397.925</b>

<i>Amounts in euro</i>	COMPANY				
	Software	Developments	Trade name/mark	Rights	Total
Gross book value	1.599.790	6.857.061		15.000	8.471.851
Accumulated depreciation and impairment in value	(1.295.119)	(3.219.644)		(15.000-)	(4.529.763)
<b>Book value on December 31<sup>st</sup> 2005</b>	<b>304.671</b>	<b>3.637.417</b>		<b>0</b>	<b>3.942.088</b>
Gross book value	1.983.755	23.792.594	6.500.000	140.062	32.416.411
Accumulated depreciation and impairment in value	(1.828.997)	(15.442.107)	(176.375)	(57.969)	(17.505.448)
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>154.759</b>	<b>8.350.487</b>	<b>6.323.625</b>	<b>82.093</b>	<b>14.910.963</b>
Gross book value	2.319.858	25.147.030	6.500.000	140.062	34.106.950
Accumulated depreciation and impairment in value	(2.003.902)	(18.684.534)	(872.625)	(93.988)	-21.655.049
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>315.957</b>	<b>6.462.495</b>	<b>5.627.375</b>	<b>46.074</b>	<b>12.451.901</b>

<i>Amounts in euro</i>	Software	Developments	Trade name/mark	Rights	Total
	<b>Book value on December 31<sup>st</sup> 2005</b>	<b>304.671</b>	<b>3.637.417</b>		<b>0</b>
Additions from subsidiaries acquisition	15.908	3.034.177		0	3.050.085
Additions from fair value recognitions		3.050.000	6.500.000		9.550.000
Additions	78.575	570.143		50.000	698.718
Depreciations	(244.652)	(1.905.262)	(176.375)	(57.969)	(2.384.258)
Transfer	257	(35.988)		90.062	54.331
<b>Book value on December 31<sup>st</sup> 2006</b>	<b>154.759</b>	<b>8.350.487</b>	<b>6.323.625</b>	<b>82.093</b>	<b>14.910.963</b>
Additions	343.604	1.354.435			1.698.039
Depreciations	(174.905)	(3.242.427)	(696.250)	(36.019)	(4.149.601)
Transfer	(7.501)				(7.501)
<b>Book value on December 31<sup>st</sup> 2007</b>	<b>315.957</b>	<b>6.462.495</b>	<b>5.627.375</b>	<b>46.074</b>	<b>12.451.901</b>

The corresponding table for 2006 financial year differs from the one published on 31.12.2006 because the fair value of assets acquired upon Singular Software and Singular Integrator acquisition, the fair value of the recognized intangible assets as well as of liabilities undertaken had been determined on the basis of provisional values, as the intangible assets value final assessment was pending and, therefore, the relevant accounts were revised to reflect such an adjustment.

### 7.3. Group Goodwill

The basic changes in the goodwill book value compared with the previous financial year derives from the acquisition of 'SYSTEM SOFT INFORMATION TECHNOLOGY AND BUSINESS ORGANISATION COMMERCIAL SOCIETE ANONYME' and 'DEMSTAR BUSINESS APPLICATIONS LTD'.

The goodwill book value is analyzed as follows:

Amounts €	Group
<b>Net Book value 1/1/2005</b>	<b>1.500.000</b>
Impairment losses	(300.000)
<b>Net book value 31/12/2005</b>	<b>1.200.000</b>
Additional goodwill recognized during the period from subsidiary absorption	5.051.889
Additional goodwill recognized during the period	2.328.263
Impairment losses	(275.900)
<b>Gross amount in transfer on 31/12/2006</b>	<b>8.880.152</b>
Accumulated impairment losses	(575.900)
<b>Net Book value 31/12/2006</b>	<b>8.304.252</b>
Additional goodwill recognized during the period (see Note. 7.4)	730.419
<b>Gross amount in transfer on 31/12/2007</b>	<b>9.610.571</b>
Accumulated impairment losses	(575.900)
<b>Net book value 31/12/2007</b>	<b>9.034.671</b>

### 7.4. Investments in associates

Subsidiaries financial statements reference date, used for the equity method application, is not different from the parent company reference date.

Investments in associates in the parent Company financial statements are analyzed as follows:

Amounts in euro	31.12.2007	31.12.2006
<b>Opening balance</b>	<b>10.593.229</b>	<b>632.169</b>
Acquisitions	653.004	30.411.061
Absorptions		(20.450.000)
Participation in subsidiaries share capital increase	111.000	
Stock Option to subsidiaries employees	1.216	
<b>Closing balance</b>	<b>11.358.449</b>	<b>10.593.229</b>

### 2007 Acquisitions

On 2/10/2007 the Company completed the acquisition of 49% of the share capital of the company trading as 'SYSTEM SOFT INFORMATION AND BUSINESS ORGANIZATION S.A' with the distinctive title 'SYSTEM SOFT S.A' ensuring the administrative influence over the company management. SYSTEM SOFT S.A has been operating since

1995 in providing integrated information technology solutions for private sector small and medium-size enterprises and is an authorized representative for integrated information technology solutions (SBC - SingularLogic Business Center) of SingularLogic. Its customer basis consists today of approximately 2000 enterprises from all economic activity sectors (industry-commerce-services) and its annual turnover stands at 1,5 million Euros.

The acquisition was carried out with payment in cash.

Details on the net assets and the goodwill are presented below:

<b>Purchase price</b>	
Purchase price proportion covered by cash and cash equivalents	295.334
<b>Total purchase price</b>	<u>295.334</u>
Minus: Acquired net assets fair value	<u>71.829</u>
<b>Goodwill</b>	<u>223.505</u>

The assets and liabilities as of October, 2<sup>nd</sup> 2007 from the acquisition are as follows:

<i>Amounts in euro</i>	<b>Fair value recognized upon acquisition</b>	<b>Book value</b>
Tangible assets	29.004	29.004
Intangible assets	1.538	1.538
Other non current assets	9.827	9.827
Reserves	112.649	112.649
Trade and other receivables	187.867	187.867
Financial assets at fair value through profit and loss	9.410	9.410
Other receivables	37.280	37.280
	428.356	428.356
Retirement benefits and liabilities	(70.000)	(70.000)
Other provisions	(2.259)	(2.259)
Suppliers and other liabilities	(458.547)	(458.547)
Other short term liabilities	(58.441)	(58.441)
Current tax liabilities	(80.092)	(80.092)
<b>Net assets acquired</b>	<u><b>146.592</b></u>	<u><b>146.592</b></u>
<b>Cash flows during acquisition</b>		
Cash and cash equivalents of acquired company	428.356	
Cash payment of price	(295.334)	
<b>Net cash inflow</b>	<u><b>133.022</b></u>	

For the period October 3<sup>rd</sup>, 2007- December 31<sup>st</sup> 2007 the acquired company contributed income of € 232.210 and net loss of € -5.160 to the Group which were included in the consolidated P & L.

If acquisition had taken place at the beginning of the financial year, the Group income would amount to € 1.031.609 and the profit to € 239. The sums in question were calculated using the Group accounting policies.

On 28/12/2007 the acquisition of 70% of the Cypriot company 'DEMSTAR BUSINESS APPLICATIONS LTD' share capital was completed; the Company operates in Cyprus providing integrated solutions for business software in large, small and medium size enterprises of the private and public sector. The acquisition in question is expected to positively

affect SingularLogic SA Group results boosting its presence in the field of integrated solutions for business software in Cyprus and in the wider Middle East region.

The acquisition was carried out with payment in cash.

Details on the net assets and the goodwill are presented below:

<b>Purchase price</b>	
Purchase price proportion covered by cash and cash equivalents	357.670
<b>Total purchase price</b>	<b>357.670</b>
Minus: Acquired net assets fair value	149.244
<b>Goodwill</b>	<b>506.914</b>

Assets and liabilities on December 28<sup>th</sup> 2007 after the acquisition are presented below:

<i>Amounts in euro</i>	<b>Fair value recognized upon</b>	
	<b>acquisition</b>	<b>Book value</b>
Tangible assets	29.996	29.996
Intangible assets	583	583
Reserves	59.830	59.830
Trade and other receivables	444.189	444.189
Other receivables	7.215	7.215
Other current assets	3.578	3.578
Cash and cash equivalents	150	150
Long term loans	(8.398)	(8.398)
Suppliers and other liabilities	(253.592)	(253.592)
Current tax liabilities	(79)	(79)
<b>Net assets acquired</b>	<b>-213.206</b>	<b>-213.206</b>
<b>Cash flows during acquisition:</b>		
Cash and cash equivalents of acquired company	4.262	
<b>Net cash outflow</b>	<b>4.262</b>	

For the period December 28<sup>th</sup>, 2007-December 31<sup>st</sup>, 2007 the acquired company did not contribute income or any other result to the Group.

If the acquisition had taken place at the beginning of the financial year, the Group income would stand at € 725.195 while profit before tax would be € 118.774.

## 2006 Acquisitions

The fair value of assets, liabilities and contingent liabilities and the goodwill deriving from the acquired companies Singular Software and Singular Integrator, was finalized in the third quarter of 2007 (possibility stipulated by the relevant IFRS 3 provisions). The comparative balance sheet dated December 31<sup>st</sup>, 2006 as well as the financial statements of the a' and b' quarters of 2007 were readjusted in order to integrate the final accounts deriving from the purchase price allocation process to the acquired company assets and liabilities.

The fair value of the assets acquired upon acquisition, the fair value of the recognized intangible assets and of the liabilities undertaken had been determined on the basis of provisional values because intangible assets' value final evaluation was pending. Intangible assets' provisional values (brand, network, product) amounted to € 12.626.545.

The final calculation concluded that the fair value on the acquisition date was € 10.571.545. The relevant accounts were revised to reflect this adjustment.

Differences are due to fair value non recognition of Non Contractual Customer Relations and of Trade Name/Brand amounting totally to € 2 million. Respectively, once its value was finalized, there was a deferred tax liability reduction totalling approximately € 500 thousand. Following the above changes the Group goodwill increased by € 1,5 million. Impact on P & L stands at € 56 thousand per quarter.

Goodwill derived from the acquisition which was determined as follows :

<i>Amounts in euro</i>	<b>Goodwill from SingularLogic Software (Group) acquisition</b>	<b>Goodwill from SingularLogic Integrator (Group) acquisition</b>
Acquisition date	12/9/2006	12/9/2006
Acquired %	100,00%	100,00%
<b>Acquisition cost</b>		
- Price credited	20.756.000	8.050.000
<b>Total acquisition cost</b>	<b>20.756.000</b>	<b>8.050.000</b>
<b>Minus: fair value of assets and liabilities acquired</b>	<b>(15.704.111)</b>	<b>(5.721.737)</b>
<b>Acquisition-derived goodwill</b>	<b>5.051.889</b>	<b>2.328.263</b>

Assets and liabilities from the acquisition are as follows:

<i>(Ποσά σε ευρώ)</i>	<b>SingularLogic Software and Computer Project</b>		<b>SingularLogic Integrator</b>	
	<b>Book Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Fair value</b>
Tangible assets	1.269.376	1.269.376	1.022.722	1.022.722
Goodwill	1.596.550			
Intangible assets	3.236.133	12.861.133	356.893	1.378.438
Deferred tax liabilities		1.922.375		521.915
Investments in associates	74.695	74.695	1.037.053	1.037.053
Other long term receivables	218.003	218.003	121.351	121.351
Reserves	441.325	441.325	728.494	728.494
Trade and other receivables	12.049.582	12.049.582	9.937.197	9.937.197
Available for sale portfolio	87.573	87.573	27.240	27.240
Other receivables	3.749.467	3.749.467	1.689.131	1.689.131
Cash and cash equivalents	2.103.032	2.103.032	1.775.807	1.775.807
Retirement benefits and liabilities	(1.035.001)	(1.035.001)	(993.737)	(993.737)
Deferred tax liabilities	0	(3.192.047)		(491.716)
Other provisions	(25.744)	(25.744)	(92.496)	(92.496)
Suppliers and other liabilities	(1.943.250)	(1.943.250)	(1.709.939)	(1.709.939)
Current tax liabilities	(475.668)	(475.668)	(214.632)	(214.632)
Short term banking liabilities	(7.523.924)	(7.523.924)	(7.513.060)	(7.513.060)
Other short term liabilities	(4.853.271)	(4.853.271)	1.502.033)	(1.502.033)
Minority interest	(23.545)	(23.545)		
<b>Fair value</b>	<b>8.945.333</b>	<b>15.704.111</b>	<b>4.669.993</b>	<b>5.721.737</b>

## 7.5. Investments in associates

The Group participation rate in the most important associates' results as well as the participation rate in assets, liabilities, income, and P & L are presented below:

1/1 - 31/12/2007							
<u>Trade name</u>	<u>Country</u>	<u>Participation on %</u>	<u>Acquisition on cost</u>	<u>Impairment</u>	<u>Accumulates profit/loss from associates</u>	<u>Balance</u>	<u>Profit/Loss of the financial year</u>
COMPUTER TEAM SA	Greece	0,35	1.100.002	(30.976)	18.893	1.087.919	1.490
INFOSUPPORT SA	Greece	0,34	200.001	-	(200.001)	0	(60.579)
LOGODATA SA	Greece	0,34	49.981	-	(49.981)	0	

1/1 - 31/12/2006							
<u>Trade name</u>	<u>Country</u>	<u>Participation on %</u>	<u>Acquisition on cost</u>	<u>Impairment</u>	<u>Accumulates profit/loss from associates</u>	<u>Balance</u>	<u>Profit/Loss of the financial year</u>
COMPUTER TEAM A.E	Ελλάδα	35,00%	1.100.002	(30.976)	17.401	1.086.427	49.374
INFOSUPPORT A.E	Ελλάδα	34,00%	200.001	-	(139.422)	60.579	(14.116)
LOGODATA A.E	Ελλάδα	34,00%	49.981	-	(49.981)	0	0

The financial statements reference date of Associates, used for the equity method application, is not different from the parent company reference date. Infosupport and Logodata participations in the consolidated balance sheet on 31/12/2007 have zero value.

## 7.6. Other non current assets

The Group and Company other non current assets are analyzed as follows:

<i>Amounts in euro</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers- More than 12 months guarantee deposits withheld	234	234		
Long term loans granted to associates	-	-	8.998.928	-
Guarantees given	578.816	490.070	438.830	365.363
Receivables from sale of subsidiary	200.000	300.000	200.000	300.000
Merger additions	-	191.023	-	191.023
<b>Total of other non current assets</b>	<b>779.050</b>	<b>981.327</b>	<b>9.637.758</b>	<b>856.386</b>

The Company has granted loans to Group subsidiaries. Transactions with these companies are carried out on purely commercial basis.

### 7.7. Available for sale portfolio

Available for sale portfolio includes non listed companies shares and are analyzed as follows:

<i>Amounts in euro</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Balance at the beginning of the period</b>	<b>102.161</b>	<b>20.220</b>	<b>74.921</b>	<b>20.220</b>
Additions				
- Purchases	94.127		94.125	
- from subsidiary acquisition		52.377		25.137
sales/ write-offs		(1.800)		(1.800)
Other changes		31.364		31.364
<b>Balance for end of period</b>	<b>196.288</b>	<b>102.161</b>	<b>169.046</b>	<b>74.921</b>
Non current assets				
	-	-	-	-
Current assets	196.288	102.161	169.046	74.921
	<b>196.288</b>	<b>102.161</b>	<b>169.046</b>	<b>74.921</b>

### 7.8. Reserves

<i>Amounts in euro</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
End products	1.396			
Consumables	89.112	30.441	30.132	30.441
Merchandises	3.401.107	3.465.259	1.895.869	2.402.714
<b>Total</b>	<b>3.491.615</b>	<b>3.495.699</b>	<b>1.926.001</b>	<b>2.433.155</b>
Less: Provisions for redundant and obsolete reserves				
Merchandises	(773.442)	(2.037.474)	(544.880)	(1.866.345)
	<b>(773.442)</b>	<b>(2.037.474)</b>	<b>(544.880)</b>	<b>(1.866.345)</b>
<b>Total net liquidation value</b>	<b>2.718.173</b>	<b>1.458.225</b>	<b>1.381.121</b>	<b>566.810</b>

The Group does not have pledged reserves.

To determine reserves sale net value, the management takes into account the most reliable data available on the assessment date. The main part of business activity is subject to ongoing technological changes which may lead to reserves depreciation. The above events constitute factors which may significantly affect the Group reserves value in the following financial year.

### 7.9. Trade and other receivables

Receivables analysis is as follows:

<i>Amounts in euro</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers	64.509.883	53.357.726	49.221.444	39.542.741
Notes receivable	194.592	202.453	194.028	201.888
Cheques receivable	9.616.512	13.219.083	9.229.043	10.747.915
Less: Impairment provisions	(19.676.424)	(20.279.390)	(15.885.406)	(16.562.405)
<b>Net trade receivables</b>	<b>54.644.563</b>	<b>46.499.871</b>	<b>42.759.108</b>	<b>33.930.139</b>
<b>Total</b>	<b>54.644.563</b>	<b>46.499.871</b>	<b>42.759.108</b>	<b>33.930.139</b>
Non current assets				
	-	-	-	-
Current assets	54.644.563	46.499.871	42.759.108	33.930.139
	<b>54.644.563</b>	<b>46.499.871</b>	<b>42.759.108</b>	<b>33.930.139</b>

The above receivables are considered of short term maturity. These short term financial assets fair value is not fixed independently because it is considered that book value approaches their fair value.

For all Group receivables, indications for their probable impairment have been assessed. In addition, some of the non impaired receivables are in delay. Maturity of customers who were not subject to impairment are presented in the following table:

<i>Amounts in thousand. €</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Estimated collection time:</b>				
Less than 3 months	21.726.682	18.488.352	19.140.153	15.188.063
Between 3-6 months	9.019.441	7.675.107	5.660.556	4.491.755
Between 6 months and 1 year	13.416.795	11.417.042	6.740.780	5.348.933
Longer than 1 year	10.481.645	8.919.371	11.217.620	8.901.388
<b>Total</b>	<b>54.644.563</b>	<b>46.499.871</b>	<b>42.759.108</b>	<b>33.930.139</b>

## 7.10. Other receivables

The analysis of other trade receivables on December 31<sup>st</sup> 2007 for the Group and the Company is as follows:

<i>Amounts in euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Debtors	3.942.538	7.199.104	3.832.382	6.938.490
Receivables from the Greek State	1.491.496	1.274.615	646.688	655.708
Other receivables	539.041	414.581	452.216	347.195
Receivables from related parties	68.238	5.703.694	68.238	5.831.192
Loans to related parties	(2.118.274)	(11.036.099)	(2.088.274)	(11.036.099)
Less: Provisions for doubtful debtors	<b>3.923.038</b>	<b>3.555.895</b>	<b>2.911.250</b>	<b>2.736.485</b>

## 7.11. Other current assets

<i>Amounts in euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Prepaid expenses	3.590.447	3.512.987	3.437.387	3.222.338
Receivable income	3.492.991	1.011.715	2.620.498	257.821
	<b>7.083.438</b>	<b>4.524.702</b>	<b>6.057.885</b>	<b>3.480.159</b>

## 7.12. Other financial assets at fair value with changes recorded in P & L

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
<b>Commencement balance</b>	<b>63.051</b>			
Additions		42.435		
- From subsidiary acquisition	6.750			
- Other changes				
Fair value readjustments	(3.311)	20.616		
<b>End of period</b>	<b>66.490</b>	<b>63.051</b>	<b>0</b>	<b>0</b>

Available for sale assets are analyzed below in their basic categories:

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Listed securities:</b>				
Shares - Greece	66.490	63.051	0	0
	<b>66.490</b>	<b>63.051</b>	<b>0</b>	<b>0</b>

## 7.13. Derivatives

	31/12/2007		
	Contracts	Fair value	
	nominal value	Assets	Liabilities
Derivatives held for trading			
a. Derivatives held for trading			
Interest rate swap with cap/ floor option	17.575.000	68.009	
<b>Total interest rate derivatives not traded</b>	<b>17.575.000</b>	<b>68.009</b>	
	31/12/2006		
	Contracts	Fair value	
	nominal value	Assets	Liabilities
Derivatives held for trading			
a. Derivatives held for trading			
Interest rate swap with cap/ floor option	19.000.000		127.579
<b>Total interest rate derivatives not traded</b>	<b>19.000.000</b>		<b>127.579</b>

True derivative values are based on market to market assessment. For all swaps contracts, true values are confirmed from financial institutions with which the Group has concluded relevant contracts.

## Interest Rate Swaps

The Group has concluded Interest Rate Swaps with a credit institution. On December, 31<sup>st</sup> 2007, these contracts were as follows:

INTEREST RATE SWAPS			
Counterparty Bank	Maturity	Rate swaps	
		Receiving	Paying
Eurobank	31/5/2011	3 months Euribor	Fixed payments
Eurobank	31/5/2011	Fixed payments	3 months Euribor

## 7.14. Deferred tax

Deferred tax liabilities are recognized for the tax losses carried over to the extent that the realization of the relative tax benefit is possible through future tax profit.

Deferred tax assets/liabilities as they derive from the relevant temporary tax differences are as follows:

(Amounts in €)	GROUP		COMPANY	
	31/12/2007		31/12/2007	
	Asset	Liability	Asset	Liability
<b>Non current assets</b>				
Intangible assets	4.611.489	6.358.639	4.024.196	5.715.702
Property, plant and equipment				
<b>Current Assets</b>				
Other current assets		1.365.003		1.347.297
<b>Reserves</b>				
Fixed Investments Grants		399.043		339.111
<b>Long term Liabilities</b>				
Retirement benefits liabilities	592.129		408.557	
<b>Short term liabilities</b>				
Other equity and liabilities	2.104.595	1.397.323	1.952.421	940.000
<b>Offsetting</b>	<b>5.233.842</b>	<b>5.233.842</b>	<b>4.782.444</b>	<b>4.782.444</b>
<b>Total</b>	<b>2.074.371</b>	<b>4.286.167</b>	<b>1.602.730</b>	<b>3.559.666</b>

### 7.15. Projects contracts

Data regarding long term projects contracts are analyzed as follows:

(Amounts in €)	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Realized Contracts expenses	7.521.186	2.264.003	2.949.693	1.488.514
<b>Plus:</b> Recognized profit	5.054.065	470.866	3.554.275	182.944
<b>Minus:</b> Recognized loss	(61.358)		(21.478)	-
<b>Total income from construction contracts recognized during the financial year</b>	<b>12.513.894</b>	<b>2.734.869</b>	<b>6.482.491</b>	<b>1.671.458</b>
Customers claims for contractual project	2.825.600	1.492.722	2.156.311	429.310
Liability to customers for a contractual project	267.143	-	130.900	-
Total non invoiced project	2.086.311	1.492.722	2.086.311	429.310
<b>Unexecuted balance</b>	<b>16.589.909</b>	<b>3.151.693</b>	<b>7.616.891</b>	<b>1.109.055</b>

The amount regarding the advance payments collected as well as the liabilities from project contracts are included in the balance sheet account 'Other liabilities' whereas receivables are included in the account 'Other current assets'.

The book values analyzed above reflect the best possible assessment on behalf of the management on the result from each of the construction contracts and the completion percentage on the balance sheet date. The Group Management estimates on a monthly basis the profitability of projects under development, employing analytical monitoring procedures of the progress thereof.

## 7.16. Cash and cash equivalents

Cash for the Group and the company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash in hand	32.140	118.622	8.225	38.646
Short term bank deposits	32.316.912	69.988.259	26.760.907	64.109.826
<b>Total</b>	<b>32.349.052</b>	<b>70.106.881</b>	<b>26.769.132</b>	<b>64.148.472</b>

## 7.17. Shareholders equity

### 7.17.1. Share capital

	Number of shares	Nominal value	COMPANY			Total
			Common shares	Share premium	Treasury shares	
<b>1-Jan-2006</b>	<b>113.511.621</b>		<b>34.053.486</b>	<b>14.027.472</b>	<b>(1.317.841)</b>	<b>46.763.117</b>
Treasury shares cancellation	(992.821)	0,30	(297.846)	(1.019.995)	1.317.841	0
Capital increase from convertible bond loan	26.477.290	0,30	7.943.187	4.477.791		12.420.978
Capitalization of equity item from convertible bond loan				830.891		830.891
Reverse Split	(115.830.075)					
<b>Balance</b>	<b>23.166.015</b>		<b>41.698.827</b>	<b>18.316.159</b>	<b>0</b>	<b>60.014.987</b>
Reduction of share nominal value for losses offsetting	23.166.015	0,30	6.949.805	18.316.159		25.265.964
Share capital increase through conversion at share premium			(18.069.492)	(18.069.492)		0
Capital decrease through loss carried forward reduction			(18.069.492)			(18.069.492)
Capital increase with cash payment	20.000.000	0,30	6.000.000	50.000.000		56.000.000
Capital increase with payment in cash from Stock Option	251.595	0,30	75.479	654.174		729.653
Less: increase expenses				(1.502.995)		(1.502.995)
<b>31-Dec-06</b>	<b>43.417.610</b>		<b>13.025.283</b>	<b>49.397.844</b>	<b>0</b>	<b>62.423.130</b>
<b>1-Jan-07</b>	<b>43.417.610</b>		<b>13.025.283</b>	<b>49.397.844</b>	<b>0</b>	<b>62.423.130</b>
Share capital increase expenses				(124.215)		(124.215)
Capital increase with payment in cash from Stock Option	106.400	0,30	31.920			31.920
Special reserve increase through conversion at share premium from Stock Option				276.640		276.640
<b>31-Dec-07</b>	<b>43.524.010</b>		<b>13.057.203</b>	<b>49.550.268</b>	<b>0</b>	<b>62.607.474</b>

The company share capital amounts to 13.057.203€ divided in 43.524.010 common nominal shares of 0,30€ nominal value each share.

During the financial year, the company proceeded to share capital increase due to stock option plan application (see in detail paragraph 7.19)

### 7.17.2. Reserve funds

The Group and Company other reserves are analyzed as follows:

	GROUP					Total
	Regular reserve	Special reserves	Untaxed reserves	Financial instruments reserve	Other reserves	
<b>Balance on 1-Dec-2006</b>	880.725	232.601	685.500	830.891	452.619	3.082.336
Subsidiaries merger additions						0
Capitalization of equity item from convertible bond loan				(830.891)		(830.891)
Changes during the financial year	9.276				468	9.744
<b>Balance on 31-Dec-2006</b>	<b>890.001</b>	<b>232.601</b>	<b>685.500</b>	<b>0</b>	<b>453.087</b>	<b>2.261.189</b>
Subsidiaries profit distribution	30.871					30.871
Other		2				2
<b>Balance on 31-Dec-2007</b>	<b>920.872</b>	<b>232.603</b>	<b>685.500</b>	<b>0</b>	<b>453.087</b>	<b>2.292.062</b>

	COMPANY					Total
	Regular reserve	Special reserves	Untaxed reserves	Financial instruments reserve	Other reserves	
<b>Balance on 1-Dec-2006</b>	814.783	232.601	671.674	830.891	452.618	3.002.568
Capitalization of equity item from convertible bond loan				(830.891)		(830.891)
<b>Balance on 31-Dec-2006</b>	<b>814.783</b>	<b>232.601</b>	<b>671.674</b>	<b>0</b>	<b>452.618</b>	<b>2.171.678</b>
<b>Balance on 31-Dec-2007</b>	<b>814.783</b>	<b>232.601</b>	<b>671.674</b>	<b>0</b>	<b>452.618</b>	<b>2.171.678</b>

### 7.18. Personnel benefits liabilities

The amounts recorded in the P & L statement as well as amounts recognized in the balance sheet are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Balance sheet liabilities for:</b>				
Retirement benefits	2.638.605	2.740.478	1.634.229	1.674.444
<b>Total</b>	<b>2.638.605</b>	<b>2.740.478</b>	<b>1.634.229</b>	<b>1.674.444</b>

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Recognition in profit and loss:</b>				
Retirement benefits (provisions and payments)	(178.910)	1.127.641	(40.214)	1.073.360
<b>Total</b>	<b>(178.910)</b>	<b>1.127.641</b>	<b>(40.214)</b>	<b>1.073.360</b>

The amounts recorded in the balance sheet are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Present value of funded liabilities	2.583.284	2.772.376	1.790.312	1.634.994
	<b>2.583.284</b>	<b>2.772.376</b>	<b>1.790.312</b>	<b>1.634.994</b>
Unrecognized actuarial profit/losses	55.321	(31.898)	(156.082)	39.450
	55.321	(31.898)	(156.082)	39.450
<b>Balance sheet liability</b>	<b>2.638.605</b>	<b>2.740.478</b>	<b>1.634.229</b>	<b>1.674.444</b>

The amounts recorded in the P & L statement:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Current occupation cost	335.657	218.896	285.545	180.924
Financial cost	100.159	58.673	70.305	43.641
Effect from benefits cuts/termination of benefits	556.685		302.703	
Personnel displacement /absorption			39.485	
Enterprises Consolidation and merger cost	(13.167)	1.223.548		1.223.548
Net actuarial (profit)/ losses recognized in the period	(46.669)	9.377		8.100
Paid up compensations	(1.111.574)	(382.852)	(738.251)	(382.852)
<b>Total benefits to personnel amount</b>	<b>(178.910)</b>	<b>1.127.642</b>	<b>(40.214)</b>	<b>1.073.360</b>

The main actuarial assumptions used for accounting purposes are the following:

	31/12/2007	31/12/2006
Discount rate	4,90%	4,10%
Future salaries increases	6,00%	3,70%
Inflation	2,00%	3,00%

## 7.19. Payments based on stock option

On December 31<sup>st</sup>, 2007 the Group had two personnel remuneration programmes based on stock option.

The first Stock Option program regards Members of the Board of Directors, top Executives, company personnel as well as subsidiaries and associates; the plan foresees Company shares purchase at a preferential price under certain conditions, pursuant to the resolutions of the B' Adjourned Ordinary Company's Shareholders' General Meeting on 25.05.2006 and the B' Adjourned Extraordinary Shareholders' General Meeting dated 18.09.2006.

The Plan, as in force on December 31<sup>st</sup>, 2007 and following its adjustment with the BoD resolution dated November 22<sup>nd</sup> 2007, foresaw that the abovementioned beneficiaries shall be entitled to purchase shares at a fixed price and exercise their right within a definite time span in the future. The Plan duration will be of five years-instead of three- and December 2010 will be the last right exercise period. Each share strike price to Plan beneficiaries remains at € 2,9. Beneficiaries are given the possibility to partially exercise the right of carrying over during the current year the balance to the following calendar years.

Only Company BoD members or executives or subsidiaries and associates executives are entitled to participate in the Plan and be granted stock option rights.

In case of dependent employment or other services provision contract termination, any stock option rights, on a case by case basis, corresponding to the current and each subsequent year is cancelled and expires ex officio and the Beneficiary

thereof ceases participating in the Plan. The Board of Directors may re-grant even during the year stock option rights lost for any reason whatsoever, fixing at the same time the relevant terms.

In accordance with the Plan terms and the Management competent bodies' decisions, these rights may be exercised up to the expiry of the fifth exercise period the latest, i.e by December 31<sup>st</sup> 2010. In case the above final deadline elapses, any non exercised rights are cancelled definitely and irrevocably.

For the Plan recognition the Company applied IFRS 2 'Shares-based payments'. The Company calculates the issued shares at their fair value on the concession date. Fair value is carried over uniformly to P & L during the stock option vesting period by employees. The table below presents information on Stock Options.

	<u>2007</u>	<u>2006</u>
	<u>Number</u>	<u>Number</u>
Plan kick-off		2.316.601
Unpaid stock options on January 1st	2.065.006	
Options granted	87.250	
Forfeited	87.250	
Exercised	308.560	251.595
Expired		
Unpaid stock options on December 31st	<u>1.756.446</u>	<u>2.065.006</u>

Every stock option fair value has been calculated with the use of the Black–Scholes measurement model. The data input in this model is the share's price which amounted to € 2,74 on the communication date, the exercise price (€ 2,9), the dividend yield, the discount rate or risk free rate of return (3,77%) and the shares price volatility which stood at 14,52%. During the financial year 308.560 rights were exercised.

The second Plan was decided based on the A' Adjourned Ordinary General Meeting dated May, 16<sup>th</sup> 2007. The new stock option plan for BoD members and company executives along with subsidiaries and associates foresees the issuing of 2.000.000 stock options. Shares strike price was fixed at four euros and twenty cents (4,20 €) per share. The plan duration shall be of five years with December 2011 as last rights exercise period.

Beneficiaries may exercise their right partly during the current year and have the possibility to carry over the balance to subsequent calendar years. Only Company BoD members or executives or subsidiaries and associates executives, or Group partners are entitled to participate in the Plan and be granted stock option rights.

In case of dependent employment or other services provision contract termination, any stock option rights, on a case by case basis, corresponding to the current and each subsequent year is cancelled and expires ex officio and the Beneficiary thereof ceases participating in the Plan. The Board of Directors may re-grant even during the year stock option rights lost for any reason whatsoever, fixing at the same time the relevant terms.

In accordance with the Plan's terms and the Management competent bodies' decisions, these rights may be exercised up to the expiry of the fifth exercise period the latest, i.e by December 31<sup>st</sup> 2011. In case the above final deadline elapses, any non exercised rights are cancelled definitely and irrevocably.

For the Plan recognition the Company applied IFRS 2 'Shares-based payments' and IFRIC 11 'IFRS 2 – 'Group and Treasury shares transactions'.

The Company calculates the issued shares at their fair value on the concession date. Fair value is carried over uniformly to P & L during the stock option vesting period by employees.

During the financial year no rights were exercised from the plan in question and, therefore, the total of 2.000.000 stock options is still unpaid.

Every stock option fair value has been calculated with the use of the Black–Scholes measurement model. The data input in this model is the share's price which amounted to € 2,74 on the communication date, the exercise price (€ 4,2), the dividend return, the discount rate or risk free return (4,1%) and the shares price volatility which stood at 26,6%.

## 7.20. Loans

Group and company loan liabilities on December 31<sup>st</sup> 2007 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Long term borrowing</b>				
Bank borrowing	26.008.398	13.787.500	26.000.000	13.787.500
<b>Total long term loans</b>	<b>26.008.398</b>	<b>13.787.500</b>	<b>26.000.000</b>	<b>13.787.500</b>
<b>Short term loans</b>				
Bank borrowing	360.193	15.912.272	-	7.143.911
Other	-	485.527	-	485.527
<b>Total short term loans</b>	<b>360.193</b>	<b>16.397.799</b>	<b>-</b>	<b>7.629.438</b>
<b>Total loans</b>	<b>26.368.591</b>	<b>30.185.299</b>	<b>26.000.000</b>	<b>21.416.938</b>

The Company, aiming to reduce the financial cost, repaid on 28/02/2007 the existing common bond loan of 9,5 million euros using short term borrowing of equal amount on more favorable financial terms. Subsequently, in implementation of the Adjourned Ordinary General Shareholders Meeting resolution as of 16/05/2007, the Company concluded on 29/06/2007 a common bond loan amounting to € 26 million in order to refinance its existing short term borrowing. Loan disbursement was carried out during the first days of July.

Moreover, in March 2007 the Company granted loans totalling € 8.975.000 to Group subsidiaries in order to repay its borrowing. In the same month, the Group subsidiaries proceeded to their loan liabilities repayment. Parent Company borrowing terms to subsidiaries are the same to the terms applied by the Parent Company with the associated credit institutions.

Total loans maturity dates are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Less than 2 years	360.193	16.397.799	-	7.629.438
Between 2-5 years	26.008.398	13.787.500	26.000.000	13.787.500
Over 5 years	-	-	-	-
	<b>26.368.591</b>	<b>30.185.299</b>	<b>26.000.000</b>	<b>21.416.938</b>

The real weighted average borrowing rates on the balance sheet date are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Bank borrowing (short term)	6,00%	Euribor 3M+ 2,10%	-	Euribor 3M+ 1,88%
Bank borrowing (long term)	Euribor 3M+ 1,10%	2,13%	Euribor 3M+ 1,10%	2,13%

## 7.21. Provisions

Provisions analysis on December 31<sup>st</sup> 2007 is the following:

<i>(Amounts in €)</i>	GROUP		
	Tax liabilities	Other liabilities	Total
<b>January 1<sup>st</sup>, 2006</b>	<b>180.000</b>	<b>4.003.177</b>	<b>4.183.177</b>
Additions from acquisition of subsidiary	-	315.388	<b>315.388</b>
Additional year-end provisions	-	509.933	<b>509.933</b>
Non used reversed provisions	-	(305.913)	<b>(305.913)</b>
Used year-end provisions	-	(1.083.838)	<b>(1.083.838)</b>
<b>December 31<sup>st</sup>, 2006</b>	<b>180.000</b>	<b>3.438.748</b>	<b>3.618.748</b>
Additions from acquisition of subsidiary	-	87.357	<b>87.357</b>
Used year-end provisions	(151.824)	(237.441)	<b>(389.266)</b>
<b>December 31<sup>st</sup>, 2007</b>	<b>28.176</b>	<b>3.288.664</b>	<b>3.316.840</b>

<i>(Amounts in €)</i>	COMPANY		
	Tax liabilities	Other provisions	Total
<b>January 1<sup>st</sup>, 2006</b>	<b>180.000</b>	<b>4.003.177</b>	<b>4.183.177</b>
Additions from acquisition of subsidiary	-	114.508	<b>114.508</b>
Additional year-end provisions	-	509.933	<b>509.933</b>
Non used reversed provisions	-	(305.913)	<b>(305.913)</b>
Used year-end provisions	-	(1.083.838)	<b>(1.083.838)</b>
<b>December 31<sup>st</sup>, 2006</b>	<b>180.000</b>	<b>3.237.867</b>	<b>3.417.867</b>
Used year-end provisions	(151.824)	(237.441)	<b>(389.266)</b>
<b>December 31<sup>st</sup>, 2007</b>	<b>28.176</b>	<b>3.000.426</b>	<b>3.028.602</b>

The provision standing at 180.000€ which had been formed on December 31<sup>st</sup> 2005 regards the 2005 financial year tax audit for SINGULARLOGIC S.A. and the absorbed companies KNOWLEDGE SA and LOGICDIS GLOBAL SERVICES for the financial years 2004-2005 & 2002-2005. The tax audit was completed during 2007 and payable taxes and increases of totally € 151.824 emerged; during the audit the company provision formed as of 31.12.2005 was reversed.

Other provisions recognized in 2006 have been formed against legal and other liabilities.

## 7.22. Suppliers and other liabilities

Suppliers and other relative Group liabilities analysis is the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Suppliers	14.067.866	12.744.494	13.368.706	8.826.896
Notes Payable	-	70.982	-	-
Cheques Payable	4.059.758	3.075.497	2.593.378	1.859.003
Customers down payments	-	2.368.843	-	2.337.370
<b>Total</b>	<b>18.127.624</b>	<b>18.259.816</b>	<b>15.962.084</b>	<b>13.023.269</b>

The above commercial and other liabilities are considered short term. The Management considers that book values recognized in the balance sheet constitute a logic approach of fair values.

### 7.23. Current tax liabilities

Current tax liabilities for the Group and the Company on December 31<sup>st</sup> 2007 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income tax	456.180	252.186	-	-
Value Added Tax (VAT)	3.034.040	1.734.897	2.277.011	1.319.124
Other tax liabilities	1.347.341	1.097.718	856.215	671.054
<b>Total</b>	<b>4.837.561</b>	<b>3.084.801</b>	<b>3.133.226</b>	<b>1.990.178</b>

### 7.24. Other short term liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Accrued expenses	5.121.727	4.707.818	3.071.089	4.162.380
Insurance organisations	1.405.465	1.285.097	980.031	913.297
Dividends Payable	336.352	389.041	336.352	336.518
Deferred revenue-grants	7.746.366	8.299.920	7.444.630	7.834.269
Other liabilities	1.578.891	29.491.722	919.180	29.181.376
<b>Total</b>	<b>16.188.801</b>	<b>44.173.597</b>	<b>12.751.282</b>	<b>42.427.841</b>

The biggest part of Group and company other short term liabilities regards liabilities towards insurance organizations and revenue carried over to subsequent financial years from computerization and maintenance services that the Company apportions on the basis of time development and period the contracts in question cover.

### 7.25. Cost of goods sold

The Group and Company cost of goods sold is analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other employees benefits and remuneration	20.050.754	12.833.540	12.770.807	9.631.916
Cost of reserves recognised as expense	11.655.472	7.762.306	8.355.688	6.484.112
Fees and expenses of third parties	10.109.019	4.126.473	5.578.659	2.874.121
Third parties grants	5.558.617	856.798	5.347.455	704.759
Assets repairs and maintenance expenses	442.911	2.381.261	183.747	2.328.225
Operating lease rentals	1.005.024	1.384.797	1.375.301	1.308.344
Tax and duties	235.479	69.131	-	21.963
Advertising	90.178	34.499	55.504	31.111
Other general expenses	751.767	1.422.114	466.257	1.153.218
Asset depreciations	4.806.628	2.453.476	4.245.437	2.217.516
	<b>54.705.849</b>	<b>33.324.394</b>	<b>38.378.855</b>	<b>26.755.284</b>

## 7.26. Sales, marketing and administrative expenses

Administrative and marketing expenses analysis is the following:

### Administrative expenses

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other employees benefits and remuneration	5.328.123	3.543.782	3.831.242	2.803.279
Cost of reserves recognised as expense	16.582	-	-	-
Fees and expenses of third parties	5.629.814	1.776.665	4.259.253	1.309.514
Third parties grants	640.858	635.515	493.960	369.448
Assets repairs and maintenance expenses	198.630	187.859	14.470	183.345
Operating lease rentals	884.943	478.494	553.396	445.549
Tax and duties	164.963	118.072	119.551	111.953
Advertising	112.903	57.053	83.256	46.666
Other general expenses	408.687	488.163	230.608	340.088
Asset depreciations	384.196	922.064	268.125	833.439
<b>Total</b>	<b>13.769.702</b>	<b>8.207.668</b>	<b>9.853.860</b>	<b>6.443.281</b>

### Sales and marketing expenses

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other employees benefits and remuneration	7.219.781	4.408.137	5.557.471	3.884.550
Cost of reserves recognised as expense	8.705	-	-	-
Fees and expenses of third parties	842.311	362.836	29.672	183.632
Third parties grants	327.040	248.113	299.279	194.457
Assets repairs and maintenance expenses	23.383	260	-	-
Operating lease rentals	336.465	98.054	226.272	215.256
Tax and duties	57.261	9.177	-	867
Advertising	1.309.763	804.908	1.248.834	699.988
Other general expenses	1.289.547	568.678	1.155.520	684.734
Asset depreciations	218.550	93.433	173.357	76.603
<b>Total</b>	<b>11.632.807</b>	<b>6.593.596</b>	<b>8.690.405</b>	<b>5.940.087</b>

## 7.27. Other operating income/expense

Other operating income/expense are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Other operating income</b>				
Income from subsidies	1.535.736	984.763	1.428.479	980.469
Fx translation differences profits	45.482	20.807	13.861	20.807
Income from rentals	-	106.038	154.222	106.038
Other	341.859	724.834	809.860	584.772
Income from unused provisions	1.674.021	1.157.089	1.062.718	982.290
Income from unused provisions of employees	-	195.426	-	195.426
Income from used provisions	332.697	374.741	111.030	374.741
Profit from sale of assets	21.350	45.639	-	45.594
<b>Total</b>	<b>3.951.146</b>	<b>3.609.336</b>	<b>3.580.168</b>	<b>3.290.136</b>

## Other operating expenses

Fx translation differences loss	(2.809)	(8.827)	(2.809)	(7.594)
Bad debt provisions	(374.694)	(863.210)	-	(855.754)
Provision for extraordinary risks	(18.087)	(855.431)	-	(855.431)
Loss from assets sale	(13.338)	(14.170)	(13.337)	(14.168)
Provisions from goodwill impairment	-	(275.900)	-	(275.900)
Other	(641.456)	(1.350.646)	(205.616)	(370.167)
Property taxes and other taxes	-	(206.025)	-	(206.025)
<b>Total</b>	<b>(1.050.384)</b>	<b>(3.574.209)</b>	<b>(221.762)</b>	<b>(2.585.040)</b>

## 7.28. Financial income/expense

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Interest income from:</b>				
-Banks	1.112.833	112.927	932.341	48.161
-Customers	3.357	-	3.357	-
-Loans	-	-	442.259	-
	<b>1.116.190</b>	<b>112.927</b>	<b>1.377.957</b>	<b>48.161</b>

## Interest expense from:

- Retirement benefits discount	(96.003)	(58.673)	(70.305)	(43.641)
- Bank loans	(1.676.680)	(1.714.379)	(1.541.260)	(1.477.766)
- Assets discount	(383.984)	0	(303.984)	0
- Letters of Guarantee commissions	(164.198)	(94.219)	(86.848)	(94.219)
- Factoring	(10.702)	(77.854)	(10.702)	(77.854)
- Other banking expenses	(135.946)	(141.053)	(31.572)	(139.741)
	<b>(2.467.512)</b>	<b>(2.086.178)</b>	<b>(2.044.671)</b>	<b>(1.833.221)</b>

Financial income/expense mainly include any income/expense relating to interest from loans received and granted.

## 7.29. Other financial results

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Derivatives:				
Profit/loss of financial assets at fair value through profit and loss	(32.087)	(127.579)	(27.891)	(127.579)
Profit/loss from sale of financial assets	251.241	12.229	251.241	12.229
Dividend income	2.826	-	255.326	50.500
	<b>221.980</b>	<b>(115.350)</b>	<b>478.676</b>	<b>(64.850)</b>

For 2007 financial year, in other financial results the profit from a sale of participation to a company is included for which a total impairment provision had been formed. In addition, dividends collected by the company during 2007 from its subsidiary and its participation in other companies are included as well as the result recorded during the financial year from an interest rate swap contract assessment.

## 7.30. Income tax

The tax amount recognized in the P & L statement was formulated as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Tax for financial year	(458.876)	361.120	-	-
Tax audit differences	-	236.346	-	236.346
Deferred tax	(981.303)	(8.979)	(696.243)	(8.979)
<b>Total</b>	<b>(1.440.179)</b>	<b>588.487</b>	<b>(696.243)</b>	<b>227.367</b>

## 7.31. Earnings per share

Basic profit/loss per share is calculated by dividing profit/loss proportioned to parent company shareholders by the weighted average number of common shares in the period in question, excluding the common treasury shares purchased by the enterprise.

Reduced earnings per share are calculated by adjusting the weighted average number of common outstanding shares which presupposes conversion of all potential shares that dilute the participation.

Only stock option rights as a category of potential shares exist and dilute earnings per share. In order to calculate the reduced earnings per share, a calculation is required to determine the number of shares which could have been acquired based on the share's fair value (fixed as the annual average price of Company shares) and in correlation with the monetary value of stock subscription incorporated in the stock option rights.

The number of shares represents the best possible assessment on behalf of the Management on the balance sheet date, used also for the calculation of employees stock-option based remuneration.

### (a) Basic

From continuing operations

	GROUP		COMPANY	
	01/01 - 31/12/07	01/01 - 31/12/06	01/01 - 31/12/07	01/01 - 31/12/06
Net profit proportioned to shareholders	1.418.714	(5.322.257)	2.761.143	(4.954.401)
Average weighted number of common shares	43.420.525	22.224.320	43.420.525	22.224.320
<b>Basic earnings per share (€/share)</b>	<b>0,0327</b>	<b>(0,2395)</b>	<b>0,0636</b>	<b>(0,2229)</b>

### (b) diluted

Profit

	GROUP		COMPANY	
	01/01 - 31/12/07	01/01 - 31/12/06	01/01 - 31/12/07	01/01 - 31/12/06
Profit proportioned to parent company shareholders from continuing operations	1.418.714		2.761.143	
<b>Net profit proportioned to parent company shareholders</b>	<b>1.418.714</b>		<b>2.761.143</b>	
<b>Net profit proportioned to parent company shareholders for the purpose of diluted earnings per share</b>	<b>1.418.714</b>		<b>2.761.143</b>	

Number of shares

	GROUP		COMPANY	
	01/01 - 31/12/07	01/01 - 31/12/06	01/01 - 31/12/07	01/01 - 31/12/06
Average weighted number of common shares to be issued for the calculation of basic earnings per share	43.420.525		43.420.525	
Impact of impairment: – stock options	97.865		97.865	
<b>Average weighted number of common shares to be issued for the calculation of diluted earnings per share</b>	<b>43.518.390</b>		<b>43.518.390</b>	
<b>Diluted earnings per share (€/share)</b>	<b>0,0326</b>		<b>0,0635</b>	

In case no diluted earnings per share appear, it means that the potential shares impact (in the periods they probably existed) does not lead to a basic earnings per share reduction.

### 7.32. Cash flows from operating activities

The adjustments in the Cash Flows statement results are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b><u>Cash flows from operating activities</u></b>				
<b><u>Profit for the Period</u></b>	<b>2.013.821</b>	<b>-5.100.256</b>	2.761.143	<b>-4.954.401</b>
<b><u>Adjustments for:</u></b>				
Tax	1.440.179	588.487	696.243	227.367
Tangible fixed assets depreciations	871.095	859.092	537.318	721.942
Intangible assets depreciations	4.538.421	2.612.140	4.149.601	2.405.616
Impairment	538.735	1.541.004	154.811	779.615
Provisions	-1.034.300	-305.913	-237.441	-305.913
Unused provisions income	35.190	175.152	22.603	-
Profit/loss of derivatives fair value	-191.325	-	-191.325	-
Investing activities results (income, expense, profit, loss)	5.971	-165.629	-	-110.889
Other extraordinary loss (inappropriate reserves destruction, customers write-offs, etc)	-	27.556	-	27.556
Profit from sale of available for sale portfolio	-23.500	-	-23.500	0
Interest income	-1.119.016	-	-1.380.783	0
Interest expense	2.467.513	2.183.114	2.044.671	1.960.799
Dividend income	-4.600	-	-255.326	-50.500
Amortization of grants-options granted	-	-592.488	-	-592.488
Share of profit/loss in subsidiaries and associates	59.089	-35.258	-	-
Other Fx translation differences	-7.818	-788	-11.051	-
Other extraordinary profit	-	11	-	-
	<b>9.589.455</b>	<b>1.786.225</b>	<b>8.266.964</b>	<b>108.704</b>
<b><u>Working capital changes</u></b>				
Increase/(decrease) of reserves	-1.105.555	-41.691	-814.311	-17.942
Increase/(decrease) of assets	-18.770.912	-63.868	-13.343.331	166.362
Increase/(decrease) of liabilities	7.880.591	3.453.552	2.838.662	2.316.836
Decrease/(increase) of employees benefits and remuneration liabilities	-171.813	-326.487	-40.214	-239.254
<b>Net cash flows from operating activities</b>	<b>-2.578.234</b>	<b>4.807.731</b>	<b>-3.092.230</b>	<b>2.334.706</b>

### 7.33. Transactions with related parties

Transactions with related parties are carried out purely on commercial basis. Group companies did not participate in any transaction of unusual content or nature, which would be substantial for the Group or the companies and the persons closely related to it, nor do they intend to participate in such transactions in the future.

None of the transactions does include specific terms and conditions and no guarantee was given or taken. Outstanding balances are usually settled in cash.

Transactions between Companies included in the Group consolidated financial statements with the purchase method are eliminated.

On December 31<sup>st</sup>, 2007 transactions and balances constituting the transactions of the Group related parties are analyzed as follows:

*Amounts in euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
<b><u>Sales of goods</u></b>				
Parent Company	81.132,72		208.931	0
Subsidiaries	158.857,87		141.671	85.641
Associates	2.568	38.891	0	38.891
<b>Total</b>	<b>242.559</b>	<b>38.891</b>	<b>350.602</b>	<b>124.532</b>
<b><u>Purchases of goods</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	0		141.671	0
Subsidiaries	2.568		208.931	568.926
Associates	158.858	1.284	81.133	1.284
<b>Total</b>	<b>161.426</b>	<b>1.284</b>	<b>431.735</b>	<b>570.210</b>
<b><u>Sales of services</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	1.024.853		3.078.856	0
Subsidiaries	517.111		1.667.724	499.825
Associates	2.568	38900	61.873	38900
<b>Total</b>	<b>1.544.532</b>	<b>38.900</b>	<b>4.808.453</b>	<b>538.725</b>
<b><u>Purchases of services</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	61.873	0	1.729.597	0
Subsidiaries	283.759	0	2.054.003	102.596
Associates	235.921	5.886	1.024.853	5.886
<b>Total</b>	<b>581.552</b>	<b>5.886</b>	<b>4.808.453</b>	<b>108.482</b>
			0	
<b><u>Loans to associated parties</u></b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	0	0	8.998.928	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8.998.928</b>	<b>0</b>
<b><u>Loans from associated parties</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	0	0	8.998.928	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8.998.928</b>	<b>0</b>
<b><u>Interest received by associated parties</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	0	0	442.259	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>442.259</b>	<b>0</b>
<b><u>Interest charged on associated parties</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Subsidiaries			442.259	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>442.259</b>	<b>0</b>
<b><u>Receivables</u></b>				
	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	419.274		2.668.159	0
Subsidiaries	779.517		2.440.496	893.755
Associates	707	148.989	700	148.990
<b>Total</b>	<b>1.199.498</b>	<b>148.989</b>	<b>5.109.356</b>	<b>1.042.745</b>

**Suppliers/creditors**

	<b>31-Dec-07</b>	<b>31-Dec-06</b>	<b>31-Dec-07</b>	<b>31-Dec-06</b>
Parent Company	419.981		2.441.204	
Subsidiaries	258.849	39.082	2.248.879	39.082
Associates	520.668	28.863.370	419.274	29.694.742
<b>Total</b>	<b>1.199.498</b>	<b>28.902.452</b>	<b>5.109.356</b>	<b>29.733.824</b>

## CROSS-COMPANY LOANS-LIABILITY

## CROSS-COMPANY LOANS-INTEREST EXPENSE

ΔΙΕΤΑΙΡΙΚΑ ΔΑΝΕΙΑ 31/12/2007										
ΥΠΟΧΡΕΩΣΗ										
	SingularLogic	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
Α	SingularLogic	7.452.871					1.546.057			8.998.928
Π	SingularLogic Integrator									
Α	PCS									
Ι	SingularLogic Romania									
Τ	SingularLogic Bulgaria									
Η	METASOFT									
Σ	COMPUTER PROJECT									
Η	SYSTEM SOFT									
	DEMSTAR									
	<b>ΣΥΝΟΛΑ</b>	<b>0</b>	<b>7.452.871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.546.057</b>	<b>0</b>	<b>0</b>	<b>8.998.928</b>

  

ΔΙΕΤΑΙΡΙΚΑ ΔΑΝΕΙΑ 31/12/2007										
ΕΞΟΔΑ ΤΟΚΩΝ										
	SingularLogic	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
Ε	SingularLogic	366.980					75.280			442.259
Σ	SingularLogic Integrator									
Ο	PCS									
Δ	SingularLogic Romania									
Α	SingularLogic Bulgaria									
Τ	METASOFT									
Ο	COMPUTER PROJECT									
Κ	SYSTEM SOFT									
Ω	DEMSTAR									
Ν	<b>ΣΥΝΟΛΑ</b>	<b>0</b>	<b>366.980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75.280</b>	<b>0</b>	<b>0</b>	<b>442.259</b>

## INTERCOMPANY ASSETS-LIABILITIES

CREDITOR                      DEBTOR    ASSET (VERTICAL)

ΔΙΕΤΑΙΡΙΚΕΣ ΑΠΑΙΤΗΣΕΙΣ - ΥΠΟΧΡΕΩΣΕΙΣ 31/12/2007										
ΠΙΣΤΩΤΗΣ										
	SingularLogic	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
X SingularLogic		29.221				6.860	100.251			136.333
P SingularLogic Integrator	40.432					4.093	57.886			102.412
E PCS										0
Ω SingularLogic Romania										0
Σ SingularLogic Bulgaria										0
T METASOFT										0
H COMPUTER PROJECT										0
Σ SYSTEM SOFT										0
DEMSTAR										0
<b>ΣΥΝΟΛΑ</b>	<b>40.432</b>	<b>29.221</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10.954</b>	<b>158.137</b>	<b>0</b>	<b>0</b>	<b>238.745</b>

  

ΔΙΕΤΑΙΡΙΚΕΣ ΑΠΑΙΤΗΣΕΙΣ - ΥΠΟΧΡΕΩΣΕΙΣ 31/12/2007										
ΥΠΟΧΡΕΩΣΗ										
	SingularLogic	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
A SingularLogic		143.389	22.604	95.603	45.351	14.219	1.338.164	426.252	26.962	2.112.546
Π SingularLogic Integrator	2.039.143		12.526			909	9.335	2.024		2.063.937
A PCS	3.309								87.615	90.924
I SingularLogic Romania	16.300									16.300
T SingularLogic Bulgaria										0
H METASOFT	135.117	48.455								183.572
Σ COMPUTER PROJECT	206.195	36.005								241.415
H SYSTEM SOFT								-785		0
DEMSTAR										0
<b>ΣΥΝΟΛΑ</b>	<b>2.400.064</b>	<b>227.849</b>	<b>35.130</b>	<b>95.603</b>	<b>45.351</b>	<b>15.128</b>	<b>1.347.499</b>	<b>427.492</b>	<b>114.577</b>	<b>4.708.694</b>

INTERCOMPANY SALES-PURCHASES PURCHASER      SELLING PARTY (VERTICAL)

INTERCOMPANY OTHER INCOME-EXPENSE PURCHASER      SELLING PARTY

ΔΙΕΤΑΙΡΙΚΕΣ ΠΩΛΗΣΕΙΣ - ΑΓΟΡΕΣ 1/1 - 31/12/2007										
ΑΓΟΡΑΣΤΗΣ										
	LOGIC	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
Π	SingularLogic	105.385	0	33.412	26.468		1.086.773	272.676	1.736	1.526.450
Ω	SingularLogic Integrator	410.234	0				400			410.634
Λ	PCS	50.415								50.415
Η	SingularLogic Romania									0
Τ	SingularLogic Bulgaria									0
Η	METASOFT	739.435								739.435
Σ	COMPUTER PROJECT	454.709	62.878							517.587
	SYSTEM SOFT									0
	DEMSTAR									0
	<b>ΣΥΝΟΛΑ</b>	<b>1.654.794</b>	<b>168.262</b>	<b>0</b>	<b>33.412</b>	<b>26.468</b>	<b>0</b>	<b>1.087.173</b>	<b>272.676</b>	<b>3.244.521</b>

  

ΔΙΕΤΑΙΡΙΚΕΣ ΛΟΙΠΑ ΕΣΟΔΑ - ΕΞΟΔΑ 1/1 - 31/12/2007										
ΑΓΟΡΑΣΤΗΣ										
	LOGIC	SingularLogic Integrator	PCS	SingularLogic Romania	SingularLogic Bulgaria	METASOFT	COMPUTER PROJECT	SYSTEM SOFT	DEMSTAR	ΣΥΝΟΛΑ
Π	SingularLogic	142.802	77.326			46.626	388.598			655.351
Ω	SingularLogic Integrator	154.601	60.703			18.836	71.587			305.727
Λ	PCS									0
Η	SingularLogic Romania									0
Τ	SingularLogic Bulgaria									0
Η	METASOFT									0
Σ	COMPUTER PROJECT	7.142								7.142
	SYSTEM SOFT									0
	DEMSTAR									0
	<b>ΣΥΝΟΛΑ</b>	<b>154.601</b>	<b>149.943</b>	<b>138.029</b>	<b>0</b>	<b>0</b>	<b>65.462</b>	<b>460.185</b>	<b>0</b>	<b>968.220</b>

### 7.34. Transactions with Management Executives

Benefits to the Management at Group and Company level are outlined herein:

<i>(Amounts in euro)</i>	<b>GROUP</b> 1/1 - 31/12/2007	<b>COMPANY</b> 1/1 - 31/12/2007
Short term benefits to executives and management members	-	-
-Salaries and social security expenses	801.325	436.909
-BoD meetings remuneration	1.218.759	610.501
-Expense credited in the financial year from stock option exercise	102.781	72.962

As of December 31<sup>st</sup> 2007 no loans had been granted to BoD members or other Group management executives (or relatives thereof).

### 7.35. Number of employees

The number of employees on December 31<sup>st</sup> 2007 for the Group and the Company is the following:

	<b>GROUP</b> 1/1 - 31/12/2007	<b>COMPANY</b> 1/1 - 31/12/2007
Salaried	727	523

### 7.36. Liens and encumbrances

There are no mortgages and underwritings or any other encumbrances befalling the Company or Group assets against borrowing.

### 7.37. Contingent liabilities - assets

The Company has contingent liabilities and assets towards banks, other guarantees and various issues which may arise in the framework of its ordinary activity as follows :

<i>(Amounts in euro)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Good performance guarantee for contracts concluded with customers	6.425.538	6.796.081	3.111.244	2.947.991
Prompt payment guarantee for contracts concluded with customers	1.386.908	2.105.314	1.386.908	2.105.314
Down payment guarantee	10.536.543	9.150.487	3.764.558	3.213.900
Loan covers to banks (cheques, assigned contracts and invoices)	8.670.245	12.144.509	8.629.317	10.644.509
	<b>27.019.233</b>	<b>30.196.391</b>	<b>16.892.026</b>	<b>18.911.714</b>

The Group applies for participation in various tenders regarding projects and activities assignment. In case these bids are met with success, then the projects may lead up to assets recognition in future company balance sheets. Further disclosures are not realized because the approval procedure for participation in the projects is still at the evaluation process by the authorities and there may be modifications.

Some legal claims were raised against the Group during the financial year. Besides the cases whereby provisions are formed, the management does not consider that the opposing party claims are grounded and that the possibility of mandatory compensation payment is scarce.

Further analysis of contingent liabilities is not realized so as the Group is not influenced in relation to these disputes. Upon subsidiaries acquisition and IFRS3 application the Group did not recognize contingent liabilities of the acquired companies in the financial statements it consolidates.

### 7.38. Non tax audited financial years

Group companies non tax audited financial years are as follows:

<u>Trade Name</u>	<u>Non tax audited financial years</u>
SINGULARLOGIC S.A.	2006-2007
PCS S.A	2003-2007
SINGULAR BULGARIA EOOD	1999-2007
SINGULAR ROMANIA SRL	1999-2007
METASOFT S.A	2003-2007
S & T S.A	2006
KOMPIIOYTEP IPOTZEKT S.A	2000-2007
SINGULARLOGIC INTEGRATOR S.A	2006-2007
INFOSUPPORT S.A.	2005-2007
LOGODATA S.A	2000-2007
COMPUTER TEAM S.A.	2003-2007
SYSTEM SOFT S.A	2006-2007
DEMSTAR LTD	2006-2007

The Company was tax audited up to 2005 financial year (2005 included).

In February 2007 the regular tax audit for financial years 2002-2005 was completed for all tax liabilities of the merging company SingularLogic Software S.A. Payable taxes amounting to € 196,303,84, increases and fines amounting to € 205,099,46 derived from this audit charging the Company's 2006 financial year results. In addition, on 21/6/2007 the financial year 2005 audit was completed for SINGULARLOGIC S.A. and for KNOWLEDGE AE and LOGICDIS GLOBAL SERVICES for the financial years 2004-2005 & 2002-2005 respectively. Payable taxes and increases standing at € 151.824,35 derived from this audit. For the amount of € 151.824,35 the Company provision dated 31.12.2005 was used (see note 7.21).

For non tax audited financial years mentioned above, additional taxes and increases may be imposed upon examination and finalization; The company does not expect the results and its cash flows to be significantly influenced upon tax pending issues finalization.

### 7.39. Risk management policies and purposes

The Group is exposed to several financial risks such as market risks (changes in exchange rates, changes in interest rates, market prices etc), credit risk and liquidity risk. The Group management plan aims at minimizing the negative impact on the Group financial results due to the difficulty to forecast the financial markets and due to the fluctuation in cost and sales variables. The Group uses derivatives to hedge its exposure to specific risks categories.

The procedure adopted is the following:

- Assessment of risks relevant to Group activities and operations,
- Planning of methodology and selection of the appropriate financial products to contain risks and

- Risks management procedure execution/application, in accordance with the procedure approved by the management.

The Group financial instruments consist mainly of deposits in banks, overdraft rights in banks, high liquidity short term financial products tradable at the stock exchange, commercial debtors and creditors, loans from and to subsidiaries, investments in shares.

### 7.39.1. Fx translation risk

The Group operates mainly in the EU not having thus a large exchange rate risk exposure. Nevertheless, there is a risk from commercial transactions in foreign currency and risk from net investments in financial entities abroad, the net assets of which are exposed to exchange rates risk (mainly in USD and RON Romania).

The financial assets and the respective liabilities in foreign currency, converted in Euro with the closing rate are analyzed as follows:

Nominal amounts	2007			2006		
	US\$	RON	£	US\$	RON	£
Financial assets	-	-	-	-	-	-
Financial liabilities	-	-5.240	-	-	-14.314	-
<b>Long term exposure</b>	<b>0</b>	<b>-5.240</b>	<b>0</b>	<b>0</b>	<b>-14.314</b>	<b>0</b>
Financial assets	1.253.969	1.096.937	17.923	1.154.946	914.426	2.309
Financial liabilities	-111.872	-799.716	-1.221	-22.366	-630.208	-4.123
<b>Short term exposure</b>	<b>1.142.097</b>	<b>297.221</b>	<b>16.703</b>	<b>1.132.580</b>	<b>284.218</b>	<b>-1.814</b>

The tables below present the income statement and equity sensitivity in relation to the financial assets and liabilities and the exchange rate Euro/Dollar and Euro/Ron. We assume that a change is made on December 31<sup>st</sup>, 2007 on the Euro/Dollar exchange rate by 7,15% (2006: 9,22%) and on the Euro/Ron exchange rate by 10,27%. (2006: 5,46%). This percentage was based on the average volatility in the exchange rates market for a twelve-month period for 2007 and for 2 months for 2008. Sensitivity analysis is based on financial instruments in foreign currency held by the Group for each reference period.

Amounts in euro	2007			2006		
	US\$	RON	£	US\$	RON	£
Income statement	-51.770	-7.538	-26	-150.206	742	-178
Equity	-51.770	-7.538	-26	-150.206	742	-178

Amounts in euro	2007			2006		
	US\$	RON	£	US\$	RON	£
Income statement	59.743	9.263	26	124.846	9.451	34
Equity	59.743	9.263	26	124.846	9.451	34

The Group exposure to fx translation risk varies during the year depending on the transactions volume in foreign currency. The above analysis though is deemed representative of the Group's exposure to fx translation risk.

### 7.39.2. Interest rate risk sensitivity analysis

The Group policy is to minimize its exposure to interest rate cash flows risk with regard to long term financing. Long term financing is usually at a fixed interest rate. On December 31<sup>st</sup>, 2007, the Group was exposed to interest rate market changes regarding its bank borrowing, subject to variable rate. (For further information see the note regarding bank borrowing).

The table below presents the income statement and equity sensitivity at a normal rate volatility by +0,5% η -0,5% (2006: +/-0,5%). Changes in interest rates are set to be on a rational footing in relation to recent market conditions.

	2007		2006	
	+0,5%	-0,5%	+0,5%	-0,5%
Income statement	130.875	-130.875	119.007	-119.007
Equity	130.875	-130.875	119.007	-119.007

The Group is exposed to various price risks, such as investments in companies listed on AE. The fair value of shares, as outlined in the note regarding Financial assets at fair value through P & L, on 31.12.2007 stood at € 68.009 (2006: € 63.051). Securities prices volatility risk is judged negligible for the Group financial results.

### 7.39.3. Credit risk analysis

Group exposure to credit risk is limited to financial assets (means) being analyzed as follows on the balance sheet date:

*Amounts in euro*

	2007	2006
<i>Financial assets categories</i>		
Available for sale portfolio	196.286	102.161
Derivatives	68.009	-
Cash and cash equivalents	32.349.052	70.106.881
Trade and other receivables	58.567.601	50.055.766
<b>Total</b>	<b>91.180.949</b>	<b>120.264.808</b>

The Group constantly audits its assets, either separately or in groups and incorporates this information in the credit audit. Whenever available, external reports or analyses regarding customers are used. The Group policy is to cooperate only with reliable customers.

The Group management believes that all the above financial assets, not impaired on previous dates, are of a satisfactory credit standing. None of the Group financial assets has been mortgaged or insured by any other form of credit insurance. For Trade and Other Receivables, the Group is not exposed to exceptionally significant credit risks. Credit risk for cash balances and derivatives is considered negligible, given that the counterparties are reliable Greek banks.

### 7.39.4. Liquidity risk analysis

The Group manages liquidity needs by carefully monitoring long term financial liabilities debts as well as payments carried out on a daily basis. Liquidity needs are monitored in different time zones, on a daily and weekly basis and on a rotational period of 30 days. Long term liquidity needs for the next 6 months and the following year are fixed on a monthly basis.

The Group maintains cash to cover liquidity needs for periods up to 30 days. Funds for long term liquidity needs are ensured additionally from a sufficient borrowing amount.

Financial liabilities maturity on December 31<sup>st</sup> 2007 for the Group is analyzed below:

Amounts in euro

	31/12/2007			
	Short term		Long term	
	Within 6 months	6-12 months	1-5 years	More than 5 years
Long term borrowing				
Leasing liabilities			26.008.398	
Trade liabilities (suppliers and cheques payable)	18.127.624			
Other short term liabilities	8.094.401	8.094.401		
Short term borrowing		360.193		
Derivatives				
<b>Total</b>	<b>26.222.025</b>	<b>8.454.593</b>	<b>26.008.398</b>	<b>0</b>

The respective financial liabilities maturity on December 31<sup>st</sup> 2006 for the Group was the following:

Amounts in euro

	31/12/2006			
	Short term		Long term	
	Within 6 months	6-12 months	Within 6 months	6-12 months
Long term borrowing			13.787.500	
Leasing liabilities				
Trade liabilities (suppliers and cheques payable)	18.259.816			
Other short term liabilities	36.336.799	7.836.799		
Short term borrowing	16.397.799			
Derivatives			127.579	
<b>Total</b>	<b>70.994.414</b>	<b>7.836.799</b>	<b>13.915.079</b>	<b>0</b>

The above contractual maturity dates reflect the gross cash flows, which may differ from liabilities' book values on the balance sheet date.

### 7.39.5. Financial assets and liabilities presentation per category

Financial assets and liabilities on the financial statements date may be categorized as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<i>Non current assets</i>				
Loans and receivables	779.050	981.327	9.637.758	856.386
<b>Total</b>	<b>779.050</b>	<b>981.327</b>	<b>9.637.758</b>	<b>856.386</b>
<i>Current assets</i>				
Derivatives	68.009		68.009	
Financial assets at fair value through profit and loss	66.490	63.051		
Available for sale portfolio	196.286	102.161	169.046	74.921
<i>Trade and other receivables</i>				
Loans and receivables	58.567.601	50.055.766	45.670.359	36.666.624
Cash and cash equivalents	32.349.052	70.106.881	26.769.132	64.148.472
<b>Total</b>	<b>91.247.439</b>	<b>120.327.859</b>	<b>72.676.546</b>	<b>100.890.017</b>
<i>Long term liabilities</i>				
<i>Borrowing</i>				
	26.008.398	13.787.500	26.000.000	13.787.500
<b>Total</b>	<b>26.008.398</b>	<b>13.787.500</b>	<b>26.000.000</b>	<b>13.787.500</b>
<i>Short term liabilities</i>				
<i>Borrowing</i>				
	360.193	16.397.799		7.629.438
<i>Derivatives</i>		127.579		127.579
<i>Trade liabilities</i>				
Financial liabilities at unamortized cost	18.127.624	18.259.816	15.962.084	13.023.269
Other Financial liabilities at unamortized cost	16.188.801	44.173.597	12.751.282	42.427.841
<b>Total</b>	<b>34.676.618</b>	<b>78.958.791</b>	<b>28.713.365</b>	<b>63.208.127</b>

### 7.39.6. Capital management policies and procedures

The Group objectives with regard to capital management are the following:

- To ensure Group capacity to continue its activity (going-concern) and
- To ensure a satisfactory yield to shareholders by pricing products and services proportionally to the risk level.

The Group monitors the capital on the basis of shareholders equity amount plus the subprime loans, minus cash balances and cash equivalents, as referred to on the balance sheet. Capital for the financial year 2007 and 2006 is analyzed below:

<i>Amounts in euro</i>	<b>2007</b>	<b>2006</b>
Total Shareholders equity	54.199.612	52.090.533
Plus: subprime loans	26.368.590	30.185.299
Minus: cash and cash equivalents	-32.349.052	-70.106.881
<b>Capital</b>	<b>48.219.150</b>	<b>12.168.951</b>
Total Shareholders equity	54.199.612	52.090.533
Plus: Loans	26.368.590	30.185.299
<b>Total capital</b>	<b>80.568.202</b>	<b>82.275.832</b>
Capital to Total Capital	6/10	1/10

The Group defines the capital amount in relation to the overall capital structure, e.g equity and financial liabilities without taking into account subprime loans. The Group manages capital structure and makes the adjustments when the financial situation and the characteristics of the existing assets risks change in order to maintain or adjust capital structure.

The Group abides by its contractual liabilities including preserving its capital structure rationality. The indicator increase during financial year 2007 is principally due to the payment, within 2007 of the acquisitions price regarding acquisitions realized in 2006 (Singular Software and Singular Integrator).

#### 7.40. Post balance sheet events

In implementation of the new business plan, in line with the single corporate identity of Singular Logic Group companies, the trade name of the 100% subsidiary ‘Computer Project SA’ was renamed into ‘SingularLogic Business Services Information & Communication Technology Solutions SA’ with the distinctive title ‘SingularLogic Business Services SA’. ‘SingularLogic Business Services SA’ proceeded to a share capital increase of 999.486,00 euros total amount, fully covered by the parent company SingularLogic, in order to enhance and boost its business activity.

Further to the above, there are no other events which might significantly impact the Company’s financial situation or operation.

#### 7.41. Miscellaneous

The amounts included in the financial statements herein have been rounded in € (€) and, therefore, eventual differences are due to the rounding in question.

The fair value of assets, liabilities and contingent liabilities and the arising goodwill of the acquired companies Singular Software and Singular Integrator, was finalized during the third quarter of 2007 (possibility provided for in the relevant IFRIC 3 provisions). The comparative balance sheet of December 31<sup>st</sup>, 2006 and the financial statements of the a’ and b’

quarters of 2007 were revised to incorporate the final accounts which emerged after the Purchase Price Allocation process completion. The arising goodwill and changes analysis is outlined in Note 7.4.

The other accounts under change are the following:

Group deferred tax liabilities on 31.12.2006 are:

	GROUP		COMPANY	
	31/12/2006		31/12/2006	
	Asset	Liability	Asset	Liability
<b>Non current assets</b>				
Intangible assets	4.243.315	5.999.935	3.721.326	5.440.447
Property, plant and equipment	1.576.742	2.081.640	1.576.742	2.081.640
<b>Current assets</b>				
Other current assets	0	845.733	0	811.806
<b>Reserves</b>				
Subsidies	0	425.395	0	360.462
<b>Long term liabilities</b>				
Long term loans	0	14.741	0	14.741
Other long term liabilities	0	0	0	0
Retirement benefits to personnel	667.045	0	418.611	0
<b>Short term liabilities</b>				0
Other liabilities	2.587.315	937.469	2.531.721	800.000
<b>Offsetting</b>	<b>4.933.791</b>	<b>4.933.791</b>	<b>4.629.689</b>	<b>4.629.689</b>
<b>Total</b>	<b>4.140.626</b>	<b>5.371.122</b>	<b>3.618.714</b>	<b>4.879.407</b>

The Group and Company balance sheet before and after the finalization of assets and liabilities fair value assessment and the differences analyzed above are presented below:

## Reformed Group Balance Sheets of 31.12.2006

<i>Amounts in euro</i>	GROUP		
	31/12/2006 Published	31/12/2006 Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	2.561.357	2.561.357	
Intangible assets	18.186.615	16.206.615	-1.980.000
Goodwill	6.838.002	8.304.252	1.466.250
Investments in subsidiaries	0	0	
Investments in associates (consolidated with equity method)	1.147.006	1.147.006	
Deferred tax assets	4.140.629	4.140.629	
Other non current assets	981.327	981.327	
	<b>33.854.936</b>	<b>33.341.186</b>	<b>-513.749</b>
<b>Current Assets</b>			
Reserves	1.458.225	1.458.225	
Trade and other receivables	46.499.871	46.499.871	
Other amounts due	3.555.895	3.555.895	
Available for sale portfolio	102.161	102.161	
Financial assets at fair value through profit and loss	63.051	63.051	
Other current assets	4.524.702	4.524.702	
Cash and cash equivalents	70.106.881	70.106.881	
	<b>126.310.786</b>	<b>126.310.786</b>	<b>0</b>
<b>Total assets</b>	<b>160.165.722</b>	<b>159.651.972</b>	<b>-513.749</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13.025.284	13.025.284	0
Share premium	49.397.844	49.397.844	0
Other reserves	2.261.189	2.261.189	0
Retained earnings	-13.191.241	-13.191.241	0
Reserves of balance sheet conversion	3.348	3.348	0
<b>Equity attributed to Parent Company shareholders</b>	<b>51.496.424</b>	<b>51.496.424</b>	<b>0</b>
<b>Minority interest</b>	<b>594.109</b>	<b>594.109</b>	<b>0</b>
<b>Total equity</b>	<b>52.090.533</b>	<b>52.090.533</b>	<b>0</b>
<b>Long term Liabilities</b>			
Long term loans	13.787.500	13.787.500	0
Deferred tax liabilities	5.884.872	5.371.122	-513.750
Retirement benefits liabilities	2.740.478	2.740.478	0
<b>Total long term liabilities</b>	<b>22.412.850</b>	<b>21.899.100</b>	<b>-513.750</b>
<b>Short term liabilities</b>			<b>0</b>
Suppliers and other liabilities	18.259.816	18.259.816	0
Short term loans	16.397.799	16.397.799	0
Derivatives	127.579	127.579	0
Other short term liabilities	44.173.597	44.173.597	0
Current tax liabilities	3.084.801	3.084.801	0
Provisions	3.618.748	3.618.748	0
<b>Total short term liabilities</b>	<b>85.662.339</b>	<b>85.662.339</b>	<b>0</b>
<b>Total liabilities</b>	<b>108.075.190</b>	<b>107.561.440</b>	<b>-513.750</b>
<b>Total shareholders equity and liabilities</b>	<b>160.165.722</b>	<b>159.651.972</b>	<b>-513.750</b>

## Reformed Company Balance Sheets of 31.12.2006

<i>Amounts in euro</i>	COMPANY		
	31/12/2006 Published	31/12/2006 Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	1.455.486	1.455.486	0
Intangible assets	16.890.963	14.910.963	-1.980.000
Goodwill	2.953.438	4.419.688	1.466.250
Investments in subsidiaries	10.593.229	10.593.229	0
Investments in associates (consolidated with equity method)	249.981	249.981	0
Deferred tax assets	3.618.714	3.618.714	0
Other non current assets	856.386	856.386	0
	<b>36.618.198</b>	<b>36.104.448</b>	<b>-513.750</b>
<b>Current Assets</b>			
Reserves	566.810	566.810	0
Trade and other receivables	33.930.139	33.930.139	0
Other amounts due	2.736.485	2.736.485	0
Available for sale portfolio	74.921	74.921	0
Financial assets at fair value through profit and loss		0	0
Other current assets	3.480.159	3.480.159	0
Cash and cash equivalents	64.148.472	64.148.472	0
	<b>104.936.987</b>	<b>104.936.987</b>	<b>0</b>
<b>Total assets</b>	<b>141.555.185</b>	<b>141.041.435</b>	<b>-513.750</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13.025.284	13.025.284	0
Share premium	49.397.844	49.397.844	0
Other reserves	2.171.676	2.171.676	0
Retained earnings	-12.510.893	(12.510.893)	0
Reserves of balance sheet conversion			
<b>Equity attributed to Parent Company shareholders</b>	<b>52.083.911</b>	<b>52.083.911</b>	<b>0</b>
<b>Minority interest</b>	<b>0</b>		
<b>Total equity</b>	<b>52.083.911</b>	<b>52.083.911</b>	<b>0</b>
<b>Long term Liabilities</b>			
Long term loans	13.787.500	13.787.500	0
Deferred tax liabilities	5.393.157	4.879.407	-513.750
Retirement benefits liabilities	1.674.444	1.674.444	0
<b>Total long term liabilities</b>	<b>20.855.101</b>	<b>20.341.350</b>	<b>-513.750</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	13.023.269	13.023.269	0
Short term loans	7.629.438	7.629.438	0
Derivatives	127.579	127.579	0
Other short term liabilities	42.427.841	42.427.841	0
Current tax liabilities	1.990.178	1.990.178	0
Provisions	3.417.867	3.417.867	0
<b>Total short term liabilities</b>	<b>68.616.172</b>	<b>68.616.172</b>	<b>0</b>
<b>Total liabilities</b>	<b>89.471.273</b>	<b>88.957.523</b>	<b>-513.750</b>
<b>Total shareholders equity and liabilities</b>	<b>141.555.185</b>	<b>141.041.435</b>	<b>-513.750</b>

## Reformed Group Balance Sheets of 31.03.2007

<i>Amounts in euro</i>	GROUP		
	Published	31/3/2007 Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	2.367.795	2.367.795	0
Intangible assets	17.164.519	15.259.519	1.980.000
Goodwill	6.838.002	8.304.252	-1.466.250
Investments in subsidiaries	0	0	0
Investments in associates (consolidated with equity method)	1.134.648	1.134.648	0
Deferred tax assets	4.248.185	4.248.185	0
Other non current assets	748.239	748.239	0
	<b>32.501.388</b>	<b>32.062.638</b>	<b>438.750</b>
<b>Current Assets</b>			
Reserves	1.724.598	1.724.598	0
Trade and other receivables	44.011.376	44.011.376	0
Other amounts due	4.476.906	4.476.906	0
Available for sale portfolio	102.161	102.161	0
Financial assets at fair value through profit and loss	63.051	63.051	0
Other current assets	6.333.815	6.333.815	0
Cash and cash equivalents	31.274.324	31.274.324	0
	<b>87.986.230</b>	<b>87.986.230</b>	<b>0</b>
<b>Total assets</b>	<b>120.487.619</b>	<b>120.048.869</b>	<b>438.750</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13.025.283	13.025.283	0
Share premium	49.277.023	49.277.023	0
Other reserves	2.261.188	2.261.188	0
Retained earnings	(14.851.281)	(14.795.031)	(56.250)
Reserves of balance sheet conversion	2.584	2.584	0
<b>Equity attributed to Parent Company shareholders</b>	<b>49.714.797</b>	<b>49.771.047</b>	<b>-56.250</b>
<b>Minority interest</b>	<b>870.665</b>	<b>870.665</b>	<b>0</b>
<b>Total equity</b>	<b>50.585.462</b>	<b>50.641.712</b>	<b>-56.250</b>
<b>Long term Liabilities</b>			
Long term loans	0	0	0
Deferred tax liabilities	6.162.741	5.667.741	495.000
Retirement benefits liabilities	2.740.478	2.740.478	0
<b>Total long term liabilities</b>	<b>8.903.219</b>	<b>8.408.219</b>	<b>495.000</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	11.444.917	11.444.917	0
Short term loans	25.759.024	25.759.024	0
Derivatives	0	0	0
Other short term liabilities	18.386.398	18.386.398	0
Current tax liabilities	1.960.133	1.960.133	0
Provisions	3.448.466	3.448.466	0
<b>Total short term liabilities</b>	<b>60.998.938</b>	<b>60.998.938</b>	<b>0</b>
<b>Total liabilities</b>	<b>69.902.157</b>	<b>69.407.157</b>	<b>495.000</b>
			<b>0</b>
<b>Total shareholders equity and liabilities</b>	<b>120.487.619</b>	<b>120.048.869</b>	<b>438.750</b>

## Reformed Group P & L Statements of 31.03.2007

	GROUP		
	1/1 - 31/3/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>15.790.519</b>	<b>15.790.519</b>	<b>0</b>
Cost of goods sold	(11.788.709)	(11.720.759)	(67.950)
<b>Gross profit</b>	<b>4.001.809</b>	<b>4.069.759</b>	<b>(67.950)</b>
Other operating income	674.051	674.051	0
Sales and marketing expenses	(2.653.088)	(2.650.320)	(2.768)
Administrative expenses	(2.784.502)	(2.780.220)	(4.282)
Other operating expenses	(16.381)	(16.381)	0
<b>Operating Income</b>	<b>(778.111)</b>	<b>(703.111)</b>	<b>(75.000)</b>
Financial income	141.950	141.950	0
Financial expenses	(414.737)	(414.737)	0
Other financial results	0	0	0
Profit/ (Loss) from participations	(12.359)	(12.359)	0
<b>Profit/ (Loss) before tax</b>	<b>(1.063.256)</b>	<b>(988.256)</b>	<b>(75.000)</b>
Income tax	(356.663)	(375.413)	18.750
<b>Net loss/ profit from continuing operations</b>	<b>(1.419.919)</b>	<b>(1.363.669)</b>	<b>(56.250)</b>
<b>Net loss/ profit from non continuing operations</b>			
<b>Loss after tax</b>	<b>(1.419.919)</b>	<b>(1.363.669)</b>	<b>(56.250)</b>
<b>Attributable to:</b>			
Parent company shareholders	(1.696.475)	(1.640.225)	(56.250)
Minority interest	276.556	276.556	0
	<b>(1.419.919)</b>	<b>(1.363.669)</b>	<b>(56.250)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations</b> (expressed in € per share)	<b>(1.696.475)</b>	<b>(1.640.225)</b>	<b>(56.250)</b>
<b>Basic earnings per share</b>	<b>(0,0763)</b>	<b>(0,0738)</b>	
<b>Diluted earnings per share</b>			

## Reformed Group Equity Statements of 31.03.2007

	Attributed to the parent company shareholders					Total	Minority interest	Total equity
	Share capital	Share premium	Other reserves	Balance Sheet conversion reserves	Retained earnings			
<b>1-Iav-07</b>	<b>13.025.283</b>	<b>49.397.844</b>	<b>2.261.189</b>	<b>3.348</b>	<b>13.191.241</b>	<b>51.496.424</b>	<b>594.109</b>	<b>52.090.533</b>
Net profit for the period					-1.640.225	-1.640.225	276.556	-1.363.669
Share capital increase expenses		-120.820				-120.820		-120.820
Stock Option reserve					36.245	36.245		36.245
Fx translation differences					-764	-574		-574
<b>31-Mar-07</b>	<b>13.025.283</b>	<b>49.277.022</b>	<b>2.261.188</b>	<b>0</b>	<b>2.584</b>	<b>14.795.032</b>	<b>49.771.047</b>	<b>50.641.711</b>

## Reformed Group Cash Flow Statements of 31.03.2007

Amounts in euro

	GROUP		
	Published	Reformed	Difference
<b>Post-tax loss/ profit</b>	(1.419.919)	(1.363.669)	(56.250)
<b>Adjustments for :</b>			
Taxes	356.663	375.413	(18.750)
Tangible fixed assets depreciation	309.954	309.954	0
Intangible assets depreciation	1.142.261	1.067.261	75.000
Provisions	36.243	36.243	0
Income from used provisions during previous financial years	(118.084)	(118.084)	0
Interest income	(141.950)	(141.950)	0
Interest expense	414.737	414.737	0
Subsidies	(207.638)	(207.638)	0
Share of profit/ loss in subsidiaries and associates	12.359	12.359	0
Fx translation profit/ loss	901	901	0
	<b>385.526</b>	<b>385.526</b>	<b>0</b>
<b>Working capital changes</b>			
(Increase)/ decrease of reserves	(266.373)	(266.373)	0
(Increase)/ decrease of assets	(15.633)	(15.633)	0
Increase/ (decrease) of liabilities	(3.793.784)	(3.793.784)	0
<b>Net cash flows from operating activities</b>	<b>(3.690.264)</b>	<b>(3.690.264)</b>	<b>0</b>

## Reformed Company Balance Sheets of 31.03.2007

<i>Amounts in euro</i>	COMPANY		
	Published	Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	1.332.267	1.332.267	0
Intangible assets	15.956.892	14.051.892	1.905.000
Goodwill	2.953.438	4.419.688	-1.466.250
Investments in subsidiaries	10.593.229	10.593.229	0
Investments in associates (consolidated with equity method)	249.981	249.981	0
Deferred tax assets	3.754.628	3.754.628	0
Other non current assets	9.600.154	9.600.154	0
	<b>44.440.590</b>	<b>44.001.840</b>	<b>438.750</b>
<b>Current Assets</b>			
Reserves	641.679	641.679	0
Trade and other receivables	33.665.154	33.665.154	0
Other amounts due	3.114.941	3.114.941	0
Available for sale portfolio	74.921	74.921	0
Financial assets at fair value through profit and loss	0	0	0
Other current assets	4.657.499	4.657.499	0
Cash and cash equivalents	25.151.917	25.151.917	0
	<b>67.306.111</b>	<b>67.306.111</b>	<b>0</b>
<b>Total assets</b>	<b>111.746.700</b>	<b>111.307.950</b>	<b>438.750</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13.025.283	13.025.283	0
Share premium	49.277.023	49.277.023	0
Other reserves	2.171.678	2.171.678	0
Retained earnings	(13.417.818)	(13.361.568)	(56.250)
Reserves of balance sheet conversion			
<b>Equity attributed to Parent Company shareholders</b>	<b>51.056.165</b>	<b>51.112.415</b>	<b>-56.250</b>
<b>Minority interest</b>			
<b>Total equity</b>	<b>51.056.165</b>	<b>51.112.415</b>	<b>-56.250</b>
<b>Long term Liabilities</b>			
Long term loans	0	0	0
Deferred tax liabilities	5.542.836	5.047.836	495.000
Retirement benefits liabilities	1.674.444	1.674.444	0
<b>Total long term liabilities</b>	<b>7.217.280</b>	<b>6.722.280</b>	<b>495.000</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	10.265.761	10.265.761	0
Short term loans	25.714.056	25.714.056	0
Derivatives	0	0	0
Other short term liabilities	13.198.442	13.198.442	0
Current tax liabilities	1.047.410	1.047.410	0
Provisions	3.247.585	3.247.585	0
<b>Total short term liabilities</b>	<b>53.473.255</b>	<b>53.473.255</b>	<b>0</b>
<b>Total liabilities</b>	<b>60.690.535</b>	<b>60.195.535</b>	<b>495.000</b>
			<b>0</b>
<b>Total shareholders equity and liabilities</b>	<b>111.746.700</b>	<b>111.307.950</b>	<b>438.750</b>

## Reformed Company P & L Statements of 31.03.2007

	COMPANY		
	1/1 - 31/3/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>11.338.620</b>	<b>11.338.620</b>	<b>0</b>
Cost of goods sold	(8.588.762)	(8.520.812)	(67.950)
<b>Gross profit</b>	<b>2.749.858</b>	<b>2.817.808</b>	<b>(67.950)</b>
Other operating income	585.769	585.769	0
Sales and marketing expenses	(2.052.413)	(2.049.645)	(2.768)
Administrative expenses	(1.958.743)	(1.954.461)	(4.282)
Other operating expenses	(11.806)	(11.806)	0
<b>Operating Income</b>	<b>(687.335)</b>	<b>(612.335)</b>	<b>(75.000)</b>
Financial income	111.282	111.282	0
Financial expenses	(353.351)	(353.351)	0
Other financial results	0	0	0
Profit/ (Loss) from participations	0	0	0
<b>Profit/ (Loss) before tax</b>	<b>(929.404)</b>	<b>(854.404)</b>	<b>(75.000)</b>
Income tax	(13.765)	(32.515)	18.750
<b>Net loss/ profit from continuing operations</b>	<b>(943.169)</b>	<b>(886.919)</b>	<b>(56.250)</b>
<b>Net loss/ profit from non continuing operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loss after tax</b>	<b>(943.169)</b>	<b>(886.919)</b>	<b>(56.250)</b>
<b>Attributable to:</b>			
Parent company shareholders	(943.169)	(886.919)	(56.250)
Minority interest			
	<b>(943.169)</b>	<b>(886.919)</b>	<b>(56.250)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations (expressed in € per share)</b>			
	<b>(943.169)</b>	<b>(886.919)</b>	<b>(56.250)</b>
<b>Basic earnings per share</b>	<b>(0,0424)</b>	<b>(0,0399)</b>	
<b>Diluted earnings per share</b>			

## Reformed Company Equity Statements of 31.03.2007

	Attributed to the parent company shareholders				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
<b>1-Iav-07</b>	<b>13.025.283</b>	<b>49.397.843</b>	<b>2.171.677</b>	<b>-12.510.894</b>	<b>52.083.909</b>
Share capital increase expenses		-120.820			-120.820
Stock Option reserve				36.245	36.245
Net profit for the period				-886.919	-886.919
<b>31-Mar-07</b>	<b>13.025.283</b>	<b>49.277.023</b>	<b>2.171.677</b>	<b>-13.361.568</b>	<b>51.112.415</b>

## Reformed Cash Flow Statements of 31.03.2007

<i>Amounts in euro</i>	COMPANY		
	1/1 - 31/3/2007		
	Published	Reformed	Difference
<b>Post-tax loss/ profit</b>	(943.169)	(886.919)	(56.250)
<b>Adjustments for :</b>			
Taxes	13.765	32.515	(18.750)
Tangible fixed assets depreciation	178.702	178.702	0
Intangible assets depreciation	1.097.455	1.022.455	75.000
Provisions	36.243	36.243	0
Income from used provisions during previous financial years	(118.084)	(118.084)	0
Interest income	(111.282)	(111.282)	0
Interest expense	353.351	353.351	0
Subsidies	(207.638)	(207.638)	0
Share of profit/ loss in subsidiaries and associates	0	0	0
Fx translation profit/ loss	0	0	0
	<b>299.342</b>	<b>299.342</b>	<b>0</b>
<b>Working capital changes</b>			
(Increase)/ decrease of reserves	(74.869)	(74.869)	0
(Increase)/ decrease of assets	(1.172.726)	(1.172.726)	0
Increase/ (decrease) of liabilities	(2.887.736)	(2.887.736)	0
<b>Net cash flows from operating activities</b>	<b>(3.835.989)</b>	<b>(3.835.989)</b>	<b>0</b>

## Reformed Group Balance Sheets of 30.06.2007

<i>Amounts in euro</i>	<b>GROUP</b>		
	<b>30/6/2007</b>		
	Published	Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	2.367.086	2.367.086	0
Intangible assets	16.432.171	14.602.171	1.905.000
Goodwill	6.838.002	8.304.252	-1.466.250
Investments in subsidiaries	0	0	0
Investments in associates (consolidated with equity method)	1.115.620	1.115.620	0
Deferred tax assets	3.820.455	3.820.455	0
Other non current assets	842.927	842.927	0
<b>Fixed Assets</b>	<b>31.416.262</b>	<b>31.052.512</b>	<b>363.750</b>
<b>Current Assets</b>			
Reserves	1.674.348	1.674.348	0
Trade and other receivables	46.107.100	46.107.100	0
Other amounts due	4.635.888	4.635.888	0
Available for sale portfolio	102.161	102.161	0
Financial assets at fair value through profit and loss	68.577	68.577	0
Other current assets	7.105.029	7.105.029	0
Cash and cash equivalents	29.975.401	29.975.401	0
	<b>89.668.504</b>	<b>89.668.504</b>	<b>0</b>
<b>Total assets</b>	<b>121.084.766</b>	<b>120.721.016</b>	<b>363.750</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13.025.283	13.025.283	0
Share premium	49.277.023	49.277.023	0
Other reserves	2.292.062	2.292.062	0
Retained earnings	-14.488.828	-14.376.328	-112.500
Reserves of balance sheet conversion	9.474	9.474	0
<b>Equity attributed to Parent Company shareholders</b>	<b>50.115.013</b>	<b>50.227.513</b>	<b>-112.500</b>
<b>Minority interest</b>	<b>847.246</b>	<b>847.246</b>	<b>0</b>
<b>Total equity</b>	<b>50.962.259</b>	<b>51.074.759</b>	<b>-112.500</b>
<b>Long term Liabilities</b>			
Long term loans	24.773.990	24.773.990	0
Deferred tax liabilities	6.451.035	5.974.785	476.250
Retirement benefits liabilities	2.754.543	2.754.543	0
<b>Total long term liabilities</b>	<b>33.979.568</b>	<b>33.503.318</b>	<b>476.250</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	13.778.255	13.778.255	0
Short term loans	1.154.297	1.154.297	0
Derivatives	90.073	90.073	0
Other short term liabilities	14.637.627	14.637.627	0
Current tax liabilities	3.118.602	3.118.602	0
Provisions	3.364.085	3.364.085	0
<b>Total short term liabilities</b>	<b>36.142.939</b>	<b>36.142.939</b>	<b>0</b>
<b>Total liabilities</b>	<b>70.122.507</b>	<b>69.646.257</b>	<b>476.250</b>
			<b>0</b>
<b>Total shareholders equity and liabilities</b>	<b>121.084.766</b>	<b>120.721.016</b>	<b>363.750</b>

## Reformed Group P & L Statements of 30.06.2007

	GROUP		
	1/1 - 30/6/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>34.303.119</b>	<b>34.303.119</b>	<b>0</b>
Cost of goods sold	(24.705.379)	(24.569.479)	(135.900)
<b>Gross profit</b>	<b>9.597.740</b>	<b>9.733.640</b>	<b>(135.900)</b>
Other operating income	1.968.170	1.968.170	0
Sales and marketing expenses	(5.008.458)	(5.002.922)	(5.536)
Administrative expenses	(5.450.636)	(5.442.072)	(8.564)
Other operating expenses	(196.679)	(196.679)	0
<b>Operating Income</b>	<b>910.137</b>	<b>1.060.137</b>	<b>(150.000)</b>
Financial income	528.825	528.825	0
Financial expenses	(949.673)	(949.673)	0
Other financial results	55.885	55.885	0
Profit/ (Loss) from participations	(31.391)	(31.391)	0
<b>Profit/ (Loss) before tax</b>	<b>513.783</b>	<b>663.783</b>	<b>(150.000)</b>
Income tax	(1.352.294)	(1.389.794)	37.500
<b>Net loss/ profit from continuing operations</b>	<b>(838.511)</b>	<b>(726.011)</b>	<b>(112.500)</b>
<b>Net loss/ profit from non continuing operations</b>			
<b>Loss after tax</b>	<b>(838.511)</b>	<b>(726.011)</b>	<b>(112.500)</b>
<b>Attributable to:</b>			
Parent company shareholders	(1.339.149)	(1.226.649)	(112.500)
Minority interest	500.637	500.637	0
	<b>(838.511)</b>	<b>(726.011)</b>	<b>(112.500)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations</b> (expressed in € per share)	<b>(1.339.149)</b>	<b>(1.226.649)</b>	<b>(112.500)</b>
<b>Basic earnings per share</b>	<b>-0,0308</b>	<b>-0,0283</b>	
<b>Diluted earnings per share</b>			

## Reformed Group Equity Statements of 30.06.2007

Attributed to the parent company shareholders								
	Share capital	Share premium	Other reserves	Balance Sheet conversion reserves	Retained earnings	Total	Minority interest	Total equity
<b>1-Iav-07</b>	<b>13.025.284</b>	<b>49.397.844</b>	<b>2.261.189</b>	<b>3.348</b>	<b>-13.191.241</b>	<b>51.496.424</b>	<b>594.109</b>	<b>52.090.533</b>
Net profit for the period					-1.226.649	-1.226.649	500.637	-726.012
Profit distribution			30.871		-30.871	0	-247.500	-247.500
Share capital increase expenses		-120.820				-120.820		-120.820
Stock Option reserve					72.490	72.490		72.490
Fx translation differences				6.126		6.126		6.126
Accounts reclassification	-1	-2	2		-57	-58	0	-58
<b>30-IouV-07</b>	<b>13.025.283</b>	<b>49.277.023</b>	<b>2.292.062</b>	<b>9.474</b>	<b>-14.376.328</b>	<b>50.227.513</b>	<b>847.246</b>	<b>51.074.759</b>

## Reformed Group Cash Flow Statements of 30.06.2007

Amounts in euro	GROUP		
	Published	Reformed	Difference
<b>loss/ profit after tax of the period</b>	<b>-838.511</b>	<b>-726.011</b>	<b>(112.500)</b>
<b>Adjustments for:</b>			
Taxes	1.352.294	1.389.794	(37.500)
Tangible fixed assets depreciation	436.209	436.209	0
Intangible assets depreciation	2.500.563	2.350.563	150.000
Impairment	665	665	0
Provisions	282.027	282.027	0
Income from used provisions during previous financial years	-1.014.038	-1.014.038	0
Profit/ loss from sale/ derecognition of tangible fixed assets	-1.466	-1.466	0
Profit/ loss of derivatives goodwill	-26.857	-26.857	0
Loss of fair value of other financial assets at fair value through profit and loss	-5.528	-5.528	0
Profit from sale of available for sale portfolio	-23.500	-23.500	0
Interest income	-528.825	-528.825	0
Interest expense	949.673	949.673	0
Dividend income			
Share of profit/ loss in subsidiaries and associates	31.391	31.391	0
Fx translation profit/ loss	5.188	5.188	0
	<b>3.119.284</b>	<b>3.119.284</b>	<b>0</b>
<b>Working capital changes</b>			
(Increase)/ decrease of reserves	-216.123	-216.123	0
(Increase)/ decrease of assets	-2.449.431	-2.449.431	0
Increase/ (decrease) of liabilities	-6.041.086	-6.041.086	0
	<b>-8.706.640</b>	<b>-8.706.640</b>	<b>0</b>
<b>Net cash flows from operating activities</b>	<b>-5.587.356</b>	<b>-5.587.356</b>	<b>0</b>

## Reformed Company Balance Sheets of 30.06.2007

<i>Amounts in euro</i>	COMPANY		
	Published	Reformed	Difference
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	1,301,294	1,301,294	0
Intangible assets	15,316,145	13,486,145	1,830,000
Goodwill	2,953,438	4,419,688	-1,466,250
Investments in subsidiaries	10,593,229	10,593,229	0
Investments in associates (consolidated with equity method)	249,981	249,981	0
Deferred tax assets	3,430,410	3,430,410	0
Other non current assets	9,714,429	9,714,429	0
<b>Fixed Assets</b>	<b>43.558.926</b>	<b>43.195.176</b>	<b>363.750</b>
<b>Current Assets</b>			
Reserves	657,098	657,098	0
Trade and other receivables	36,283,050	36,283,050	0
Other amounts due	3,566,796	3,566,796	0
Available for sale portfolio	74,921	74,921	0
Financial assets at fair value through profit and loss	0	0	0
Other current assets	5,200,845	5,200,845	0
Cash and cash equivalents	25,191,208	25,191,208	0
	<b>70.973.920</b>	<b>70.973.920</b>	<b>0</b>
<b>Total assets</b>	<b>114.532.845</b>	<b>114.169.095</b>	<b>363.750</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	13,025,283	13,025,283	0
Share premium	49,277,023	49,277,023	0
Other reserves	2,171,678	2,171,678	0
Retained earnings	-12,329,483	-12,216,983	-112,500
Reserves of balance sheet conversion		0	0
<b>Equity attributed to Parent Company shareholders</b>	<b>52.144.500</b>	<b>52.257.000</b>	<b>-112.500</b>
<b>Minority interest</b>			<b>0</b>
<b>Total equity</b>	<b>52.144.500</b>	<b>52.257.000</b>	<b>-112.500</b>
<b>Long term Liabilities</b>			
Long term loans	24,758,510	24,758,510	0
Deferred tax liabilities	5,586,085	5,109,835	476,250
Retirement benefits liabilities	1,674,444	1,674,444	0
<b>Total long term liabilities</b>	<b>32.019.038</b>	<b>31.542.788</b>	<b>476.250</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	12,062,204	12,062,204	0
Short term loans	1,000,000	1,000,000	0
Derivatives	90,073	90,073	0
Other short term liabilities	12,233,552	12,233,552	0
Current tax liabilities	1,848,521	1,848,521	0
Provisions	3,134,957	3,134,957	0
<b>Total short term liabilities</b>	<b>30.369.307</b>	<b>30.369.307</b>	<b>0</b>
<b>Total liabilities</b>	<b>62.388.345</b>	<b>61.912.095</b>	<b>476.250</b>
			<b>0</b>
<b>Total shareholders equity and liabilities</b>	<b>114.532.845</b>	<b>114.169.095</b>	<b>363.750</b>

## Reformed Company P & L Statements of 30.06.2007

	COMPANY		
	1/1 - 30/6/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>24.465.168</b>	<b>24.465.168</b>	<b>0</b>
Cost of goods sold	(17.667.189)	(17.531.289)	(135.900)
<b>Gross profit</b>	<b>6.797.979</b>	<b>6.933.879</b>	<b>(135.900)</b>
Other operating income	1.552.424	1.552.424	0
Sales and marketing expenses	(3.746.742)	(3.741.206)	(5.536)
Administrative expenses	(3.958.585)	(3.950.021)	(8.564)
Other operating expenses	(115.007)	(115.007)	0
<b>Operating Income</b>	<b>530.069</b>	<b>680.069</b>	<b>(150.000)</b>
Financial income	835.415	835.415	0
Financial expenses	(762.226)	(762.226)	0
Other financial results	50.357	50.357	0
Profit/ (Loss) from participations	0	0	0
<b>Profit/ (Loss) before tax</b>	<b>653.615</b>	<b>803.615</b>	<b>(150.000)</b>
Income tax	(544.636)	(582.136)	37.500
<b>Net loss/ profit from continuing operations</b>	<b>108.980</b>	<b>221.480</b>	<b>(112.500)</b>
<b>Net loss/ profit from non continuing operations</b>			
<b>Loss after tax</b>	<b>108.980</b>	<b>221.480</b>	<b>(112.500)</b>
<b>Attributable to:</b>			
Parent company shareholders	108.980	221.480	(112.500)
Minority interest			
	<b>108.980</b>	<b>221.480</b>	<b>(112.500)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations</b> (expressed in € per share)			
	<b>108.980</b>	<b>221.480</b>	<b>(112.500)</b>
<b>Basic earnings per share</b>	<b>0,0025</b>	<b>0,0051</b>	
<b>Diluted earnings per share</b>	<b>0,0025</b>	<b>0,0051</b>	

## Reformed Company Equity Statements of 30.06.2007

Attributed to the parent company shareholders					
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
<b>1-Iav-07</b>	<b>13.025.283</b>	<b>49.397.843</b>	<b>2.171.677</b>	<b>-12.510.894</b>	<b>52.083.909</b>
Share capital increase expenses		-120.820			-120.820
Stock Option reserve				72.490	72.490
Accounts reclassification				-59	-59
Net profit for the period				221.480	221.480
<b>30-Iouv-07</b>	<b>13.025.283</b>	<b>49.277.023</b>	<b>2.171.677</b>	<b>-12.216.984</b>	<b>52.257.000</b>

## Reformed Company Cash Flow Statements of 30.06.2007

Amounts in euro

	COMPANY		
	Published	Reformed	Difference
<b>loss/ profit after tax of the period</b>	<b>108.980</b>	<b>221.480</b>	(112.500)
<b>Adjustments for:</b>			
Taxes	544.636	582.136	(37.500)
Tangible fixed assets depreciation	280.360	280.360	0
Intangible assets depreciation	2.301.006	2.151.006	150.000
Impairment	665	665	0
Provisions	72.490	72.490	0
Income from used provisions during previous financial years	-623.569	-623.569	0
Profit/ loss from sale/ derecognition of tangible fixed assets		0	0
Profit/ loss of derivatives goodwill	-26.857	-26.857	0
Loss of fair value of other financial assets at fair value through profit and loss		0	0
Profit from sale of available for sale portfolio	-23.500	-23.500	0
Interest income	-582.915	-582.915	0
Interest expense	762.226	762.226	0
Dividend income	-252.500	-252.500	0
Share of profit/ loss in subsidiaries and associates			
Fx translation profit/ loss			
	<b>2.561.020</b>	<b>2.561.020</b>	<b>0</b>
<b>Working capital changes</b>			
(Increase)/ decrease of reserves	-90.288	-90.288	0
(Increase)/ decrease of assets	-5.134.320	-5.134.320	0
Increase/ (decrease) of liabilities	-2.458.477	-2.458.477	0
	<b>-7.683.084</b>	<b>-7.683.084</b>	<b>0</b>
<b>Net cash flows from operating activities</b>	<b>-5.122.064</b>	<b>-5.122.064</b>	<b>0</b>

## Reformed Group P & L Statements of 01.04 - 30.06.2007

	GROUP		
	1/4 - 30/6/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>18.512.600</b>	<b>18.512.600</b>	<b>0</b>
Cost of goods sold	(12.916.670)	(12.848.720)	(67.950)
<b>Gross profit</b>	<b>5.595.930</b>	<b>5.663.880</b>	<b>(67.950)</b>
Other operating income	1.294.119	1.294.119	(0)
Sales and marketing expenses	(2.355.370)	(2.352.602)	(2.768)
Administrative expenses	(2.666.134)	(2.661.852)	(4.282)
Other operating expenses	(180.298)	(180.297)	(0)
<b>Operating Income</b>	<b>1.688.248</b>	<b>1.763.248</b>	<b>(75.000)</b>
Financial income	386.875	386.875	0
Financial expenses	(534.936)	(534.936)	0
Other financial results	55.885	55.885	0
Profit/ (Loss) from participations	(19.032)	(19.032)	0
<b>Profit/ (Loss) before tax</b>	<b>1.577.038</b>	<b>1.652.038</b>	<b>(75.000)</b>
Income tax	(995.631)	(1.014.381)	18.750
<b>Net loss/ profit from continuing operations</b>	<b>581.407</b>	<b>637.657</b>	<b>(56.250)</b>
<b>Net loss/ profit from non continuing operations</b>			
<b>Loss after tax</b>	<b>581.407</b>	<b>637.657</b>	<b>(56.250)</b>
<b>Attributable to:</b>			
Parent company shareholders	357.326	413.577	(56.250)
Minority interest	224.081	224.081	0
	<b>581.407</b>	<b>637.657</b>	<b>(56.250)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations (expressed in € per share)</b>	<b>357.326</b>	<b>413.577</b>	<b>(56.250)</b>
<b>Basic earnings per share</b>	<b>0,0082</b>	<b>0,0456</b>	
<b>Diluted earnings per share</b>	<b>0,0082</b>	<b>0,0456</b>	

## Reformed Company P & L Statements of 01.04 - 30.06.2007

	COMPANY		
	1/4 - 30/6/2007		
	Published	Reformed	Difference
<i>Amounts in euro</i>			
<b>Sales</b>	<b>13.126.548</b>	<b>13.126.548</b>	<b>0</b>
Cost of goods sold	(9.078.427)	(9.010.477)	(67.950)
<b>Gross profit</b>	<b>4.048.121</b>	<b>4.116.071</b>	<b>(67.950)</b>
Other operating income	966.655	966.654	0
Sales and marketing expenses	(1.694.328)	(1.691.560)	(2.768)
Administrative expenses	(1.999.842)	(1.995.560)	(4.282)
Other operating expenses	(103.201)	(103.201)	0
<b>Operating Income</b>	<b>1.217.404</b>	<b>1.292.404</b>	<b>(75.000)</b>
Financial income	724.133	724.133	0
Financial expenses	(408.874)	(408.874)	0
Other financial results	50.357	50.357	0
Profit/ (Loss) from participations	0	0	0
<b>Profit/ (Loss) before tax</b>	<b>1.583.020</b>	<b>1.658.019</b>	<b>(75.000)</b>
Income tax	(530.871)	(549.621)	18.750
<b>Net loss/ profit from continuing operations</b>	<b>1.052.149</b>	<b>1.108.399</b>	<b>(56.250)</b>
<b>Net loss/ profit from non continuing operations</b>			
<b>Loss after tax</b>	<b>1.052.149</b>	<b>1.108.399</b>	<b>(56.250)</b>
<b>Attributable to:</b>			
Parent company shareholders	1.052.149	1.108.399	(56.250)
Minority interest			
	<b>1.052.149</b>	<b>1.108.399</b>	<b>(56.250)</b>
<b>Loss per share apportioned to parent company shareholders for the period in question from continuing operations</b> (expressed in € per share)	<b>1.052.149</b>	<b>1.108.399</b>	<b>(56.250)</b>
<b>Basic earnings per share</b>	<b>0,0242</b>	<b>0,0450</b>	
<b>Diluted earnings per share</b>	<b>0,0240</b>	<b>0,0253</b>	