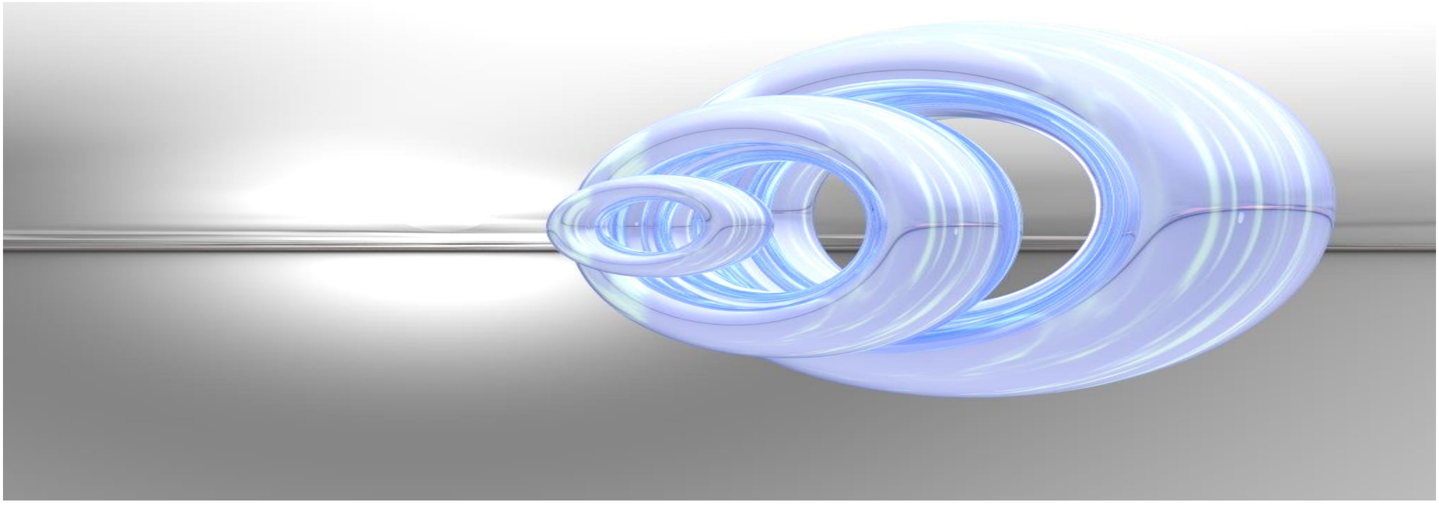

Annual Financial Report

For the period 1st January 2009 – 31st December 2009

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

The annual financial report of 2009 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 26th March 2010 and has been uploaded at the URL address **http://www.space.gr,**

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1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 4 par.2 of Law 3556/2007)

The Members of the Board of Directors

Dimitrios S. Manolopoulos, President of the Board, executive member
Paraskevas D. Drosinos Chief Executive Officer, executive member
Georgios P. Lagogiannis executive member.

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

1. The annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2009 to December 31, 2009, which were prepared according to International Financial Reporting Standards, 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 and
2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of the Company. and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Agia Paraskevi, 26 March 2010

The Designated members of the Board of Directors

The President of the Board	Chief Executive Officer	Member and General Manager
D. Manolopouos	P.Drosinos	G. Lagogiannis

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2009 – 31.12.2009

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year financial year from January 1, 2009 to December 31, 2009 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art 43α § 3 and 4 and art 107 § 3) as well as art. 4 § 6 L.3556/2007 and related HCMC circulars.

This report is divided in subsection with the aim to present in a fair, summarized, yet substantial manner all the information in accordance with the abovementioned legal framework in order to provide substantial and well documented information regarding the activities of the company and the Group for the related period.

The sections of the report provide information regarding:

- The financial position of the Group and the Company, and additional related information for the financial year 2009.
- The important issues that took place during the financial year 2008 and their impact on the financial statements.
- The perspectives and strategic aims of the Group and the Company,
- The risk and uncertainties of the Group and the Company,
- The transactions with related parties during 2009
- The important issues that took place after the end of the financial year 2009.

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

The present report is included unedited in Annual Financial Report of year 2009, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

The Annual 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 DATA

The year 2009 has been marked up from the economic recession. Despite the negative economic conditions, the company has preserved its growth potential in the IT sector, both as supplier of technological solutions of new technologies as well as System Integrator for wide scale projects. This has been achieved through:

- The decrease of the gross margin of profit in order to cope with the increased competition as well as the ability to timely react and adjust the cost structure the new economic environment with the aim to maintain its market share.
- The ability to use state of the art technology and highly skilled personnel and to broaden the product mix.

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

The following table presents a comparison of the financial results for the years 2008 and 2007 respectively.

2.1.1.1 Year's income

INCOME STATEMENT						
	Group			Company		
Amounts in € thousand	01.01-31.12.2009	01.01-31.12.2008	Variation %	01.01-31.12.2009	01.01-31.12.2008	Variation %
Revenue	49.687	49.916	-0,46%	49.167	49.565	-0,80%
Gross profit/loss	13.623	15.386	-11,46%	13.359	15.202	-12,12%

Gross profit margin	27%	31%		27%	31%	
EBIT	1.554	3.373	-53,93%	1.270	2.830	-55,12%
EBITDA	2.420	4.171	-41,98%	2.136	3.628	-41,12%
Earnings before taxes	318	1.848	-82,79%	34	1.334	-97,45%
Earnings after taxes	469	1.687	-72,20%	213	1.192	-82,13%

The Group's turnover amounted to € 49.687 thousand compared to € 49.916 thousand of year 2008 showing a small variation through time, as a result of the company's strategy for the preservation of the market share.

The Group's Gross profit amounted to € 13.623 thousand compare to € 15.386 thousand of year 2008, showing a decrease of 11,46%, due to the cost adjustment measures took by the Company. Moreover, maintaining the turnover at the level of year 2008, requires the decrease of the Gross profit margin.

The Group's EBIT amounted to € 1.554 thousand compare to € 3.373 thousand of year 2008 showing a decrease of 53,93%, attributed to the decrease of the Gross profit margin.

The Group's EBITDA amounted to € 2.420 thousand compare to € 4.171 thousand of year 2008 showing a decrease of 41,98%.

The Group's earnings before taxes amounted to € 318 thousand compare to € 1.848 thousand of year 2008. The level of profitability has been affected negatively by the global economic crisis

The Group's earnings after taxes amounted to € 469 thousand compare to € 1.687 of year 2008.

At the company's level, the earnings (EBITDA, EBIT, earnings before and after taxes) are shown to be decreased, yet maintain the level of turnover recorded in year 2008 as a result of the decreased Gross profit margin

2.1.1.2 Assets

BALANCE SHEET (Assets)						
	GROUP			COMPANY		
Amounts in € thousand	01.01-31.12.2009	01.01-31.12.2008	VARIATION %	01.01-31.12.2008	01.01-31.12.2008	VARIATION %
Total Assets	53.310	47.894	15,48%	55.165	47.930	15,09%
Total noncurrent receivables	13.282	12.171	9,13%	12.795	12.093	5,81%
Inventories	3.298	3.075	7,25%	3.298	3.075	7,25%
Trade receivables	26.416	24.363	8,43%	26.282	24.231	8,46%
Other receivables	12.314	8.284	48,65%	12.790	8.531	49,92%

The Group's Total Assets amounts to € 53.310 thousand compare to € 47.894 thousand of year 2008.

The Group's noncurrent receivables' net value amounts to € 13.282 thousand compare to € 12.172 thousand of year 2008. The increase is attributed to the conclusion of the construction works of the new premises building situated at 6 Loch. Dedousi St., Cholargos, Athens.
There are no real liens on non-current assets or property except the underwriting, amounting to € 800 thousand, dated 24 September 2008, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 3.298 thousand compare to € 3.075 thousand of year 2008. The increase is attributed to the implementation of public projects. The increase is deemed to be small and temporary.

The Group's Trade receivables amount to € 26.416 thousand compare to € 24.363 thousand of year 2008. The increase is attributed mainly to the lack of liquidity affecting the Greek economy. Nevertheless, the situation is deemed to be manageable as the Group's internal credit control procedures are efficient.

The Group's other receivables amount to € 12.314 thousand compare to 8.284 thousand of year 2008. The increase is attributed to the increase advancements to suppliers for the completion of integrated projects as well as to the increase of cash, due to notable collections near the end of 2009, although not timely available for the purpose of loan payments according to the Group's financial policy.

2.1.1.3 Liabilities

BALANCE SHEET (Liabilities)						
	CONSOLIDATED DATA			CORPORATE DATA		
Amount in € thousand	01.01-31.12.2009	01.01-31.12.2008	ΜΕΤΑΒΟΛΗ %	01.01-31.12.2009	01.01-31.12.2008	ΜΕΤΑΒΟΛΗ %
Total Liabilities	53.310	47.894	15,48%	55.165	47.930	15,09%
Shareholders' Equity	14.750	14.307	3,10%	14.209	14.022	1,33%
Long term loans	1.366	676	102,07%	1.366	676	102,07%
Other long term liabilities	1.046	1.855	-43,61%	1.532	2.240	-31,61%
Short term loans	23.114	14.326	61,34%	23.114	14.326	61,34%
Other short term liabilities	15.034	16.730	-10,14%	14.944	16.666	-10,33%

The Shareholders' equity amounts to € 14.750 thousand compare to € 14.307 thousand of year 2008.

The long term loans amounts to € 1.366 thousand compare to € 677 thousand of year 2008 and concern a) the mortgage loan ending at 31.01.2013 for the construction of new premises (4 floor building) on 6 Loch. Dedousi Str., Cholargos, Athens. The loan amounts to 526 after the interest and principal payments and b) new 3-years loan of € 850 thousand contracted with the European Investment Bank at 24 July 2009. This loan will finance the company's operating activities.

The Group's other long term liabilities amount to € 1.046 thousand compare to € 1.855 thousand of year 2008. The increase is attributed mainly to the employees' retirement benefits program updated with the new demographic data regarding the company's employees.

The Group's short term loans amounting to € 23.114 thousand compare to € 14.326 thousand of year 2008 show an increase due to the working capital needs.

The Group's other short term liabilities amount to € 15.034 thousand compare to € 16.730 thousand of year 2008.
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		
Amount ins € thousand	01.01-31.12.2009	01.01-31.12.2008	VARIATION %	01.01-31.12.2009	01.01-31.12.2008	VARIATION %
Total cash inflow/(outflow) from operating activities	-6.238	2.991	-308,56%	-6.487	2.869	-326,11%
Total cash inflow/(outflow) from investing activities	-1.598	-985	62,23%	-1.203	-984	22,38%
Total cash inflow/(outflow) from financing activities	9.477	-504	-1.980,36%	9.477	-504	-1.980,36%

The cash flow from operating activities is negative amounting to € 6.238 thousand. The main reasons for this are the increase of receivables for € 4.722 thousand as well as the decrease of bank loans for € 2.270 thousand. Both these reasons are related to the involvement in new project with conclusion period that exceeds one year. Compared to 3rd quarter of 2009, there is a notable smoothing which is expected to continue in early 2010 along with the completion of some projects. This is the result of changing economic environment as well as the fluctuations of the financial cycles.

The cash flow from investing activities is negative amounting to € 1.598 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

The cash flow from financing activities is positive amounting to € 9.477 thousand. This is attributable to the received of bank loans, reflecting the company's excellent relations with the banking system.

2.1.1.5 Performance ratios

	RATIOS	GROUP		COMPANY	
		2009	2008	2009	2008
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	110,17%	115,02%	111,33%	115,63%
A2.	QUICK RATIO	101,53%	105,12%	102,67%	105,71%
A3.	ACID TEST RATIO	11,38%	8,69%	11,05%	7,81%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,09 multiple	0,13 multiple	0,10 multiple	0,14 multiple
B.	**CAPITAL STRUCTURE RATIOS**				
B1.	DEPT TO EQUITY	274,97%	234,76%	288,24%	241,83%
B2.	CUERRENT LIABILITIES TO NET WORTH	258,62%	217,07%	267,85%	221,03%
B3.	FIXED ASSETS TO NET WORTH	86,81%	81,62%	86,69%	82,71%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	36,37%	42,60%	34,69%	41,35%
B5.	CUERRENT ASSETS TO TOTAL ASSETS RATIO	75,99%	74,58%	76,81%	74,77%
Γ.	**ACTIVITY RATIOS**				
Γ1.	INVENTORIES TURNOVER RATIO	11,32 multiple	14,12 multiple	11,24 multiple	14,05 multiple
Γ2.	FIXED ASSETS TURNOVER RATIO	3,88 multiple	4,27 multiple	3,99 multiple	4,27 multiple
Γ3.	DAYS OF SALES OUTSTANDING (D.S.O)	217,48 Days	201,70 Days	222,98 Days	205,15 Days
Γ4.	ASSET TURNOVER RATIO	0,90 multiple	1,04 multiple	0,89 multiple	1,03 multiple
Γ5.	OWNER'S EQUITY TURNOVER RATIO	3,36 multiple	3,49 multiple	3,46 multiple	3,53 multiple
Δ.	**PROFITABILITY RATIOS**				
Δ1.	GROSS PROFIT MARGIN	27,42%	30,82%	27,17%	30,67%
Δ2.	NET PROFIT MARGIN	0,64%	3,70%	0,07%	2,69%
Δ3.	RETURN OF INVESTMENT	8,03%	18,50%	6,33%	15,21%
Δ4.	EFFICIENCY OF TOTAL ASSETS	2,16%	12,92%	0,24%	9,51%
Δ5.	RETURN ON TOTAL CAPITAL EMPLOYED	3,64%	7,73%	3,13%	6,64%
Δ6.	GROSS PROFIT MARGIN	0,05 multiple	0,52 multiple	0,02 multiple	0,42 multiple
E.	**OPERATING EXPENSES RATIOS**				
E1.	OPERATING RATIO	97,97%	95,97%	98,53%	97,04%
E2.	INTEREST RATIO	1,19 multiple	2,00 multiple	1,02 multiple	1,72 multiple
E3.	OPERATING EXPENSES TO NET SALES	25,39%	26,79%	25,70%	27,71%
E4.	LOANS TO TOTAL ASSETS	44,26%	31,32%	45,26%	32,10%

2.1.1.6 Own Shares

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares which took place during the period from 1st July 2007 to 31st December 2007. The operation was accomplished for the execution of the General Meeting decision, by the virtue of which, a Stock Option Plan has been introduced in favor of the staff of the company, ending at 31.12.2010. None of the existing options were exercised during year 2008. The fair value of the stock options was 0,61 € per share while the stock's closing price as at 31.12.2009 was 0,50 € per share.

2.1.1.7 Participating interests and investments

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

Corporate name	Acquisition cost		Ownership percentage		Consolidation method	Country
Amounts in € thousand	31.12.2009	31.12.2008				
Subsidiaries			Direct	Indirect		
SPACE HELLAS (CYPRUS) LTD	34	35	100%		Full Consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	396	-		99%	Full Consolidation	Romania
Total Subsidiaries	**430**	**35**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT-VENTURE ALKYONA	49	49	99%	-	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 - KONSTANTINOS SYMPONIS LTD	3	3	50%	-	Equity method	Greece
HSTS S.A»	-	40	50%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA (“DORY”)	13	-	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**457**	**484**				
Other investments						
MOBICS L.T.D.	120	120	17,17%	-	-	Greece
Total Other investments	**120**	**120**				
Total Shareholding	**1.007**	**639**				

At the end of year 2009, the subsidiary SPACE HELLAS (CYPRUS) LTD decide to extent its operations in Romania, establishing a new company under the corporate name “SPACE HELLAS SYSTEM INTEGRATOR S.R.L”, with initial Share Capital of € 400 thousand. A strategic approach in order to broaden our activities in this new market, offering products and solutions from the successful Greek experience, requires the presence of the Group through a new corporate entity.
At 3rd August 2009, the companies SPACE HELLAS and KBI HELLAS have commonly established the Joint Venture “SPACE HELLAS S.A – KBI IMPULS HELLAS S.A” with equal share. The scope of this joint venture is the implementation of the assigned, through public bid, project DORY (satellite communication for 1.700 spots and 13 public organizations). The project’s budget amounts to € 7,35 millions.

2.1.1.8 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	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Guarantee letters to secure good performance of contract terms *	6.171	6.360	6.171	5.283
Total contingent liabilities	**6.171**	**6.360**	**6.171**	**5.283**

The figures presented in the table above, comprise guarantee letters to secure good performance of contract terms towards Joint-Ventures for the amounts of € 1.047 thousand for 2009 and € 1.253 thousand for year 2008,

2.1.1.9 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.

2.1.1.10 Other contigent liabilities

For the event of tax audit of previews fiscal years a provision amounting to € 70 thousand has been charged regarding only the parent company's current fiscal year which is tax un-audited. As for the rest of the Group such an event would have insignificant impact.
Except the above mentioned there are no other contingent liabilities.

2.1.2 OTHER INFORMATION

2.1.2.1 Branches

The operating branches as at 31.12.2009 are the following:

s/n	Establishment	Address
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Cholargos	6 Loch. Dedousi Str, Cholargos
3.	Thessaloniki	G.-I. Kar. & P. Kyrillou, Thessaloniki
4.	Athens	Em. Mpenaki 59, Athens
5.	Patra	Gkotsi 26-28 Patra
6.	Crete	Eth. Antistaseos 101 Crete
7.	Ioannina	Tsirigotaki 14 & Kaniggos, Ioannina
8	Komotini	Maronias 1, Komotini
9	Rhodes	Ethn. Antistaseos 48, Rhodes

During year 2009 Space Hellas established a new branch of at Rhodes. The new branch will provide technical support to the wider area of Dodecanese.

The company periodically monitors and evaluates the effectiveness of its geographic expansion through its branches.

2.1.2.2 Personnel figures

The Group's Management is supported by a team of expert and valuable staff contributing to the Group's development.
The table below is showing the staff that has been employed on average during the year 2008 as well as the remuneration received (salary and social security contributions):

Employees (average numbers)												
Amounts in € thousand	GROUP						COMPANY					
Staff category	Persons		Total salary		Social security charges		Persons		Total salary		Social security charges	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Management	66	80	2.538	2.782	494	496	66	79	2.538	2.760	494	491
Technical support	83	74	2.482	2.202	623	554	83	74	2.482	2.202	623	554
Sales	103	86	3.335	3.153	818	782	103	86	3.335	3.153	818	782
	252	240	8.355	8.137	1.935	1.832	252	239	8.355	8.115	1.935	1.827

2.1.2.3 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.

2.1.2.4 Internal Audit

The internal audit (IA) is the basis and indispensable prerequisite for effective CG. The IA department is an independent organizational unit, reporting to the Board of Directors.
The Internal Audit Department's main responsibilities are the monitoring of the application and compliance with the Internal Regulation Manual, as well as the Greek legislation and related regulations.

2.1.2.5 Certifications

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 certification EN ISO 9001:2000 for its Quality Management System. 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,

2.1.2.6 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.

2.1.2.7 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. For year 2009 there were no distributable earnings.

2.2 SIGNIFICANT FACTS DURING YEAR 2009 AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

Significant facts that took place during the period from 1st January to 31st December 2009 are the following:

- **Shareholders' Ordinary General Meeting at 30-06-2009.** The most important issues of the meeting were the following:

- Modification of the article 3 of the Association to extent the corporate aims to include the provision of finance and accounting services
- Share Capital increase through capitalization of the Share premium with concurrent offsetting of previews years losses and modification of article 5 of the Association. Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.
- Constitution of and member designation for the Audit committee in compliance with the Law 3693/08 with the following responsibilities a) monitoring of the financial reporting processes b) monitoring of the effectiveness of the Internal Audit and the Risk Management System as well as supervision of the Internal Control Unit. c) monitoring of the statutory external audits of the corporate and consolidated financial statements d) review and monitoring of the independence of the legal auditor.
- Modification of article 10 of the Association allowing increasing the members of the Board of Directors up to 9 members. The members of the Board, which may be shareholders or not (non Shareholders) are elected from the General Meeting with an incumbency of 5 year, automatically extended until the first General Meeting that will take place after the end of their incumbency, and for the maximum of one more year

- **Tax audit completion** for the fiscal years 2007 and 2008. As informed, the company's books were deemed efficient and there were no irregularities or omissions that would affect the books' validity. The tax audit resulted to additional taxes for years 2007 and 2008 of € 18 thousand and € 5 thousand respectively.

- **Space Hellas received the certification ISO/IEC 27001:2005 SPACE HELLAS S.A. Information Security Management Systems (ISMS)** at corporate level, for all of its commercial activities and for all of its premises and the branches of Athens, Thessaloniki, Patra, Ioannina and Crete. The audit was performed by ISOQAR and the company received the UKAS certification (Certificate No. 7421 ISMS 001.) SPACE HELLAS .S.A. is one of the few companies in Greece possessing this certification for the whole of its activities. The certification according to ISO/IEC 27001, assures that all processes are tested for information confidentiality, integrity and availability for the data protection purposes. The certification is for the benefit of all the company's stakeholders and especially of its major clients. The ISMS Implementation was conducted by the Department of Information Security of the company.

- **New branch at Rhodes.** After Thessaloniki, Patra, Iraklio, Ioanina and Komotini, the well promising new branch of Space Hellas started its activities. The new branch will provide technical support to the wider area of Dodecanese.

- **At 3nd August 2009,** the companies SPACE HELLAS and KBI HELLAS have commonly established the Joint Venture "SPACE HELLAS S.A – KBI IMPULS HELLAS S.A" with equal share. The scope of this joint venture is the implementation of the assigned, through public bid, project DORY (satellite communication for 1.700 spots and 13 public organizations). The project's budget amounts to € 7,35 millions.

- **At 09.07.2009,** Space Hellas and Information Society S.A., have signed the contract for the project «full digitization of four upgraded Radar of CMH», of € 1,58 million contract budget and the final beneficiary is CMH (EMY).

- **At 29.07.2009** the project «Remote access users Greek Police » (3G ΕΛ.ΑΣ), of € 1,59 million contract budget, for the Greek police, was assigned to Space Hellas. The contract sign up is expected to be take place on September 2009.

- **At 14-9-2009** with the Ministerial Announcement of the Ministry of Development (decisionK2-9596, Official Gazzete of Greece 11169 - 17/9/2009) taking into account the company's Board of Direcotrs' decision as at 10-09-2009, Mr. Manolopoulos Spyros has been elected as new non executive member of the Board, replaceing the resigned member Mr. Giokas Anastasios. Furthermore, with the ministerial decision K2-2692/24-03-2010, Mr. Manolopoulos Spyros has been recorded in the S.A. Register as B' Vicepresident and non executive member of the Board.

2.3 FUTURE PERSPECTIVES AND STRATEGIC GOALS BOTH AT A CORPORATE AND GROUP LEVEL

The global economic crisis and especially the Greek fiscal crisis have created an economic recession for 2010 which is affecting the Company's activities. The Company's Management has taken measures in order to cope with this economic recession.

The company's trade trend is moving along the same operational routes as in the previews years.

- Trade operations as technology providers of solutions and services to the business environment.
- Participation in major IT projects in the public and private sector.
- Development of resellers' network for mobile telecommunications

With regard to the trade operations route, the company continues the well designed promotion of nine products/technology solutions and telecommunication and security software. The company continuously monitors the efficiency of this operational route. In particular, for 2010, due to the economic crisis, there was a split of the technological solutions in three wider business units in order, through the resources multiplexing, to maximize the efficiency and productivity. Furthermore, more commercially aggressive actions have been taken.

With regard to the projects route, for projects of € 10 millions, major delays have been recorded in (DORY-EMY4-3G ΕΛ.ΑΣ) as these projects were receiving their financing from the European Co financed development programmes. Due to the Greek elections of 2009 and the delay in assigning new Heads at the General Secretariats, there was a significant delay in the transfer of these funds to the new financing programme NSRF. According to our estimation there will be a 6-month delay for these projects and the subsequent delay in the collection of the receivables which will have a negative impact for the budget of 2010.

As the new government has expressed its interest in the successful conclusion of these projects, we expect that the risk of new complications of lack of funding is very low.

At February 2010, the company have stipulated and signed a contract with Social Security Organization regarding the IT project of the Institution's laboratories Information System (LIS). The project's budget is € 2 million and will be executed in collaboration with ALAPIS S.A in equal part.

Despite the success in winning and implementing major projects, the year 2010 will be characterized from delay in the invoicing of projects for two reasons:
a) The expected NSRF projects for which the company is prepared to contest and participate may not generate significant receivables during the year, due to the delay of their official announcement.
b) the delay in the implementation of the three abovementioned projects will possibly cause a time slide of their invoicing. The total impact in the turnover will be easier to estimate at the end of the first half-year where all these delay matters will have been resolved.

One of the major issues for year 2010 is the generation of a positive cash flow as well as the preservation of the necessary level of cash liquidity.

The Management's aim for 2010 is the preservation of the level of profitability even when the economic recession will reach its peak. Meanwhile, the company will evaluate the relation risk/profit for the business opportunities in these new economic conditions in relation to all its investment plans.
We believe that economic recession will have a moderate impact to the company's trends.

2.4 RISK MANAGEMENT AND HEADGING POLICY

The Group and the Company do not expect to face significant risks in the short term that could compromise the good performance. 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, the flexibility of our infrastructure in relation to ongoing projects allows believing that the Group will respond with quality and efficiency to the challenging coming year.

The Group is exposed to the following.

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 foreign transaction currencies are USD and GBP

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 year 2009 in € thousand	USD	1,5%	-100
		-1,5%	100
Amounts of year 2008 in € thousand	USD	1,5%	-99
		-1,5%	99

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.

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.

In conclusion, taking into account the existing banking relations as well as the approved credit limits, in the short and medium term no particular risks are expected that could significantly affect the operations of the Group.
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 year 2009 in € thousand	EURO	0,5%	-90
		-0,5%	90
Amounts of year 2008 in € thousand	EURO	0,5%	-85
		-0,5%	85

- **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 2009 the there is no material credit risk exposure that is 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 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 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 at 31 December 2008 based on contractual undiscounted payments.

Group								
	Total		**Less than 1 year**		**1 to 5 years**		**>5years**	
Amounts in € thousand	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Borrowings	**24.480**	**15.002**	23.114	14.326	1.366	676	-	-
Trade and other payables	**15.042**	**16.734**	15.034	16.731	-	-	8	3

Company								
	Total		**Less than 1 year**		**1 to 5 years**		**>5years**	
Amounts in € thousand	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Borrowings	**24.480**	**15.002**	23.114	14.326	1.366	676	-	-
Trade and other payables	**15.438**	**17.087**	14.944	16.666	486	418	8	3

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.

Gearing ratio	**Group**		**Company**	
Amounts in € thousand	**31.12.2009**	**31.12.2008**	**31.12.2009**	**31.12.2008**
Short term Borrowings	23.114	14.326	23.114	14.326
Long term Borrowings	1.366	676	1.366	676
Less: cash and cash equivalents	-4.341	-2.700	-4.206	-2.419
Net Debt	**20.139**	**12.302**	**20.274**	**12.583**
Equity	14.750	14.307	14.209	14.022
Total capital employed	**34.889**	**26.609**	**34.483**	**26.605**
Gearing ratio	**57,72%**	**46,23%**	**58,79%**	**47,30%**

The gearing ratio for year 2009 amounts to 57,72%. During year 2009, the increase rate of short term loans has significantly affected the ratio. Year 2010 is expected to be a year of stability of borrowings while slight decrease will be visible at the end of the first quarter 2010.

2.5 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 year 2009 and 2008 respectively.

Amounts in € thousand	**Revenue**		**Expenses**		**Receivables**		**Liabilities**	
Company	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
JOINT-VENTURE "EMY" MODERNIZATION	70	687	-	-	3.552	3.752	-	-
JOINT-VENTURE ALKYONA	-	456	66	38	665	900	478	412
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	519	3.373	-	39	25	1.672	-	44
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2	101	7	-	282	269	7	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	-1.469	-	-	-
Joint Ventures	**591**	**4.617**	**73**	**77**	**3.055**	**6.593**	**485**	**456**
MOBICS L.T.D.	9	25	30	-	-	-	-	-
SPACE CONSULTING S.A.	26	284	1	-	733	564	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	509	501	284	78	-	-
SPACE VISION S.A.	4	3	138	104	581	286	-	-
Associates	**41**	**314**	**678**	**605**	**1.598**	**928**	**-**	**-**
Total Company	**632**	**4.931**	**751**	**682**	**4.653**	**7.521**	**485**	**456**

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
Group	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
JOINT-VENTURE "EMY" MODERNIZATION	70	687	-	-	3.552	3.752	-	-
JOINT-VENTURE ALKYONA	-	456	66	38	665	900	478	412
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	519	3.373	-	39	25	1.672	-	44
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2	101	7	-	282	269	7	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	-1.469	-	-	-
Joint Ventures	**591**	**4.617**	**73**	**77**	**3.055**	**6.593**	**485**	**456**
MOBICS L.T.D.	9	25	30	-	-	-	-	-
SPACE CONSULTING S.A.	26	284	1	-	733	564	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	509	501	284	78	-	-
SPACE VISION S.A.	4	3	138	104	581	286	-	-
Associates	**41**	**314**	**678**	**605**	**1.598**	**928**	**-**	**-**
Total Group	**632**	**4.931**	**751**	**682**	**4.653**	**7.521**	**485**	**456**

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

The amounts of revenues shown, concern the implementation of wide scale projects conducted through the joint ventures.
The great part of the receivables from joint ventures concerns the Joint venture "EMY" MODERNIZATION which is in the final acceptance stage expected to take place within 2010, which, in turn will produce significant collection of these receivables.

The company has formed an impairment provision for the amount of € 100 thousand, concerning JOINT-VENTURE ALKYONA

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	
	31.12.2009	**31.12.2008**	**31.12.2009**	**31.12.2008**
Salaries and other employee benefits	**1.446**	**1.513**	**1.446**	**1.513**
Receivables from executives and members of the Board	**1**	**-**	**1**	**-**
Payables to executives and member of the Board	**130**	**15**	**130**	**15**

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	
	31.12.2009	**31.12.2008**	**31.12.2009**	**31.12.2008**
Guarantees to third parties on behalf of subsidiaries and joint ventures	**2.517**	**1.040**	**2.517**	**1.040**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**2.517**	**1.040**	**2.517**	**1.040**

2.6 SIGNIFICANT POST-BALANCE SHEET EVENTS

At February 2010, the company have stipulated and signed a contract with Social Security Organization regarding the IT project of the Institution's laboratories Information System (LIS). The project's budget is € 2 million and will be executed in collaboration with ALAPIS S.A in equal part.

3 EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS THE SHAREHOLDERS' ORIDNARY GENERAL MEETING OF "SPACE HELLAS S.A.", pursuant to article 4, paragraphs 7 and 8, Law 3556/2007

The explanatory report of the Board of Directors contains the detailed information required by virtue of the art.4 para. 7, Law 3371/2005 and it is integral part of the Annual Report of the Board of Directors.

i. *Structure of the Company's share capital.*

With the Decision of the Shareholders' Ordinary General Meeting of 30.06.2009 the Share capital was modified as follows:

1. Share capital increase for the amount of € 10.201.874,51 through the increase of nominal value of the shares for € 0,39 each as well as through the capitalization of the Share premium and
2. Share capital decrease for € 8.095.784,91, with decrease of the nominal value of the shares for € 0,31 for the offsetting of previews years' losses

Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.

All shares are listed in the Athens Stock Exchange in the sector "Telecommunications equipment" under the "Medium and Small Capitalization" category.

ii. *Limitations on transfer of Company shares.*

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

iii. *Significant direct or indirect holdings in the sense of articles 9 to 11, L.3556/2007*

At 31.12.2009 the following shareholders held more than 5% of the total voting rights of the Company:

Name and Surname	Percentage
Dimitrios Manolopoulos	33,30%
ALPHA BANK S.A.	18,96%
Mpellos Panagiotis	17,27%
Drosinos Paraskevas	14,74%

No other entity possesses a percentage greater than 5% of the total company's voting rights

iv. *Shares conferring special control rights.*

None of the Company shares carry any special rights of control.

v. *Limitations on voting rights.*

The articles of Association make no provision for any limitations on voting rights.

vi. *Agreements among Company shareholders.*

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

vii. *Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association.*

The articles of Association regarding the appointment or replacement of Board of Directors members as well as the alteration of its provisions are in accordance to the provisions of Law 2190/1920.

viii. *Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to article 16 of Codified Law 2190/20*

The Shareholders' General Meeting, following a relevant decision, can confer to the Board of Directors the right, lasting for 5 years, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

The board of Directors, with the authority conferred by the Shareholders' General Meeting, following a relevant decision, can purchase own shares. The purchase cannot exceed the 1/10 of the paid-up share capital. There is no such decision of the Shareholders' General Meeting.

ix. *Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.*

There is no such an agreement.

x. *Significant agreements with members of the Board of Directors or employees of the Company.*

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.

Agia Paraskevi, 26 March 2010

The President

D. MANOLOPOULOS

The Board of Directors

4 INDIPENDENT AUDITOR'S REPORT

PKF Euroauditing SA.

Accountants &
business advisers

AUDITOR'S REPORT

To the Shareholders of **SPACE HELLAS S.A.**

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of SPACE HELLAS SA and its subsidiaries which comprise the company and consolidated statement of financial position as of 31 December 2009 and the company and consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the company and consolidated financial statements present fairly, in all material respects, the financial position of SPACE HELLAS SA and its subsidiaries as at December 31, 2009, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

PKF Euroauditing SA.

Accountants &
business advisers

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

PKF EUROAUDITING S.A.	Athens, 29 March 2010
Certified Public Accountants	
PANNELL KERR FORSTER	
International Limited	DIMOS N. PITELIS
124 Kifissias Avenue, 115 26 Athens	**Certified Public Accountant**
S.O.E.L. Reg. No. 132	S.O.E.L. Reg. No. 14481

5 ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2009 TO 31st DECEMBER 2009

5.1 TOTAL COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	GROUP 01.01-31.12.2009	GROUP 01.01-31.12.2008	COMPANY 01.01-31.12.2009	COMPANY 01.01-31.12.2008
Revenue	5.7.1	49.687	49.916	49.167	49.565
Cost of sales		-36.064	-34.530	-35.808	-34.363
Gross profit		**13.623**	**15.386**	**13.359**	**15.202**
Other income	5.7.2	547	1.359	547	1.363
Administrative expenses	5.7.3	-6.111	-5.844	-6.103	-5.799
Research and development cost	5.7.3	-470	-428	-470	-428
Selling and marketing expenses	5.7.3	-5.196	-6.415	-5.196	-6.378
Other expenses	5.7.4	-839	-685	-867	-1.130
Earnings before taxes, investing and financial results		**1.554**	**3.373**	**1.270**	**2.830**
Interest & other similar income		405	234	403	233
Interest and other financial expenses		-1.695	-1.852	-1.693	-1.851
Profit/(loss) from revaluation of investments in subsidiaries - associated companies		54	93	54	122
Profit/(loss) before taxes		**318**	**1.848**	**34**	**1.334**
Less: Taxes	5.7.5	151	-161	179	-142
Profit after taxes (A)		**469**	**1.687**	**213**	**1.192**
- Company Shareholders		469	1.687	-	-
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes (B)		**-84**	**1.112**	**-84**	**1.108**
Total comprehensive income after taxes (A) + (B)		**385**	**2.799**	**129**	**2.300**
- Company Shareholders		385	2.799	-	-
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share, which correspond to the parent's shareholders for the period		0,0182	0,0653	0,0109	0,0491
SUMMARY OF INCOME STATEMENT					
Profit before interest, taxes, depreciation and amortization (EBITDA)		**2.420**	**4.171**	**2.136**	**3.628**
Less depreciation		**866**	**798**	**866**	**798**
Profit before interest and taxes, (EBIT)		**1.554**	**3.373**	**1.270**	**2.830**
Profit before taxes		**318**	**1.848**	**34**	**1.334**
Profit after taxes		**469**	**1.687**	**213**	**1.192**
Other comprehensive income after taxes		**-84**	**1.112**	**-84**	**1.108**
Total comprehensive income after taxes		**385**	**2.799**	**129**	**2.300**

Note:

Year 2009

- *The amount € - 84 thousand, charged directly to the Equity concerns expenses less deferred tax, related to the capitalization of the Share premium*

Previews years

- *For the company, the amount € 1.108 thousand, charged directly to the Equity concerns € -71 thousand prior years' tax differences of Joint venture ALKYONA and €1.179 thousand revaluation of property at fair value*
- *For the group the amount € 1.108 thousand, charged directly to the Equity concerns € -71 thousand prior years' tax differences of Joint venture ALKYONA, €1.179 thousand revaluation of property at fair value and € 4 thousand the effect of the liquidation of subsidiary.*

5.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	NOTES	GROUP		COMPANY	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
ASSETS					
Non-current assets					
Property, plant & equipment	5.7.6	11.131	10.376	11.131	10.376
Goodwill	5.7.8	428	428	428	428
Intangible assets	5.7.7	476	495	476	495
Investments in subsidiaries	5.7.10	396	0	34	35
Investments in associates	5.7.10	703	718	578	604
Other noncurrent receivables		148	155	148	155
Total Non-current assets		**13.282**	**12.172**	**12.795**	**12.093**
Current assets					
Inventories	5.7.11	3.298	3.075	3.298	3.075
Trade debtors	5.7.12	26.416	24.363	26.282	24.231
Other debtors	5.7.13	5.601	3.751	6.212	4.279
Financial assets		12	12	12	12
Advanced payments	5.7.14	2.360	1.821	2.360	1.821
Cash and cash equivalents	5.7.15	4.341	2.700	4.206	2.419
Total Current assets		**42.028**	**35.722**	**42.370**	**35.837**
TOTAL ASSETS		**55.310**	**47.894**	**55.165**	**47.930**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	5.7.16	10.530	8.424	10.530	8.424
Share premium	5.7.16	53	10.255	53	10.255
Stock option plan reserve	5.7.19	202	144	202	144
Treasury shares	5.7.19	-811	-811	-811	-811
Fair value reserves		3.435	3.435	3.435	3.435
Other Reserves		671	671	671	671
Retained earnings		670	-7.811	129	-8.096
Equity attributable to equity holders of the parent		**14.750**	**14.307**	**14.209**	**14.022**
Minority interests		**0**	**0**	**-**	**-**
Total Equity		**14.750**	**14.307**	**14.209**	**14.022**
Non-current liabilities					
Other non-current liabilities	5.7.18	8	3	494	388
Long term loans	5.7.17	1.366	676	1.366	676
Provisions	5.7.22	70	75	70	75
Retirement benefit obligations	5.7.19	625	1.156	625	1.156
Deferred income tax liability	5.7.20	343	621	343	621
Total Non-current liabilities		**2.412**	**2.531**	**2.898**	**2.916**
Current liabilities					
Trade and other payables	5.7.21	13.909	15.619	13.855	15.597
Income tax payable		1.125	1.111	1.089	1.069
Short-term borrowings		23.114	14.326	23.114	14.326
Total Current liabilities		**38.148**	**31.056**	**38.058**	**30.992**
Total Equity and Liabilities		**55.310**	**47.894**	**55.165**	**47.930**

5.3 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Statement of Changes in Shareholders' Equity
Company:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
Balance at 1 January 2008 as previously reported	**8.424**	**10.255**	**2.256**	**0**	**-811**	**671**	**-9.217**	**11.578**
Changes in the Shareholders equity for the period 01/01-31/12/2008								
Profit for the year	0	0	0	0	0	0	1.192	**1.192**
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	1.179	0	0	0	-71	**1.108**
Reclassified item*	0	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	0	**0**
Stock Option Plan formation reserve	0	0	0	144	0	0	0	**144**
Balance at 31 December 2008	**8.424**	**10.255**	**3.435**	**144**	**-811**	**671**	**-8.096**	**14.022**
Changes in the Shareholders equity for the period 01/01-31/12/2009								
Balance at 1 January 2009 as previously reported	**8.424**	**10.255**	**3.435**	**144**	**-811**	**671**	**-8.096**	**14.022**
Profit for the year	0	0	0	0	0	0	213	**213**
Share Capital increase/ (decrease)	2.106	0	0	0	0	0	0	**2.106**
Dividends distributed (profits)	0	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	-84	**-84**
Treasury shares purchased	0	0	0	0	0	0	0	**0**
Stock Option Plan formation reserve	0	0	0	58	0	0	0	**58**
Capitalisation of the Share premium with concurrent offsetting of previews years' losses for the increase of the Share capital	0	-10.202	0	0	0	0	8.096	**-2.106**
Balance at 31 December 2009	**10.530**	**53**	**3.435**	**202**	**-811**	**671**	**129**	**14.209**

Note:

Year 2009
- *The share capital increase was concluded through the capitalization of the share premium to be used for the offsetting of previews years' losses.*
- *The amount € - 84 thousand, charged directly to the Equity concerns expenses less deferred tax, related to the capitalization of the Share premium*

Previews years
- *The amount € -71 thousand concerns prior years' tax differences of Joint venture ALKYONA. thousand revaluation of property at fair value*
- *The amount € €1.179 thousand, concerns revaluation of property at fair value*

Statement of Changes in Shareholders' Equity
Group:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
Balance at 1 January 2008 as previously reported	**8.424**	**10.255**	**2.256**	**0**	**-811**	**675**	**-9.435**	**11.364**
Changes in the Shareholders equity for the period 01/01-31/12/2008								
Profit for the year	0	0	0	0	0	0	1.412	**1.412**
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	1.179	0	0	0	-71	**-71**
Treasury shares purchased	0	0	0	0	0	0	0	**0**
Stock Option Plan formation reserve	0	0	0	144	0	0	0	**144**
Winding up effect of subsidiaries	0	0	0	0	0	-4	7	**3**
Offsetting of subsidiary's distributed dividends	0	0	0	0	0	0	1	**1**
Balance at 31 December 2008	**8.424**	**10.255**	**2.256**	**144**	**-811**	**675**	**-8.094**	**12.813**
Changes in the Shareholders equity for the period 01/01-31/12/2009								
Balance at 1 January 2009 as previously reported	**8.424**	**10.255**	**3.435**	**144**	**-811**	**671**	**-7.811**	**14.307**
Profit for the year	0	0	0	0	0	0	469	**469**
Share Capital increase/ (decrease)	2.106	0	0	0	0	0	0	**2.106**
Dividends distributed (profits)	0	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	-84	**-84**
Treasury shares purchased	0	0	0	0	0	0	0	**0**
Stock Option Plan formation reserve	0	0	0	58	0	0	0	**58**
Winding up effect of subsidiaries	0	0	0	0	0	0	0	**0**
Offsetting of subsidiary's distributed dividends	0	0	0	0	0	0	0	**0**
Capitalisation of the Share premium with concurrent offsetting of previews years' losses for the increase of the Share capital	0	-10.202	0	0	0	0	8.096	**-2.106**
Balance at 31 December 2009	**10.530**	**53**	**3.435**	**202**	**-811**	**671**	**670**	**14.750**

Note:
Year 2009
- *The share capital increase was concluded through the capitalization of the share premium to be used for the offsetting of previews years' losses.*
- *The amount € - 84 thousand, charged directly to the Equity concerns expenses less deferred tax, related to the capitalization of the Share premium*

Previews years
- *The amount € -71 thousand concerns prior years' tax differences of Joint venture ALKYONA. thousand revaluation of property at fair value*
- *The amount € €1.179 thousand, concerns revaluation of property at fair value and € 4 thousand the effect of the liquidation of subsidiary*

5.4 CASH FLOW STATEMENT

Amounts in € thousand	GROUP 01.01-31.12.2009	GROUP 01.01-31.12.2008	COMPANY 01.01-31.12.2009	COMPANY 01.01-31.12.2008
Cash flows from operating activities				
Profit/(Loss) Before Taxes	318	1.848	34	1.334
Adjustments for:				
Depreciation & amortization	866	798	866	798
Capitalization expenses net of deferred taxes	-84	0	-84	0
Provisions	116	76	116	76
Foreign exchange differences	235	112	235	110
Net (profit)/Loss from investing activities	-458	-308	-427	34
Interest and other financial expenses	1.695	1.852	1.693	1.851
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-223	-1.258	-223	-1.258
Decrease/(increase) in Receivables	-4.722	-1.828	-4.721	-1.791
(Decrease)/increase in Payables (excluding banks)	-2.270	3.852	-2.304	3.867
Less:				
Interest and other financial expenses paid	-1.694	-1.852	-1.693	-1.851
Taxes paid	-17	-301	21	-301
Total cash inflow/(outflow) from operating activities (a)	**-6.238**	**2.991**	**-6.487**	**2.869**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-409	-104	-13	-104
Purchase of tangible and intangible assets	-1.620	-1.133	-1.620	-1.133
Proceeds from sale of tangible and intangible assets	27	9	27	9
Proceeds from sale/liquidation of subsidiaries	0	9	0	11
Interest received	404	234	403	233
Dividends received	0	0	0	1
Total cash inflow/(outflow) from investing activities (b)	**-1.598**	**-985**	**-1.203**	**-983**
Cash flow from Financing Activities				
Proceeds from Borrowings	13.893	6.416	13.893	6.416
Payments of Borrowings	-4.416	-6.920	-4.416	-6.920
Total cash inflow/(outflow) from financing activities (c)	**9.477**	**-504**	**9.477**	**-504**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**1.641**	**1.502**	**1.787**	**1.382**
Cash and cash equivalents at beginning of period	**2.700**	**1.198**	**2.419**	**1.037**
Cash and cash equivalents at end of period	**4.341**	**2.700**	**4.206**	**2.419**

5.5 GENERAL INFORMATION FOR SPACE HELLAS S.A.

5.5.1 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 06.05.1999, the descision of the General Meeting, approved by the Prefecture (EM 4247/99, registerd in the Societers Anonymes Register (23.07.1999) and published in the Official Gazette of Greece (ΦΕΚ 6299/2.8.99 ΤΑΕ & ΕΠΕ), has set the company's duration to 50 years.
The company's S.A. Register Number (ΑΡ.Μ.Α.Ε.) is 13966/06/Β/86/95 and the Tax Register Number (ΑΦΜ) is 094149709

5.5.2 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.

- Network infrastructure and data networking.
- Enterprise telephony.
- Structured cabling
- Telecom infrastructure
- System Integration
- Value added services
- Telecomunication services at national and international level
- Technical services (installation, support and service)
- Telematic systems and services
- Mobile communication systems and services
- IT Applications and Services
- Research and Development projects at national and international level

5.5.3 BOARD OF DIRECTORS

By virtue of the company's decision, dated 15.03.2010, registered in the S.A. register (K2-12692/24-03-2010), the Board of Directors has been constituted of the following members:

- Dimitrios S. Manolopoulos, President of the Board, executive member
- Paraskevas D. Drosinos Chief Executive Officer, executive member
- Christos P. Mpellos, A' Vice-president of the Board, non executive member
- Georgios P. Lagogiannis executive member.
- Manolopoulos D Spyridon, B' Vicepreseident, indipendent non 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 30.06.2010.

Furthermore, the modification of article 10 of the Association, approved at the Shareholders' Ordinary General Meeting, allows increasing the members of the Board of Directors up to 9 members.

5.5.4 GROUP STRUCTURE

The group's companies, which are included in the consolidated financial statements, are the following:

Corporate name	Ownership percentage		Consolidation method	Country
Amounts in € thousand	Direct	Indirect		
Subsidiaries				
SPACE HELLAS (CYPRUS) LTD*	100%		Full consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.****		99%	Full consolidation	Romania
Associates & Joint Ventures				
JOINT-VENTURE "EMY" MODERNIZATION	67,5%		Equity method	Greece
JOINT-VENTURE ALKYONA	99%		Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	35%		Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	50%		Equity method	Greece
HSTS S.A»	50%		Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	50%		Equity method	Greece
Other investments				
MOBICS L.T.D.	17,17%		-	Greece

Note
** Under construction, subsidiary of SPACE HELLAS (CYPRUS) LTD*

5.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.6.1 GENERAL INFROMATION

The accompanying financial statements of the period from 1st January to 31st December 2009 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 financial statements of the company and the Group for the year ended at 31.12.2009 have been approved by the Board of Directors with the decision No 1673/26th March 2010.
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.

5.6.2 BASIS OF PREPARATION

The financial statements AS AT 31st December 2009, have been approved for issue by the Board of Directors on March 26, 2010 have been prepared taking into account the going concern principle as well as the historical cost convention, as modified by the revaluation of certain equity investments, investment property, and derivative instruments at fair value and fully comply with the International Financial Reporting Standards (I.F.R.S.) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union, (EC regulation 1606/2002) as at December 31, 2009

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.

5.6.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for the periods beginning January 1, 2009, onwards (except if mentioned otherwise below). The Group's and the Company's Management's assessment regarding the effect of these new standards and interpretations is as follows:

5.6.3.1 Standards and interpretations mandatory for 2009

IAS 1 Presentation of Financial Statements (Revised) The revised standard requires that the statement of changes in equity includes only transactions with shareholders; introduces a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income" (either in one single statement or in two linked statements); and requires the inclusion of a third column on the balance sheet to present the effect of restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group made the necessary changes to the presentation of its financial statements in 2009 and has elected to present the statement of comprehensive income one single statement.

IFRS 2 (Amendment) "Share Based Payment" The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group's financial statements.

IFRS 7 Financial Instruments: Disclosures (Amended) The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not impacted by the amendments.

IFRS 8 Operating Segments This Standard replaces IAS 14 „Segment reporting☐. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. Adoption of this Standard did not have any effect on the financial position or performance of the Group. This amendment has no effect on the number of segments that are presented in the financial statements.

IAS 23 (Revised) "Borrowing Costs" This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. This amendment has no effect on the number of segments that are presented in the financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group's financial statements.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" This amendment clarifies that entities should no longer use hedge accounting for transactions between segments in their separate financial statements. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

5.6.3.2 Interpretations effective for year ended 31 December 2009

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"*(effective for annual periods beginning on or after 1 January 2010)* This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Group's financial statements since it has already adopted IFRSs. This amendment has not yet been endorsed by the EU.

IFRS 2 (Amendment) "Share-based Payment" *(effective for annual periods beginning on or after 1 January 2010)* The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment is not expected to impact the Group's financial statements. This amendment has not yet been endorsed by the EU.

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" *(effective for annual periods beginning on or after 1 July 2009)* The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

IFRS 9 "Financial Instruments" *(effective for annual periods beginning on or after 1 January 2013)* IFRS 9 is the first part of Phase 1 of the Board's project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortized cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

IAS 24 (Amendment) "Related Party Disclosures" *(effective for annual periods beginning on or after 1 January 2011)* This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) "Financial Instruments: Presentation" *(effective for annual periods beginning on or after 1 February 2010)* This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group's financial statements.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" *(effective for annual periods beginning on or after 1 July 2009)* This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

5.6.3.3 Amendments to standards that form part of IASB's annual improvments project.

The amendments set out below describe the key changes toy IFRSs following the publication in July 2009 of the results of the IASB's annual improvements project. These amendments have not yet been endorsed by the EU. Unless otherwise stated the following amendments are effective for annual periods beginning on or after January 1st 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

IAS 1 "Presentation of Financial Statements"
The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or not – current.

IAS 7 "Statement of Cash Flows"
The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities

IAS 17 "Leases"
The amendment provides clarification as to the classification of the leases of land and buildings as either finance or operating

IAS 18 "Revenue"
The amendment provides additional guidance regarding the determination as to where an entity is acting as a principal or an agent.

IAS 36 "Impairment of Assets"
The amendment clarifies that the largest cash – generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments)

IAS 38 "Intangible Assets"
The amendment clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 "Financial Instruments: Recognition and Measurement""
The amendment relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

IFRS 2 "Share – Based payment" *(effective for annual periods beginning on or after 1 July 2009)*
The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFARS 2.

IFRS 5 "Non – current Assets Held for Sale and Discontinued Operations"
The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

IFRS 8 "Operating Segments"
The amendment provides clarifications on the disclosure of information about segment assets.

5.6.4 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 2008.

5.6.5 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 31.12.2009, 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 the computer software. Concessions and industrial property rights are no subject to depreciation because of the difficulty to estimate with accuracy their commercial value.
Depreciation on other assets (except land which is not depreciated) is calculated using the straight-line method over its estimated useful lives, 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	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

5.6.6 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.

5.6.7 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.

5.6.8 Consolidation

5.6.8.1 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.

5.6.8.2 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.

5.6.8.3 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.

5.6.8.4 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.

5.6.9 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.
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.

5.6.10 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.

5.6.11 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.

5.6.12 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.

5.6.13 Share Capital

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000.
The Ordinary General Meeting that took place at 30.06.2009 decided the following:
Share Capital increase of € 10.201.874,51 by increase of the shares' nominal value by € 0,39 and capitalization of the Share premium and Share Capital decrease of € 8.095.784,91, by decrease of the shares' nominal value by € 0,31, for offsetting of previews years losses.
Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.
After the capitalization the remaining Share premium amounts to € 53 thousand.
The earnings per share are calculated taking into account the weighted average number of ordinary shares in issue during the year which, for the year 2008, amounted to 25.825.120 shares.

5.6.14 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.

5.6.15 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.

5.6.16 Fincancial instruments

Financial instruments

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 o 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.

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 foreign transaction currencies are USD and GBP.

➢ 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 2009 the there is no material credit risk exposure that is 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.

5.6.17 BORROWINGS

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.

5.6.18 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 (corridor approach).

5.6.19 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.

5.6.20 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.

5.6.21 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.

5.7 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.7.1 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 year ended December 31 2009 and 2008are as follows:

GROUP												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	Year			Year			Year			Year		
Amounts in € thousand	2009	2008	VARIATION %	2009	2008	VARIATION %	2009	2008	VARIATION %	2009	2008	VARIATION %
Revenue	34.240	32.831	4,29	13.387	15.126	-11,50	2.060	1.959	5,16	**49.687**	**49.916**	-0,46
Gross profit	9.045	11.258	-19,66	3.900	3.548	9,92	678	580	16,90	**13.623**	**15.386**	-11,46
EBIT	1.272	2.883	-55,88	1.050	1.200	-12,50	98	88	11,36	**2.420**	**4.171**	-41,98
Earnings before taxes	-	-	-	-	-	-	-	-	-	**318**	**1.848**	-82,79
Earnings after taxes	-	-	-	-	-	-	-	-	-	**469**	**1.687**	-72,20

- **Secondary segment – Geographical segment**

Excpet SPACE HELLAS CYPRUS LTD, with developping, yet small impact at Group's level, the Group is operating in Greece.

5.7.2 OTHER OPERATING INCOME

Amounts in € thousand	GROUP		COMPANY	
	01.01-31.12.2009	01.01-31.12.2008	01.01-31.12.2009	01.01-31.12.2008
Service provision	26	69	26	71
Income from property leases	86	80	86	83
Income from technical equipment leases	0	5	0	5
Government Grants	148	163	148	163
Indemnity payments from clients	0	2	0	2
Offsetting of prior year's provision (Cosmote agreement)	0	50	0	50
Offsetting of prior year's provision (inventories impairment)	0	59	0	59
Offsetting of prior year's provision (receivables of doubtful collection)	0	31	0	31
Other extraordinary income	76	70	76	69
Currency exchange gains/losses	98	231	98	231
Gains from renegotiation of agreements	44	486	44	486
Gains from ownership changes of joint ventures	0	81	0	81
Other extraordinary gains	16	3	16	3
Prior year's income	53	27	53	27
Gains from winding up of subsidiary	0	2	0	2
Total other operating income	**547**	**1.359**	**547**	**1.363**

5.7.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be decreased compared to year 2008 for 7,17% , mainly because of the containment of the operation cost, though maintaining the company's growth trends

Amounts in € thousand	GROUP 01.01-31.12.2009	GROUP 01.01-31.12.2008	VARIATION %	COMPANY 01.01-31.12.2009	COMPANY 01.01-31.12.2008	VARIATION %
Payroll expenses	7.451	7.819	-4,71	7.451	7.778	-4,20
Third parties' fees and expenses	1.082	1.355	-20,15	1.074	1.321	-18,70
Third parties' utilities and services	1.624	1.731	-6,18	1.624	1.728	-6,02
Taxes and dues	200	191	4,71	200	190	5,26
Sundry expenses	786	973	-19,22	786	970	-18,97
Depreciations	506	543	-6,81	506	543	-6,81
Provisions	128	75	70,67	128	75	70,67
Total operating expenses	**11.777**	**12.687**	**-7,17**	**11.769**	**12.605**	**-6,63**

5.7.4 Other Operating Expenses

amounts in € thousand	GROUP 01.01-31.12.2009	GROUP 01.01-31.12.2008	COMPANY 01.01-31.12.2009	COMPANY 01.01-31.12.2008
Extraordinary expenses	52	127	52	115
Loss from currency exchange	332	343	333	341
Extraordinary loss legal dispute	33	0	33	0
Interest paid in relation to project advancements	55	0	55	0
Prior years' expenses	2	5	2	5
Provisions for receivables of doubtful collection	158	139	158	139
Extraordinary losses	7	16	7	16
Losses from renegotiation of agreements	73	55	73	55
Losses from winding up of subsidiary	127	0	154	459
Total other operating expenses	**839**	**685**	**867**	**1.130**

5.7.5 Income Tax

The income tax expense imputed the results as following:

Income Tax / Amounts in € thousand	NOTE	GROUP 31.12.2009	GROUP 31.12.2008	COMPANY 31.12.2009	COMPANY 31.12.2008
Current Income Tax		-28	-19	0	0
Provision charged for the tax unaudited fiscal years		-70	-75	-70	-75
Deferred tax imputed to results	5.7.20	249	-67	249	-67
Total		**151**	**-161**	**179**	**-142**

In 2008 the Greek state passed the tax reform law 3697/2008, according to which the tax rates will be reduced by 1% each year for the years 2010 to 2014. The tax on the Group's profit is as follows:

Income Tax reconciliation / Amounts in € thousand	GROUP 31.12.2009	GROUP 31.12.2008	COMPANY 31.12.2009	COMPANY 31.12.2008
Earnings before taxes	**318**	**1.848**	**34**	**1.333**
Tax calculated at the statutory tax rate (25%)	80	462	8	333
Expenses not deductible for tax purposes	16	86	16	78
Provision for tax unaudited fiscal years	70	75	70	75
Effect of changes in future tax rates and tax revaluation	-20	-103	-20	-103
Unused recognized tax losses	-165	-145	-165	-145
Permanent tax differences	-97	209	-88	209
Utilization of previously recognized tax losses	0	-435	-0	-341
Offsetting of overestimated tax related to previously recognized due to completion of the tax audit.	0	36	0	36
Effect of different tax rates in other countries	-35	-24	0	0
Total	**-151**	**161**	**-179**	**142**

5.7.6 Property, Plant And Equipment

Property, plant and equipment of the Group:

Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 01.01.2008	**1.040**	**5.133**	**3.775**	**47**	**2.397**	**12.392**
Plus: Additions	333	225	485	1	83	**1.127**
Minus: Disposals	0	0	20	0	37	**57**
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	**435**
Plus: Revaluation adjustment (Acquisition cost)	582	704	0	0	0	**1.286**
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	0	0	-5	0	1	**-4**
Ending balance 31.12.2008	**1.955**	**5.627**	**4.235**	**48**	**2.444**	**14.309**
Depreciation at 01.01.2008	0	874	1.420	24	1.393	**3.711**
Plus: Depreciation expense	0	180	326	4	193	**702**
Minus: Depreciation of disposed elements	0	0	5	0	33	**37**
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	**435**
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	0	0	5	0	3	**8**
Ending balance 31.12.2008	**0**	**619**	**1.736**	**28**	**1.550**	**3.933**
Net Book Value at 31.12.2008	**1.955**	**5.008**	**2.499**	**20**	**894**	**10.376**
Opening Balance 01.01.2009	**1.955**	**5.627**	**4.235**	**48**	**2.444**	**14.309**
Plus: Additions	0	1.157	267	20	98	**1.542**
Minus: Disposals	0	0	24	9	48	**81**
Ending balance 31.12.2009	**1.955**	**6.784**	**4.478**	**59**	**2.494**	**15.770**
Depreciation at 01.01.2009	**0**	**619**	**1.736**	**28**	**1.550**	**3.933**
Plus: Depreciation expense	0	227	343	5	193	**768**
Minus: Depreciation of disposed elements	0	0	8	7	47	**62**
Ending balance 31.12.2009	**0**	**846**	**2.071**	**26**	**1.696**	**4.639**
Net Book Value at 31.12.2009	**1.955**	**5.938**	**2.407**	**33**	**798**	**11.131**

Property, plant and equipment of the Company:

Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 01.01.2008	**1.040**	**5.133**	**3.770**	**47**	**2.399**	**12.389**
Plus: Additions	333	225	485	1	83	**1.127**
Minus: Disposals	0	0	20	0	37	**57**
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	**435**
Plus: Revaluation adjustment (Acquisition cost)	582	704	0	0	0	**1.286**
Ending balance 31.12.2008	**1.955**	**5.627**	**4.235**	**48**	**2.445**	**14.310**
Depreciation at 01.01.2008	0	874	1.415	24	1.391	**3.704**
Plus: Depreciation expense	0	180	326	4	193	**702**
Minus: Depreciation of disposed elements	0	0	5	0	33	**38**
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	**435**
Ending balance 31.12.2008	**0**	**619**	**1.736**	**28**	**1.551**	**3.934**
Net Book Value at 31.12.2008	**1.955**	**5.008**	**2.499**	**20**	**894**	**10.376**

Opening Balance 01.01.2009	**1.955**	**5.627**	**4.235**	**48**	**2.444**	**14.309**
Plus: Additions	0	1.157	267	20	98	**1.542**
Minus: Disposals	0	0	24	9	48	**81**
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Depreciation at 01.01.2009	**0**	**619**	**1.736**	**28**	**1.550**	**3.933**
Plus: Depreciation expense	0	227	343	5	193	**768**
Minus: Depreciation of disposed elements	0	0	8	7	47	**62**
Ending balance 31.12.2009	**0**	**846**	**2.071**	**26**	**1.696**	**4.639**
Net Book Value at 31.12.2009	**1.955**	**5.938**	**2.407**	**33**	**798**	**11.131**

5.7.7 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	Total intangible assets IFRS
Opening balance 01.01.2008	**831**	**284**	**1.115**
Additions	6	0	**6**
Disposals/Write offs	6	0	**6**
Ending balance 31.12.2008	**831**	**284**	**1.115**
Depreciation 01.01.2008	530	0	**530**
Depreciation expense	96	0	**96**
Disposals	6	0	**6**
Depreciation at 31.12.2008	**620**	**0**	**620**
Net Book Value 31.12.2008	**211**	**284**	**495**
Opening balance 01.01.2009	**831**	**284**	**1.115**
Additions	78	0	**78**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2009	**909**	**284**	**1.193**
Depreciation 01.01.2009	**620**	**0**	**620**
Depreciation expense	97	0	**97**
Disposals	0	0	**0**
Depreciation at 31.12.2009	**717**	**0**	**717**
Net Book Value 31.12.2009	**192**	**284**	**476**

Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	Total intangible assets IFRS
Opening balance 01.01.2008	**831**	**284**	**1.115**
Additions	6	0	**6**
Disposals/Write offs	6	0	**6**
Ending balance 31.12.2008	**831**	**284**	**1.115**
Depreciation 01.01.2008	530	0	**530**
Depreciation expense	96	0	**96**
Disposals	6	0	**6**
Depreciation at 31.12.2008	**620**	**0**	**620**
Net Book Value 31.12.2008	**211**	**284**	**495**

Opening balance 01.01.2009	**831**	**284**	**1.115**
Additions	78	0	**78**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2009	**909**	**284**	**1.193**
Depreciation 01.01.2009	**620**	**0**	**620**
Depreciation expense	97	0	**97**
Disposals	0	0	**0**
Depreciation at 31.12.2009	**717**	**0**	**717**
Net Book Value 31.12.2009	**192**	**284**	**476**

5.7.8 GOODWILL

The Goodwill, amounting to € 428 thousand, comprised among the noncurrent assets, resulted from the buyout of the remaining 50% of SPACE PHONE S.A., currently merged by absorption by the parent company.
The goodwill was tested for impairment and it is shown among the company's assets

5.7.9 LIENS AND PLEDGES

There are no real liens on non-current assets or property except the underwriting, dated 24 September 2008, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens.

5.7.10 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and Joint venture as at 31.12.2009, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	**Acquisition cost**		**Ownership percentage**		**Consolidation method**	**Country**
Amounts in € thousand	**31.12.2009**	**31.12.2008**				
Subsidiaries			**Direct**	**Indirect**		
SPACE HELLAS (CYPRUS) LTD*	34	35	100%		Full consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.****	396	-		99%	Full consolidation	Romania
Total Subsidiaries	**430**	**35**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT-VENTURE ALKYONA	49	49	99%	-	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 - KONSTANTINOS SYMPONIS LTD	3	3	50%	-	Equity method	Greece
HSTS S.A» ***	-	40	50%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")**	13	-	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**457**	**484**				
Other investments						
MOBICS L.T.D.	120	120	17,17%	-	-	Greece
Total Other investments	**120**	**120**				
Total Shareholding	**1.007**	**639**				

Notes
** Currency exchange difference due to the transition into Euro currency*
*** Newly established without operating activities*
**** At 17.11.2009 the Shareholders' General Meeting decided the winding up of the company*
***** Under construction, subsidiary of SPACE HELLAS (CYPRUS) LTD*

Summary of the major financial amounts as at 31/12/2009 for the subsidiaries, associates and joint ventures:

Corporate name	Assets	Liabilities	Revenue	Earnings after taxes	Percentage Ownership	Consolidation method	Country
Amounts in € thousand							
Subsidiaries							
SPACE HELLAS (CYPRUS) LTD	665	90	521	227	100%	Full consolidation	Cyprus
Total subsidiaries	**665**	**90**	**521**	**227**			
Joint Ventures							
JOINT-VENTURE "EMY" MODERNIZATION	5.180	4.932	3.295	92	67,5%	Equity method	Greece
JOINT-VENTURE ALKYONA	715	665	0	-66	99%	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	101	38	1.285	188	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	281	293	0	-14	50%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1.496	1.472	0	-2	50%	Equity method	Greece
Total Joint Ventures	**7.773**	**7.400**	**4.580**	**198**			
Total ownership	**8.438**	**7.490**	**5.101**	**425**			

Summary of the major financial amounts as at 31/12/2008 for the subsidiaries, associates and joint ventures:

Corporate name	Assets	Liabilities	Revenue	Earnings after taxes	Percentage Ownership	Consolidation method	Country
Amounts in € thousand							
Subsidiaries							
SPACE HELLAS (CYPRUS) LTD	413	65	350	157	100%	Full consolidation	Cyprus
Total subsidiaries	**413**	**65**	**350**	**157**			
Joint Ventures							
JOINT-VENTURE "EMY" MODERNIZATION	5.790	5.412	3.295	290	67,5%	Equity method	Greece
JOINT-VENTURE ALKYONA	986	936	448	-38	99%	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	8.890	8.935	9.193	-110	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	276	273	232	3	50%	Equity method	Greece
Total Joint Ventures	**15.942**	**15.556**	**13.168**	**145**			
Total ownership	**16.355**	**15.621**	**13.518**	**302**			

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Guarantees to third parties on behalf of subsidiaries and joint ventures	**2.517**	**1.040**	**2.517**	**1.040**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**2.517**	**1.040**	**2.517**	**1.040**

Joint Ventures' activities

- Joint Venture Info Quest – SPACE HELLAS", The aim of the Joint Venture is the development of the IS survey for the Hellenic National Cadastre
- Joint Venture "SPACE HELLAS - KONSTANTINOS SYMPONIS LTD." The aim of the Joint Venture is the provision and implementation of Broadband networks
- Joint Venture ALKYONA» The aim is the development of meteorological radar network
- 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)

5.7.11 INVENTORIES

Table of inventories of the Group and the company:

Inventories	Group		Company	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Goods	3.066	2.893	3.066	2.893
Materials	216	182	216	182
Consumables	16	0	16	0
Total inventories	**3.298**	**3.075**	**3.298**	**3.075**

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. For year 2009, the write-downs to net realizable value and inventory losses, charged in cost of sales, amounted to € 14 thousand. The level of inventories is determined according to the Group's customer-oriented, strategic warehouse management.

5.7.12 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	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Trade receivables	30.026	28.057	29.892	27.925
Less: Provisions for doubtful liquidation	3.610	3.694	3.610	3.694
	26.416	**24.363**	**26.282**	**24.231**

Balance of the Provisions for doubtful liquidation for year 2009

	Group / Company	
Amounts in Euro thousands	31.12.2009	31.12.2008
Total provision - Opening balance as at 01.01.2009	**3.694**	**3.574**
Additions	162	120
Legal settlements	-3	-
Offsetting of prior year's provision	-1	-
Total charges to year's income	**158**	**120**
Write-off of receivables following Court Decisions	-183	-
Write-off of receivables	-59	-
Total provision - Ending balance 31.12.2009	**3.610**	**3.694**

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. And are usually arranged as following: Group 1 - 180 Days, Company 1 - 180 days. The collection of receivables related to projects depends on the completion stage.

Aging analysis for receivables:

Trade receivables	Group		Company	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
1 – 90 days	12.700	15.207	12.566	15.075
91 – 180 days	5.549	4.266	5.549	4.266
181 – 360 days	4.573	1.460	4.573	1.460
> 360 days	3.594	3.430	3.594	3.430
Total trade receivables	**26.416**	**24.363**	**26.282**	**24.231**

Aging analysis of related parties' trade receivables

Receivables from Related parties	Group		Company	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
1 – 90 days	30	990	30	990
91 – 180 days	70	923	70	923
181 – 360 days	230	1.184	230	1.184
> 360 days*	2.766	3.314	2.766	3.314
Total Receivables from Related parties	**3.096**	**6.411**	**3.096**	**6.411**

* The amount concerns mostly public sector's ongoing projects they going to close within 2010

5.7.13 OTHER RECEIVABLES

Other receivables of the group and company:

Other receivables	Group		Company	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Cheques receivable	454	462	454	462
Cheques receivable at banks as pledge	169	0	169	0
Cheques overdue	1.667	2.411	1.667	2.411
Deducted Taxes & other receivables	348	154	348	154
Salary prepayments	7	5	7	5
Advances to account for	1.786	745	1.786	745
Amounts owed by affiliated undertakings	205	509	816	1.037
Amounts owed from selling of participating interests	0	46	0	46
Deferred charges	1.800	1.247	1.800	1.247
Income earned	746	482	746	482
Other receivables	290	301	290	301
Total other receivables	**7.472**	**6.362**	**8.083**	**6.890**
Less: provisions for doubtful liquidation	1.871	2.611	1.871	2.611
Total other receivables	**5.601**	**3.751**	**6.212**	**4.279**

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.

5.7.14 PREPAYMENTS

Analysis of prepayments:

Prepayments	Group		Company	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Orders placed abroad	213	298	213	298
Prepayments to other creditors	2.147	1.523	2.147	1.523
Total prepayments	**2.360**	**1.821**	**2.360**	**1.821**

Prepayments are increased due to the existing ongoing public sector integrated projects.

5.7.15 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	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Cash on hand	192	86	192	86
Short term Bank deposits	4.149	2.614	4.014	2.333
Total Cash and Cash equivalents	**4.341**	**2.700**	**4.206**	**2.419**

5.7.16 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	31.12.2009
Number of ordinary shares	26.326.120
Nominal value each share	0,40 €

The Ordinary General Meeting that took place at 30.06.2009 decided the following:

Share Capital increase of € 10.201.874,51 by increase of the shares' nominal value by € 0,39 and capitalization of the Share premium and Share Capital decrease of € 8.095.784,91, by decrease of the shares' nominal value by € 0,31, for offsetting of previews years losses.

Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.

After the capitalization the remaining Share premium amounts to € 53 thousand.
The earnings per share are calculated taking into account the weighted average number of ordinary shares in issue during the year which, for the year 2008, amounted to 25.825.120 shares.

5.7.17 LONG TERM LOANS

The long term loans concern:

i. the mortgage loan ending at 31.01.2013 for the construction of new premises (4 floor building) on 6 Loch. Dedousi Str., Cholargos, Athens. The loan amounts to 526 after the interest and principal payments
ii. new 3-years loan of € 850 thousand contracted with the European Investment Bank at 24 July 2009. This loan will finance the company's operating activities

5.7.18 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	**31.12.2009**	**31.12.2008**	**31.12.2009**	**31.12.2008**
losses from joint ventures	0	0	486	385
Guarantees received	8	3	8	3
Total Other long term liabilities	**8**	**3**	**494**	**388**

5.7.19 EMPLOYEE BENEFITS

The personnel employed at 31-12-2009 both in the Company and the Group amounted to 247 persons, same as for year 2008.

5.7.19.1 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	**Company**	
Amounts in Euro thousands	**31.12.2009**	**31.12.2008**
Present value of unfunded obligations	687	1.185
Fair Value of employee benefits assets	-63	-29
Reserves to be formed	**624**	**1.156**
Provisions for employers benefits recognized in the income statement		
Current service cost	92	142
Cost of interest	35	59
Actuarial loss / (gain)	0	48
Net periodic cost	**127**	**249**

Liability recognized in the Statement of financial position		
Net liability – opening balance as at 01.01.2009	1.156	1.081
Benefits paid	-659	-174
Cost recognized in the income statement	127	249
Net liability as at 31.12.2009	**624**	**1.156**
Present value of the liability		
Net liability – opening balance as at 01.01.2009	1.156	1.081
Current service cost	92	142
Cost of interest	35	59
Benefits paid	-659	-174
Actuarial loss / (gain)	0	48
Present value of the liability as at 31.12.2009	**624**	**1.156**

The assumptions used are the following

Assumptions

1.	Discount interest rate	5% as at 31/12/2009
2.	Average annual long term inflation rate	2% ((according to EU, Lisbon convention)
3.	Average annual long term salary growth	3%
4.	Valuation date	31.12.2009
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)

5.7.19.2 Purchase of own shares for Stock Option Plan

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares for the amount of € 811 thousand and took place in the period from 1st July 2007 to 31st December 2007. The operation was accomplished for the execution of the General Meeting decision, by the virtue of which, a Stock Option Plan has been introduced in favor of members of the board and staff of the company. More specifically, 500.000 ordinary voting shares should be purchased at a price between € 0,50 and € 5, within a six month period, and then distributed to the company's staff under a stock option scheme (repurchase) at the price of € 1,10. The stock options should be exercised within the period of three (3) years beginning from 01.03.2008. The amounts paid up for the purchase of own shares have been disclosed as negative element the Shareholders equity. The fair value of the stock options, calculated using the Black Scholes model, is € 1,45 per stock option. The model took into account the current stock price at the exercise date (€ 1,19), the stock's volatility (47,19%), the dividend yield (4,5% and the risk free annual interest rate (4%). The difference between fair value and exercise price has been charged to the results, forming the stock option reserve.
After the 21st Shareholders' General Meeting's decision as at 29 June 2007, the board of directors, on 31.03.2008 decided the execution of the Stock option plan, providing all the necessary information regarding the terms and dates of the exercise rights and with the primary term of continuing to be member of the company's staff. After the due of the exercise date, the stock option will permanently be cancelled.
No exercise of options took place during year 2009.

5.7.20 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. In 2008, the Greek state has passed the tax reform law 3697/2008, according to which the tax rates will be reduced by 1% each year for the years 2010 to 2014. The deferred tax of the Greek subsidiaries has been calculated taking into account the above mentioned change.

The movement on the deferred income tax account after set-offs is as follows:

Deferred income taxes	Group and Company			
	31.12.2009			
Amounts in Euro thousands	Amounts at 31.12.2008	Amounts charged to net profit	Amounts charged to equity	Total
Deferred tax liabilities				
Depreciation rate difference effect	-524	274	0	-250
Fair value adjustments Property, plant and equipment	-859	0	0	-859
Total Deferred tax liabilities	**-1.383**	**274**	**0**	**-1.109**
Deferred tax assets				
Provisions for Trade and other payables	305	81	0	386
Post-employment and termination benefits	277	-127	0	150
Impairment of Inventories	0	4	0	4
Tax deductible previews years' losses	145	4	0	149
Provisions for stock options	35	14	0	49
Share premium capitalization expenses	0	0	28	28
Total Deferred tax assets	**762**	**-24**	**28**	**766**
Total Deferred tax	**-621**	**249**	**28**	**-343**

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

5.7.21 TRADE AND OTHER PAYABLES

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

TRADE AND OTHER PAYABLES	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Trade payables	10.496	11.700	10.442	11.679
Checks payables	868	433	868	433
Customer down payments/advances	1.480	2.573	1.480	2.573
Social security	454	434	454	434
Wages and salaries payable	3	0	3	0
Other payables	131	0	131	0
Amounts due to related parties	0	72	0	71
Next year's Income	72	130	72	130
Accrued expenses	293	67	293	65
Purchases under arraignment	112	196	112	196
Other short term provisions	0	14	0	16
Total Trade and other payables	**13.909**	**15.619**	**13.855**	**15.597**

5.7.22 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 3.610 thousand, for doubtful non trade receivables for the amount of € 1.871 thousand, and for obsolete inventories for the amount of € 14 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

	Provision changes for the Group and the Company				
Amounts in € thousand	Balance at 31.12.2008	New Provisions	Used Provisions	Lower Provisions	Balance at 31.12.2009
Provisions for extraordinary liabilities and claims*	0	0	0	0	0
Provisions for tax unaudited years	75	70	23	52	70
Provisions for employers benefits	1.156	128	659	0	625
Other provisions	0	0	0	0	0
Total	**1.231**	**198**	**682**	**52**	**695**

5.7.23 DISPUTED CLAIMS

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

5.7.24 UNDAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

Company	Unaudited year
SPACE HELLAS A.E	2009
SPACE HELLAS (CYPRUS) LTD	2005 – 2008
JOINT-VENTURE "EMY" MODERNIZATION	2007 – 2009
JOINT-VENTURE ALKYONA	2007 – 2009
OINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2007 – 2009
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2007 - 2009
JOINT-VENTURE SPACE HELLAS SA - KB IMPULS HELLAS SA	2009

The tax audit for the years 2007 and 2008 was concluded for SPACE HELLAS. The books where found accurate and there were no irregularities and omissions. There were charged additional taxes amounting to 18 thousand and 5 thousand respectively. The company had form provisions for the years 2007 and 2009 amounting to 75 thousand €. After the end of the audit the amount of 53 thousand € increased the years income.

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 € 70 thousand. For the rest of the Group such an event would have insignificant impact.

5.7.25 CONTIGENT EVENTS

5.7.25.1 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	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Guarantee letters to secure good performance of contract terms	6.171*	6.633	6.171	5.283
Total contingent liabilities	**6.171**	**6.633**	**6.171**	**5.283**

** Including letters of guarantee issued in favor of joint ventures amounting to € 1.047 thousand*

5.7.25.2 Excess clause provisions and Disputed claims

There are no cases (note. 5.7.23) that might have significant impact on the financial position both of the Group and the Company.

5.7.25.3 Other contigent liabilities

For the unaudited years 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 € 70 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact.

5.7.26 Operating lease commitments

At 31.12.2009, the company's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts at 31st December 2009 are the following:

Minimum future payments			
Amounts in € thousand	COMPANY		
	Up to year	Up to 5 years	Over 5 years
Motor vehicle	347	559	-
Buildings	580	2.594	1.038
Total	**927**	**3.153**	**1.038**

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

5.7.27 Capital comittements

At 31.12.2009 there were no capital commitments for the Group and the Company.

5.7.28 Cash Flow

The cash flow from operating activities is negative amounting to € 6.238 thousand. The main reasons for this are the increase of receivables for € 4.722 thousand as well as the decrease of bank loans for € 2.270 thousand. Both these reasons are related to the involvement in new project with conclusion period that exceeds one year. Compared to 3rd quarter of 2009, there is a notable smoothing which is expected to continue in early 2010 along with the completion of some projects. This is the result of changing economic environment as well as the fluctuations of the financial cycles.

The cash flow from investing activities is negative amounting to € 1.598 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

The cash flow from financing activities is positive amounting to € 9.477 thousand. This is attributable to the received of bank loans, reflecting the company's excellent relations with the banking system.

5.7.29 Contingent Events Transactions Between The Company And Related Parties (IAS 24) from 01-01-2009 to 31-12-2009

The tables below summarize the transactions and the account balances with related parties carried out during year 2009 and 2008 respectively, according to IAS 24.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	31/12		31/12		31/12		31/12	
Company	2009	2008	2009	2008	2009	2008	2009	2008
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD **	-	5	-	4	-	-	-	-
SPACE HELLAS (CYPRUS) LTD	-	1	-	-	1	1	-	-
Subsidiaries	**-**	**6**	**-**	**4**	**1**	**1**	**-**	**-**
«HSTS» *	1	7	-	-	-	7	-	-
GARNETT S.A.***	-	4	-	-	-	-	-	-
Associates	**1**	**11**	**-**	**-**	**-**	**7**	**-**	**-**
JOINT-VENTURE "EMY" MODERNIZATION	70	687	-	-	3.552	3.752	-	-
JOINT-VENTURE ALKYONA	-	456	66	38	665	900	478	412
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	519	3.373	-	39	25	1.672	-	44
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2	101	7	-	282	269	7	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	1	-	-1.469	-	1	-
Joint Ventures	**591**	**4.617**	**74**	**77**	**3.055**	**6.593**	**486**	**456**
MOBICS L.T.D.	9	25	30	-	-	-	-	-
SPACE CONSULTING S.A.	26	284	1	-	733	564	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	509	501	284	78	-	-
SPACE VISION S.A.	4	3	138	104	581	286	-	-
Other related parties	**41**	**314**	**678**	**605**	**1.598**	**928**	**-**	**-**
Total Company	**633**	**4.948**	**752**	**686**	**4.654**	**7.529**	**486**	**456**

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	31/12		31/12		31/12		31/12	
Group	2009	2008	2009	2008	2009	2008	2009	2008
«HSTS» *	1	7	-	-	-	7	-	-
GARNETT S.A.***	-	4	-	-	-	-	-	-
Associates	**1**	**11**	**-**	**-**	**-**	**7**	**-**	**-**
JOINT-VENTURE "EMY" MODERNIZATION	70	687	-	-	3.552	3.752	-	-
JOINT-VENTURE ALKYONA	-	456	66	38	665	900	478	412
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	519	3.373	-	39	25	1.672	-	44
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2	101	7	-	282	269	7	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	1	-	-1.469	-	1	-
Joint Ventures	**591**	**4.617**	**74**	**77**	**3.055**	**6.593**	**486**	**456**
MOBICS L.T.D.	9	25	30	-	-	-	-	-
SPACE CONSULTING S.A.	26	284	1	-	733	564	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	509	501	284	78	-	-
SPACE VISION S.A.	4	3	138	104	581	286	-	-
Other related parties	**41**	**314**	**678**	**605**	**1.598**	**928**	**-**	**-**
Total Group	**633**	**4.942**	**752**	**682**	**4.653**	**7.528**	**486**	**456**

Note:
** At 17.11.2009 the Shareholders' General Meeting decided the winding up of the company*
*** Winding up at 18.12.2008*
**** Winding up at 31.12.2008*

From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.
The amounts of revenues shown, concern the implementation of wide scale projects conducted through the joint ventures.
The great part of the receivables from joint ventures concerns the Joint venture "EMY" MODERNIZATION which is in the final acceptance stage expected to take place within 2010, which, in turn will produce significant collection of these receivables.
The company has formed an impairment provision for the amount of € 100 thousand, concerning JOINT-VENTURE ALKYONA.
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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Salaries and other employee benefits	**1.446**	**1.513**	**1.446**	**1.513**
Receivables from executives and members of the Board	**1**	**-**	**1**	**-**
Payables to executives and member of the Board	**130**	**15**	**130**	**15**

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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Guarantees to third parties on behalf of subsidiaries and joint ventures	**2.517**	**1.040**	**2.517**	**1.040**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**2.517**	**1.040**	**2.517**	**1.040**

5.7.30 Risk Management And Headging Policy

The Group and the Company do not expect to face significant risks in the short term that could compromise the good performance. 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, the flexibility of our infrastructure in relation to ongoing projects allows believing that the Group will respond with quality and efficiency to the challenging coming year.

The Group is exposed to the following

- **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 foreign transaction currencies are USD and GBP
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 year 2009 in € thousand	USD	1,5%	-100
		-1,5%	100
Amounts of year 2008 in € thousand	USD	1,5%	-99
		-1,5%	99

- **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.

- **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.
In conclusion, taking into account the existing banking relations as well as the approved credit limits, in the short and medium term no particular risks are expected that could significantly affect the operations of the Group.
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 year 2009 in € thousand	EURO	0,5%	-90
		-0,5%	90
Amounts of year 2008 in € thousand	EURO	0,5%	-85
		-0,5%	85

- ### 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 2009 the there is no material credit risk exposure that is 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 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 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 at 31 December 2008 based on contractual undiscounted payments.

Group								
	Total		**Less than 1 year**		**1 to 5 years**		**>5years**	
Amounts in € thousand	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Borrowings	**24.480**	**15.002**	23.114	14.326	1.366	676	-	-
Trade and other payables	**15.042**	**16.734**	15.034	16.731	-	-	8	3

Company								
	Total		Less than 1 year		1 to 5 years		>5years	
Amounts in € thousand	2009	2008	2009	2008	2009	2008	2009	2008
Borrowings	**24.480**	**15.002**	23.114	14.326	1.366	676	-	-
Trade and other payables	**15.438**	**17.087**	14.944	16.666	486	418	8	3

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.

Gearing ratio	Group		Company	
Amounts in € thousand	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Short term Borrowings	23.114	14.326	23.114	14.326
Long term Borrowings	1.366	676	1.366	676
Less: cash and cash equivalents	-4.341	-2.700	-4.206	-2.419
Net Debt	**20.139**	**12.302**	**20.274**	**12.583**
Equity	14.750	14.307	14.209	14.022
Total capital employed	**34.889**	**26.609**	**34.483**	**26.605**
Gearing ratio	**57,72%**	**46,23%**	**58,79%**	**47,30%**

The gearing ratio for year 2009 amounts to 57,72%. During year 2009, the increase rate of short term loans has significantly affected the ratio. Year 2010 is expected to be a year of stability of borrowings while slight decrease will be visible at the end of the first quarter 2010.

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. The Group and the Company do not expect to face significant short term risks. The company's expertise, the continuous investment in human resource and the solid infrastructures combined with the development of new products enable the preservation of its competitive advantage and the skill to penetrate in new markets mitigating the risks.

Furthermore, the amount of the ongoing projects together with the ability to adjust to new market conditions allow to believe that the Group will be able to efficiently react to economic recession for year 2010.

5.8 SIGNIFICANT EVENTS

- **Shareholders' Ordinary General Meeting at 30-06-2009.** The most important issues of the meeting were the following:
  - Modification of the article 3 of the Association to extent the corporate aims to include the provision of finance and accounting services
  - Share Capital increase through capitalization of the Share premium with concurrent offsetting of previews years losses and modification of article 5 of the Association. Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.
  - Constitution of and member designation for the Audit committee in compliance with the Law 3693/08 with the following responsibilities a) monitoring of the financial reporting processes b)

monitoring of the effectiveness of the Internal Audit and the Risk Management System as well as supervision of the Internal Control Unit. c) monitoring of the statutory external audits of the corporate and consolidated financial statements d) review and monitoring of the independence of the legal auditor.

- Modification of article 10 of the Association allowing increasing the members of the Board of Directors up to 9 members. The members of the Board, which may be shareholders or not (non Shareholders) are elected from the General Meeting with an incumbency of 5 year, automatically extended until the first General Meeting that will take place after the end of their incumbency, and for the maximum of one more year.

- **Tax audit completion** for the fiscal years 2007 and 2008. As informed, the company's books were deemed efficient and there were no irregularities or omissions that would affect the books' validity. The tax audit resulted to additional taxes for years 2007 and 2008 of € 18 thousand and € 5 thousand respectively.

- **Space Hellas received the certification ISO/IEC 27001:2005 SPACE HELLAS S.A. Information Security Management Systems (ISMS)** at corporate level, for all of its commercial activities and for all of its premises and the branches of Athens, Thessaloniki, Patra, Ioannina and Crete. The audit was performed by ISOQAR and the company received the UKAS certification (Certificate No. 7421 ISMS 001.) SPACE HELLAS S.A. is one of the few companies in Greece possessing this certification for the whole of its activities. The certification according to ISO/IEC 27001, assures that all processes are tested for information confidentiality, integrity and availability for the data protection purposes. The certification is for the benefit of all the company's stakeholders and especially of its major clients. The ISMS Implementation was conducted by the Department of Information Security of the company.

- **New branch at Rhodes.** After Thessaloniki, Patra, Iraklio, Ioanina and Komotini, the well promising new branch of Space Hellas started its activities. The new branch will provide technical support to the wider area of Dodecanese.

- **At 3rd August 2009,** the companies SPACE HELLAS and KBI HELLAS have commonly established the Joint Venture "SPACE HELLAS S.A – KBI IMPULS HELLAS S.A" with equal share. The scope of this joint venture is the implementation of the assigned, through public bid, project DORY (satellite communication for 1.700 spots and 13 public organizations). The project's budget amounts to € 7,35 millions.

- **At 09.07.2009,** Space Hellas and Information Society S.A., have signed the contract for the project «full digitization of four upgraded Radar of CMH», of € 1,58 million contract budget and the final beneficiary is CMH (EMY).

- **At 29.07.2009** the project «Remote access users Greek Police » (Greek acronym: 3G ΕΛ.ΑΣ), of € 1,59 million contract budget, for the Greek police, was assigned to Space Hellas. The contract sign up is expected to be take place on September 2009.

- **At 14-9-2009** with the Ministerial Announcement of the Ministry of Development (decisionK2-9596, Official Gazzete of Greece 11169 - 17/9/2009) taking into account the company's Board of Direcotrs' decision as at 10-09-2009, Mr. Manolopoulos Spyros has been elected as new non executive member of the Board, replaceing the resigned member Mr. Giokas Anastasios. Furthermore, with the ministerial decision K2-2692/24-03-2010, Mr. Manolopoulos Spyros has been recorded in the S.A. Register as B' Vicepresident and non executive member of the Board.

5.9 SIGNIFICANT POST-BALANCE SHEET EVENTS

At February 2010, the company have stipulated and signed a contract with Social Security Organization regarding the IT project of the Institution's laboratories Information System (LIS). The project's budget is € 2 million and will be executed in collaboration with ALAPIS S.A in equal part.

6 FINANCIAL STATEMENTS AND INFORMATION FROM 1ST JANUARY TO 31ST DECEMBER 2009

SPACE HELLAS More than Technology

SPACE HELLAS S.A.
TELECOMMUNICATIONS, IT, SECURITY SYSTEMS & SERVICES PRIVATE ENTERPRISE FOR PROVISION OF SECURITY SERVICES
Reg. No: 13966/06/B/95
Mesogion Av. 312 Ag. Paraskevi

Financial statement and information for the year 1 January 2009 until 31 December 2009
(In accordance to L.2190/20, article 135 for companies that prepare annual financial statements, consolidated and not, according to IFRS)

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	26 March 2010 Board of Direcotrs Decisions No 1.673
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 Dimitrios	President, executive member
Drosinos Paraskevas	CEO, executive member
Mpellos Christos	A΄ Vice President, non ececutive member
Manolopoulos Spyridon	B' Vice President, non executive member
Lagogiannis Georgios	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 31.12.2009	GROUP 31.12.2008	COMPANY 31.12.2009	COMPANY 31.12.2008
ASSETS				
Property, plant and equipment	11.131	10.376	11.131	10.376
Intangible assets	476	495	476	495
Other non current assets	1.675	1.301	1.188	1.222
Inventory	3.298	3.075	3.298	3.075
Receivables (trade debtors)	26.416	24.363	26.282	24.231
Other current assets	12.314	8.284	12.790	8.531
TOTAL ASSETS	55.310	47.894	55.165	47.930
EQUITY AND LIABILITIES				
Share capital	10.530	8.424	10.530	8.424
Other components of equity	4.220	5.883	3.679	5.598
Total equity attributable to owners of the parent (a)	14.750	14.307	14.209	14.022
Non controlling interests (b)	0	0	0	0
Total Equity (c) = (a)+(b)	14.750	14.307	14.209	14.022
Long term borrowings	1.366	676	1.366	676
Long term provisions / Non current liabilities	1.046	1.855	1.532	2.240
Short term borrowings	23.114	14.326	23.114	14.326
Other current liabilities	15.034	16.730	14.944	16.666
Total Liabilities (d)	40.560	33.587	40.956	33.908
TOTAL EQUITY AND LIABILITIES (c)+(d)	55.310	47.894	55.165	47.930

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2009	GROUP 31.12.2008	COMPANY 31.12.2009	COMPANY 31.12.2008
Total equity in the beginning of the year (1/1/2009 and 1/1/2008	14.307	11.364	14.022	11.578
Total comprehensive income after taxes (continued and discontinued operations)	385	2.799	129	2.300
Increase / (Decrease) of Share Capital	2.106	0	2.106	0
Stock Option Plan Reserve	58	144	58	144
Capitalization of Share premium with concurrent offsetting of previews years' losses for the increase of the share capital	-2.106	0	-2.106	0
Total equity at the end of the year Total equity at the end of the year (31/12/2009 and 31/12/2008 accordingly)	14.750	14.307	14.209	14.022

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 1.1-31.12.2009	GROUP 1.1-31.12.2008	COMPANY 1.1-31.12.2009	COMPANY 1.1-31.12.2008
Operating Activities :				
Profit before taxes (continued operations)	318	1.848	34	1.334
Plus/Less adjustments for :				
Depreciation	866	798	866	798
Expenses related to the capitalization of Share premium	-84	0	-84	0
Provisions	116	76	116	76
Foreign exchange differences	235	112	235	110
Net (profit)/Loss from investing activities	-458	-308	-427	34
Interest and other financial expenses	1.695	1.852	1.693	1.851
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-223	-1.258	-223	-1.258
Decrease/(increase) in Receivables	-4.722	-1.828	-4.721	-1.791
(Decrease)/increase in Payables (excluding banks)	-2.270	3.852	-2.304	3.867
Less:				
Interest and other financial expenses paid	-1.694	-1.852	-1.693	-1.851
Taxes paid	-17	-301	21	-301
Total cash inflow/(outflow) from operating activities (a)	-6.238	2.991	-6.487	2.869
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other	-409	-104	-13	-104
Purchase of tangible and intangible assets	-1.620	-1.133	-1.620	-1.133
Proceeds from sale of tangible and intangible assets	27	9	27	9
Proceeds from sale/liquidation of subsidiaries	0	9	0	11
Interest received	404	234	403	233
Dividends received	0	0	0	1
Total cash inflow/(outflow) from investing activities (b)	-1.598	-985	-1.203	-983
Cash flow from Financing Activities				
Proceeds from Borrowings	13.893	6.416	13.893	6.416
Payments of Borrowings	-4.416	-6.920	-4.416	-6.920
Total cash inflow/(outflow) from financing activities (c)	9.477	-504	9.477	-504
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	1.641	1.502	1.787	1.382
Cash and cash equivalents at beginning of period	2.700	1.198	2.419	1.037
Cash and cash equivalents at end of period	4.341	2.700	4.206	2.419

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 1.1-31.12.2009	GROUP 1.1-31.12.2008	COMPANY 1.1-31.12.2009	COMPANY 1.1-31.12.2008
Turnover	49.687	49.916	49.167	49.565
Gross Profit	13.623	15.386	13.359	15.202
Profit before taxes, financing and investing activity	1.554	3.373	1.270	2.830
Profit before taxes	318	1.848	34	1.334
Profit after taxes (A)	469	1.687	213	1.192
- *Owners of the parent*	469	1.687	213	1.192
- *Non controlling interests*	0	0	-	-
Other comprehensive income after taxes (B)	-84	1.112	-84	1.108
Total comprehensive income after taxes (A)+(B)	385	2.799	129	2.300
- *Owners of the parent*	385	2.799	129	2.300
- *Non controlling interests*	0	0	-	-
Earnings (after taxes) per share - basic in €	0,0182	0,0653	0,0109	0,0491
Profit before taxes, financing and investing activity and depreciation	2.420	4.171	2.136	3.628

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share was calculated based on the weighted average number of ordinary shares in issue during the year amounting to 25.826.120 taking into account the purchase of 500.00 own shares at the cost of 811 thousand euro.
2. The company's share capital has register an increase after the capitalization of part of the spare premium account and a concurrent decrease in order to offset prior years' losses (note 5.7.16)
3. The companies of the Group, the percentage ownership and the consolidation method for the year ending as at 31.12.2009 are disclosed in note 5.7.10 of the annual financial report of 2009
4. At 17.11.2009 the Shareholders' General Meeting the winding up of the HSTS S.A. The loss for the company and the Group amounted to 154 and 127 respectively and has been charged to the income. The impact on the Group's position was less than 25%.
5. At 03.08.2009 the companies SPACE HELLAS and KBI HELLAS have commonly established the Joint Venture "SPACE HELLAS S.A – KBI IMPULS HELLAS S.A" with equal share. 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)
6. The tax un-audited years of the Company and the Group are disclosed in note 5.7.24 of the annual financial report of 2009.
7. Tax audit completion for the fiscal years 2007 and 2008. As informed, the company's books were deemed efficient and there were no irregularities or omissions that would affect the books' validity. The tax audit resulted to additional taxes for years 2007 and 2008 of € 18 thousand and € 5 thousand respectively. A provision has been formed for these tax unaudited years amounting to € 75 thousand. The remaining amount of € 52 thousand has increased the year's income.
8. The company has formed a provision for the tax unaudited year 2009, amounting to € 70 thousand. For the rest of the Group such an event would have insignificant impact. No other provision has been formed (note 5.7.22)
9. 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.
10. There are no real liens on non-current assets or property except the underwriting, dated 24 September 2008, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens
11. The personnel employed at 31-12-2009 and as at 31-12-2008 both for the Company and the Group amounted to 247 persons.
12. The same Accounting Policies have been followed as for the financial statements as at 31.12.2008.
13. The other comprehensive income is disclosed in note 5.3 of the annual financial report of year 2009.
14. Intercompany transactions for the period from 1 January 2009 to 31 December 2009 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	633	633
b) Purchases of goods and services	752	752
c) Receivables from related parties	4.653	4.654
d) Payables to related parties	486	486
e) Key management compensations	1.446	1.446
f) Receivables from key management	1	1
g) Payables to key management included in above	130	130

The company has guaranteed to financial institutions for bank credit limits for the Joint venture "ALKYONA" up to the amount of € 176 thousand, for the Joint Venture "SPACE HELLAS SYMPONIS" up to the amount of € 6 thousand, for the Joint venture "ALKYONA" up to the amount of € 538 and for the joint venture "DORY" up to the amount of € 1.796 thousand, for the issuance of letters of guaranty.

Agia Paraskevi, 26 March 2010

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
DIMITRIOS MANOLOPOULOS	PARASKEVAS DROSINOS	GEORGIOS LAGOGIANNIS	IOANNIS DOULAVERIS	ANASTASIA PAPARIZOU
ID. No. AZ 549717	ID. No. A B 275447	ID. No. A B 291787	ID. No A H 073261	ID. No. AZ 547617 H.E.C. License No. 0004438 A΄ Class

7 INFORMATION OF ARTICLE 10 L.3401/2005

ISSUE	PLACE OF APPEARANCE	DATE
HNMS - SPACE HELLAS: Radar Network for Reliable Weather Forecasts	www.ase.gr www.space.gr	8/12/2009
Figures and information according to IAS - 27/11/2009	www.ase.gr www.space.gr	
Announcement for the Figures and information 1/1/-30/9/2009	www.ase.gr www.space.gr	27/11/2009
Infosystem 2009: Cutting-edge technology solutions at the Space Hellas stand, in cooperation with Dell	www.ase.gr www.space.gr	25/11/2009
Space Hellas participation in Infosystem 15° IT Summit	www.ase.gr www.space.gr	19/11/2009
"DORY": Development of Satellite Telecommunications for the Public Sector by Space Hellas-KBI	www.ase.gr www.space.gr	12/10/2009
Announcement of the results of the tax audit	www.ase.gr www.space.gr	30/9/2009
Announcement – Municipality of Kamatero: Space Hellas assigned with developing innovative broadband services over Wi Fi hotspots	www.ase.gr www.space.gr	14/09/2009
Announcement- New composition of the Board of directors (member changed)	www.ase.gr www.space.gr	11/09/2009
Figures and information according to IAS - 28/8/2009	www.ase.gr www.space.gr	
Announcement for the Figures and information - 1/1/-30/6/2009	www.ase.gr www.space.gr	28/08/2009
Strategic cooperation agreement between NCR Hellas and Space Hellas	www.ase.gr www.space.gr	31/07/2009
Announcement: Increase of share capital though increase of the share nominal value with concurrent decrease of the share capital through decrease of the share nominal value	www.ase.gr www.space.gr	30/07/2009
Announcement	www.ase.gr www.space.gr	28/07/2009
Space Hellas supports the Greek National Helpline for Children SOS-1056, operated by the NGO "To Hamogelo tou Paidiou"	www.ase.gr www.space.gr	16/07/2009
Space Hellas awarded by IBM	www.ase.gr www.space.gr	9/07/2009
Announcement- Shareholders' General Meeting decisions	www.ase.gr www.space.gr	30/06/2009
Announcement- Modification of the Articles of the Association	www.ase.gr www.space.gr	29/06/2009
Space Hellas opens new branch office in Rhodes	www.ase.gr www.space.gr	23/06/2009
Announcement: Assignment of executive ad non executive members of the Board of directors	www.ase.gr www.space.gr	11/06/2009
Announcement: Pre announcement of the General Meeting	www.ase.gr www.space.gr	4/06/2009
Increased Turnover and EBT figures for the Space Hellas Group of Companies	www.ase.gr www.space.gr	27/05/2009
Figures and information according to IAS - 26/05/2009	www.ase.gr www.space.gr	
Announcement for the Figures and information 1/1/-31/3/2009	www.ase.gr www.space.gr	26/05/2009
Space Hellas to support the VISA system for Greece and Cyprus	www.ase.gr www.space.gr	15/05/2009
Space Hellas: Stadium surveillance project completed	www.ase.gr www.space.gr	14/04/2009
SPACE HELLAS maintains upward course for 2008	www.ase.gr www.space.gr	27/03/2009
Figures and information according to IAS - 26/03/2009	www.ase.gr www.space.gr	

ISSUE	PLACE OF APPEARANCE	DATE
Figures and information according to IAS 26/03/2009	www.ase.gr www.space.gr	
Space Hellas transfers the Computer Center of the National Bank of Greece to new facilities	www.ase.gr www.space.gr	24/03/2009
Space Hellas upgrades the GRNET S.A. Network	www.ase.gr www.space.gr	11/03/2009
Space Hellas gains ISO/IEC 27001 certification.	www.ase.gr www.space.gr	25/02/2009
Announcement Financial results of year 2008	www.ase.gr www.space.gr	25/02/2009
Announcement: New internal Auditor	www.ase.gr www.space.gr	10/02/2009
Announcement: Modification of internal regulation and Chart	www.ase.gr www.space.gr	10/02/2009
Success marks the completion of the Marine GIS Development project for the Hellenic Navy Hydrographic Service	www.ase.gr www.space.gr	27/01/2009

8 WEBSITE ACCESS OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Statements of the Company and Group, the Audit Report and the Board of Directors' Management Report for 2009, have been posted on the Company's website www.space.gr

We certify that the attached annual financial report includes the annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2009 to December 31, 2009, which have been approved by the Board of Directors of SPACE HELLAS SA on March 26, 2010 and have been published by posting them on the internet, at the address http://www.space.gr., and have been signed by the following:

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
DIMITRIOS MANOLOPOULOS	**PARASKEVAS DROSINOS**	**GEORGIOS LAGOGIANNIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**