Financial Report for the Six Month Period

From 1st January 2014 to 30th June 2014

«SPACE HELLAS S.A. »
Company's No: 13966/06/B/95
Mesogion Av. 312 Ag. Paraskevi

The Financial Report for the Six Month Period from 1st January to 30th June 2014 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 27th August 2014 and has been uploaded at the URL address *www.space.gr.*

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1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 5 par.2 of Law 3556/2007)

The Members of the Board of Directors of SPACE HELLAS SA

- Spyridon D. Manolopoulos, President of the Board and executive member ,
- Paraskevas D. Drosinos Chief Executive Officer and executive member,
- Ioannis A. Doulaveris Chief Financial Offiver and executive member,

acting by virtue of the aforementioned membership and especially designated, we declare and certify that, as far as we know:

1. The financial report for the six month period ended at 30th June 2014, has been prepared according to International Financial Reporting Standards, and present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 of article 5 of L. 3556/2007

2. The enclosed report of the Board of Directors presents in a true manner the progress and the financial position and performance both for the company and the group as well as the disclosure of the risks and uncertainties.

Agia Paraskevi, 27 August 2014

The President of the Board	Chief Executive Officer	Member and Chief Financial Officer
S. Manolopouos ID AH 641298	P.Drosinos ID AB 275447	I. Doulaveris ID. AH 073261

2 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2014 – 30.06.2014

To the Shareholders

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial period from January 1, 2014 to June 30, 2014 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920, art 136, as well as art. 5 § 6 L.3556/2007 and related HCMC circulars.

The sections of this Report comprise information given in a true and substantial manner and in accordance with the aforementioned legal framework, aiming to provide substantial and detailed information regarding the activities of the company and the Group for the related period.

The sections of the report aim to provide information regarding:
- The financial position of the Group and the Company, and additional related information for the period.
- The important issues that took place during the first half of year and their impact on the financial statements.
- The risk and uncertainties of the Group and the Company for the second half of the year
- The transactions with related parties during the period

The present report refers to the consolidated financial statements and whenever deemed necessary refers also to the company financial data.

The Interim Financial Report is available in the URL address, http:/www.space.gr, together with the financial statements and the auditor's report.

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL FIGURES

Despite the notable delay in the recovery of the ICT investments, Space Hellas SA, reaffirmed its strategic aiming for growth and performance, through the development of new products, accompanied with commercial extroversion to economic sectors in which the company possesses competitive advantage, as well as through the undertaking of significant projects together with the received international awards such as Enterprise Partner of the Year" and "Architectural Excellence Borderless Networks Partner of the Year", for the regions of Greece, Cyprus and Malta.

The Group's presence in Cyprus, Romania, Serbia and Malta, is beginning to show positive results, such as the winning of the international bid of Cyprus' Department of Meteorology amounting to € 4,52 million, concerning the 13-year project for the provision of meteorological radar services, as well as the e-Ticket system for the Gymnastic Association of Nicosia, amounting to € 700 thousand.

The Group will continue to pursue expansion abroad by making use of the long experience of the company in projects System Integration, its momentous technological expertise and its highly trained staff, enabling the design, implementation, maintenance and support of complex, technologically advanced projects within the international market.

The company's activities were fully compliant with the legal framework as well as with the statutory goals.

2.1.1.1 Period's total income

TOTAL INCOME STATEMENT						
	GROUP			COMPANY		
Amounts in € thousand	01.01-30.06.2014	01.01-30.06.2014	VARIATION %	01.01-30.06.2014	01.01-30.06.2014	VARIATION %
Revenue	18.869	21.299	-11,41%	17.805	20.472	-13,03%
Gross profit/loss	6.250	6.816	-8,30%	6.009	6.514	-7,75%
Gross profit margin	33%	32%		34%	32%	
EBITDA	1.920	1.952	-1,64%	2.203	1.834	20,12%
EBIT	1.441	1.460	-1,30%	1.726	1.374	25,62%
Earnings before taxes	203	236	-13,98%	1.407	464	203,23%
Earnings after taxes	6	45	-86,67%	1.251	204	513,24%
Other comprehensive income after taxes	-30	1	-	-28	0	-

The Group's turnover amounted to € 18.869 thousand compared to € 21.299 thousand of the previews period. The decrease in turnover is considered to be provisional attributable to the existence of outstanding contracts that will be gradually executed in the second semester.

The Group's Gross profit amounted to € 6.250 thousand compared to € 6.816 thousand of the previews period showing small decrease of 8,30%.

The Group's EBITDA amounted to € 1.920 thousand compared to € 1.952 thousand of the previews period showing small decrease. The EBITDA increase registered in the parent company has been offset at the Group level, with the loss from the sale of property, recorded in the subsidiary in Romania, amounted to € 404 thousand.

The Group's EBIT amounted to € 1.441 thousand compared to € 1.460 thousand of the previews period, showing a decrease of 1,30%.

The Group's earnings before taxes amounted to € 203 thousand compared to € 236 thousand of the previews period. The period's results is not showing, due to consolidation clearance, the dividend, amounted to € 899 thousand, received from the subsidiary in Cyprus, while comprises the loss from the sale of property, recorded in the subsidiary in Romania, amounted to € 404 thousand.

The Group's earnings after taxes amounted to € 6 thousand compared to € 45 thousand of the previews period.

The other comprehensive income after taxes amounted to € -2 thousand compared to € 1 thousand of the previews period concern the result from currency exchange differences from the consolidation of subsidiaries as well as actuarial looses of € -28 thousand.

2.1.1.2 Assets

BALANCE SHEET (Assets)						
	GROUP			COMPANY		
Amounts in € thousand	01.01-30.06.2014	01.01-31.12.2013	VARIATION %	01.01-30.06.2014	01.01-31.12.2013	VARIATION %
Total Assets	44.438	44.869	-0,96%	43.771	42.664	2,59%
Total noncurrent receivables	20.576	21.688	-5,13%	20.693	20.798	-0,50%
Inventories	3.220	2.916	10,43%	3.220	2.916	10,43%
Trade receivables	14.246	15.325	-7,04%	13.448	14.541	-7,52%
Other receivables	6.396	4.940	29,47%	6.410	4.409	45,38%

The Group's Total Assets amounts to € 44.438 thousand compare to € 44.869 thousand of the previews period.

The Group's noncurrent receivables' net value amounts to € 20.576 thousand compared to € 21.688 thousand of the previews period. The net value comprises the sale of property of the subsidiary "SPACE ROMANIA SYSTEMS INTEGRATOR SRL", amounted to € 1.000 thousand at the price of € 596 thousand.

There are no real liens on non-current assets or property except the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, € 4.000 thousand on the property situated at 302 Mesogeion Ave., € 7,540 on the property situated at Mesogeion Ave 312, Ag. Paraskevi, and € 1.100 thousand on the property situated at Giannitson St., Thessaloniki.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 3.220 thousand compared to € 2.916 thousand of the previews period.

The Group's Trade receivables amount to € 14.246 thousand compared to € 15.325 thousand of the previews period.

The Group's other receivables amount to € 6.396 thousand compared to € 4.940 thousand of the previews period.

2.1.1.3 Liabilites

BALANCE SHEET (Liabilities)						
	GROUP			COMPANY		
Amount in € thousand	01.01-30.06.2014	01.01-31.12.2013	VARIATION %	01.01-30.06.2014	01.01-31.12.2013	VARIATION %
Total Liabilities	44.438	44.869	-0,96%	43.771	42.664	2,59%
Shareholders' Equity	12.919	12.942	-0,18%	12.436	11.213	10,91%
Long term loans	8.376	8.740	-4,16%	8.376	8.393	-0,20%
Other long term liabilities	1.491	1.418	5,15%	1.852	1.774	4,40%
Short term loans	11.523	11.316	1,83%	11.523	11.251	2,42%
Other short term liabilities	10.129	10.453	-3,10%	9.584	10.033	-4,48%

The Shareholders' equity amounts to € 12.919 thousand compare to € 12.942 thousand of year 2013.

The long term loans amount to € 8.376 thousand compare to € 8.740 thousand of year 2013 and concern
- the long term loan ending at 2017 amounting to € 375 thousand after interest and principal payments
- the long term loan ending at 2019 amounting to € 788 thousand after interest and principal payments
- the long term loan ending at 2017 amounting to € 500 thousand after interest and principal payments
- the long term loan ending at 2016 amounting to € 432 thousand after interest and principal payments
- the long term loan ending at 2026 amounting to € 5.074 thousand after interest and principal payments
- the long term loan ending at 2017, amounting to € 400 thousand after interest and principal payments
- the long term loan ending at 2017, amounting to € 807 thousand after interest and principal payments

The fair value of the short and the long term loans approximates their book value. The company and the Group apply in their banking transactions floating rates, subject to revaluation every six months, that reach on average a 7,45%.

The Group's other long term liabilities amount to € 1.491 thousand compared to € 1.418 thousand of year 2013.

The Group's short term loans amount to € 11.523 thousand compared to € 11.316 thousand of year 2013 showing a small increase.

The Group's other short term liabilities amount to € 10.129 thousand compared to € 10.453 thousand of year 2013. Both the Group and the company monitor its Liabilities to ensure consistency in payments and preserve its good reputation.

2.1.1.4 Cash Flow

CASH FLOW STATEMENT				
	GROUP		COMPANY	
Amounts in € thousand	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Total cash inflow/(outflow) from operating activities	126	1.518	-332	1.321
Total cash inflow/(outflow) from investing activities	241	-565	263	-573
Total cash inflow/(outflow) from financing activities	-155	-3.159	256	-3.005

The cash flow from operating activities is positive, amounting to € 126 thousand.

The cash flow from investing activities, is positive, amounting to € 241 thousand.

The cash flow from financing activities, is negative, amounting to € -155 thousand.

2.1.1.5 Performance ratios

	RATIOS	GROUP 30/06		COMPANY 30/06	
		2014	2013	2014	2013
A.	LIQUIDITY RATIOS				
A1.	CURRENT RATIO	110,21%	107,34%	109,33%	112,81%
A2.	QUICK RATIO	95,34%	95,92%	94,08%	100,91%
A3.	ACID TEST RATIO	4,68%	8,33%	3,41%	7,11%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,09	0,07	0,09	0,11
B.	CAPITAL STRUCTURE RATIOS				
B1.	DEPT TO EQUITY	243,98%	250,26%	251,97%	205,88%
B2.	CURRENT LIABILITIES TO NET WORTH	167,60%	170,49%	169,73%	178,42%
B3.	FIXED ASSETS TO NET WORTH	40,99%	39,96%	39,69%	48,57%
C.	PROFITABILITY RATIOS				
C1.	GROSS PROFIT MARGIN	33,12%	32%	33,75%	31,82%
C2.	NET PROFIT MARGIN	1,07%	1,11%	7,90%	2,27%
D.	OPERATING EXPENSES RATIOS				
D1.	OPERATING RATIO	93,76%	96,05%	91,78%	95,99%
D2.	LOANS TO TOTAL ASSETS	44,78%	43,14%	45,93%	34,99%

2.1.1.6 Share Capital

The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000 in the sector "Telecommunications equipment" under the "Medium and Small Capitalization" category.

Number of shares and nominal value	30.06.2014
Number of ordinary shares	6.456.530
Nominal value each share	1,60 €

2.1.1.7 Own shares

At 30.06.2014, the company does not possess own shares.

2.1.1.8 Dividend policy

Unless the Shareholders' Ordinary General Meeting decides otherwise, according to the current legislation, the company is legally obliged to distribute to its shareholders, at least the 35% of the earnings that are distributable according to IFRS, after the calculation of taxes and legal reserve.

2.1.1.9 Participating interests and investments

Corporate name	Acquisition cost		Ownership percentage		Consolidation method	Country
Amounts in € thousand	30.06.2014	31.12.2013				
Subsidiaries			Direct	Indirect		
SPACE HELLAS (CYPRUS) LTD	34	34	100%		Full Consolidation	Cyprus
METROLOGY HELLAS S.A.	471	471	86,74%		Full Consolidation	Greece
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	1.094	1.045		99,45%	Full Consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad	10	10		100%	Full Consolidation	Serbia
SPACE HELLAS (MALTA) LTD	5	5		99,98%	Full Consolidation	Malta
Total Subsidiaries	**1.614**	**1.565**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	13	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**405**	**405**				
Other investments						
MOBICS L.T.D.	150	150	19,32%	-	-	Greece
Total Other investments	**150**	**150**				
Total Shareholding	**2.169**	**2.120**				

2.1.1.10 Commitments -Guarantees

The contingent liabilities for letters of guarantee granted both for the Company and the Group are the Following:

Contingent Liabilities	Group		Company	
Amounts in € thousand	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Guarantee letters to secure good performance of contract terms *	3.815	3.771	3.815	3.771
Total contingent liabilities	**3.815**	**3.771**	**3.815**	**3.771**

** The guarantee letters to secure good performance issued to joint ventures amounted to € 462 thousand at 30.06.2014 and € 386 thousand 31.12.2013.*

2.1.1.11 Excess clause provisions and Disputed claims

There are no cases are that might have significant impact on the financial position both of the Group and the Company.

2.1.1.12 Other contigent liabilities

For the event of tax audit of previews fiscal years, a provision amounting to € 122 thousand has been formed, taking into account that for the parent company, the fiscal years 2009 and 2010 are unaudited from the tax authorities. From the fiscal year 2011 and onwards, the parent company is obliged to obtain an "Annual Certificate", according to the provisions of article 82, § 5, of N.2238/1994 and related legislation (POL 1159/2011), in order to obtain the tax compliance report issued by its statutory auditors. The same procedure is applicable to the Greek subsidiaries. The remaining domestic Group companies (Note 4.7.27) are in the process of settlement of tax pending affairs, year 2009 included, according to Law 3888/2010.
In addition to those mentioned above there are no other significant contingent liabilities.

2.2 SIGNIFICANT FACTS DURING THE FIRST HALF OF YEAR 2014 AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

Significant facts that took place during the period from 1st January to 30th June 2014 are the following:

- **Shareholders' Ordinary General Meeting at 24-06-2014.**

1. Submission and approval of the annual financial report, the annual financial statements and condensed financial information (balance sheet, income statement items, Statement of Changes in Equity Manual, Statement of Cash Flow Statement, additional data and information) of the company and the Group for the year from 1/1/2013 - 31/12/2013, the management report and the additional report of the Management Board on the financial statements and as well as the auditors' report.

2. Approval of the distribution of results.

3. Discharge of the Board and Auditors from any liability for the year ended as at 31/12/2013.

4. Approval of the remuneration and allowances of Members of the Board of Directors for the period from 1/1/2013 to 31/12/2013 and preapproval of remuneration and allowances for the period from 1/1/2014 to 31/12/2014.

5. Election of one (1) member and one (1) deputy auditor for the audit of the financial statements of the Company and the Group for the year 1/1/2014-31/12/2014.

6. Approval of all contracts of the company's for the period of 1/1/2013 - 31/12/2013.

7. Approval of acquisition of own shares in accordance with Article 16 of Codified Law 2190/1920 and authorisation to the Board of Directors.

8 Approval of the funding scheme, submitted by the company to "Information Society SA" within the action "Support for business investment projects development - providing innovative products and value added services ICT4GROWTH» in relation to the required own funded participation of the company.

9. Announcement of the election of the new Executive Board member of the company to replace a member in accordance with the provisions of article 18 of Codified Law 2190/1920.

10. Various announcements.

2.3 RISK MANAGEMENT AND HEADGING POLICY

The Group and the Company in the day to day business, is exposed to a series of financial and business risks and uncertainties associated with both the general economic situation as well as the specific circumstances typical of the industry.

The Group's expertise, its highly trained and skilled staff and its state of the arte equipment, together with the development of new products will allow the Group to maintain its competitive advantage and to penetrate in new markets as well.

Furthermore, continuously adaptive to the new business environment, our structures together with the significant amount of ongoing projects allows to believe that the Group will meet the critical needs of the coming year and will help minimize uncertainties.

The Group is exposed to the following:

- **Financial Risk Factors**

The Group is exposed to various financial risks, including unpredictable fluctuations in exchange rates and interest rates, market risks, credit risks and liquidity risks. The overall risk management program of the Group seeks to minimize the possible adverse effects of these fluctuations on the financial performance of the Group.

Risk management policy is applied by the Group's management, through the assessment of the risks associated with the Group's activities and functions and carry out the design of the methodology by selecting the appropriate financial products in order to achieve risk reduction.

The financial instruments used by the Group consist mainly of bank deposits, transactions in foreign currency at current prices or short term currency futures, bank overdrafts, accounts receivable and payable.

- **Foreign Exchange Risk**

The Group's exposure to foreign exchange risk arises from actual or anticipated cash flows in foreign currency (imports - exports). The Group's management constantly monitors the fluctuations and the tendency of foreign currencies and evaluates each case individually, taking appropriate action where necessary, through agreements against interest rate risks. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities disclosed in a currency different from the entity's functional currency. For the foreign exchange risk which arises from future commercial transactions and recognized assets and liabilities, the company uses currency futures as required.

The main transaction currencies are Euro and USD.

In table below there is sensitivity analysis of the earnings before taxes due to currency exchange rate changes.

sensitivity analysis due to currency exchange rate changes	Currency	Exchange rate variation	Effect on profit before tax
Amounts of a' 2014 in € thousand	USD	3%	-150
		-3%	150
Amounts of a' 2013 in € thousand	USD	2,5%	-160
		-2,5%	160

- **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed in risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. The level of the inventories in relation to the Group's turnover is significantly low. Our aim is to minimize the warehouse retention time in order to minimize the risk of impairment of inventories. Price risk regarding the new Group's portfolio is limited, concerning only a small part of its assets.

- **Interest Rate Risk**

The fluctuations in the interest rate markets have a moderate impact on the Group's income and the Group's operating cash flows

It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Thus, the amount of short term borrowings is variable. All short term borrowings are based on floating rates. Consequently, the impact of the interest rate (EURIBOR) fluctuations is directly related to the amount of loans.

For medium and long-term loans both the amounts of loans as well as the interest rates are decreasing. Thus the interest rate risk exposure is relatively low.

Nevertheless, in case the capital markets will continue to be instable with liquidity restrictions, the result will be an increased risk to incur higher interest rates and financing expenses or even to have limited funding sources, with negative consequences in the Groups' adaptation ability to the changing economic environment as well as the ability to finance its activities and to provide a sufficient growth rate and performance for its shareholders.

The careful monitoring and the interest risk management decrease the risk of significant impact on profits due to short term fluctuations.

Sensitivity analysis of Group's borrowings due to interest rate changes:

Sensitivity analysis of Group's borrowings due to interest rate changes	Currency	Interest rate variation	Effect on profit before tax
Amounts of a' 2014 in € thousand	EURO	1%	-150
		-1%	150
Amounts of a' 2013 in € thousand	EURO	1,5%	-200
		-1,5%	200

- ### Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks, derivatives, as well as credit exposure to customers. Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors. The Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis. Each client's credit exposure is monitored by an independent entity, taking into account the client's financial position, the amount of previews transactions and other factors and tests the credit limits granted to the client. The credit limits granted are fixed taking into account internal and external evaluations and are always within the limits approved by the Board of directors. Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate.
With particular regard to credit risk related to public sector's receivables, this risk is significantly decreased as most if these receivables have been collected. Furthermore, several legislation changes currently made, allow the offsetting of liabilities towards PS with overdue PS receivables. The post-dated collection of receivables is an important issue but is not related to our customers Credit ability.
To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

- ### Liquidity Risk

The Group's liquidity is obtained through the use of available of funding and the raise up of the credit limits received whenever needed in order to finance particular projects (project basis funding). The Group maintains excellent relationships with the Banking institutions and thus ensures adequate funding for the execution of the Group's business plans.
The Group's strategic planning determines the form of funding (short term and long term) as well as the financial tools to be used. Borrowings include the floating and fixed rate outstanding principal at year end plus accrued interest up to maturity.
The table below summarizes the maturity profile of financial liabilities as at 30 June 2014 and 31 December 2013.

Group								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	30-6-2014	31-12-2013	30-6-2014	31-12-2013	30-6-2014	31-12-2013	30-6-2014	31-12-2013
Borrowings	**19.899**	**20.056**	11.523	11.316	3.302	4.582	5.074	4.158
Trade and other payables	**10.142**	**10.461**	10.129	10.453	-	-	13	8

Company								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	30-6-2014	31-12-2013	30-6-2014	31-12-2013	30-6-2014	31-12-2013	30-6-2014	31-12-2013
Borrowings	**19.899**	**19.644**	11.523	11.251	3.302	4.300	5.074	4.093
Trade and other payables	**9.800**	**10.240**	9.584	10.033	203	199	13	8

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations.

The group's policy is to maintain leverage goals in line with a high solvency profile.

Gearing ratio	Group		Company	
Amounts in € thousand	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Short term Borrowings	11.523	11.316	11.523	11.251
Long term Borrowings	8.376	8.740	8.376	8.393
Less: cash and cash equivalents	-1.014	-802	-720	-533
Net Debt	**18.885**	**19.254**	**19.179**	**19.111**
Equity *	12.919	12.942	12.436	11.213
Total capital employed	**31.804**	**32.196**	**31.615**	**30.324**
Gearing ratio	**59,38%**	**59,80%**	**60,66%**	**63,02%**

Both the net debt as well as the Equity has been preserved at the same level of year 2013, therefore the gearing ratio remained unaltered.

2.4 OTHER INFORMATION

2.4.1 CORPORATE GOVERNANCE

Space Hellas attributes a great importance in the assurance of transparency of processes with regard to its actions and transactions, aiming at the reinforcement of credibility towards the investors. The application of Governance (CG) principles is among the company's policies. This policy in compliance to the current legislation and to the international practice as well, adopted by the Board of Directors, is of pillar importance in order to achieve the corporate goal, thus maximizing the value of company's shares. The Company's Corporate Governance Code is uploaded and available at http://www.space.gr.

2.4.2 CERTIFICATIONS

The long presence in the ICT, software and security sector along with the strategic partnerships of SPACE HELLAS with the major worldwide manufactures, provide the company the ability to design and implement wide scale projects. The company preserves its leadership in the market by investing continuously in human resource and infrastructures. Within this context, the company has obtained significant awards and accreditations from internationally recognized organisations

Aiming to customer satisfaction, Space Hellas has a consistent policy towards quality targeting mainly to:

- Assure the delivery of high quality products and services fulfilling the technical requirements and in alignment with the market needs.
- The continuous improvement of our products and services in all their aspects as well as the improvement of all the company's business processes.

The Company's Quality Management System, established since 1996, and contributes significantly in the accomplishment of the above mentioned aims, through the use of design and monitoring methods for quality performance and standards in all the business processes.

The company has obtained the ISO certification for a Quality Management Systems as following:

- Quality Assurance EN ISO 9002:1994 1996 - 1999
- Quality Assurance EN ISO 9001:1994 1999 - 2003
- Quality Assurance EN ISO 9001:2000 2004 - 2009
- Quality Assurance EN ISO 9001:2008 2010 - 2013
- Quality Assurance EN ISO 9001:2008 2013 - 2016

Furthermore, in February 2009, the company received the certification ISO/IEC 27001:2005 "Information Security Management Systems (ISMS)" at corporate level, for all of its commercial activities.
This accomplishment is a special distinction enhancing the company's competitive advantage. The Company's Department of Information Security, offers a wide variety of products and services, in accordance with the EU

directives, in the field of Certification and Compliance, part of which are the ISO/IEC 27001:2005, ADAE, BS 25999 Business Continuity Management, PCI DSS Standard, Bank of Greece requirements, SOX.

2.4.3 CORPORATE SOCIAL RESPONSIBILITY

The Group is operating in a continuously changing globalised environment, facing the day to day challenges as part of the social and economic process. With regards to the Corporate Social Responsibility (CSR) principles, the Group has assumed free willing commitments beyond the accomplished, common legal and contractual demands. The active care for the people at business and social level is in close relation with the Group's culture. Pillar of the Group's development is its human resource, recognizing that its reputation and the all the successfully completed works are achievements of its staff.

The Management's primary concern is the good working relationships the excellent working environment and the efficient corporate structure. The state of the art equipment allows our employees exploited all of their talents and skills contributing to the Group's success.
The Group's priorities are the continuous improvement of the working conditions, the safety and the training of its employees, contributing in this manner to society. The Group responds to the society needs with donations to Public Benefit foundations.
Finally, the Group, environmentally aware, takes part on the recycling scheme of Collective System of Alternative Management of Waste Materials of Electrical and Electronic Equipment. Furthermore, our providers of electronic equipment certified RoHS (Registration of Hazardous Substances); therefore the packing material is free of Hazardous Substances and heavy metals.

2.5 BUSINESS PROSPECTICES FOR THE SECOND HALF OF YEAR 2014

The Group, waiting for the economic recovery at a national and international level, continues to operate with maximizing its comparative market advantages though keeping the risk at a manageable level

The decrease in turnover is considered to be provisional as the attributable to the existence of outstanding contracts that will be gradually executed in the second semester. The strategic choice of the thorough examination and involvement only in value added projects will allow to preserve sufficient level of EBITDA and to obtain the necessary cash liquidity without further exposure to banking credit facilities and thus without increasing the financial cost.

This context will offer a bridge for a smooth transition to the next year, as the ongoing projects go beyond the end of the year.

2.6 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The sales to and purchases from related parties are made at normal market prices. There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.

The tables below summarize the transactions and the account balances with related parties carried out during periods a' 2014 and a' 2013 respectively.

Amounts in € thousand	**Revenue**		**Expenses**		**Receivables**		**Liabilities**	
	30/6		**30/6**		**30/6**		**30/6**	
Company	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
SPACE HELLAS (CYPRUS) LTD*	899	86	-	-	191	86	10	10
METROLOGY HELLAS S.A.	6	8	-	-	105	6	-	-
Subsidiaries	**905**	**94**	**-**	**-**	**296**	**92**	**10**	**10**
JOINT-VENTURE "EMY" MODERNIZATION	1	-	2	3	201	190	184	261
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2	124	2	-	218	184	13	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	-	1	-	9	-	1.475	1.472
Joint Ventures	**4**	**124**	**5**	**3**	**428**	**374**	**1.672**	**1.747**
MOBICS L.T.D.	2	-	-	-	-	-	-	-
SPACE CONSULTING S.A.	2	-	-	-	838	926	-	-
Associates	**4**	**-**	**-**	**-**	**838**	**926**	**-**	**-**
Total Company	**913**	**218**	**5**	**3**	**1.562**	**1.392**	**1.682**	**1.757**

**Group of Companies*

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/6		30/6		30/6		30/6	
Group	2014	2013	2014	2013	2014	2013	2014	2013
JOINT-VENTURE "EMY" MODERNIZATION	1	-	2	3	201	190	184	261
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2	124	2	-	218	184	13	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	-	1	-	9	-	1.475	1.472
Joint Ventures	**4**	**124**	**5**	**3**	**428**	**374**	**1.672**	**1.747**
MOBICS L.T.D.	2	-	-	-	-	-	-	-
SPACE CONSULTING S.A.	2	-	-	-	838	926	-	-
Associates	**4**	**-**	**-**	**-**	**838**	**926**	**-**	**-**
Total Group	**8**	**124**	**5**	**3**	**1.266**	**1.300**	**1.672**	**1.747**

From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.
Both the services from and towards the related parties as well as the sales and purchase of goods are concluded with the same trade terms and conditions as for the non related parties.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Salaries and other employee benefits	**735**	**703**	**735**	**703**
Receivables from executives and members of the Board	**2**	**1**	**2**	**1**
Payables to executives and member of the Board	**-**	**-**	**-**	**-**

The amounts "Payables to executives and member of the Board" concerns remunerations owed to the Board of directors.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Guarantees to third parties on behalf of subsidiaries and joint ventures	**1.934**	**1.858**	**1.934**	**1.858**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**1.934**	**1.858**	**1.934**	**1.858**

2.7 SIGNIFICANT POST-BALANCE SHEET EVENTS

There are no post balance sheet events, concerning the company or the Group, that according to IFRS need to be mentioned.

All the information above presented, related to the Company and the Group's financial position can be found in the interim financial statements of 30th June 2014.

Agia Paraskevi, 27 August 2014

The Board of Directors

3 AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

PKF Euroauditing S.A.
Certified Public Accountants

PKF
Audit Tax &
Business advisory

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of SPACE HELLAS S.A.

Introduction
We have reviewed the accompanying condensed separate and consolidated statement of financial position of "SPACE HELLAS S.A." as at 30 June 2014 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes comprising the interim condensed financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements
Our review did not identify any inconsistency or non-correspondence of the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007, with the accompanying financial information.

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PKF Euroauditing S.A.
Certified Public Accountants

Audit Tax &
Business advisory

PKF EUROAUDITING S.A.	Athens, 28 August 2014
Certified Public Accountants	Certified Public Accountant
PANNELL KERR FORSTER	
124 Kifissias Avenue, 115 26 Athens	DIMOS N. PITELIS
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4 FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2014 TO 30th JUNE 2014

4.1 STATEMENT OF TOTAL INCOME

Amounts in € thousand	Note	GROUP				COMPANY			
		01.01-30.06.2014	01.01-30.06.2013	01.04-30.06.2014	01.04-30.06.2013	01.01-30.06.2014	01.01-30.06.2013	01.04-30.06.2014	01.04-30.06.2013
Revenue	4.7.1	18.869	21.299	9.800	11.074	17.805	20.472	9.244	10.486
Cost of sales		-12.619	-14.483	-6.234	-7.728	-11.796	-13.958	-5.819	-7.358
Gross profit/loss		**6.250**	**6.816**	**3.566**	**3.346**	**6.009**	**6.514**	**3.425**	**3.128**
Other income	4.7.2	263	619	89	261	262	552	90	219
Administrative expenses	4.7.3	-2.462	-2.349	-1.378	-1.311	-2.388	-2.198	-1.334	-1.237
Research and development cost	4.7.3	-152	-243	-76	-145	-152	-243	-76	-145
Selling and marketing expenses	4.7.3	-1.878	-2.290	-1.019	-1.319	-1.842	-2.192	-995	-1.268
Other expenses	4.7.4	-580	-1.093	-451	-399	-163	-1.059	-36	-369
Earnings before taxes, investing and financial results		**1.441**	**1.460**	**731**	**433**	**1.726**	**1.374**	**1.074**	**328**
Interest & other similar income		23	92	22	72	22	91	22	71
Interest and other financial expenses		-1.256	-1.213	-707	-599	-1.235	-898	-696	-422
Profit/(loss) from revaluation of investments in subsidiaries - associated companies	4.7.5	-5	-103	-3	-101	894	-103	896	-101
Profit/(loss) before taxes		**203**	**236**	**43**	**-195**	**1.407**	**464**	**1.296**	**-124**
Taxes	4.7.6	-197	-191	-158	88	-156	-260	-116	22
Profit after taxes (A)		**6**	**45**	**-115**	**-107**	**1.251**	**204**	**1.180**	**-102**
- Company Shareholders		16	50	-109	-107	1.251	204	1.180	-102
- Minority Interests in subsidiaries		-10	-5	-6	0	-	-	-	-
Other comprehensive income after taxes									
Items that might be recycled subsequently									
Currency exchange differences from consolidation of subsidiaries		-2	1	0	0	0	0	0	0
Total Items that might be recycled subsequently		-2	1	0	0	0	0	0	0
Items that will not be recycled subsequently									
Actuarial losses due to accounting policy change (IAS19)		-38		-38		-38	0	-38	
Actuarial loss taxes		10		10		10	0	10	
Revaluation of assets		-28	0	-28	0	-28	0	-28	0
Other comprehensive income tax		-30	1	-28	0	-28	0	-28	0
Total Items that will not be recycled subsequently		-2	1	0	0	0	0	0	0
Other comprehensive income after taxes (B)		-2	1	0	0	0	0	0	0
Total comprehensive income after taxes (A) + (B)		-24	46	-143	-107	1.223	204	1.152	-102
- Company Shareholders		-14	51	-137	-107	1.223	204	1.152	-102
- Minority Interests in subsidiaries		-10	-5	-6	0	-	-	-	-
Earnings per share - basic (in €)		0,0025	0.0077	-0.0169	-0.0166	0,1938	0.0316	0,1828	-0.0158
		SUMMARY OF INCOME STATEMENT							
Profit before interest, taxes, depreciation and amortization (EBITDA)		**1.920**	**1.952**	**971**	**680**	**2.203**	**1.834**	**1.313**	**559**
Less depreciation		**479**	**492**	**240**	**247**	**477**	**460**	**239**	**231**
Profit before interest and taxes, (EBIT)		**1.441**	**1.460**	**731**	**433**	**1.726**	**1.374**	**1.074**	**328**
Profit before taxes		**203**	**236**	**43**	**-195**	**1.407**	**464**	**1.296**	**-124**
Profit after taxes		**6**	**45**	**-115**	**-107**	**1.251**	**204**	**1.180**	**-102**
Other comprehensive income after taxes		**-30**	**1**	**-28**	**0**	**-28**	**0**	**-28**	**0**
Total comprehensive income after taxes		**-24**	**46**	**-143**	**-107**	**1.223**	**204**	**1.152**	**-102**

NOTE: *At 31 October 2013, following the Decision K2-6588 of the Ministry of Development, the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. The above operation had no impact on the Group's figures. Furthermore, Furthermore, SPACE ROMANIA REAL ESTATE A SRL subsidiary of SPACE TECHNICAL CONSTRUCTION BUILDING S.A was liquidated and cancelled from the Romanian Company Register (27th November 2013). This event has impacted the Group's figures for less than 25%. Taking into account the abovementioned, the company and the Group's figures are not fully comparable to those of the previews period.*

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	Note	GROUP		COMPANY	
		30.06.2014	31.12.2013	30.06.2014	31.12.2013
ASSETS					
Non-current assets					
Property, plant & equipment	4.7.7	16.356	16.429	16.302	16.373
Investment properties	4.7.9	505	1.505	0	0
Goodwill	4.7.10	1.288	1.288	1.255	1.255
Intangible assets	4.7.8	2.029	2.058	2.029	2.058
Investments in subsidiaries	4.7.12	0	0	505	505
Investments in associates	4.7.12	353	358	557	557
Other noncurrent receivables		45	50	45	50
Total Non-current assets		**20.576**	**21.688**	**20.693**	**20.798**
Current assets					
Inventories	4.7.13	3.220	2.916	3.220	2.916
Trade debtors	4.7.14	14.246	15.325	13.448	14.541
Other debtors	4.7.15	4.302	3.523	4.675	3.367
Financial assets		13	13	13	13
Advanced payments	4.7.16	1.067	602	1.002	496
Cash and cash equivalents	4.7.17	1.014	802	720	533
Total Current assets		**23.862**	**23.181**	**23.078**	**21.866**
TOTAL ASSETS		**44.438**	**44.869**	**43.771**	**42.664**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.7.18	10.330	10.330	10.330	10.330
Share premium	4.7.18	53	53	53	53
Fair value reserves		3.840	3.840	3.840	3.840
Other Reserves		1.083	1.085	2.011	1.112
Retained earnings		-2.346	-2.334	-3.798	-4.122
Equity attributable to equity holders of the parent		**12.960**	**12.974**	**12.436**	**11.213**
Minority interests		**-41**	**-32**	**-**	**-**
Total equity		**12.919**	**12.942**	**12.436**	**11.213**
Non-current liabilities					
Other non-current liabilities	4.7.20	13	8	216	207
Long term loans	4.7.19	8.376	8.740	8.376	8.393
Provisions	4.7.25	122	122	122	122
Retirement benefit obligations	4.7.22	664	600	651	587
Deferred income tax liability	4.7.23	692	688	863	858
Total Non-current liabilities		**9.867**	**10.158**	**10.228**	**10.167**
Current liabilities					
Trade and other payables	4.7.24	8.408	8.942	8.029	8.664
Income tax payable		1.721	1.511	1.555	1.369
Short-term borrowings		11.523	11.316	11.523	11.251
Total Current liabilities		**21.652**	**21.769**	**21.107**	**21.284**
Total Equity and Liabilities		**44.438**	**44.869**	**43.771**	**42.664**

4.3 STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Company's Equity

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Retained earnings	Amounts in € thousand
Changes in the Shareholders equity for the period 01/01-30/06/2013							
Balance at 1 January 2013 as previously reported	**10.330**	**53**	**1.334**	**0**	**671**	**-698**	**11.690**
Profit for the year	0	0	0	0	0	204	**204**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Balance at 30 June 2013	**10.330**	**53**	**1.334**	**0**	**671**	**-494**	**11.894**
Changes in the Shareholders equity for the period 01/01-30/06/2014							
Balance at 1 January 2014 as previously reported	**10.330**	**53**	**3.840**	**0**	**1.112**	**-4.122**	**11.213**
Profit for the year	0	0	0	0	0	1.251	**1.251**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	899	-899	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-38	**-38**
Actuarial loss tax	0	0	0	0	0	10	**10**
Balance at 30 June 2014	**10.330**	**53**	**3.840**	**0**	**2.011**	**-3.798**	**12.436**

NOTE:

- *The amount of €-28 thousand. Charged to equity concerns € actuarial loss for the period 30-6-2014.*
- *The amount of € 899 thousand charged to Other reserves concerns dividends received from the subsidiary SPACE HELLAS CYPRUS, that after been recorded to the results, were transferred to special reserve for tax exemption purposes (art.14, L.3943/2011 and POL 1007/2014.)*

Statement of Changes in Group's Equity:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total Parent company	Non controlling interests	Total equity
Changes in the Shareholders equity for the period 01/01-30/06/2013									
Revised Balance as at 1 January 2013 in accordance with IFRS	**10.330**	**53**	**1.334**	**0**	**642**	**574**	**12.933**	**-12**	**12.921**
Profit for the year	0	0	0	0	0	50	**50**	-5	**46**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	1	0	**1**	1	**2**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Balance at 30 June 2013	**10.330**	**53**	**1.334**	**0**	**643**	**624**	**12.984**	**-16**	**12.968**
Changes in the Shareholders equity for the period 01/01-30/06/2014									
Revised Balance as at 1 January 2014 in accordance with IFRS	**10.330**	**53**	**3.840**	**0**	**1.085**	**-2.334**	**12.974**	**-32**	**12.942**
Profit for the year	0	0	0	0	0	16	**16**	-10	**6**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	-2	0	**-2**	1	**-1**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-38	**-38**	0	**-38**
Actuarial loss tax	0	0	0	0	0	10	**10**	0	**10**
Balance at 30 June 2014	**10.330**	**53**	**3.840**	**0**	**1.083**	**-2.346**	**12.960**	**-41**	**12.919**

Note

- *The amount of € -2 thousand in the current period and € 1 thousand in the comparative period, charged directly to Equity concerns currency exchange differences from the consolidation of sub-subsidiary. SPACE SYSTEM INTEGRATOR S.R.L.*
- *The amount of €-28 thousand before taxes, charged directly to the equity concerns actuarial loss in compliance to IAS 19, for the period 30.6.2014.*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Cash flows from operating activities				
Profit/(Loss) Before Taxes	203	236	1.407	464
Adjustments for:				
Depreciation & amortization	479	492	477	460
Provisions	-681	-122	-681	-122
Foreign exchange differences	18	67	14	64
Net (profit)/Loss from investing activities	382	22	-915	9
Interest and other financial expenses	1.257	1.213	1.235	898
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-304	281	-304	281
Decrease/(increase) in Receivables	244	3.226	-292	2.090
(Decrease)/increase in Payables (excluding banks)	-328	-2.543	-155	-1.824
Less:				
Interest and other financial expenses paid	-1.184	-1.184	-1.162	-869
Taxes paid	40	-170	44	-130
Total cash inflow/(outflow) from operating activities (a)	**126**	**1.518**	**-332**	**1.321**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	0	-1	0	-45
Acquisition of tangible and intangible assets	-380	-663	-380	-626
Proceeds from sale/liquidation of subsidiaries	598	7	2	7
Proceeds from sale of tangible and intangible assets	0	0	0	0
Interest received	23	92	22	91
Collection of Dividends	0	0	619	0
Total cash inflow/(outflow) from investing activities (b)	**241**	**-565**	**263**	**-573**
Cash flow from Financing Activities				
Proceeds from Share Capital increase of subsidiaries	1	0	0	0
Proceeds from Borrowings	842	1.173	842	1.131
Payments of Borrowings	-998	-4.332	-586	-4.136
Total cash inflow/(outflow) from financing activities (c)	**-155**	**-3.159**	**256**	**-3.005**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**212**	**-2.206**	**187**	**-2.257**
Cash and cash equivalents at beginning of period	**802**	**4.049**	**533**	**3.766**
Cash and cash equivalents at end of period	**1.014**	**1.843**	**720**	**1.509**

4.5 GENERAL INFORMATION FOR SPACE HELLAS S.A.

4.5.1 General Information

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon power of attorney n.86369/15.07.1985, approved by the Refecture of Attica, EM 4728/1.8.85, and published in the Official Gazzete of Greece, ΦΕΚ 2929/8.8.85 ΤΑΕ & ΕΠΕ).The company's duration has been set to 100 years, its legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. On 30.06.2008, the descision of the General Meeting, approved by the Ministerial Decision K2 9624/1-9-2008 (registerd in the Societers Anonymes Register at 01.09.2008) and published in the Official Gazette of Greece (ΦΕΚ 10148/3.9.2008 ΤΑΕ & ΕΠΕ), has extended the company's up to year 2049.
The company's S.A. Register Number (ΑΡ.Μ.Α.Ε.) is 13966/06/Β/86/95, General Electronic Commercial Registry Number (G.E.MI) is 375501000 and the Tax Register Number (ΑΦΜ) is 094149709.

4.5.2 Operating Activities

Space Hellas is active in the Telecommunications and Information Technology market, offering a broad spectrum of high technology applications. Covering the needs of each individual customer is our top priority; Space Hellas cooperates with the largest manufacturers on a worldwide scale, offering solutions that meet even the most sophisticated demands. Space Hellas products are addressed to enterprises, telecoms organizations and highly complex, state-of-the-art technology projects.

The company is active in the following market segments

- Network infrastructure and data networking.
- Telecomunication services at national and international level
- IT Applications and Services
- Enterprise telephony.
- Information and network security systems
- Electromechanical and network infrastructure -computer rooms
- Structured cabling
- Security and surveillance systems
- Telecom network infrastructures
- System Integration
- Mobile telephony selling network
- Research and Development projects at national and international level.

4.5.3 Board of Directors

By virtue of the company's decision, registered in the General Commercial Register (GEMI) with resgistration number 76161/4-7-2013 and pubblished in the Government Gazzette (no. 42777/12-7-2013), the Board of Directors is composed of the following members:

- Spiridon D. Manolopoulos, President of the Board, executive member
- Paraskevas D. Drosinos Chief Executive Officer, executive member
- Ioannis A. Mertzanis A' Vice-president of the Board, and executive member
- Christos P. Mpellos, B' Vicepreseident, indipendent non executive member
- Georgios P. Lagogiannis, executive member.
- Ioannis A. Doulaveris, executive member.
- Dimitrios E. Chouchoulis indipendent non-executive member.
- Lysandros K. Kapopoulos indipendent non-executive member.

The incumbency of the Board od Directors will end at 30.06.2015.

4.5.4 Group Structure

The consolidated financial statements comprise the financial statements of the parent company, its subsidiaries and its associates and Joint ventures. The following table shows the group's companies, which are included in the consolidated financial statements, the ownership percentage and the consolidation method:

Corporate name	**Ownership percentage**		**Consolidation method**	**Country**
Amounts in € thousand	**Direct**	**Indirect**		
Subsidiaries				
METROLOGY HELLAS S.A.	86,74%		Full consolidation	Greece
SPACE HELLAS (CYPRUS) LTD	100%		Full consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.		99,45%	Full consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad		100%	Full consolidation	Serbia
SPACE HELLAS (MALTA) LTD		99,98%	Full consolidation	Malta
Associates & Joint Ventures				
JOINT-VENTURE "EMY" MODERNIZATION	67,5%		Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	35%		Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA (“DORY”)	50%		Equity method	Greece
Other investments				
MOBICS L.T.D.	19,32%		-	Greece

4.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.6.1 General Infromation

The accompanying financial statements of the period from 1st January to 30th June 2014 comprise the individual as well as the consolidated financial statements. SPACE HELLAS S.A is the parent company of the Group. The company’s shares are ordinary registered shares and have been listed in ASE since 29.09.2000. The company operates in the IT and Telecommunications market since 1985, offering integrated solutions and services to Private and Public entitles at a national and international level. The company’s legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. The URL address is www.space.gr. The interim financial statements of the company and the Group for the six month period ended at 30.06.2014 have been approved by the Board of Directors with the decision No 2504/ 27th August 2014. It should be noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company’s and Group’s financial results and position, according to International Accounting Standards. It should be also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

4.6.2 Basis of Preparation

The financial statements of the Group and the Company, approved by the Board of directors on 28.08.2013, have been prepared in accordance with the Going Concern principle and the historical cost convention except for modifications of certain assets (receivables, property) at fair value. These statements fully comply with the International Financial Reporting Standards (I.F.R.S.) including the International Accounting Standards (IAS) and IAS 34 in particular and the issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union up to 31.12.2013. The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relative section. The Management must make judgments and estimates regarding the value of assets and liabilities which are uncertain. Estimates and associated assumptions are based mainly on past experience. Actual results may differ from these estimates.
Differences between current and previews period figures that might exist are attributable to rounding. Whenever needed, previews year figures have been reclassified in order to be comparable with those of the current period.

4.6.3 New standards and interpratations

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized and have effect in the financial statements are the following:

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. The Company is in the process of assessing the impact of the new standards on its financial statements. The main provisions are as follows:

IFRS 10 Consolidated Financial Statements. IFRS 10 replaces that part of IAS 27 Consolidated and Separate Financial Statements which relates to consolidated financial statements. It also addresses issues developed in Interpretation (SIC) 12 Consolidation – Special purpose entities. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group and the Company examine the impact of this standard on the financial statements.

IFRS 11 Joint Arrangements. IFRS 11 replace IAS 31 Interests in Joint Ventures and Interpretation (SIC) 13 Jointly Controlled Entities – Non Monetary Contributions by Venturers. IFRS 11 abolishes the option for the proportionate consolidation of jointly controlled entities. Instead jointly controlled entities which satisfy the definition of a joint venture must be accounted using the equity method. The Group and the Company examine the impact of this standard on the financial statements.

IFRS 12 Disclosure of interests in other entities. IFRS 12 includes all disclosures previously included in IAS 27 and relating to consolidated financial statements as well as all disclosures previously included in IAS 31 and IAS 28. Such disclosures relate to the participation of a company in subsidiaries, joint arrangements, associates and structured entities. Also required are a series of new disclosures. The Group and the Company examine the impact of this standard on the financial statements.

IAS 27 (Amendment) Separate Financial Statements. This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

IAS 28 Investments in Associates and Joint Ventures As a consequence of the new standards IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in other Entities, IAS 28 Investments in affiliated entities was renamed to IAS 28 Investments in Associates and Joint Ventures and describes the application of the equity method in the accounting treatment of investments in joint ventures besides investments in associates. The Group and the Company examine the impact of this standard on the financial statements.

IAS 32 Financial Instruments: Presentation (amendment) – Offsetting of financial assets and financial liabilities
This amendment is effective for annual accounting periods beginning on or after January 1, 2014. These amendments clarify the notion "there exists a legally enforceable right to offset". These amendments also clarify the application of the offset criteria in IAS 32 to arrangement systems (such as central clearing house systems) which apply mixed arrangement mechanisms which are not simultaneously in operation. The Group and the Company examine the impact of this standard on the financial statements.

Interpretation (SIC) 21: Levies the interpretation is effective for annual accounting periods commencing on or after January 1, 2014. IASB (International Accounting Standards Board) was called to examine how an economic entity must enter into its financial statements the liabilities for the payment of levies which are imposed by government, except for income taxes. This interpretation is an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. IAS 37 establishes the criteria for the recognition of a liability, one of which is the requirement for there to be a present liability as a result of a past event (binding event). The interpretation clarified that the binding event which creates the liability for the payment of a levy is the activity described in the relevant legislation which activates the payment of the levy. The European Union has not yet adopted this directive. The Group and the Company examine the impact of this standard on the financial statements.

IAS 36 Impairment of assets (amendment) – Recoverable amount disclosures for non-financial assets. The amendment is effective for annual accounting periods commencing on or after January 1, 2014. This amendment removes the involuntary consequences of IFRS 13 on disclosures required by IAS 36. In addition, the amendment requires the disclosure of the recoverable amount of assets or CGU for which impairment has been recognized or has been reversed in the course of the period. The Group and the Company examine the impact of this standard on the financial statements.

IAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and continuation of Hedge Accounting. The amendment is effective for annual accounting periods commencing on or after January 1, 2014. According to this amendment the interruption of hedge accounting is not required if a hedge derivative is novated, provided certain criteria are met. IASB proceeded with the limited scope amendment of IAS 39 in order to permit the continuation of hedge accounting in certain cases where the counterparty of a hedge instrument changes, for the settlement of such instrument. The Group and the Company examine the impact of this standard on the financial statements.

IAS 19 Employee benefits (amendment). The revised IAS 19 introduces a series of amendments in the accounting treatment of fixed benefits plans, including the actuarial gains and losses which are now recognized in Other Comprehensive Income and are permanently exempted from the Profit & Loss. In addition, the anticipated returns of asset programmes are no longer recognized in the Profit & Loss, while the interest on the net liability (or asset) of a defined benefit is required to be recognized in the Profit or Loss and which (interest) is calculated using the discount rate used for the measurement of the defined benefit liability. Non vested service costs are henceforth recognized in the Profit or Loss at the earliest date between the date the amended entered into effect and the date the cost of the relevant restructure or termination was recognized. Other amendments include new disclosures, such as quantitative sensitivity disclosures. The effects of this amendment for the Group and Company are presented in detail in note 4.9 of the financial statements

Standards issued but not yet effective for periods ending 30 March 2014 and the Company/Group have not early adopted. In addition to the standards effective for the year ended 31.12.2013, the following new standards and amendments/revisions have been issued but on effective for the period beginning from 01.01.2014 and have not been early adopted by the Group and the company.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortization" (effective for annual periods beginning on or after 1 January 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014). This narrow scope amendment applies to contributions from employees or third parties to defined benefit plans and simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures" and IFRS 9 "Hedge Accounting" and amendments to IFRS 9, IFRS 7 and IAS 39. IFRS 9 replaces part of IAS 39 which deals with the classification and measurement of financial assets and financial liabilities. The IASB has also published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its Financial Statements.

IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016). This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017) IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IASB has published a cycle of annual improvements of IFRS 2010-2012, which is a collection of amendments to IFRS. The amendments are effective for annual accounting periods beginning on or after July 1, 2014. The European Union has not yet adopted these improvements. Company Management estimates that these improvements will not have an effect on the financial statements.

IFRS 2 Share-based payment: Amends the definitions of "vesting condition" and "market condition" and adds definitions for the terms "performance condition" and "service condition" (previously part of the definition of "vesting condition").

IFRS 3 Business Combinations: This amendment clarifies that the contingent consideration in a business combination that is not classified in net position, shall be subsequently measured at fair value in Profit or Loss independently if it falls under the scope of IFRS 9 Financial Instruments.

IFRS 8 Operating Segments: This improvement requires an economic entity to disclose the judgments made by management in applying the aggregation criteria to operating activity segments and clarifies that the reconciliations of the assets of segments is required only if such are regularly cited.

IFRS 13 Fair value measurement: This amendment to the basis for conclusions of IFRS 13 clarifies that the publication of IFRS 13 and the amendment of IFRS 9 and IAS 39 do not recant the capacity to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

IAS 16 Property, Plant and Equipment: Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IAS 24 Related Party Disclosures: Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

IAS 38 Intangible Assets: Clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IASB has published a cycle of annual improvements of IFRS 2011-2013, which is a collection of amendments to IFRS. The amendments are effective for annual accounting periods beginning on or after July 1, 2014. The European Union has not yet adopted these improvements. Company Management estimates that these improvements will not have an effect on the financial statements.

IFRS 3 Business Combinations: This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 Fair Value Measurement: This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

IAS 40 Investment Property: This improvement Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

4.6.4 Accounting Methods

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

4.6.5 Property, Plant And Equipment

Fixed assets are reported in the financial statements at the fair value or at the acquisition cost or deemed cost as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets

Buildings are measured at fair value as at 31.12.2012, less accumulated depreciation and less any accumulated impairment loss. Land held for the production or management is presented at its fair value. As the useful period of life cannot be determined, the relevant carrying amounts are not subject to depreciation.

The fair value is assessed based on valuations by external independent values every three or four years, unless factors of the market indicate impairment risk of the value, so as to assure that the carrying value does not differ significantly from the fair value.

Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses

Intangible assets include goodwill, concessions and industrial property rights, as well as computer software both acquired and internally generated as well. The cost of internally generated software comprises the cost of materials and the cost of personnel as well as other costs incurred in order to prepare the asset for the intended use. The criteria used in order to recognise the costs incurred as intangible assets are:

- Intention of the Group to proceed in the creation of the asset
- Technical possibility of completion of the asset to make it ready for use or sale.
- Adequate technical, financial and other resources for the completion of the asset.
- Group's ability to use or sale the asset.
- Capability of the maternally generated asset to create future economic benefits for the Group

- Reliable measurement of the expenditure attributable to the asset during its development.

Depreciation on other assets (except land which is not depreciated) is calculated using the straight-line method over its estimated useful lives.
Concessions and industrial property rights are no subject to depreciation because of the difficulty to estimate with accuracy their commercial value.
The useful lives of the assets are as follows:

Description	Useful live (in years)
Buildings and buildings installations	50
Buildings and buildings installations in third parties	12
Plant and machinery	16
Plant and machinery Leased	10
Furniture	16
Fittings	10
Office equipment	10
Telecommunication equipment	10
Other equipment	10
Electronics equipment	5
Cars	5
Trucks	10
Other means of transportation	5
Intangible assets (software acquired/internally generated)	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.6.6 INVESTMENT PROPERTY

Investment properties are held to earn rental income and profit from increased capital value at disposal. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.
Investment properties are treated as long-term assets and carried at fair value which represents the open market value, and is tested at the end of the year. Changes in fair values are recorded in net income and are included in other operating income.

4.6.7 IMPAIRMENT OF ASSETS

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit- CGU) is greater than its recoverable amount.
Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

4.6.8 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets and disclosed at the acquisition cost. This cost equals the consolidation cost that exceeds the company's share to the assets and liabilities of the acquired entity. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.
The Group performs its annual impairment test of goodwill as at 31 December. When needed, impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognized.

4.6.9 CONSOLIDATION

- Subsidiaries

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.
Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.
The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.
Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.
Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of post acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

- Joint Ventures

Joint ventures are consolidated using the full consolidated method. Under this method the investment is initially recognized at cost and is subsequently valued for the cumulative post-acquisition movements in balance sheet assets and liabilities and adjusted against the carrying amount of the investment. The share of the post-acquisition profits or losses of the joint ventures is recognized in the income statement.

- Other investments

Other investments concern non listed companies with ownership percentage less than 20% and with absence of control on the voting rights. In accordance with IAS 32 and 39 these investments are disclosed in acquisition cost less provisions for impairments.

4.6.10 INVENTORIES

Inventories are stated at the lower between cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined using the weighted average method and includes the cost of acquisition plus other expenses (transport and freights etc). Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

4.6.11 TRADE RECEIVABLES

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

4.6.12 CASH AND CASH EQUIVALENTS

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

4.6.13 RESERVES

The company is obliged according to the applicable commercial law 2190/1920 art. 44 and 45 to form as legal reserve of 5% of their annual net profits up to 1/3 of the paid up share capital. This reserve cannot be distributed during the operational life of the company, but can be used to cover loses.
Based on existing Greek tax law, tax exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company.

4.6.14 SHARE CAPITAL

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000. The Share capital is fully paid up, amounts to 10.330.448,00 € and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,60 € each.

4.6.15 REVENUE AND EXPENSE RECOGNITION

Revenue: Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured. Revenue arising from services is recognized on an accrual basis in accordance with the substance of the relevant agreements
Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Expenses are recognized in the income statement on an accrual basis. Payments realized for Operating leases are transferred in the income statement as expenses, during the time of use of the leased element. The expenses from interest are recognized on an accrued basis.

4.6.16 GRANTS

Grants are recognized at their fair value when it is probable that the amount of the subsidy will be received and the company has complied or will comply with the terms of the Grant.
State subsidies regarding expenses, are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

4.6.17 FINANCIAL INSTRUMENTS – FAIR VALUE

The financial assets measured at fair value as of the balance sheet date are classified under the following levels, in accordance with the method used for determining their fair value:
Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.
Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).
Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates
The method used for the fair value measurement considers all possible parameters in order to approximate the fair value and the financial assets are classified at level 3.
During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value.
The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity.

4.6.18 PROVISIONS

Provisions, according to IAS 37, are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.
The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

4.6.19 BORROWINGS

The incurred cost of bank loans is charged to the period according to IAS 23 Borrowing costs. Borrowings are recognized initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

4.6.20 EMPLOYEE BENEFITS

Short-term benefits: Short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits; the company records the excess amount as its asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

Benefits after exiting from the service: The benefits comprise defined benefit plans as well as defined contribution plans.

Defined contribution plan: A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan: The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.
Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the estimated benefit liability at the beginning of every period, are recognized in other income/expenses in the income statement over the average remaining service lives of the related employees.

4.6.21 LEASES

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.
Leases of property plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset or the lease term.

4.6.22 INCOME TAX AND DEFERRED TAX

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity. Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. The charge from income tax consists in the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate. Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for. Deferred income tax assets are recognized only to the extent that is it probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income taxation is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

4.6.23 FOREIGN CURRENCY TRANSACTIONS

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional, and presentation currency of the Company and the presentation currency of the Group.
Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income.
The operating results and financial position of all group entities (none of which operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the closing rate at the date of the balance sheet.

4.6.24 FINCANCIAL INSTRUMENTS

Financial instruments at fair value
The financial assets and liabilities reflected on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, investments, trade accounts payable and short and long term liabilities
These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit or losses which result from financial assets or liabilities are recognized as income or expenses, respectively.

The value at which the Group's financial assets and liabilities are disclosed in the financial statements does not differ from their fair value.

4.6.24.1 Fincancial Risk Management

- **Financial Risk Factors**

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.
Risk management is carried out by the Group's management which evaluates the risk associated to the Group's activities and functions, and designs the policy by using the appropriate financial tools in order to mitigate the risk.
The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, and trade accounts receivable and payable.

- **Foreign Exchange Risk**

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency.
Exposures related to future trade agreements and recognized elements of assets and liabilities are managed through the use of forward exchange contracts when needed. Exposure arises when trade agreements and recognized elements of assets and liabilities are presented in currencies different from the functional and presentation currency of the Entity, which is the Euro.
The Group has no significant elements for assets and liabilities that are expressed in currency different than the Euro. Thus there is no substantial currency exchange risk.
The main transaction currencies are USD and Euro.

- **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed in risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. The level of the inventories in relation to the Group's turnover is significantly low.

- **Interest Rate Risk**

The fluctuations in the interest rate markets have a moderate impact on the Group's income and the Group's operating cash flows.
It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Thus, the amount of short term borrowings is variable. All short term borrowings are based on floating rates.
For medium and long-term loans both the amounts of loans as well as the interest rates are decreasing. Thus the interest rate risk exposure is relatively low.

- **Credit Risk**

Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors. The Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis.
Each client's credit exposure is monitored by an independent entity, taking into account the client's financial position, the amount of previews transactions and other factors and tests the credit limits granted to the client. The credit limits granted are fixed taking into account internal and external evaluations and are always within the limits approved by the Board of directors.
Appropriate provision for impairment losses is made for specific credit risks. At the end of year 2011 there was no material credit risk exposure that was not already covered with appropriate doubtful debt provision.
Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate. The post-dated collection of receivables is an important issue but is not related to our customers credit ability. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

- **Liquidity Risk**

The Group's aim is to enforce liquidity primarily through the time matching to receivables and payables and secondly through the availability of funding. The monitoring of the budget execution and the prompt response to the budget deviations enables to timely balance cash inflows and outflows. The Group's liabilities due within 6 month period and are all covered with sufficient borrowing and as well collection of receivables.

- **Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and maximize shareholder value. The group's policy is to maintain leverage targets in line with an investment grade profile.

- **Other operational risk**

A reliable internal Control System has been established by the company's management in order to timely identify potential distortions in the company's commercial activities. The insurance coverage against all risks is deemed to be sufficient. There are no other risks expected that might rise up in the short term for both the Group and the Company.
Moreover, the ability to adjust our activities to new market conditions as well as the level of the ongoing projects allow us to believe that will efficiently face the present critical market and economic conditions maintaining our high quality standards.

4.7 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4.7.1 OPERATING SEGMENTS

Business segment is a distinct part of the Company and the Group which provides products and services subject to different grades of risk and performance that is different from those of other business segments.
Geographical segments provide products or services within a particular economic environment that is subject to risks and performances that are different from those of components operating in other economic environments.
The Group and the company's segments are based on the products and services provided.

- **Primary segment – Business segments**

The Group organizes its activities in three segments:

- Technology providers of solutions and services to the business environment. (Value Added Solutions)
- IT projects (integraton)
- Resellers' network for mobile telecommunications.

The segment consolidated results for the current and previews period are as follows:

GROUP												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	30/6			30/6			30/6			30/6		
Amounts in € thousand	2014	2013	VARIATION %	2014	2013	VARIATION %	2014	2013	VARIATION %	2014	2013	VARIATION %
Revenue	16.440	18.739	-12,27%	1.570	1.180	33,05%	859	1.380	-37,75%	**18.869**	**21.299**	-11,41%
Gross profit	5.130	5.960	-13,93%	610	396	54,04%	510	460	10,87%	**6.250**	**6.816**	-8,30%
EBIT	1.590	1.542	3,11%	190	190	0,00%	140	220	-36,36%	**1.920**	**1.952**	-1,64%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**203**	**236**	-13,98%
Earnings after taxes	-	-	-	-	-	-	-	-	-	**6**	**45**	-86,67%

- **Secondary segment – Geographical segment**

The Group's main geographical space is Greece, where the parent company's registed office is lovated.
The subsidiary company «SPACE HELLAS CYPRUS LTD», has its registered offices in Cyprus and is a parent of subsidiaries «SPACE HELLAS SYSTEM INTEGRATOR SRL» headquartered in Romania, «SPACE HELLAS HELLAS Doo Beograd-Stari Grad based in Serbia and SPACE HELLAS (MALTA) LTD based in Malta, with growing activities, though not significant in relation to the totality of the Group.

4.7.2 Other Operating Income

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Income from services rendered to third parties	1	7	1	7
Income from property leases	42	62	48	34
Income from technical equipment leases	112	235	112	235
Government Grants	53	118	53	118
Other operating income	29	16	29	9
Gains from renegotiation of agreements	0	132	0	132
Extraordinary gains	1	3	1	3
Currency exchange gains	25	43	18	14
Income from unused provisions	0	3	0	0
Total other operating income	**263**	**619**	**262**	**552**

4.7.3 Operating Expenses

The administrative expenses, the R&D cost as well as the Distribution cost result to be decreased compared to previews period for 7,99%.

Amounts in € thousand	GROUP		VARIATION %	COMPANY		VARIATION %
	01.01-30.06.2014	01.01-30.06.2013		01.01-30.06.2014	01.01-30.06.2013	
Payroll expenses	2.680	2.742	-2,26%	2.664	2.709	-1,66%
Third parties' fees and expenses	572	588	-2,72%	533	573	-6,98%
Third parties' utilities and services	443	437	1,37%	415	362	14,64%
Taxes and dues	102	91	12,09%	87	75	16,00%
Sundry expenses	320	637	-49,76%	307	558	-44,98%
Depreciations	326	347	-6,05%	327	317	3,15%
Provisions	49	40	22,50%	49	39	25,64%
Total operating expenses	**4.492**	**4.882**	-7,99%	**4.382**	**4.633**	-5,42%

4.7.4 Other Operating Expenses

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Extraordinary expenses	43	25	42	24
Loss from currency exchange	53	110	44	78
Provisions for receivables of doubtful collection	78	958	75	957
Extraordinary losses	406	0	2	0
Total other operating expenses	**580**	**1.093**	**163**	**1.059**

The amount of € 406 thousand, partly comprises the loss for the sale of property, made from the subsidiary SPACE HELLAS SYSTEM INTEGRATOR S.R.L. in Romania, amounting to € 404 thousand.

4.7.5 Financial Income

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Income/Loss from investments	-5	-103	-5	-103
Dividends	0	0	899	0
Total financial income	**-5**	**-103**	**894**	**-103**

The subsidiary SPACE HELLAS CYPRUS LTD decided the distribution of dividends concerning prior year's results.

4.7.6 Income Tax

The income tax expense imputed the results as following:

Income Tax	NOTE	GROUP		COMPANY	
Amounts in € thousand		30.06.2014	30.06.2013	30.06.2014	30.06.2013
Current Income Tax		-183	-199	-142	-266
Deferred tax imputed to results	4.7.23	-14	8	-14	6
Total tax charged to income (a)		**-197**	**-191**	**-156**	**-260**
Deffered tax charged directly to equity (b)	4.7.23	**10**	**0**	**10**	**0**
Total(a + b)		**-187**	**-191**	**-146**	**-260**

For the year 2011 onwards, the Greek Societe Anonyme and Limited Liability Companies whose annual financial statements are subject to audit, are obliged to obtain an "Annual Certificate ", according to the provisions of article 82, § 5, of N.2238/1994, which is issued following a tax audit conducted by the statutory auditor or audit firm that audits the annual financial statements.
Upon completion of tax audit, the statutory auditor or audit firm issues "Tax Compliance Report" and then submits electronically to the Ministry of Finance within ten days of the closing date of approval of the company's balance sheet by the General Assembly. The Treasury Department will select a sample of companies at least 9% for follow up audits executed by the competent supervisory authorities of the Ministry.
This follow up audit should be completed within a period not later than eighteen months from the date of the submission of the "Tax Compliance Report" to the Ministry of Finance.
Under the new tax law 4110/2013, the rate of corporate income tax is set at 26% for fiscal year 2013 and beyond.

4.7.7 Property, Plant And Equipment

Property, Plant and Equipment: Group

Amounts in € thousand	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture & Fittings	Total
Opening Balance 01.01.2013	**8.262**	**5.384**	**6.507**	**215**	**2.538**	**22.906**
Plus: Additions	0	111	278	0	37	**426**
Minus: Disposals	0	14	10	1	3	**28**
Ending balance 30.06.2013	**8.262**	**5.481**	**6.775**	**214**	**2.572**	**23.304**
Depreciation at 01.01.2013	**0**	**1.110**	**3.144**	**116**	**2.013**	**6.383**
Plus: Depreciation expense	0	73	216	4	65	**358**
Minus: Depreciation of disposed elements	0	0	5	1	3	**9**
Ending balance 30.06.2013	**0**	**1.183**	**3.355**	**119**	**2.075**	**6.732**
Net Book Value at 30.06.2013	**8.262**	**4.298**	**3.420**	**95**	**497**	**16.572**
Opening Balance 01.01.2014	**8.262**	**5.440**	**6.905**	**220**	**2.675**	**23.502**
Plus: Additions	0	0	244	18	16	**278**
Minus: Disposals	0	0	1	4	0	**5**
Ending balance 30.06.2014	**8.262**	**5.440**	**7.148**	**234**	**2.691**	**23.775**
Depreciation at 01.01.2014	**0**	**1.216**	**3.571**	**125**	**2.161**	**7.073**
Plus: Depreciation expense	0	62	220	5	61	**348**
Minus: Depreciation of disposed elements	0	0	0	2	0	**2**
Ending balance 30.06.2014	**0**	**1.278**	**3.791**	**128**	**2.222**	**7.419**
Net Book Value at 30.06.2014	**8.262**	**4.162**	**3.357**	**106**	**469**	**16.356**

Property, Plant and Equipment: Company

Amounts in € thousand	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture & Fittings	Total
Opening Balance 01.01.2013	**3.191**	**2.578**	**6.423**	**142**	**2.433**	**14.767**
Plus: Additions	0	111	241	0	37	**389**
Minus: Disposals	0	0	10	1	3	**14**
Ending balance 30.06.2013	**3.191**	**2.689**	**6.654**	**141**	**2.467**	**15.142**
Depreciation at 01.01.2013	**0**	**989**	**3.082**	**43**	**1.911**	**6.025**
Plus: Depreciation expense	0	44	214	4	64	**326**
Minus: Depreciation of disposed elements	0	0	5	1	3	**9**
Ending balance 30.06.2013	**0**	**1.033**	**3.291**	**46**	**1.972**	**6.342**
Net Book Value at 30.06.2013	**3.191**	**1.656**	**3.363**	**95**	**495**	**8.800**
Opening Balance 01.01.2014	**8.262**	**5.440**	**6.794**	**147**	**2.578**	**23.221**
Plus: Additions	0	0	244	18	16	**278**
Minus: Disposals	0	0	1	4	0	**5**
Ending balance 30.06.2014	**8.262**	**5.440**	**7.037**	**161**	**2.594**	**23.494**
Depreciation at 01.01.2014	**0**	**1.216**	**3.514**	**50**	**2.068**	**6.848**
Plus: Depreciation expense	0	62	218	5	61	**346**
Minus: Depreciation of disposed elements	0	0	0	2	0	**2**
Ending balance 30.06.2014	**0**	**1.278**	**3.732**	**53**	**2.129**	**7.192**
Net Book Value at 30.06.2014	**8.262**	**4.162**	**3.305**	**108**	**465**	**16.302**

4.7.8 INTANGIBLE ASSETS

The account refers to the acquisition cost for of trademarks, software and other intangible assets. With regard to trademarks, due to the difficulty of a reliable measurement of their commercial value, no amortization has been charged.
The intangible assets of the Group and the company are the following:

Intangible assets of the Group:

Amounts in € thousand	Software	Other intangibles	Software internally developed	Total intangible assets IFRS
Opening Balance 01.01.2013	**1.912**	**584**	**549**	**3.045**
Plus: Additions	36	0	202	**238**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2013	**1.948**	**584**	**751**	**3.283**
Depreciation at 01.01.2013	**1.140**	**15**	**0**	**1.155**
Plus: Depreciation expense	105	30	0	**135**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2013	**1.244**	**45**	**0**	**1.290**
Net Book Value at 30.06.2013	**703**	**539**	**751**	**1.993**
Opening Balance 01.01.2014	**2.901**	**584**	**0**	**3.485**
Plus: Additions	3	100	0	**103**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2014	**2.904**	**684**	**0**	**3.588**
Depreciation at 01.01.2014	**1.352**	**75**	**0**	**1.427**
Plus: Depreciation expense	102	30	0	**132**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2014	**1.454**	**105**	**0**	**1.559**
Net Book Value at 30.06.2014	**1.450**	**579**	**0**	**2.029**

Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	Software internally developed	Total intangible assets IFRS
Opening Balance 01.01.2013	**1.853**	**584**	**549**	**2.986**
Plus: Additions	36	0	202	**238**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2013	**1.889**	**584**	**751**	**3.224**
Depreciation at 01.01.2013	**1.082**	**15**	**0**	**1.097**
Plus: Depreciation expense	104	30	0	**134**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2013	**1.186**	**45**	**0**	**1.231**
Net Book Value at 30.06.2013	**703**	**539**	**751**	**1.993**
Opening Balance 01.01.2014	**2.842**	**584**	**0**	**3.426**
Plus: Additions	3	100	0	**103**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2014	**2.845**	**684**	**0**	**3.529**
Depreciation at 01.01.2014	**1.293**	**75**	**0**	**1.368**
Plus: Depreciation expense	102	30	0	**132**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2014	**1.395**	**105**	**0**	**1.500**
Net Book Value at 30.06.2014	**1.450**	**579**	**0**	**2.029**

4.7.9 INVESTMENT PROPERTIES

Amounts in € thousand	Group	
	30.06.2014	31.12.2013
Υπόλοιπα κατά την 1η Ιανουαρίου	**1.505**	**1.505**
Προσθήκες	-	-
Μειώσεις	1.000	-
Υπόλοιπο περιόδου	**505**	**1.505**

The subsidiary (indirect participation) SPACE HELLAS SYSTEM INTEGRATOR S.R.L. has disposed a property investment, of € 1.000 thousand, at the price of € 596 thousand, recording a loss of € 404 thousand. The remaining value concerns other building owned by the same subsidiary, ready for lease.

4.7.10 GOODWILL

The Goodwill, amounting to € 1.288 thousand, comprised among the noncurrent assets, resulted from the following operations:

- € 428 thousand from the buyout of the remaining 50% of SPACE PHONE S.A. that took place at 29/6/2007, currently merged by absorption with the parent company
- € 32 thousand from the buyout of 82,87% of the subsidiary «METROLOGY HELLAS S.A.» that took place at 25/11/2011, and
- € 828 thousand from the buyout of 100,00% of the subsidiary SPACE TECHNICAL CONSTRUCTION BUILDING S.A., that took place at 25/11/2011.

The goodwill was tested for impairment and it is shown among the company's assets.

4.7.11 LIENS AND PLEDGES

There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki.

4.7.12 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and Joint venture as at 30.06.2014, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	Acquisition cost		Ownership percentage		Consolidation method	Country
Amounts in € thousand	**30.06.2014**	**31.12.2013**				
Subsidiaries			**Direct**	**Indirect**		
SPACE HELLAS (CYPRUS) LTD	34	34	100%		Full Consolidation	Cyprus
METROLOGY HELLAS S.A.	471	471	86,74%		Full Consolidation	Greece
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	1.094	1.045		99,45%	Full Consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad	10	10		100%	Full Consolidation	Serbia
SPACE HELLAS (MALTA) LTD	5	5		99,98%	Full Consolidation	Malta
Total Subsidiaries	**1.614**	**1.565**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	13	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**405**	**405**				
Other investments						
MOBICS L.T.D.	150	150	19,32%	-	-	Greece
Total Other investments	**150**	**150**				
Total Shareholding	**2.169**	**2.120**				

Tables of Guarantees to third parties:

Amounts in € thousand	**Group**		**Company**	
	30.06.2014	**30.06.2013**	**30.06.2014**	**30.06.2013**
Guarantees to third parties on behalf of subsidiaries and joint ventures	**1.934**	**1.858**	**1.934**	**1.858**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**1.934**	**1.858**	**1.934**	**1.858**

Joint Ventures' activities

- Joint Venture "Unisystems – SPACE HELLAS", The aim of the Joint Venture is the development of the IS survey for the Hellenic National Cadastre
- Joint Venture "EMY". The aim is the modernization of the Hellenic National Meteorological Service
- Joint Venture "SPACE HELLAS S.A – KBI IMPULS HELLAS S.A". The scope of this joint venture is the implementation of the assigned, through public bid, project DORY (Development of Infrastructures for the initial service of the needs of agencies in the Public Sector located in remote areas, as regards advanced communication technologies by use of the Hellas Sat – DORY Public Satellite System)

4.7.13 INVENTORIES

Table of inventories of the Group and the company:

Inventories	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Goods	2.629	2.493	2.629	2.493
Materials	317	235	317	235
Consumables	274	188	274	188
Total inventories	**3.220**	**2.916**	**3.220**	**2.916**

The Group is implementing a set of measures in order to minimize the risk of impairment of inventories due to calamity, fraud etc. Inventories are tested for impairment at the end of the year. When needed appropriate allowance is made for damaged, obsolete and slow moving items. The write-downs to net realizable value and inventory losses, charged in previews year's results amount to € 21. The level of inventories is determined according to the Group's customer-oriented, strategic warehouse management.

4.7.14 TRADE RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The provisions formed are then used for the cancellation of the receivables of doubtful liquidation.

Trade receivables	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Trade receivables	18.851	19.852	17.747	18.765
Less: Provisions for doubtful liquidation	4.605	4.527	4.299	4.224
Total trade receivables	**14.246**	**15.325**	**13.448**	**14.541**

Provisions for impairment:

	Group		Company	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Provisions at the beginning of the period	**4.527**	**4.577**	**4.224**	**4.272**
Additions	78	1	75	0
Additions from acquisition of subsidiaries	0	0	0	3
Offsetting of unused provisions	0	-51	0	-51
Total charged to income	**78**	**-50**	**75**	**-48**
Cancellation of receivables upon court decision	0	0	0	0
Provisions at the end of the period	**4.605**	**4.527**	**4.299**	**4.224**

Aging analysis for receivables:

Trade receivables	Group		Company	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
1 – 90 days	9.319	10.041	8.751	9.451
91 – 180 days	2.277	2.534	2.047	2.340
181 – 360 days	1.420	1.320	1.420	1.320
> 360 days	1.230	1.430	1.230	1.430
Total trade receivables	**14.246**	**15.325**	**13.448**	**14.541**

Aging analysis of related parties' trade receivables:

Receivables from Related parties	Group		Company	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
1 – 90 days	9.319	10.041	8.751	9.451
91 – 180 days	2.277	2.534	2.047	2.340
181 – 360 days	1.420	1.320	1.420	1.320
> 360 days	1.230	1.430	1.230	1.430
Total Receivables from Related parties	**14.246**	**15.325**	**13.448**	**14.541**

The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable. The trade receivables accounts are not bearing any interest. The collection of receivables related to projects depends on the completion stage.

4.7.15 OTHER RECEIVABLES

Other receivables of the group and company:

Other receivables	Group		Company	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Cheques receivable	569	198	566	195
Cheques receivable at banks as pledge	0	0	0	0
Cheques overdue	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	284	242	374	240
Salary prepayments	9	9	9	9
Advances to account for	34	19	34	19
Amounts owed from selling of participating interests	51	48	346	128
Deferred charges	2.330	1.944	2.328	1.941
Income earned	912	728	912	728
Other receivables	346	568	339	340
Total other receivables	**6.244**	**5.465**	**6.617**	**5.309**
Less: provisions for doubtful liquidation	1.942	1.942	1.942	1.942
Total other receivables	**4.302**	**3.523**	**4.675**	**3.367**

"Deferred charges" in both the current and the prior year comprise the following:

- Approximately 46% of the costs are related to two large contracts of the company with the Public Administration managed through the "General Secretariat of Sports" and "Information Society", in which there are no defined acceptance stages and thus without any direct relation with invoicing.
- Approximately 32% of the costs are related to foreign firm contractual obligation to cover maintenance contracts of our customers, where such obligations are not in line with the customers' demands having different maturation beyond the year and
- Approximately 5% of the costs are operating costs (rent, insurance, etc.).

Expenses are acknowledged on an accrual basis.

The amount shown in other receivables of the Group "Other receivables" amounting in € 346 thousand concerns primarily other 'for which a provision for bad debtors, has been formed amounting to € 233 thousand

The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable.

4.7.16 PREPAYMENTS

Prepayments	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Orders placed abroad	366	120	366	120
Prepayments to other creditors	701	482	636	376
Total prepayments	**1.067**	**602**	**1.002**	**496**

4.7.17 CASH AND CASH EQUIVALENTS

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

Cash and Cash equivalents	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Cash on hand	75	141	75	141
Short term Bank deposits	939	661	645	392
Total Cash and Cash equivalents	**1.014**	**802**	**720**	**533**

4.7.18 SHARE CAPITAL

The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000.

Number of shares and nominal value	**30.06.2014**
Number of ordinary shares	6.456.530
Nominal value each share	1,60 €

The earnings per share have been calculated taking into account the weighted average number of ordinary shares in issue which, for the period was 6.456.530.

4.7.19 LONG TERM LOANS

The long term loans concern:

i. Long term loan of € 500 thousand, ending at 2017, for the finance of the company's operating activities The loan amounts to € 375 thousand after the interest and principal payments

ii. Long term loan of € 1.125 thousand, ending at 2019, for the finance of the company's operating activities The loan amounts to € 788 thousand after the interest and principal payments

iii. Long term loan of € 1.000 thousand, ending at 2017, for the finance of the company's operating activities The loan amounts to € 500 thousand after the interest and principal payments

iv. Long term loan of € 1.233 thousand, ending at 2016 for the finance of the company's operating activities. The loan amounts to € 432 thousand after the interest and principal payments

v. Long term loan of € 5.976 thousand, ending at 2026, for the finance of the company's operating activities. The loan amounts to € 5.074 thousand after the interest and principal payments

vi. Long term loan of € 800 thousand, ending at 2017, for the finance of the company's operating activities. The loan amounts to € 400 thousand after the interest and principal payments

vii. Long term loan of € 800 thousand, ending at 2017, for the finance of the company's operating activities. The loan amounts to € 807 thousand after the interest and principal payments

The fair value of the short and the long term loans approximates their book value. The company and the Group apply in their banking transactions floating rates, subject to revaluation every six months, that reach on average a 7,45%.

4.7.20 OTHER LONG TERM LIABILITES

Liabilities are characterized as long term when they due over 12 months otherwise there are consider as short term liabilities

Other long term liabilities	Group		Company	
Amounts in Euro thousands	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Losses from joint ventures	0	0	203	199
Guarantees received	13	8	13	8
Total Other long term liabilities	**13**	**8**	**216**	**207**

4.7.21 FAIR VALUE MEASUREMENT

The financial assets measured at fair value as of the balance sheet date are classified under the following levels, in accordance with the method used for determining their fair value:

Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.

Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).

Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates.

The method used for the fair value measurement considers all possible parameters in order to approximate the fair value and the financial assets are classified at level 3 except for banking loans classified a level 2.
During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value.

The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity.

4.7.22 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 30.06.2014 for the Company amounted to 209 and for the Group amounted to 215 persons while as at 30.06.2013 amounted to 207 for the Company and 216 for the Group.

4.7.22.1 Provisions for employees benefits

The Management of the Group, in compliance with IFRS (IAS 19), has appointed an independent actuary firm to assess the Group' s liabilities arising from the obligation to pay termination indemnities. The details and principal assumptions of the actuarial study have as follows:

Accounting disclosures according to IAS 19	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Present value of unfunded obligations	600	600	651	587
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**600**	**600**	**651**	**587**
Provisions for employers benefits recognized in the income statement				
Current service cost	21	55	21	53
Cost of interest	15	29	15	28
Actuarial loss / (gain)	0	0	0	0
Past service cost	28	71	13	71
Net periodic cost	**64**	**155**	**49**	**152**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	600	591	587	577
Benefits paid	-38	-160	-23	-160
Cost recognized in the income statement	64	155	49	152
Gains/Losses recognized in Equity	38	14	38	18
Net liability	**664**	**600**	**651**	**587**
Present value of the liability				
Net liability – opening balance as at 01.01	600	591	587	577
Current service cost	21	55	21	53
Cost of interest	15	29	15	28
Past service cost	28	71	13	71
Benefits paid	-38	-160	-23	-160
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	38	14	38	18
Present value of the liability	**664**	**600**	**651**	**587**

The assumptions used are the following:

Assumptions		
1.	Discount interest rate	5% as at 30/06/2014
2.	Average annual long term inflation rate	2% (according to EU, Lisbon convention)
3.	Average annual long term salary growth	1%
4.	Valuation date	30.06.2014
5.	Regular retirement age :	According to the social security fund of each employee
6.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7.	Valuation method :	Projected Unit Credit Method (IAS19)

4.7.23 DEFFERED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries where the companies of the group operate. The calculation of the deferred taxes both for the Group and the Company are reviewed each year, as the balance on the balance sheet to reflect the effective tax rates.

The charges for the deferred income tax after set-offs are as follows:

Deferred income taxes	Group			
	30.06.2014			
Amounts in Euro thousands	Amounts as at 31.12.2013	Amounts charged to net profit	Amounts charged to equity	Total
Deferred tax liabilities				
Depreciation rate difference effect	-346	-39	0	-385
Fair value adjustments Property, plant and equipment	-1.349	0	0	-1.349
Depreciation differences from subsidiary	167	0	0	167
Total Deferred tax liabilities	**-1.528**	**-39**	**0**	**-1.567**
Deferred tax assets				
Provisions for Trade and other payables	604	19	0	623
Post-employment and termination benefits	156	6	10	172
Impairment of Inventories	5	0	0	5
Tax deductible previews years' losses	47	0	0	47
Share premium capitalization expenses	28	0	0	28
Total Deferred tax assets	**840**	**25**	**10**	**875**
Total Deferred tax	**-688**	**-14**	**10**	**-692**

Deferred income taxes	Company			
	30.06.2014			
Amounts in Euro thousands	Amounts as at 31.12.2013	Amounts charged to net profit	Amounts charged to equity	Total
Deferred tax liabilities				
Depreciation rate difference effect	-299	-39	0	-338
Fair value adjustments Property, plant and equipment	-1.350	0	0	-1.350
Total Deferred tax liabilities	**-1.649**	**-39**	**0**	**-1.688**
Deferred tax assets				
Provisions for Trade and other payables	604	19	0	623
Post-employment and termination benefits	153	6	10	169
Impairment of Inventories	5	0	0	5
Tax deductible previews years' losses	0	0	0	0
Share premium capitalization expenses	28	0	0	28
Total Deferred tax assets	**790**	**25**	**10**	**825**
Total Deferred tax	**-858**	**-14**	**10**	**-863**

The Deferred tax liabilities and deferred tax assets compensate where this is legally possible.

4.7.24 TRADE AND OTHER PAYABLES

Liabilities are characterized as long term when their due is less than 12 months otherwise are considered as long term liabilities.

Trade and other payables	Group		Company	
Amounts in Euro thousands	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Trade payables	5.787	6.300	5.430	6.042
Checks payables	232	74	222	74
Customer down payments/advances	1.579	1.591	1.578	1.591
Social security	220	408	217	398
Wages and salaries payable	38	73	33	73
Short-term obligations (Factoring)	234	360	234	360
Other payables	1	16	0	15
Amounts due to related parties	0	0	0	0
Next year's Income	6	7	6	7
Accrued expenses	163	111	161	102
Purchases under arrangement	148	2	148	2
Other short-term provisions	0	0	0	0
Total Trade and other payables	**8.408**	**8.942**	**8.029**	**8.664**

4.7.25 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 4.605 thousand, for doubtful non trade receivables for the amount of € 1.942 thousand, and for obsolete inventories for the amount of € 21 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

	Provision changes for the Group				
Amounts in € thousand	**31.12.2013**	**New Provisions**	**Used Provisions**	**Lower Provisions**	**30.06.2014**
Provisions for extraordinary liabilities and claims	0	0	0	0	0
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	600	64	0	0	664
Other provisions	0	0	0	0	0
Total	**722**	**64**	**0**	**0**	**786**

	Provision changes for the Company				
Amounts in € thousand	**31.12.2013**	**New Provisions**	**Used Provisions**	**Lower Provisions**	**30.06.2014**
Provisions for extraordinary liabilities and claims	0	0	0	0	0
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	587	64	0	0	651
Other provisions	0	0	0	0	0
Total	**709**	**64**	**0**	**0**	**773**

4.7.26 DISPUTED CLAIMS

There are no disputed claims that might have significant impact on the financial position both of the Group and the Company.

4.7.27 UNDAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

The unaudited fiscal years by the tax authorities for the companies of the Group are as followed:

Company	**Unaudited year**
SPACE HELLAS S.A.	2009 - 2010
SPACE HELLAS (CYPRUS) LTD	2005 – 2013
METROLOGY HELLAS S.A.	2010 - 2011
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2010 - 2011
SPACE HELLAS Doo Beograd-Stari Grad	2012-2013
SPACE HELLAS (MALTA) LTD	2012-2013
SPACE HELLAS INTEGRATOR SRL	2010-2013
JOINT-VENTURE "EMY" MODERNIZATION	2010 – 2013
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2010 - 2013
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA (“DORY”)*	2009 - 2013

Although the result of the tax audit cannot be estimated with reliability, the company, using statistical information from previews year’s tax audits, has formed a provision for tax unaudited years amounting to € 122.
For the foreign subsidiaries there is no obligation for mandatory tax audit. If needed each jurisdiction may perform a specific tax audits at will.
For years 2011 up to 2013, the domestic subsidiaries have obtained the tax audit report following the mandatory tax audit performed by their statutory auditors while are in the process of settlement of tax pending affairs, year 2009 included, according to Law 3888/2010.
The Group whenever deemed necessary forms provisions against additional taxes that might come up following the completion of tax audits. The Group is not expecting significant tax liabilities for the tax audit results.

4.7.28 CONTIGENT EVENTS

4.7.28.1 Commitments -Guarantees

The Group has contingent liabilities in relation to banks as well as other commitments related to ordinary activities. No substantial burden will arise. No additional payments are expected.

The contingent liabilities for letters of guarantee granted both for the Company and the Group are the Following:

Contingent Liabilities	Group		Company	
Amounts in € thousand	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Guarantee letters to secure good performance of contract terms	3.815	3.771	3.815	3.771
Total contingent liabilities	**3.815**	**3.771**	**3.815**	**3.771**

** Including letters of guarantee issued in favour of joint ventures amounting to € 462 thousand as at 30.06.2014 and € 386 thousand as at 31.12.2013.*

4.7.28.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.7.26) that might have significant impact on the financial position both of the Group and the Company.

4.7.28.3 Other contigent liabilities

For the unaudited years, as mentioned in note 4.7.27, there is the risk that the tax authorities' review might result in higher or additional tax obligations. For the event of tax audit of previews fiscal years a provision amounting to € 122 thousand has been charged regarding only the parent company, as for the rest of the Group such an event would have insignificant impact.

4.7.28.4 Operating lease commitments

At 30.06.2014, the company's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts at 30th June 2014 are the following:

Minimum future payments			
Amounts in € thousand	**COMPANY**		
	Up to year	**Up to 5 years**	**Over 5 years**
Motor vehicle	301	416	-
Buildings	51	247	203
Total	**352**	**663**	**203**

Except the above mentioned, there are no other contingent liabilities.

4.7.28.5 Capital comittements

At 30.06.2014 there were no capital commitments for the Group and the Company.

4.7.29 CASH FLOW

The cash flow from operating activities is positive, amounting to € 126 thousand.

The cash flow from investing activities, is positive, amounting to € 241 thousand.

The cash flow from financing activities, is negative, amounting to € -155 thousand.

4.7.30 CONTINGENT EVENTS TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (IAS 24) FROM 01-01-2014 TO 30-06-2014

The sales to and purchases from related parties are made at normal market prices. There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.

The tables below summarize the transactions and the account balances with related parties carried out during periods a' 2014 and a' 2013 respectively.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/6		30/6		30/6		30/6	
Company	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
SPACE HELLAS (CYPRUS	899	86	-	-	191	86	10	10
METROLOGY HELLAS S.A.	6	8	-	-	105	6	-	-
Subsidiaries	**905**	**94**	**-**	**-**	**296**	**92**	**10**	**10**
JOINT-VENTURE "EMY" MODERNIZATION	1	-	2	3	201	190	184	261
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2	124	2	-	218	184	13	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	-	1	-	9	-	1.475	1.472
Joint Ventures	**4**	**124**	**5**	**3**	**428**	**374**	**1.672**	**1.747**
MOBICS L.T.D.	2	-	-	-	-	-	-	-
SPACE CONSULTING S.A.	2	-	-	-	838	926	-	-
Associates	**4**	**-**	**-**	**-**	**838**	**926**	**-**	**-**
Total Company	**913**	**218**	**5**	**3**	**1.562**	**1.392**	**1.682**	**1.757**

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/6		30/6		30/6		30/6	
Group	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
JOINT-VENTURE "EMY" MODERNIZATION	1	-	2	3	201	190	184	261
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2	124	2	-	218	184	13	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	-	1	-	9	-	1.475	1.472
Joint Ventures	**4**	**124**	**5**	**3**	**428**	**374**	**1.672**	**1.747**
MOBICS L.T.D.	2	-	-	-	-	-	-	-
SPACE CONSULTING S.A.	2	-	-	-	838	926	-	-
Associates	**4**	**-**	**-**	**-**	**838**	**926**	**-**	**-**
Total Group	**8**	**124**	**5**	**3**	**1.266**	**1.300**	**1.672**	**1.747**

From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.

Both the services from and towards the related parties as well as the sales and purchase of goods are concluded with the same trade terms and conditions as for the non related parties.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Salaries and other employee benefits	**735**	**703**	**735**	**703**
Receivables from executives and members of the Board	**2**	**1**	**2**	**1**
Payables to executives and member of the Board	**-**	**-**	**-**	**-**

The amounts "Payables to executives and member of the Board" concerns remunerations owed to the Board of directors.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Guarantees to third parties on behalf of subsidiaries and joint ventures	**1.934**	**1.858**	**1.934**	**1.858**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**1.934**	**1.858**	**1.934**	**1.858**

4.8 ADJUSTMENTS AND RECLASSIFICATIONS

Amounts in € thousand	Group 31.12.2013
Other Non Current Receivables before the reclassification	**1.763**
Reclassification	-67
Other noncurrent receivables after the reclassification	**1.696**
Other Current Receivables before the reclassification	**4.873**
Reclassification	67
Other Current Receivables after the reclassification	**4.940**

The above reclassification has no impact on the equity, on the total assets/liabilities or on the results of the period.

4.9 SIGNIFICANT POST-BALANCE SHEET EVENTS

There are no post balance sheet events, concerning the company or the Group, that need to be mentioned.

5 FINANCIAL STATEMENTS AND INFORMATION FROM 1ST JANUARY TO 30TH JUNE 2014

SPACE HELLAS S.A.

Reg. No: 13966/06/B/86/95 - GEMI:375501000
Mesogion Av. 312 Ag. Paraskevi

Financial statement and information for the period 1 January 2014 to 30 June 2014
(In accordance with the Decision 4/507/28.04.2009 of the BoD of the Capital Market Committee)

The following results and information, that arise from the financial statements, provide a general picture of the financial position and financial results of the SPACE HELLAS S.A. Thus we suggest the reader, before entering into any sort of investment decision or other transaction with the company, to gain access to the company's web site, where the financial statements can be downloaded, as well as the Auditor's Certificate.

Prefecture	Ministry of Development, Department of Commerce
Company's web site	http://www.space.gr
Date of approval by the Board of Directors	27 August 2014
	Board of Directors Decisions No 2.504
Certified Auditor Accountant	Dimos N. Pitelis (S.O.E.L. Reg. No 14481)
Auditing Company	PKF Euroauditing S.A..
Type of Auditor's report	Without qualification

Board of Directors	
Manolopoulos Spyridon	President, executive member
Drosinos Paraskevas	CEO, executive member
Mertzanis Ioannis	A΄Vice President, executive member
Mpellos Christos	B' Vice President, non executive member
Lagogiannis Georgios	Executive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Chouchoulis Dimitrios	Indipendent - non executive member
Kapopoulos Lysandros	Indipendent - non executive member

1.1 STATEMENT OF FINANCIAL POSITION

(consolidated and non consolidated) Amounts in € thousand	GROUP 30.06.2014	GROUP 31.12.2013	COMPANY 30.06.2014	COMPANY 31.12.2013
ASSETS				
Property, plant and equipment	16.356	16.429	16.302	16.373
Investment properties	505	1.505	0	0
Intangible assets	2.029	2.058	2.029	2.058
Other non current assets	1.686	1.696	2.362	2.367
Inventory	3.220	2.916	3.220	2.916
Receivables (trade debtors)	14.246	15.325	13.448	14.541
Other current assets	6.396	4.940	6.410	4.409
TOTAL ASSETS	**44.438**	**44.869**	**43.771**	**42.664**
EQUITY AND LIABILITIES				
Share capital	10.330	10.330	10.330	10.330
Other components of equity	2.630	2.644	2.106	883
Total equity attributable to owners of the parent (a)	**12.960**	**12.974**	**12.436**	**11.213**
Non controlling interests (b)	-41	-32	-	-
Total Equity (c) = (a)+(b)	**12.919**	**12.942**	**12.436**	**11.213**
Long term borrowings	8.376	8.740	8.376	8.393
Long term provisions / Non current liabilities	1.491	1.418	1.852	1.774
Short term borrowings	11.523	11.316	11.523	11.251
Other current liabilities	10.129	10.453	9.584	10.033
Total Liabilities (d)	**31.519**	**31.927**	**31.335**	**31.451**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**44.438**	**44.869**	**43.771**	**42.664**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 1.1-30.06.2014	GROUP 1.1-30.06.2013	COMPANY 1.1-30.06.2014	COMPANY 1.1-30.06.2013
Operating Activities :				
Profit before taxes (continued operations)	203	236	1.407	464
Plus/Less adjustments for :				
Depreciation	479	492	477	460
Impairment of tangible and intangible assets	0	0	0	0
Provisions	-681	-122	-681	-122
Foreign exchange differences	18	67	14	64
Net (profit)/Loss from investing activities	382	22	-915	9
Interest and other financial expenses	1.257	1.213	1.235	898
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-304	281	-304	281
Decrease/(increase) in Receivables	244	3.226	-292	2.090
(Decrease)/increase in Payables (excluding banks)	-328	-2.543	-155	-1.824
Less:				
Interest and other financial expenses paid	-1.184	-1.184	-1.162	-869
Taxes paid	40	-170	44	-130
Total cash inflow/(outflow) from operating activities (a)	**126**	**1.518**	**-332**	**1.321**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	0	-1	0	-45
Purchase of tangible and intangible assets	-380	-663	-380	-626
Proceeds from sale of tangible and intangible assets	598	7	2	7
Cash proceeds from acquisition of subsidiary	0	0	0	0
Interest received	23	92	22	91
Collection of Dividends	0	0	619	0
Total cash inflow/(outflow) from investing activities (b)	**241**	**-565**	**263**	**-573**
Cash flow from Financing Activities				
Share capital increase from subsidiaries	1	0	0	0
Proceeds from Borrowings	842	1173	842	1131
Payments of Borrowings	-998	-4332	-586	-4136
Total cash inflow/(outflow) from financing activities (c)	**-155**	**-3.159**	**256**	**-3.005**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	212	-2.206	187	-2.257
Cash and cash equivalents at beginning of period	802	4.049	533	3.766
Cash and cash equivalents at end of period	**1.014**	**1.843**	**720**	**1.509**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 30.06.2014	GROUP 31.12.2013	COMPANY 30.06.2014	COMPANY 31.12.2013
Total equity in the beginning of the year (1/1/2014 and 1/1/2013 accordingly)	12.942	12.921	11.213	11.690
Total comprehensive income after taxes (continued and discontinued	-24	46	1.223	204
Increase / (Decrease) of Share Capital	0	0	0	0
Cancellation of own shares	0	0	0	0
Merger Process through absorption of Subsidiary	0	0	0	0
Non controlling interests	1	1	0	0
Total equity at the end of the year Total equity at the end of the year (30/06/2014 and 30/06/2013 accordingly)	**12.919**	**12.968**	**12.436**	**11.894**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-30.06.2014	GROUP 01.01-30.06.2013	GROUP 01.04-30.06.2014	GROUP 01.04-30.06.2013	COMPANY 01.04-30.06.2014	COMPANY 01.04-30.06.2013	COMPANY 01.04-30.06.2014	COMPANY 01.04-30.06.2013
Turnover	18.869	21.299	9.800	11.074	17.805	20.472	9.244	10.486
Gross Profit	6.250	6.816	3.566	3.346	6.009	6.514	3.425	3.128
Profit before taxes, financing and investing activity	1.441	1.460	731	433	1.726	1.374	1.074	328
Profit before taxes	203	236	43	-195	1.407	464	1.296	-124
Profit after taxes (A)	6	45	-115	-107	1.251	204	1.180	-102
- *Owners of the parent*	16	50	-109	-107	1.251	204	1.180	-102
- *Non controlling interests*	-10	-5	-6	0	-	-	-	-
	6	45	-115	-107	1.251	204	1.180	-102
Other comprehensive income after taxes (B)	-30	1	-28	0	-28	0	-28	0
Total comprehensive income after taxes (A)+(B)	-24	46	-143	-107	1.223	204	1.152	-102
- *Owners of the parent*	-14	51	-137	-107	1.223	204	1.152	-102
- *Non controlling interests*	-10	-5	-6	0	-	-	-	-
Earnings (after taxes) per share - basic in €	0,0025	0,0077	-0,0169	-0,0166	0,1938	0,0316	0,1828	-0,0158
Profit before taxes, financing and investing activity and depreciation	**1.920**	**1.952**	**971**	**680**	**2.203**	**1.834**	**1.313**	**559**

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530
2. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.7.12 of the 6-month interim financial report of 2014
3. The tax un-audited years of the Company and the Group are disclosed in note 4.7.27 of the 6-month interim financial report of 2014.
4. The company has formed a provision for the tax unaudited years amounting to 122 thousand euro for years 2009 and 2010. For the rest of the Group's companies no provision has been formed as the impact of the additional tax is deemed to be insignificant (note 4.7.27). There are no other provisions formed (note 4.7.25).
5. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.
6. There are no other real liens on non-current assets or property except the underwriting of € 1.200 thousand on the property situated at 6 Loch. Dedousi St., (Cholargos, Athens) and the underwriting of € 4.000 thousand on the property situated at 302 Ave. Mesogeion, (Cholargos, Athens) and € 7.540 thousand on the property situated at 302 Mesogeion Ave., € 1.100 thousand on the property situated at Patriarch Kirillou, Thessalonica at Company and Group level.
7. The personnel employed at 30-06-2014 for the Group amounted to 215 persons and for the Company amounted to 209 while as at 30.06.2013 amounted to 216 and 207 respectively.
8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2013.
9. Note 4.3 of the 6-month interim financial report of 2014 refers to the comprehensive income after taxes for the company and the Group.
10 Intercompany transactions for the period from 1 January 2014 to 30 June 2014 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	8	913
b) Purchases of goods and services	5	5
c) Receivables from related parties	1.266	1.562
d) Payables to related parties	1.672	1.682
e) Key management compensations	735	735
f) Receivables from key management	2	2
g) Payables to key management included in above	0	0

The company has guaranteed to financial institutions for bank credit limits for the JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY") up to the amount of € 1.797 thousand and for the Joint Venture SPACE HELLAS - UNISYSTEMS up to the amount of € 137 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 27 August 2014

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
SPYRIDON MANOLOPOULOS	PARASKEVAS DROSINOS	IOANNIS DOULAVERIS	ANASTASIA PAPARIZOU

We certify that the attached semi-annual financial report includes the Financial Report for the Six month period, from 1st January to 30th June 2014, which has been approved by the Board of Directors of SPACE HELLAS SA on August 27, 2014 and have been published by placement on the internet, at the address http://www.space.gr, and has been signed by the following:

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
SPYRIDON MANOLOPOULOS	**PARASKEVAS DROSINOS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**