Annual Financial Report

For the period 1st January 2013 – 31st December 2013

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

The annual financial report of 2013 has been prepared in accordance with art. 4, Law 3556/2007, has been approved by the Board of Directors at 24 March 2014 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

- Spiridon D. Manolopoulos, President of the Board, executive member
- Paraskevas D. Drosinos Chief Executive Officer, executive member
- Ioannis Doulaveris Chief Financial Officer, 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, 2013 to December 31, 2013, 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 to 5 of article 4 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, 24 March 2014

The Designated members of the Board of Directors

The President of the Board	Chief Executive Officer	Member and Chief Financial Officer
S. Manolopouos	P.Drosinos	I. Doulaveris

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2013 – 31.12.2013

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year from January 1, 2013 to December 31, 2013 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art. 136) as well as art. 4 § 7 L.3556/2007 and L 3874/2010 and related HCMC circulars.

This report is divided in subsections 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 2013.
- The important issues that took place during the financial year 2013 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 Group's Corporate Governance practices,
- The transactions with related parties during 2013,
- The important issues that took place after the end of the financial year 2013.

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 2013, 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

Despite the adverse economic conditions, the declining demand and the lack of liquidity, the Group's main aim is to maintain Group's performance at a satisfactory level.

The Group's Management implements policies for performance improvements by strengthening of the capital structure, keeping low levels of borrowings, restraining the production cost, managing effectively the working capital.

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 2013 and the restated 2012 due the retrospective application of IAS 19.

2.1.1.1 Year's total income

TOTAL INCOME STATEMENT						
	GROUP			COMPANY		
Amounts in € thousand	01.01-31.12.2013	01.01-31.12.2012	VARIATION %	01.01-31.12.2013	01.01-31.12.2012	VARIATION %
Revenue	41.019	48.482	-15,39%	38.754	47.465	-18,35%
Gross profit/loss	13.270	14.462	-8,24%	12.296	14.044	-12,45%
Gross profit margin	32%	30%		32%	30%	
EBITDA	4.035	4.641	-13,06%	3.493	4.419	-20,95%
EBIT	3.055	3.631	-15,86%	2.517	3.423	-26,47%
Earnings before taxes	689	456	51,10%	161	387	-58,40%
Earnings after taxes	31	318	-90,25%	-359	207	-
Other comprehensive income after taxes	-11	-2.089		-13	-2.101	

**Restated due to accounting policy change – IAS 19*

The Group's turnover amounted to € 41.019 thousand compared to € 48.482 thousand of year 2012. The decrease in turnover is attributable to the continuing recession together with the Group's efforts to mitigate credit risk.

The Group's Gross profit amounted to € 13.270 thousand compared to € 14.462 thousand of the previews period showing a decrease of € 1.192 thousand as a result of the decrease in the turnover.

The Group's EBITDA amounted to € 4.035 thousand compared to € 4.635 thousand of the previews period as a result of the decrease in the turnover

The Group's EBIT amounted to € 3.055 thousand compared to € 3.631 thousand of the previews period showing a decrease of 15,86%.

The Group's earnings before taxes amounted to € 689 thousand compared to € 456 thousand of the previews period.

The Group's earnings after taxes amounted to € 31 thousand compared to € 318 thousand of the previews period due to an increase in income tax,

The other comprehensive income after taxes amount to € -10 thousand and concern the net amount of actuarial loss as well as the result of currency exchange differences from the consolidation of sub-subsidiaries amounting to € -1 thousand.

2.1.1.2 Assets

BALANCE SHEET (Assets)						
	GROUP			COMPANY		
Amounts in € thousand	01.01-31.12.2013	01.01-31.12.2012*	Variation %	01.01-31.12.2013	01.01-31.12.2012*	Variation %
Total Assets	44.869	50.037	-10,33%	42.664	40.823	4,51%
Total noncurrent receivables	21.755	21.536	1,02%	20.865	12.230	70,61%
Inventories	2.916	2.806	3,92%	2.916	2.806	3,92%
Trade receivables	15.325	16.078	-4,68%	14.541	15.725	-7,53%
Other receivables	4.873	9.617	-49,33%	4.342	10.062	-56,85%

***Restated due to accounting policy change – IAS 19*

The Group's Total Assets amounts to € 44.869 thousand compared to € 50.037 thousand of year 2012.

The Group's noncurrent receivables' net value amounts to € 21.755 thousand compared to € 21.536 thousand of year 2012. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki, as well as the underwriting, amounting to € 650 thousand, on the property situated in Romania belonging to the sub-subsidiary Space Hellas System Integrator Srl.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 2.916 thousand compared to 2.806 thousand of year 2012

The Group's Trade receivables amount to € 16.078 thousand compared to € 16.078 thousand of year 2012.

The Group's other receivables amount to € 4.873 thousand compared to € 9.617 thousand of year 2012.

2.1.1.3 Liabilites

BALANCE SHEET (Liabilities)						
	GROUP			COMPANY		
Amount in € thousand	01.01-31.12.2013	01.01-31.12.2012*	variation %	01.01-31.12.2013	01.01-31.12.2012*	variation %
Total Liabilities	44.869	50.037	-10,33%	42.664	40.823	4,51%
Shareholders' Equity	12.942	12.921	0,16%	11.213	11.690	-4,08%
Long term loans	8.740	8.233	6,16%	8.393	1.518	452,90%
Other long term liabilities	1.418	1.387	2,24%	1.774	981	80,84%
Short term loans	11.316	14.521	-22,07%	11.251	13.937	-19,27%
Other short term liabilities	10.454	12.975	-19,43%	10.033	12.697	-20,98%

***Restated due to accounting policy change – IAS 19*

The Shareholders' equity amounts to € 12.942 thousand compared to € 12.921 thousand showing a slight increase.

The Group's long term loans amounts to € 8.740 thousand compared to € 8.233 thousand compared to year 2012. The increase is attributed mainly to the takeover of the subsidiary SPACE TECHNICAL CONSTRUCTION BUILDING S.A The loans concern:

- The mortgage loan ending at 2017, amounting to € 375 thousand, after interest and principal payments
- The mortgage loan ending at 2015, amounting to € 187 thousand, after interest and principal payments
- The mortgage loan ending at 2019, amounting to € 1.013 thousand, after interest and principal payments
- The mortgage loan ending at 2017, amounting to € 750 thousand, after interest and principal payments
- The mortgage loan ending at 2016, amounting to € 647 thousand, after interest and principal payments
- The mortgage loan ending at 2026, amounting to € 5.421 thousand, after interest and principal payments
- The mortgage loan ending at 2020, amounting to € 347 thousand, after interest and principal payments

The increase of loans at a corporate level is attributable to the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A that took place at 31.10.2013

The Group's other long term liabilities amount to € 1.418 thousand compared to € 1.387 thousand of year 2012.

The Group's short term loans amounting to € 11.316 thousand compared to € 14.521 thousand of year 2012 show a decrease. This trend is expected to continue for year 2014.

The Group's other short term liabilities amount to € 10.454 thousand compared to € 12.975 thousand of year 2012. Both the Group and the Company, keep monitoring the liabilities in order to be fully compliant with the trade terms with both domestic and foreign suppliers and creditors

2.1.1.4 Cash Flow

CASH FLOW STATEMENT				
	GROUP		COMPANY	
Amount ins € thousand	01.01-31.12.2013	01.01-31.12.2012	01.01-31.12.2013	01.01-31.12.2012
Total cash inflow/(outflow) from operating activities	267	7.611	126	7.581
Total cash inflow/(outflow) from investing activities	-816	-1.988	-741	-2.240
Total cash inflow/(outflow) from financing activities	-2.698	-3.294	-2.633	-3.112

Cash flow from operating activities, is positive amounting to € 267 thousand.

Cash flows from investing activities, presented in a negative € 816 thousand. This amount capital was employed to the implementation of the Group's investment plan

The cash flow from financing activities at the end of year 2013 amounted to € 2.698 thousand in negative, in line with the goal to decrease the short term loans and to improve the Group's capital structure.

2.1.1.5 Performance ratios

	RATIOS	GROUP		COMPANY	
		2013	2012*	2013	2012*
A.	LIQUIDITY RATIOS				
A1.	CURRENT RATIO	106,18%	103,65%	102,42%	107,35%
A2.	QUICK RATIO	92,79%	93,45%	88,72%	96,82%
A3.	ACID TEST RATIO	3,69%	14,72%	2,50%	14,14%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,06	0,04	0,02	0,07
B.	CAPITAL STRUCTURE RATIOS				
B1.	DEPT TO EQUITY	246,69%	287,26%	280,49%	249,18%
B2.	CURRENT LIABILITIES TO NET WORTH	168,20%	212,81%	189,82%	227,84%
B3.	FIXED ASSETS TO NET WORTH	152,19%	152,05%	167,73%	88,42%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	40,54%	34,81%	35,65%	40,13%
B5.	CURRENT ASSETS TO TOTAL ASSETS RATIO	51,51%	56,96%	51,09%	70,05%
C.	ACTIVITY RATIOS				
C1.	INVENTORIES TURNOVER RATIO	9,70 times	10,64 times	9,25 times	10,45 times
C2.	FIXED ASSETS TURNOVER RATIO	2,08 times	2,47 times	2,06 times	4,59 times
C3.	DAYS OF SALES OUTSTANDING (D.S.O)	156,95 times	171,30 times	163,07 times	176,92 times
C4.	ASSET TURNOVER RATIO	0,91 times	0,97 times	0,91 times	1,16 times
C5.	OWNER'S EQUITY TURNOVER RATIO	3,17 times	3,75 times	3,46 times	4,06 times
D.	PROFITABILITY RATIOS				
D1.	GROSS PROFIT MARGIN	32,35%	29,83%	31,73%	29,59%
D2.	NET PROFIT MARGIN	1,69%	0,94%	0,41%	0,82%
D3.	RETURN OF INVESTMENT	12,93%	11,35%	10,13%	11,84%
D4.	EFFICIENCY OF TOTAL ASSETS	5,35%	3,53%	1,43%	3,32%
D5.	RETURN ON TOTAL CAPITAL EMPLOYED	7,68%	6,52%	6,74%	7,48%
D6.	FINANCIAL LEVERAGE RATIO	0,39 times	0,18 times	0,06 times	0,13 times
E.	OPERATING EXPENSES RATIOS				
E1.	OPERATING RATIO	97,33%	94,56%	98,67%	94,77%
E2.	INTEREST RATIO	1,25 times	1,16 times	1,06 times	1,15 times
E3.	OPERATING EXPENSES TO NET SALES	29,68%	24,39%	30,40%	24,36%
E4.	LOANS TO TOTAL ASSETS	44,70%	45,48%	46,51%	38,54%

**Restated due to accounting policy change – IAS 19*

2.1.1.6 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	31.12.2013
Number of ordinary shares	6.456.530
Nominal value each share	1,60 €

2.1.1.7 Own Shares – Cancellation of Stock Option Plan

The company does not possess any own shares.

2.1.1.8 Dividend policy

Unless the Shareholders' Ordinary General Meeting decides otherwise, according to the current legislation, the company is legally obliged to distribute to its shareholders, at least the 35% of the earnings that are distributable according to IFRS, after the calculation of taxes and legal reserve. For year 2013 there were no distributable earnings.

2.1.1.9 Participating interests and investments

Corporate name	Acquisition cost		Ownership percentage		Consolidation method	Country
Amounts in € thousand	31.12.2013	31.12.2012				
Subsidiaries			Direct	Indirect		
SPACE HELLAS (CYPRUS) LTD	34	34	100%		Full Consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	471	427	86,74%		Full Consolidation	Romania
METROLOGY HELLAS S.A.	-	22	100%		Full Consolidation	Greece
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.*	-	22	100%		Full Consolidation	Greece
SPACE ROMANIA REAL ESTATE SRL*	1.045	946		99,52%	Full Consolidation	Greece
SPACE HELLAS Doo Beograd-Stari Grad	10	10		100%	Full Consolidation	Serbia
SPACE HELLAS (MALTA) LTD	5	5		99,98%	Full Consolidation	Malta
Total Subsidiaries	**1.565**	**1.466**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA (“DORY”)	13	13	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**405**	**405**				
Other investments						
MOBICS L.T.D.	150	150	19,32%	-	-	Greece
Total Other investments	**150**	**150**				
Total Shareholding	**2.120**	**2.021**				

*At 31 October 2013, following the Decision K2-6588 of the Ministry of Development, the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. The absorbed company was operating in the field of property leases. The merger was started at 31.12.2012. The merger agreement did not contain terms of for increase of share capital or issuance of new shares, as any such right would be extinguished due to legal confusion as SPACE HELLAS fully possessed the share capital of the subsidiary and thus, the shares of the subsidiary were cancelled and the value of the participation was replaced by assets and liabilities of the absorbed subsidiary.
The above operation had no impact on the Group’s figures while at a corporate level the impacted the company’s figures for less than 25%
Furthermore, SPACE ROMANIA REAL ESTATE A SRL subsidiary of SPACE TECHNICAL CONSTRUCTION BUILDING S.A was liquidated and cancelled from the Romanian Company Register. This event has impacted the Group’s figures for less than 25%.

2.1.1.10 Commitments -Guarantees

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

Contingent Liabilities	Group		Company	
Amounts in € thousand	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Guarantee letters to secure good performance of contract terms *	3.771	4.475	3.771	4.475
Total contingent liabilities	**3.771**	**4.475**	**3.771**	**4.475**

** The guarantee letters to secure good performance issued to joint ventures amounted to € 386 thousand at 31.12.2012 and 31.12.2011 respectively as well.*

2.1.1.11 Excess clause provisions and Disputed claims

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

2.1.1.12 Other contigent liabilities

The company has formed a cumulative provision for the amount of € 122 thousand to cover the possibility of additional charges for the event of tax audit from the tax authorities for the unaudited years, since the company has been audited up to year 2008. For the year 2011 and onwards, the parent company is obliged to obtain an "Annual Certificate ", according to the provisions of article 82, § 5, of N.2238/1994 and related legislation, in order to obtain the tax compliance report issued by its statutory auditors. The same procedure is applicable to the Greek subsidiaries. The remaining domestic Group companies (Note 4.7.25) are in the process of settlement of tax pending affairs, year 2009 included, according to Law 3888/2010.

Except the above mentioned there are no other contingent liabilities.

2.1.2 OTHER INFORMATION

2.1.2.1 Branches

The operating branches (except the company's headquarters on Mesogion Ave 312) as at 31.12.2013 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	G. Gennimata 62, Crete
7.	Ioannina	D. Hatzi 45, Ioannina

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 years 2013 and 2012 as well as the remuneration received (salary and social security contributions):

Employees (average numbers)												
Amounts in € thousand	GROUP						COMPANY					
	Persons		Total salary		Social security charges		Persons		Total salary		Social security charges	
Years	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Total	215	215	6.588	6.992	1.752	1.663	205	207	6.435	6.829	1.710	1.621

2.2 SIGNIFICANT FACTS DURING YEAR 2013 AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

Significant facts that took place during the period from 1st January to 31st December 2013 are the following:

Decision K2-6588 of the Ministry of Development, by which the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. The absorbed company was operating in the field of property leases. The merger was started at 31.12.2012. The merger agreement did not contain terms of for increase of share capital or issuance of new shares, as any such right would be extinguished due to legal confusion as SPACE

HELLAS fully possessed the share capital of the subsidiary and thus, the shares of the subsidiary were cancelled and the value of the participation was replaced by assets and liabilities of the absorbed subsidiary.
The above operation had no impact on the Group's figures while at a corporate level the impacted the company's figures for less than 25%
Furthermore, SPACE ROMANIA REAL ESTATE A SRL subsidiary of SPACE TECHNICAL CONSTRUCTION BUILDING S.A was liquidated (27 November 2013) and cancelled from the Romanian Company Register. This event has impacted the Group's figures for less than 25%.

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

The year ended at 31.12.2013 was congruent with the expectations made regarding the fifth consecutive year of economic recession and the small recovery at the end of 2013.

The economic environment of the beginning of 2014 allows a cautious optimism, following important decision that have been made for the Greek economy and the European economic future as well. It is a widespread opinion that the austerity measures should now be replaced by development measures.

The Group's management by closely monitoring these developments continues its strategy to the same routes which have led to the successful management of continuing crisis, by adjusting its strategy to the new economic environment.

Financial management aims are:

- Decrease of borrowings from banks in order to achieve optimum capital structure at a Group level
- Conservation of funds to address the risks of prolonged recession.
- Strengthening cash position and working capital of the group with the aim of improving the efficiency of capital.
- Forecast and continuous assessment of future investment and operational needs.

Commercial management aims are:

- Trade operations as technology providers of solutions and services to the business environment.
- Participation in major IT projects in the public and private sector in order to exploit opportunities while taking manageable risks.
- Development of resellers' network for mobile telecommunications
- Expansion of integrated solution services to Cyprus, Albania, Malta and Serbia as well as exploitation of the cooperation with British Telecom and its global partner network

With regard to the first aim, that is, **"technology providers",** the company continues the promotion of products/technology solutions in the field of information technology, telecommunication and security software and closely monitors their efficiency. The Company focuses its efforts towards a demanding a healthy clientele, aiming mainly at the middle/top market segment where lies its competitive advantages, developed though remarkable investments in ICT expertise, the widespread presence over the country, excellent technical support and provision of accredited services following strict SLAs.

The new and awarded "Operations Centre" of triple use, owned by SPACE HELLAS SA, offers services for the Service Desk the Network Operations Centre (NOC) and Security Operation Center (SOC) in a 24 hour basis assuring continuous functioning of all systems and applications for supported customers throughout Greece and abroad as well. The Company continues to aim at the accomplishment of all its market targets mainly in the private sector which represents approximately 80-90 % of the annual turnover, with marked direction towards value added services

With regard to the second aim, that is, "major IT projects" the following should be noted:

Ongoing Projects

- The company has obtained a contract extension for the NVIS project. This is a project implemented for the Foreign Ministry, of € 7 million, for the automation of issuance of Visas, concerning the central IT systems as well as the biometric systems at 135 embassies and consulates in our country and abroad as well...
- The project regarding the control of access to sports facilities, card members management and ticketing is in the final stages.
- Agreement and Contract for system maintainance for the Hellenic Cadastre
- Agreement and Contract for the development of ICT network VoIP for NATO Administration

- 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
- Provision of meteorological service for the Ministry of Agriculture of Cyprus
- Municipality of Xilokastro – Integrated Care System - Telecare
- Municipality of Hersonissos – Digital Museum
- Municipality – Digital Museum

Starting phase Projects (pending sign off)

- e-Crime - € 2,5 million budget
- GAEC - Non Ionizing Radiation Office –Electomagnetic fields monitoring, € 4,2 million budget
- SIS II, SCHENGEN 2G Hellenic Coast Guard
- Electronic Identification Services- e.ΤΑΠ (AFIS) for the Greek Police (ΕΛ.ΑΣ), € 8 million budget
- eTicketing and acceses and security system GSP Stadium – Cyprus, € 1,4 million budget
- Municipality of Palaio Phaliro - Digital Archiving

New Projects

With regard to the participation in Calls for proposals and bids for new projects the company has submitted proposals in public bids for several projects, in particular within the Digital Convergence Sect oral operational programme of NSRF, where funding is deemed to be secured for EU Funds. New projects are:

- Ministry of Foreign Affairs – Upgrade of electronic Services towards citizens and enterprises.
- Operational Information System for Greek Police – Traffic Directorate
- Monetary Museum - Digital archiving
- Municipality of Ierapetra – Digital Museum
- Municipality of Anogeia - Digital Museum

A special mention should be made to the preparation for the participation of project parts within the project framework "SYZEFXIS II". This projects aims at the development and updating of Public Sector's telecom infrastructure with total budget of € 628 million. The project framework follows the concluded project "SYZEFXIS I", where the company had successfully taken part in the recent past.

Resellers' network for mobile telecommunications

With regard to "Resellers' network for mobile telecommunications", this activity is on progress aiming mainly at the provision of corporate solutions. The project "Space Phone Business Centres", started in early 2013, in collaboration with Vodafone for the development of a network all over Greece aiming to promote corporate solutions for the local markets, has shown its first positive results and will continue to grow.

Finally the company continues to seek and promote telecom solutions of global connectivity to multinational customers, through the cooperation with **British Telecom** for both Greece and Cyprus and other Balkan countries as well. During year 2013, the company started the promotion of BT services in the markets of Serbia and Malta through its subsidiaries in these countries, form the very first year of their operation. The future prospects are promising for the development of new collaboration opportunities in the Balkan area.

The Company, continues to invest and renew its credentials at the highest level (Gold partner) with the Major network technology manufactures such as Cisco, Checkpoint, HP, Forthnet, Microsoft, NetApp and Symantec while enforces its collaboration with Bosch, EMC, Dell, Lenovo, LG, VMware and Samsung.

The Company continues to maintain its strong market position, through the enrichment of its products and the upgrade of its services for a bigger spectrum of technological needs for its customers. Furthermore, having strong credit control internal processes, the company expands its client base always in line with the Group's overall strategy. Typical example is the participation in the ICT4Growth, NSRF funded operational project, of € 540 thousand, for the development of a security software platform. The short term aims are the enforcement of the foreign activities and the participation in thoroughly selected public bids in the field of security, data centre & cloud based services, telematics, biometrics network & IT management, digital museum, telemedicine.

2.4 RISK MANAGEMENT AND HEADGING POLICY

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

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

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

The Group is exposed to the following:

Financial Risk Factors

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

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

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

Foreign Exchange Risk

The Group's exposure to foreign exchange risk arises from actual or anticipated cash flows in foreign currency (imports - exports). The Group's management constantly monitors the fluctuations and the tendency of foreign currencies and evaluates each case individually, taking appropriate action where necessary, through agreements against interest rate risks. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities disclosed in a currency different from the entity's functional currency. For the foreign exchange risk which arises from future commercial transactions and recognized assets and liabilities, the company uses currency futures as required.
The main trading currencies of the Group are the Euro, 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 2013 in € thousand	USD	2,5%	-140
		-2,5%	140
Amounts of year 2012 in € thousand	USD	2,5%	-160
		-2,5%	160

Price Risk

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

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 2013 in € thousand	EURO	1%	-150
		-1%	150
Amounts of year 2012 in € thousand	EURO	1,5%	-200
		-1,5%	200

Credit Risk

Credit risk lies in the cash, bank deposits, financial instruments as well as exposure to trade risk. Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors and big private companies as well. 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 Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis. 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.
Although the adverse economic environment, as result of the economic crisis, has increased the credit risk , the Group's management, has set appropriate procedures based on its customers base to mitigate credit risk. With regard to the exposure of the Company to the risk of not collecting its trade receivables from the public sector, this risk has been significantly reduced as the amounts at risk have been reduced. Furthermore, current amendments in the tax legislation have allowed the compensation of tax and other fiscal liabilities with public sector receivables.
Appropriate provision for impairment losses is made for specific credit risks. 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 for the years 2013 and 2012 respectively.

Group								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	2013	2012	2013	2012	2013	2012	2013	2012
Borrowings	**20.056**	**22.754**	11.316	14.521	4.582	3.559	4.158	4.674
Trade and other payables	**10.462**	**12.988**	10.454	14.513	-	-	8	13

Company								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	2013	2012	2013	2012	2013	2012	2013	2012
Borrowings	**19.644**	**15.455**	11.251	13.937	4.300	1.518	4.093	-
Trade and other payables	**10.240**	**12.979**	10.033	12.698	199	277	8	4

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	**31.12.2013**	**31.12.2012***	**31.12.2013**	**31.12.2012***
Short term Borrowings	11.316	14.521	11.251	13.937
Long term Borrowings	8.740	8.233	8.393	1.518
Less: cash and cash equivalents	-802	-4.049	-533	-3.766
Net Debt	**19.254**	**18.705**	**19.111**	**11.689**
Equity	12.942	12.921	11.213	11.690
Total capital employed	**32.196**	**31.626**	**30.324**	**23.379**
Gearing ratio	**59,80%**	**59,14%**	**63,02%**	**49,99%**

**Restated due to accounting policy change – IAS 19*

Both the net debt as well as the Equity have been preserved at the same level of year 2012, therefore the gearing ratio remained unaltered.

2.5 STATEMENT OF CORPORATE GOVERNANCE

2.5.1 Corporate Governance Code Apllied

The corporate governance code is drawn up in compliance with current legislation, and in particular wit Law 2190/1920, Law 3016/2002, Law 3873/2010 and Law 3884/2010, as applicable. The text is codified and amended whenever decided by the Board of Directors. In order to provide better information to the company's shareholders, the corporate governance code includes laws and Company's Act regulations that prevail against it.
The Corporate Governance Code is prepared by the Board of Directors of the company. After approval by the Board of Directors the code is uploaded on the company's website of the company in a non-editable format. The Corporate Governance Code comes into effect from its upload to the company's website.

The code of corporate governance of the company includes the following chapters:

2.5.1.1 Chapter A'- Board of Directors

This chapter contains the obligations and duties of Board members and the method of election and function of the Board of Directors of the Company, the Board of Directors composition and the distinction of members in non-executive and executive members, with specific references to role of the executive members, the Chairman of the Board, Vice-Presidents and CEO ,their responsibilities, the duties of non-executive members, policy of fees and obligations of Board members to uphold the company's interest.

2.5.1.2 Chapter B' – General Meeting:

This chapter describes the functioning of the general meeting of the shareholders, the shareholders' rights before the general assembly, the process of identifying those entitled to attend the general meeting, the quorum, the proceedings of the general meeting, the syntax of the minutes. Reference is also made in the compliance with the principle of equality of shareholders and the ways to publish the results of the General Assembly

2.5.1.3 Chapter C' – Minority interest

A reference is made to minority interest of CL 2190/1920 (Article 39 - 40 a).

2.5.1.4 Chapter D' – Internal Control System – Risk Management Controls:

There is a description of the Company's Internal Audit Division with detail description of the functions and duties. It also describes the functioning of the Audit Committee and a description of how the supervision of the Internal Audit is made as well as responsibilities of the Board in relation to Internal Audit and the Audit Committee.

2.5.2 Corporate Governance Practices Applied

The Corporate Governance Code of the company contains corporate practices of transparency in relation to operating procedures with regard to the company's management, to ASE information, shareholders equal treatment and protection of the corporate interests.

In particular:

I. Board of Directors:

The Board of Directors is composed of seven members, four (4) of which are executive members, two (2) of which are independent non-executive members and one (1) is non-executive member. The number of non-executive directors should not be less than 1 / 3 of the total number of members. Among the non-executive directors must include at least two (2) independent members. The positions of the President of the Board and CEO cannot be assumed by the same person.

The Board of Directors has the following composition

Name	Position
Manolopoulos Spiridon	President, executive member
Drosinos Paraskevas	CEO, executive member
Mertzanis Ioannis	A΄Vice President, executive member
Manolopoulos Spyridon	B' Vice President, non executive member
Lagogiannis Georgios	Executive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Chouchoulis Dimitrios	Independent - non executive member
Kapopoulos Lysandros	Independent - non executive member

The responsibilities of the executive members are decided by the Board of Directors, as well as the delegation of responsibilities to third - non-staff members, in particular executive officers. For the current year, responsibilities were delegated to the company's A' Vice President-executive member and to the Executive Director of the company, which is also executive board member, as well as to the Chief Commercial Officer and Chief Financial Officer. To better coordinate the management of corporate affairs, the Board may appoint a committee of senior executives. Regarding the right to bind the company through the signature, this is delegated for a certain monetary limit. Beyond this limit the decision of the Board is required.

The Board of Directors, in accordance with Law 3016/2002, takes decisions for matters relating to any fees paid to company executives, internal auditors as well as for the overall remuneration policy of the company. According to the articles of Association, to the members of the Board may be paid a compensation of an amount determined by a special decision of the ordinary general meeting of shareholders. Wages and other compensation of non-executive directors are determined in accordance with the Law 2190/1920. The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant. The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company. The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of paragraph 5 of Article 42 e of Law 2190/1920, which arise in the course of their duties.

Consultants being involved in any way in the company's management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

II. General Meeting

The call of the General Meeting is posted on the company's website together with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on every matter on the agenda proposed or in case no decision has been proposed for approval by the Board, a comment on all aspects of the agenda and any draft decisions proposed by shareholders upon receipt by the company as well as the forms to be used for the exercise of voting rights and, where applicable, for the exercise voting rights by correspondence, unless these forms are sent directly to each shareholder.

If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.
The call of the General Assembly, in order to enhance transparency in informing shareholders, is published in Communication System "Hermes" which is considered reliable and has a wide range. Particular attention is paid to issues of conflict of interest of the shareholders' representatives who wish to participate in the meeting. The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders. For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder, who has control of the company,

b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company

c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,

d) is husband/wife or first degree relative to one of the individuals abovementioned in paragraphs a) to c)

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.
Besides the President of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues.
The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions. The discussions and decisions taken by the General Assembly are recorded and summarized in a special book. The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.
The President of the Meeting, at the request of a shareholder, is required to file in the book of minutes an accurate summary of his opinion. This book contains also a list, in accordance with paragraph 2 of Article 27 of Law 2190/1920, of the shareholders that were present or represented at the general assembly. Each share confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares
The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.
The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

Minority interests are listed in CL 2190/1920 Article 39 – 40a

III. Internal Control System – Risk Management Controls

In compliance with the law, a full time employee is responsible for the internal Audit Department. This person is independent, not subordinate to any other unit of the company, and assists the Board of directors in the exercise of its duties in order to safeguard the interests of the company and its shareholders.
The Internal Audit Department is supervised by the Audit Committee consisting of two (2) non-executive directors (of whch one is independent non executive member) and one independent non-executive Board member. All members of the Audit Committee are appointed by the General Meeting of shareholders. The supervision of the internal audit is undertaken by non-executive directors to ensure legal, efficient and unbiased internal and external controls on the company, as well as communication between the audit members and the Board.
The Board reviews the effectiveness of internal control within the corporate strategy with regard to the management the main risks the company is facing, in particular, in financial matters. This review covers the essential audits, including financial and operational audits, compliance testing and monitoring of risk management systems. The Board through the Audit Committee has direct and regular contact with the public auditors in order to receive from the latter regular updates in relation to the proper functioning of the internal control system.

2.5.3 SHAREHOLDERS' GENERAL MEETING

2.5.3.1 General Meeting description of functions:

The General Meeting is the supreme body of the company, is entitled to decide for each case of a company in accordance with the statutes and its decisions are binding on the all the shareholders including those who are

absent and those who disagree. The General Meeting of shareholders is required to meet at the company's headquarters or another municipality within the region or in the region or another neighboring municipality at least once each fiscal year and within six (6) months from the end of this year.
The call of the General Meeting, which includes at least the building with exact address, the date and time of meeting, agenda items clearly reported, the shareholders entitled to participate and precise instructions on how the Shareholders will be able to participate in the meeting and to exercise their rights, should be posted in a conspicuous position the company's premises and published in accordance with the provisions of Article 26 paragraph 2 of Law 2190/1920. Apart from the above invitation should include:

a) Information regarding:

aa) The rights of shareholders of paragraph 2, a 2, 4 and 5 of Article 39 of Law. 2190/1920, indicating the period within which may be exercised any right within the time limits set out in paragraphs of Article 39 of Law 2190/1920, as above, or alternatively, the deadline by which these rights can be exercised provided that detailed information about these rights and conditions for their exercise will be available with express reference to the call to the address (domain name) of the company's website.

bb) The procedure for proxy voting and, in particular the forms used for the proxy vote, and the methods provided in the statute, article 28 paragraph 3 of a CL 2190/1920, to receive electronic notifications of for the appointment and removal of the agents.

b) Specifies the record date as provided for in Article 28 a, paragraph 4 of Law 2190/1920, pointing out that only persons who are shareholders at that date are entitled to participate and vote at general meetings

c) Discloses the place where is available the full text of documents and draft decisions according to cases c and d of paragraph 3 of Article 27 of Law 2190/1920, and the way to access them.

d) Indicates the company's URL, where is available the information of paragraph 3 of Article 27 of Law 2190/1920

The invitation is also uploaded at the company's website along with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on any matter of the agenda as proposed or, if no resolution is proposed for approval, comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders upon receipt by the company and the forms to be used for the proxy voting right and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder. If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.
The call of the General Assembly, in order to enhance transparency in informing shareholders, is published in Communication System "Hermes" which is considered reliable and has a wide range.
The company may publish in the publication media listed by the Law 2190/1920 a summary of the call which includes at least the building with exact address, day and hour of the meeting, the shareholders entitled to attend as well as express reference to the website address where the full text of the call and other information regarding the meeting will be available. Call for a general meeting is not required in the event that the shareholders present or represented are representing the entire share capital and none of them objects to carrying out of the meeting and to the decision making.

2.5.3.2 Minority rights before the Call for the General Meeting:

Ten days before the regular general meeting each shareholder can get the company's annual financial statements and the reports of the Board of Directors and the independent auditors' report.
Twenty-four hours before each general meeting must be posted at a conspicuous place in the premises of the company a list of shareholders entitled to vote at the general meeting indicating, if any, their representatives, the number of shareholders and votes of each and the address of shareholders and representatives. From the day of publication of the call for the General Meeting until the day of the meeting, at least the following information should be uploaded to the website:

a) The call for the General Meeting

b) The total number of shares and voting rights at the date of the call, including separate totals for each class of shares if the company's capital is divided into several classes of shares

c) The documents to be submitted to the General Assembly

d) A draft decision on any matter on the agenda as proposed or, if no decision has been proposed for approval by the Board, the comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders right after their receipt by the company.

e) The forms that should be used for the exercise of proxy voting rights and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder.

2.5.3.3 General Meeting participation rights:

Each shareholder is entitled to attend and vote at a General Meeting. The exercise of these rights does not require the shareholders' share blocking nor similar procedure, that would limit the ability to sell and transfer the shares during the interval between the record date, as defined in paragraph 4 of Article 28a of Law 2190/1920, and the date of relevant general meeting. A shareholder participates in the general meeting and votes either in person or

through agents. An agent that is acting for more shareholders may vote differently for each shareholder. Legal entities participate in the General Assembly by stating as their representatives up to three (3) individuals. A shareholder may appoint a representative for a single meeting or for as many meetings will take place within a certain time. The representative will vote in accordance with the instructions of the shareholder, if any, and is required to preserve the voting instructions for at least one (1) year from the submission of the General Meeting minutes to the competent authority or, in case the decision is subject to publicity, from the date of registration at the Companies Registry. Failure of the representative with the instructions received do not affect the validity of decisions of the General Assembly, even when the representative's vote was decisive for the decision making.
The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders. For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder who has control of the company,
b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company
c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,
d) is husband/wife or first degree relative to one of the persons abovementioned in paragraphs a) to c)

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.
However, if the shareholder holds shares in a company, which appear in more than one securities account, this restriction does not prevent a shareholder to appoint different representatives for the shares held in each securities account in respect of a general meeting.

Entitled to participate to the general meeting is a shareholder which appears in the records of the organization, which has the administration of the company's securities. The presentation of relevant written certificate of such organization would make proof of membership. As a shareholder should exist at the beginning of the fifth day before the day of the general meeting (record date) and a written statement or electronic certification of the shareholding should reach the company by the third day before the general meeting. In the repetitive General Meeting shareholders may participate under the same standard conditions as above. Shareholding must exist at the beginning of the fourth day preceding the meeting day of the repeated general meeting (date of recording repetitive General Meetings), and a written statement or electronic certification of the shareholding should reach the company no later by the third day before the general meeting. The Board has prepare in the list of persons entitled to vote at a general meeting in accordance with Article 27 paragraph 2 of Law 2190/1920, all shareholders who have complied with the provisions of Article 28 a of Law 2190/1920. The company considers eligible to participate and vote at the general meetings the person who results to be shareholder at the relevant record date. A shareholder that does not comply with these regulations would participate in the General Assembly only after permission.

2.5.3.4 **Quorum:**

The General Assembly is in quorum and convenes validly on the issues on the agenda, when are present shareholders or agents representing one fifth (1 / 5) at least the paid up share capital. If such a quorum fails to achieve, the General Assembly shall meet again within twenty (20) days from the date of the cancelled meeting, while the call should take place at least ten (10) days before. This new meeting will form a quorum and will validly deliberate on the issues of the original agenda regardless of the percentage of issued share capital will be represented in it. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.
Exceptionally, the General Assembly is in quorum and convenes validly on the issues agenda when are present shareholders or agents representing two-thirds (2 / 3) of the issued share capital, for decisions on: **a)** extending the duration or termination of the company **b)** the change of nationality of the company, **c)** the change of corporate purpose, **d)** increase the share capital, when not required by the Association according to the article 13 paragraph 1 and 2 of Law 2190/1920 or when required by laws or rules or though capitalization of reserves, **e)** reduction of share capital, in all cases except in those contained in paragraph 6 of article 16 of Law 2190/1920, **f)** changing the order of appropriation of the profits, **g)** the enhancement of the obligations of shareholders **h)** merger, split, conversion, revival of the company, **i)** the provision or renewal of authority to the Board to increase share capital pursuant to Article 13 paragraph 1 of Law 2190/1920, **j)** in any other case where the law or the Company provides for the receipt of a decision by the General Assembly requires a quorum of this paragraph.
If the aforementioned quorum is not achieved in the first session, the General Assembly convenes for a repeat hearing within twenty (20) days of the cancelled meeting and the call is required at least ten (10) full days before.

The meeting is valid for items on the original agenda, when the quorum is the half (1 / 2) the paid up share capital at least.
When even this quorum is not achieved, or in case of a decision with regard to increase of capital, the General Meeting at its last repetitive meeting achieves the required quorum is when the shareholders that are present or represented are representing one fifth (1 / 5) paid up capital at least. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.

2.5.3.5 General Meeting hearing procedure:

Temporary president of the General Assembly is the Chairman of the Board or in case of impediment is his deputy or a person appointed by the Board or the General Meeting. The temporary president appoints a temporary Secretary from the present shareholders. Until the approval of the list of shareholders entitled to vote, the General Meeting proceeds to elect the President and a Secretary who is also responsible for the voting process. The final President of the General Meeting of shareholders and the Secretary are elected by secret ballot, unless the General Assembly decides or the law provides otherwise. Besides the President of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues. The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions.
The decisions of the General Assembly are limited to agenda items, unless the present or represented shareholders representing the entire share capital and no shareholder objects to discuss and decide on other issues. The agenda is set by the Board and includes proposals to the General Assembly as well as suggestions of accountants or shareholders representing one twentieth (1 / 20) of the paid up share capital.

2.5.3.6 General Meeting's minutes:

The discussions and decisions taken by the General Assembly are recorded in summarized in a special book.
The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.
At the request of the chairman of the shareholder meeting is required to record the minutes accurate summary of the opinion. In the same book and list of registered shareholders present or represented at the general assembly to be drawn up in accordance with paragraph 2 of Article 27 of Law 2190/1920.

2.5.3.7 Principle of quality:

Each share confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares
The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.

2.5.3.8 Publication of the General Meeting's voting results:

The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

2.5.4 Composition and Regulation of the Board of Directors and Other Corporate Bodies

2.5.4.1 Board of Direcotrs - Obbligations and duties – Mode of operation:

Foremost obligation and duty of the Board of Directors of the Company is the continuing pursuit of the preservation and expansion of long-term economic value of the company and the pursuit of corporate interest. More specifically, the Board sets the strategy and the development policy and preserves the property of the company, exercises control over all activities of the company and oversee its management. The Board of Directors decides on matters relating to any fees paid to managers, internal auditors of the company and its general policy of pay. The responsibilities of the Board are determined by the Company, and existing legislation. According to the articles of association and the Law 2190/1920 after the election by the General Meeting, the Board is established as a body and proceeds to the election of the President, Vice President and Managing Director. At the same meeting decides the delegation to members or third parties.
The Board shall meet at the headquarters of the company, whenever the law, the Statute or the company's needs require. The Board may meet valid and elsewhere, outside the headquarters of the company, domestically or abroad, if all its members are present or represented and no one objects to holding the meeting and to take decisions. Two (2) of the members, with a request to the President or his deputy, may request the convening of

the Board, which will convene within seven (7) days of the request. In the above request, the members are required to mention the issues on the agenda to be addressed by the Board, otherwise invalid. In case of refusal of the President or his deputy to convene the Board within the above deadline, members are allowed to ask for a meeting of the Board within five (5) days after the end of seven days, notifying the relevant Call the other Board members.

The Board is convened by the President or his deputy with a call or facsimile or email communicated to members at least two (2) business days before the meeting. The invitation should indicate clearly the issues of the agenda, otherwise the decision making is allowed only if all Board members are present and none of these objects.

Each member who is not present in the meeting can validly be represented only by another member appointed by the absent member by written letter, telex or facsimile addressed the Board. Each member can validly represent only one absent member.

The Board achieves the reqired quorum and convenes validly when the present or represented memberes are half plus one, but never the number of these members may be less than three. Resulting fraction is disregarded.

During the meetings of the Board the secretary is a member or the counsel of the company, if requested. The Secretary keeps the minutes of the meetings of the Board of care to record all members' views expressed. Unless otherwise provided by law, the decisions of the Board are valid when taken by the absolute majority of present and represented members. Each member has one vote and when represents an absent member, has two (2) votes. In the event of a tie, the President of the Board gives the casting vote. The minutes of the Board signed by the President or Vice President or CEO (if he does not have the position of the President) and Board member designated by the Board of Directors. Copies of the minutes are officially issued by such persons without requiring further validation.

2.5.4.2 **Members of the Board of Directors:**

According to the association, the company is managed by the Board consisting of three (3) to nine (9) members. The members of the Board, which can be shareholders of the company or other persons (not shareholders) are elected by the General Meeting of shareholders of the company for five years, automatically extended until the first Annual General Meeting following the expiry of their term, but which may not exceed six years. For the election to the board of the company take into consideration the experience in managing corporate affairs of the candidates, the level of professional training, experience and previous experience especially in managerial positions, knowledge of rules and market conditions.

If for any reason a vacancy of member or members arises, the remaining members can continue to manage and represent the company, without replacing the missing members, provided that the number is more than half of the members, as had before the occurrence of the vacancy. In each case the members may not be less than three (3). To Board of Directors may elect such members to replace members who resigned, die or lost their status in any other way. This election by the Board shall be taken by the remaining members, if at least three (3), valid for the remainder of the member being replaced. The decision of the election shall be published according in article 7b of CL 2190/1920 and announced by the Board at the next General Meeting, which can replace the elected members, even if not included on the agenda.

The members have participated in all meetings of the Board. The continuing absence of a member from the meetings for one (1) year without sufficient cause or without permission of the Board, is equivalent to resignation from the Board, but applies only when the Board decides so and the relevant decision is recorded in the minutes.

The Board of Directors, which runs the company is composed of seven members of which four (4) are executive members, two (2) are independent non-executive members and one (1) is non-executive member. The number of non-executive directors should not be less than 1 / 3 of the total number of members. Among the non-executive members must include at least two (2) independent members.

2.5.4.2.1 Executive members of the Board of Directors:

The Executive Directors of the Company exercise their powers according to the association and the applicable legislation and in particular to the provisions of Law 2190/1920 and provide services to the company, exercising management functions and representation. Powers are granted to the executive directors by decision of the Board. Specifically, with the Board's decision for delegation the executive members have management responsibilities, representing the company, among others, to the public administration, public entities or private sector entities, banks, representing the company to the courts and Independent Authorities and have authorized signature rights up to the financial limit set by the Board in its decision. Beyond this limit, the Board shall decide at a special. By decision of the Board the executive members may authorize third - non-members - persons to carry out specific -isolated acts. The Board of Directors may decide to delegate to third - non-members - persons exercising the powers of the executive members, especially to executives of the company such as the Executive Director, the Chief Commercial Officer and Chief Financial Director.

2.5.4.2.2 President of the Board of Directors:

The President of the Board works with the CEO and other members of the Board for the development and achievement of the company's goals in accordance with the provisions of the association and applicable law. In this context, the President of the Board of Directors:

1. Convenes the meetings of the Board members and determine the issues on the agenda.
2. Presides at the meetings of the Board.
3. Works closely with the CEO to ensure the implementation of decisions of the Board.
4. Convenes special meetings of the Board if required.
5. When a committee where necessary, sets chairmen of committees, in cooperation with the Chief Executive proposes the committee members.
6. Collaborates with the CEO on the preparation of the agenda of meetings of the Board.
7. Collaborates with the CEO to provide guidance and direction of the new Board members.
8. Represents the company before any authority in accordance with the Board of Directors decision of the delegation.

The President of the Board reports to the Board of Directors.

2.5.4.2.3 Vice President of the Board of Directos:

According to the association, the Board by decides and elects one or more Vice Presidents. The company has one excecuitve Vice Presidents and one non executive Vice President. The executive Vice President of the Board acts within the powers confered by virtue of the Boards' decisions. The non executive Vice President participates in all meetings and is responsible for the promotion of corporate issues in accordance with the provisions of Law 3016/2002 and the Association.

2.5.4.2.4 Chief Executive Officer:

The CEO is an executive board member and cooperates with the President and the Board members for the development and implementation of company goals. In this context, the CEO:

1. Participates in determining the strategy of the company, along with the President and other executive members of the Board.
2. Participates in setting goals and how to implement them.
3. He is responsible, along with the President and other board members, for determining the remuneration policy of the company.
4. Promotes the image and vision of the company.
5. Participates in the approval process of investments.
6. Promotes and form collaboration agreements with foreign firms (representation, marketing, supply products, etc.).
7. Works with banks and decide on matters of finance and lending.
8. Coordinates and directs the actions of the marketing department in terms of marketing policy of products and services.
9. Co-decides in recruitment.
10. Co-decides and approve the general operating expenses of the company.
11. Collaborates with other management staff on organizational issues.
12. Co-decides in the formulation of pricing and discount policy.
13. Take decisions and set priorities particularly on investment, financing, pricing and products.
14. Directs the activities of the staff, particularly in the marketing department.
15. Exchanges information and views with appropriate seriousness and conviction.
16. Participates in regular meetings with:
    - The President, the Board, banks, subsidiaries,
    - Other departments, foreign firms, Customers, Suppliers.
17. Takes care for the budgeting at the start of each fiscal year.
18. Ensures the preparation of annual reports within three months from the end of the financial year.
19. He is responsible for supervising and managing the operation of electronic management information system (MIS), which is organized by the Security Division. Also, ensures that the continued proper functioning of electronic communication systems and in particular the website of the company is sufficiently monitored by the competent department
20. Decides on the internal organization and take all necessary steps for the upgrading and development of the staff, proposes to the Board for approval the necessary new regulations, organization charts, educational and training issues of personnel.
21. Implements the decisions of the Board.

The CEO reports to the Board of the company.

2.5.4.2.5 Indipendent non executive members of the Board of Directors:

The independent non-executive directors during their term of office should not hold shares of more than 0.5% of the share capital of the company and not being dependent to the company or to persons connected with the company according the meaning of article 4 § 1 of Law 3016/2002. Dependency relationship exists when the independent non-executive board member:
A) Maintain business or other business relationship with the company or affiliated companies by to the meaning of article 42e paragraph 5 of Law 2190/1920, which, by its nature, is substantially affecting the company's business with particular regard to major supplier of goods or services or a major customer of the company.
B) He is Chairman of the Board, CEO or executive of the company or of an affiliated company by the meaning of article 42 paragraph 5 of Law 2190/1920, whenever applicable, or is related through employment or paid office with the company or its affiliates.
C) Has a second degree affinity or is husband/wife of an executive board member or manager or shareholder that possesses the majority of the shares of the company or of its affiliates, by the meaning of article 42e paragraph 5 of Law 2190/1920, whenever applicable.
D) is appointed pursuant to Article 18 paragraph 3 of Law 2190/1920.
Independent members can submit, separately or together, various reports different from those of the Board, to the ordinary or extraordinary general meeting of the company, if they deem it necessary. Company within twenty (20) days of the formation of the Board of Directors as a body submits to the Securities and Exchange Commission the minutes of the General Meeting where the independent members are elected, in order to verify the compliance with the provisions of Law 3016/2002. Similarly are presented the minutes of the Board, where is determined the status of each member of the Board as an executive, non-executive, and temporary independent member to replace another member who resigned or been removed and for some reason was deposed.

2.5.4.3 Remunaration policy:

The Board of Directors, in accordance with Law 3016/2010, decides for matters relating to any kind of fees paid to company executives, internal auditors and the overall remuneration policy as well. According to the articles of association, the members of the Board may receive compensation of an amount determined by special decision of the ordinary general meeting of shareholders. The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

2.5.4.4 Obbligations of memebers of the Board of Directors for the protection of corporate interest:

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant. The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company. The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of paragraph 5 of Article 42e of Law 2190/1920, which arise in the course of their duties. Consultants being involved in any way in the company's management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

2.5.5 Main Festures of the Company's Internal Control Systems and Risk Management, with focus on the processes for the preparation of the financial statements:

2.5.5.1 Internal Control System:

The internal control system is organizationally structured in the Internal Audit Division, the Audit Committee and the Board of Directors, with distinct functions. The main characteristics of the Internal Control System, with regard to risk management, are: **a)** identification and assessment of risks associated with the reliability of financial statements, **b)** management planning and monitoring of financial ratios **c)** preventing and uncover fraud, **d)** roles and responsibilities of directors, **e)** year ending procedures' manual, including consolidation and **f)** assurance of computer systems for the information provided.
In particular, there are established and applied processes to identify and assess risks with regard to the reliability of financial statements. Their completeness and adequacy are continuously evaluated. There are established and applied processes performed by the Accounts and Finance Department, relating to the collection, agreement and monitoring of financial aggregates for the preparation of financial statements. The company's accounting system provides timely and accurate recording of each transaction. The processing and preservation of accounting data takes place in a way that ensures the production and publication of reliable financial statements in accordance with the provisions of applicable law. Also, ensures the safe keeping of records which will enable effective controls at a later time. Finally, the Board, the management, relevant officers and directors of the company obtain promptly all information required to effectively exercise their duties. The Company in establishing its procedures takes seriously into account the possibility of identifying fraud and for this reason the safeguards and controls

operate across a wide range of operations. The Company has adopted procedures, operational, computerized or not and internal controls relating to the preparation of financial statements (quarterly and annual financial statements). These procedures also relate to the safeguards and controls that have been developed for risk-assessment. The responsibilities and roles of managers are clearly demarcated by the administration. A clear picture can be obtained from the company's organization chart from with the resulting responsibilities, rights and duties. The manual for year ending procedures and consolidation is recorded and in full compliance with current legislative framework.
The company uses information systems that meet the working environment, are updated according to the information need and legislative changes as well, ensuring the security of information from external accesses. There is a specialized IT services, the Department of Information Technology, functionally and administratively independent from end users, in which there is a clear separation of duties. The quantitative and qualitative adequacy of IT services is obtained though the application of specific procedures giving access to authorized persons only. The physical plant where information is managed, accessed and stored is safeguarded with respective procedures.

2.5.5.2 Internal Audit Division:

The Internal Audit Division is included in the Company's organizational chart where its responsibilities are defined in the Internal Regulations and No. 1420/2009 board of Directors decision. The Internal Audit Department monitors the implementation and continued compliance with the Rules and Operations of the Company, reports to the board any conflicts of private interests of Board members or directors with the interests of the company and examines and evaluates the adequacy and effectiveness of the structure of internal control systems and the quality performance of other systems with regard to the achievement of the company's goals through regular inspections. The Internal Audit Division is designated by the Board of Directors, is composed of independent individuals, which are not subordinated to any other unit of the company. Informs, in written and documented form at least once every quarter the Board on the review conducted. Finally, provides, upon approval by the Board any information requested in writing to public authorities and cooperate with them. The work is carried on with respect to the current legislation.

2.5.5.3 Supervision of Internal Audit Division / Audit Committee:

The Audit Committee consists of two (3) non-executive members (of which two is independent non executive member) of the board. All members of the Audit Committee are appointed by the General Meeting. The supervision of the internal audit is undertaken by non-executive directors to ensure legal, efficient and unbiased internal and external controls on the company, as well as communication between the audit members and the Board.
The audit committee reports to the Governing Board.

Main responsibilities of the Audit Committee are:

- Monitoring of the effective operation of internal control and risk management system and monitoring of the proper functioning of the internal audit unit of the company.
- Monitoring of the progress of the statutory audit of parent and consolidated financial statements.
- Identification of the framework of activity of Internal Audit.
- Provision of instructions to the Internal Audit Division to perform its work.
- Update on a regular basis for the progress of the Internal Audit and confirm that significant problems and weaknesses are identified, and relevant suggestions have been communicated and discussed timely with management, which has taken the necessary corrective actions.
- Review of the process for the provision of financial and administrative information towards the company's management.
  - Review and approval of annual audit plans.
  - Review of internal audit reports which the committee itself or the company's management have classified as important.
  - Consideration of the content of the independent auditor reports on the financial statements of the company and the appropriate responses.

2.5.5.4 Board of Directors:

The Board reviews the effectiveness of internal control system within the corporate strategy. This review covers the essential controls, including financial and operational controls, compliance testing and monitoring of risk management systems.

2.6 CERTIFICATIONS

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

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

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

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

The company has obtained the ISO certification for a Quality Management Systems as following:
- Quality Assurance EN ISO 9002:1994 1996 - 1999
- Quality Assurance EN ISO 9001:1994 1999 - 2003
- Quality Assurance EN ISO 9001:2000 2004 - 2009
- Quality Assurance EN ISO 9001:2008 2010 - 2013
- Quality Assurance EN ISO 9001:2008 2013 - 2016

Furthermore, in February 2009, the company received the certification ISO/IEC 27001:2005 "Information Security Management Systems (ISMS)" at corporate level, for all of its commercial activities.
This accomplishment is a special distinction enhancing the company's competitive advantage. The Company's Department of Information Security, offers a wide variety of products and services, in accordance with the EU directives, in the field of Certification and Compliance, part of which are the ISO/IEC 27001:2005, ADAE, BS 25999 Business Continuity Management, PCI DSS Standard, Bank of Greece requirements, SOX

2.7 CORPORATE SOCIAL RESPONSABILITY

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.

2.8 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The sales to and purchases from related parties, during 2013, 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 2013 and 2012 respectively.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
Company	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
SPACE HELLAS (CYPRUS) LTD	29	0	0	0	0	0	10	10
SPACE HELLAS (MALTA) LTD	24	0	0	0	1	0	0	0
SPACE HELLAS D.o.o. BEORGRAD	34	0	0	0	1	0	0	0
METROLOGY HELLAS SA	14	13	0	108	80	2	0	0
Subsidiaries	**101**	**13**	**0**	**108**	**82**	**2**	**10**	**10**
JOINT-VENTURE "EMY" MODERNIZATION	78	0	0	663	200	272	182	258
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	273	251	0	0	256	261	11	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2	0	1	1	8	1	1.474	1.473
Joint Ventures	**353**	**251**	**1**	**664**	**464**	**534**	**1.667**	**1.745**
MOBICS L.T.D.	0	0	0	40	0	0	0	0
SPACE CONSULTING S.A.	5	1	60	60	836	840	0	0
Associates	**5**	**1**	**60**	**100**	**836**	**840**	**0**	**0**
Total Company	**459**	**265**	**61**	**872**	**1.382**	**1.376**	**1.677**	**1.755**

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
Group	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
JOINT-VENTURE "EMY" MODERNIZATION	78	0	0	663	200	272	182	258
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	273	251	0	0	256	261	11	14
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Joint Ventures	**353**	**251**	**1**	**664**	**464**	**534**	**1.667**	**1.745**
MOBICS L.T.D.	0	0	0	40	0	0	0	0
SPACE CONSULTING S.A.	5	1	60	60	836	840	0	0
Associates	**5**	**1**	**60**	**100**	**836**	**840**	**0**	**0**
Total Group	**358**	**252**	**61**	**764**	**1.300**	**1.374**	**1.667**	**1.745**

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Salaries and other employee benefits	**1.489**	**1.492**	**1.489**	**1.492**
Receivables from executives and members of the Board	**0**	**0**	**0**	**0**
Payables to executives and member of the Board	**8**	**48**	**8**	**48**

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.858	1.858	1.858	1.858
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.858	1.858	1.858	1.858

2.9 SIGNIFICANT POST-BALANCE SHEET EVENTS:

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

2.10 EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS THE SHAREHOLDERS' ORDINARY 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.*

The Share capital amounts to 10.330.448,00 € and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,60 € each and 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 31.12.2013 the following shareholders held more than 5% of the total voting rights of the Company:

Name and Surname	Percentage
Dimitrios Manolopoulos	31,086%
ALPHA BANK S.A.	19,330%
Mpellos Panagiotis	17,611%
Drosinos Paraskevas	15,026%

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 a public offer.

Agia Paraskevi, 24 March 2014

The President of Board

S. MANOLOPOULOS

The Board of Directors

PKF Euroauditing S.A.
Certified Public Accountants

PKF
Audit Tax & Business advisory

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 2013 and the company and consolidated 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 Company and Consolidated 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, 2013, 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.

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PKF Euroauditing S.A.
Certified Public Accountants

Audit Tax &
Business advisory

Reference on Other Legal Matters

a) The Director's Report includes statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1290.

b) We confirm that the information given in the Director's Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.

PKF EUROAUDITING S.A.
Certified Public Accountants
PANNELL KERR FORSTER
124 Kifissias Avenue, 115 26 Athens
S.O.E.L. Reg. No. 132

Athens, 26 March 2014

DIMOS N. PITELIS
Certified Public Accountant
S.O.E.L. Reg. No. 14481

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4 ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2013 TO 31st DECEMBER 2013

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	GROUP		COMPANY	
		01.01-31.12.2013	01.01-31.12.2012*	01.01-31.12.2013	01.01-31.12.2012*
Revenue	4.7.1	41.019	48.482	38.754	47.465
Cost of sales		-27.749	-34.020	-26.458	-33.421
Gross profit		**13.270**	**14.462**	**12.296**	**14.044**
Other income	4.7.2	1.958	992	2.003	943
Administrative expenses	4.7.3	-5.264	-5.664	-4.989	-5.528
Research and development cost	4.7.3	-477	-507	-477	-507
Selling and marketing expenses	4.7.3	-4.628	-4.664	-4.579	-4.607
Other expenses	4.7.4	-1.804	-987	-1.737	-922
Earnings before taxes, investing and financial results		**3.055**	**3.631**	**2.517**	**3.423**
Interest & other similar income		427	400	424	399
Interest and other financial expenses		-2.869	-2.806	-2.836	-2.666
Profit/(loss) from revaluation of investments in subsidiaries - associated companies		76	-769	56	-769
Profit / (loss) before taxes		**689**	**456**	**161**	**387**
Less: Taxes	4.7.5	-658	-138	-520	-180
Profit after taxes (A)		**31**	**318**	**-359**	**207**
- Company Shareholders		51	336	-	-
- Minority Interests in subsidiaries		-20	-18	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		-1	12	0	0
Total Items that might be recycled subsequently		-1	12	0	0
Items that will not be recycled subsequently					
Actuarial losses due to accounting policy change (IAS19)		-14	0	-18	0
Actuarial loss taxes		4	0	5	0
Revaluation of assets		0	-2.491	0	-2.491
Other comprehensive income tax		0	390	0	390
Total Items that will not be recycled subsequently		-10	-2.101	-13	-2.101
Other comprehensive income after taxes (B)		**-11**	**-2.089**	**-13**	**-2.101**
Total comprehensive income after taxes (A) + (B)		**20**	**-1.771**	**-372**	**-1.894**
- Company Shareholders		40	-1.753	-	-
- Minority Interests in subsidiaries		-20	-18	-	-
Earnings per share - basic (in €)		0,0053	0,0493	-0,0556	0,0321

SUMMARY OF INCOME STATEMENT					
Profit before interest, taxes, depreciation and amortization (EBITDA)		**4.035**	**4.641**	**3.493**	**4.419**
Less depreciation		**980**	**1.010**	**976**	**996**
Profit before interest and taxes, (EBIT)		**3.055**	**3.631**	**2.517**	**3.423**
Profit before taxes		**689**	**456**	**161**	**387**
Profit after taxes		**31**	**318**	**-359**	**207**
Other comprehensive income after taxes		**-11**	**-2.089**	**-13**	**-2.101**
Total comprehensive income after taxes		**20**	**-1.771**	**-372**	**-1.894**

**Restated due to accounting policy change – IAS 19*

Note

Current year

- *The amount of €-11 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -10 thousand of actuarial results and € -1 thousand, currency exchange differences,*

Previews year

- *The amount € -2.089 thousand, that was charged directly to the Equity concerns the net amount of € 2.101 thousand from the revaluation of buildings and currency exchange differences from the consolidation of a sub-subsidiary for the amount of € 12 thousand.,*

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	Note	GROUP		COMPANY	
		31.12.2013	31.12.2012*	31.12.2013	31.12.2012*
ASSETS					
Non-current assets					
Property, plant & equipment	4.7.6	16.429	16.524	16.373	8.742
Investment properties	4.7.8	1.505	1.500	0	0
Goodwill	4.7.9	1.288	1.288	1.255	428
Intangible assets	4.7.7	2.058	1.890	2.058	1.889
Investments in subsidiaries	4.7.11	0	0	505	484
Investments in associates	4.7.11	425	280	624	555
Other long term receivables		50	54	50	128
Deffered tax assets	4.7.21	0	0	0	4
Total Non-current assets		**21.755**	**21.536**	**20.865**	**12.230**
Current assets					
Inventories	4.7.12	2.916	2.806	2.916	2.806
Trade debtors	4.7.13	15.325	16.078	14.541	15.725
Other debtors	4.7.14	3.456	4.831	3.300	5.561
Financial assets		13	13	13	13
Advanced payments	4.7.15	602	724	496	722
Cash and cash equivalents	4.7.16	802	4.049	533	3.766
Total Current assets		**23.114**	**28.501**	**21.799**	**28.593**
TOTAL ASSETS		**44.869**	**50.037**	**42.664**	**40.823**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.7.17	10.330	10.330	10.330	10.330
Share premium	4.7.17	53	53	53	53
Stock option plan reserve		0	0	0	0
Treasury shares		0	0	0	0
Fair value reserves		3.840	1.334	3.840	1.334
Other Reserves		1.085	642	1.112	671
Retained earnings		-2.334	575	-4.122	-698
Equity attributable to equity holders of the parent		**12.974**	**12.934**	**11.213**	**11.690**
Minority interests		**-32**	**-13**	**-**	**-**
Total equity		**12.942**	**12.921**	**11.213**	**11.690**
Non-current liabilities					
Other non-current liabilities	4.7.19	8	13	207	282
Long term loans	4.7.18	8.740	8.233	8.393	1.518
Provisions	4.7.23	122	122	122	122
Retirement benefit obligations	4.7.20	600	591	587	577
Deferred income tax liability	4.7.21	688	661	858	0
Total Non-current liabilities		**10.158**	**9.620**	**10.167**	**2.499**
Current liabilities					
Trade and other payables	4.7.22	8.943	11.826	8.664	11.616
Income tax payable		1.511	1.149	1.369	1.081
Short-term borrowings		11.316	14.521	11.251	13.937
Total Current liabilities		**21.770**	**27.496**	**21.284**	**26.634**
Total Equity and Liabilities		**44.869**	**50.037**	**42.664**	**40.823**

**Restated due to accounting policy change – IAS 19*

4.3 STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Company's Equity:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves*	Retained earnings*
Changes in the Shareholders equity for the year 2012 (01/01-31/12/2012)							
Balance at 1 January 2012 as previously reported	**10.330**	**53**	**3.435**	**0**	**671**	**-553**	**13.936**
Change of Accounting policy- IAS 19	**0**	**0**	**0**	**0**	**0**	**-352**	**-352**
Restated Balance at 1 January 2012 as previously reported	**10.330**	**53**	**3.435**	**0**	**671**	**-905**	**13.584**
Profit for the year	0	0	0	0	0	207	**207**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Revaluation of property at fair value	0	0	-2.491	0	0	0	**-2.491**
Deffered tax from property revaluation	0	0	390	0	0	0	**390**
Balance at 31 December 2012 (IFRS)	**10.330**	**53**	**1.334**	**0**	**671**	**-698**	**11.690**
Changes in the Shareholders equity for the year 2013 (01/01-31/12/2013)							
Balance at 1 January 2013 as previously reported	**10.330**	**53**	**1.334**	**0**	**671**	**-352**	**12.036**
Change of Accounting policy- IAS 19	**0**	**0**	**0**	**0**	**0**	**-346**	**-346**
Restated Balance at 1 January 2013 as previously reported	**10.330**	**53**	**1.334**	**0**	**671**	**-698**	**11.690**
Profit for the year	0	0	0	0	0	-359	**-359**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Subsidiary absorption	0	0	2.506	0	441	-3.052	**-105**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-18	**-18**
Actuarial loss tax	0	0	0	0	0	5	**5**
Balance at 31 December 2013 (IFRS)	**10.330**	**53**	**3.840**	**0**	**1.112**	**-4.122**	**11.213**

Notes:

Current year

- *At 31.10.2013 following the Decision K2-6588 of the Ministry of Development, the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. This event is disclosed in the above statement.*
- *The amount of € -13 thousand charged directly to the Equity concerns actuarial loss disclosed in the other comprehensive income of year 2012*

Previews year

- *The amount € -2.491 thousand, charged directly to the Equity concerns the revaluation of the buildings at the fair value, and the amount of € 390 thousand concerns the defferd tax related to the revaluation*
- *The amounts in the Statement of Changes in equity have been restated due to the change of the accounting policy IAS 19 and its retrospective application (see note 4.9.)*

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Statement of Changes in Group's Equity:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total	Non controlling interests	Total net Equity
Changes in the Shareholders equity for the year 2012 (01/01-31/12/2012)									
Balance at 1 January 2012 as previously reported	**10.330**	**53**	**3.435**	**0**	**630**	**591**	**15.039**	**34**	**15.073**
Change of Accounting policy-IAS 19	**0**	**0**	**0**	**0**	**0**	**-352**	**-352**	**0**	**-352**
Restated Balance at 1 January 2012 as previously reported	**10.330**	**53**	**3.435**	**0**	**630**	**239**	**14.687**	**34**	**14.721**
Profit for the year	0	0	0	0	0	336	**336**	-18	**318**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	12	0	**12**	0	**12**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	-29	**-29**
Revaluation of property at fair value	0	0	-2.491	0	0	0	**-2.491**	0	**-2.491**
Deffered tax from property revaluation	0	0	390	0	0	0	**390**	0	**390**
Balance at 31 December 2012 (IFRS)	**10.330**	**53**	**1.334**	**0**	**642**	**575**	**12.934**	**-12**	**12.921**
Changes in the Shareholders equity for the year 2013 (01/01-31/12/2013)									
Balance at 1 January 2013 as previously reported	**10.330**	**53**	**1.334**	**0**	**642**	**925**	**13.284**	**-12**	**13.272**
Change of Accounting policy-IAS 19	**0**	**0**	**0**	**0**	**0**	**-350**	**-350**	**-1**	**-351**
Restated Balance at 1 January 2013 as previously reported	**10.330**	**53**	**1.334**	**0**	**642**	**575**	**12.934**	**-13**	**12.921**
Profit for the year	0	0	0	0	0	51	**51**	-20	**31**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	2	-3	**-1**	1	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Reclassification due to subsidiary absorption	0	0	2.506	0	441	-2.947	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-14	**-14**	0	**-14**
Actuarial loss tax	0	0	0	0	0	4	**4**	0	**4**
Balance at 31 December 2013 (IFRS)	**10.330**	**53**	**3.840**	**0**	**1.085**	**-2.334**	**12.974**	**-32**	**12.942**

Notes:

Current year

- *At 31.10.2013 following the Decision K2-6588 of the Ministry of Development, the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. Following this event a reclassification is made in the above statement.*
- *The amount of €-11 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -10 thousand of actuarial results and € -1 thousand, currency exchange differences.*

Previews year

- *The amount € -2.089 thousand, that was charged directly to the Equity concerns the net amount of € 2.101 thousand from the revaluation of buildings and currency exchange differences from the consolidation of a sub-subsidiary for the amount of € 12 thousand.*
- *The amounts in the Statement of Changes in equity have been restated due to the change of the accounting policy IAS 19 and its retrospective application (see note 4.9.)*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	GROUP		COMPANY	
	01.01-31.12.2013	01.01-31.12.2012*	01.01-31.12.2013	01.01-31.12.2012*
Cash flows from operating activities				
Profit/(Loss) Before Taxes	689	456	161	387
Adjustments for:	0	0	0	0
Depreciation & amortization	980	1.010	976	996
Impairment of tangible and intangible assets	0	390	0	390
Provisions	155	95	152	81
Foreign exchange differences	66	-55	59	-73
Net (profit)/Loss from investing activities	-208	454	-353	471
Interest and other financial expenses	2.751	2.806	2.717	2.666
Plus or minus for Working Capital changes:	0	0	0	0
Decrease/(increase) in Inventories	-110	785	-110	785
Decrease/(increase) in Receivables	2.245	8.638	2.728	7.840
(Decrease)/increase in Payables (excluding banks)	-3.264	-3.232	-3.262	-2.403
Less:	0	0	0	0
Interest and other financial expenses paid	-2.751	-2.806	-2.717	-2.666
Taxes paid	-286	-930	-225	-893
Total cash inflow / (outflow) from operating activities (a)	**267**	**7.611**	**126**	**7.581**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1	-22	-45	-259
Purchase of tangible and intangible assets	-1.170	-2.420	-1.047	-2.418
Proceeds from sale of tangible and intangible assets	12	40	12	38
Proceeds from sale/liquidation of subsidiaries	0	14	0	0
Interest received	343	400	339	399
Dividends received	0	0	0	0
Total cash inflow / (outflow) from investing activities (b)	**-816**	**-1.988**	**-741**	**-2.240**
Cash flow from Financing Activities				
Proceeds of share capital of subsidiary	0	0	0	0
Proceeds from Borrowings	1.116	1.146	1.116	1.103
Payments of Borrowings	-3.814	-4.440	-3.749	-4.215
Total cash inflow / (outflow) from financing activities (c)	**-2.698**	**-3.294**	**-2.633**	**-3.112**
Total cash inflow / (outflow) from financing activities (c)	**-3.247**	**2.329**	**-3.248**	**2.229**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**4.049**	**1.720**	**3.766**	**1.537**
Cash and cash equivalents at beginning of year	**0**	**0**	**15**	**0**
Cash and cash equivalents at end of year	**802**	**4.049**	**533**	**3.766**

** The amounts in the Cash Flow Statement have been restated due to the change of the accounting policy IAS 19 and its retrospective application (see note 4.9.).*

4.5 GENERAL INFORMATION FOR SPACE HELLAS S.A.

4.5.1 General Information

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

4.5.2 Operating Activities

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

The company is active in the following market segments

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

4.5.3 Board of Directors

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

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

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

4.5.4 Group Structure

The following table shows the group's companies, which are included in the consolidated financial statements, the ownership percentage and the consolidation method:

Corporate name	**Ownership percentage**		**Consolidation method**	**Country**
Amounts in € thousand	**Direct**	**Indirect**		
Subsidiaries				
METROLOGY HELLAS S.A.	86,74%		Full consolidation	Greece
SPACE HELLAS (CYPRUS) LTD	100%		Full consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.		99,52%	Full consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad		100%	Full consolidation	Serbia
SPACE HELLAS (MALTA) LTD		99,98%	Full consolidation	Malta
Associates & Joint Ventures				
JOINT-VENTURE "EMY" MODERNIZATION	67,5%		Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	35%		Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	50%		Equity method	Greece
Other investments				
MOBICS LTD	19,32%		-	Greece

4.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.6.1 GENERAL INFROMATION

The accompanying financial statements of the period from 1st January to 31st December 2013 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, and Attica, Greece. The URL address is www.space.gr.
The annual financial statements of the company and the Group for the year ended at 31.12.2013 have been approved by the Board of Directors with the decision No 2433/24th March 2014.
It should be noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Accounting Standards. It should be also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures

4.6.2 BASIS OF PREPARATION

The financial statements as at 31st December 2013, have been approved for issue by the Board of Directors on March 24, 2014 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, as at December 31, 2013. The Group applies for the first time, the change in the accounting policy of IAS 19 for which a restatement is needed with regard to of previesly reported figures, as described in note 4.9.
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.

4.6.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

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

IAS 1 Presentation of Financial Statements (amendment) – Presentation of data in Other Comprehensive Income
This amendment changes the grouping of items presented under Other Comprehensive Income. Items which may be reclassified (or "recycled") in the Profit or Loss at some time in the future (for example, net profit from the hedging of a net investment, exchange rate differences from the conversion of foreign activities, net change of cash flow hedges and net loss/profit from financial assets available for sale) shall be presented separately from other items which shall never be reclassified (for example, actuarial profits and losses for defined benefit plans and readjustment of the value of plots and buildings). This amendment affects only the presentation and has no effects on the financial position of the Company or on its activity.

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

IFRS 7 Financial Instruments: Disclosures (amendment) – Offsetting Financial Assets and Financial Liabilities
These amendments require the company to disclose information on the offsetting rights and corresponding arrangements (e.g. valuable securities arrangement). Such disclosures provide the users with information which is useful for the assessment of the effects of offsetting arrangements on the financial position statement of a company. The new disclosures are required for all financial instruments recognized and subjected to offsetting in compliance with IAS 32 Financial Instruments: Presentation. These disclosures are also applicable for financial instruments subject to executable master netting or similar arrangements, independently of whether such have been offset in compliance with IAS 32. This amendment had no effect on the financial statements.

IFRS 13 Fair value measurement
IFRS 13 establishes a single IFRS guidance framework for all fair value measurements. IFRS 13 does not change requirements regarding when the company must use fair value, but provides guidance in the way fair value is measured in IFRS when fair value is required or permitted. The implementation of IFRS 13 did not significantly affect the fair value measurements performed by the Company. IFRS 13 also required specific fair value disclosures, some of which replace existing disclosure requirements of other standards, including IFRS 7 Financial Instruments: Disclosures. The standard had no effect on the financial statements.

The International Accounting Standards Board (IASB) has published a cycle of **annual improvements of IFRS 2009-2011**, which contains amendments of the standards and the corresponding conclusion bases. The programme of annual improvements provides a mechanism for the implementation of necessary but not urgent amendments of IFRS. The Group and the company evaluates the impact of these amendments in the financial statements.

IAS 1 Presentation of Financial Statements: This improvement clarifies the difference between voluntary additional comparative information and the comparative information required as a minimum. In general the required comparative period necessitated at a minimum is the previous period.

IAS 16 Property, Plant and Equipment: Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory

IAS 32 Financial Instruments: Presentation: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes

IAS 34 Interim financial reporting: This update conforms disclosure requirements for total assets per reporting sector with total liabilities per reporting sector in interim financial statements. This clarification also ensures the conformity of disclosures in interim financial statements to the annual ones

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013):

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

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

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

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

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

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

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

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2015). IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company and the Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Company decide if IFRS 9 will be adopted prior to 1 January 2015.

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

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

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

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

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

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

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

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

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

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

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

IASB has published a cycle of **annual improvements of IFRS 2012-2013**, which is a collection of amendments to IFRS. The amendments are effective for annual accounting periods beginning on or after July 1, 2014. The European Union has not yet adopted these improvements. Company Management estimates that these improvements will not have an effect on the financial statements.

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

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

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

4.6.4 Accounting Methods

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012 except for the mandatory change in the accounting policy IAS 19, for which a restatement of year 2012 has been made, as disclosed in note 4.9.

4.6.5 Property, Plant And Equipment

Fixed assets are reported in the financial statements at the fair value or at the acquisition cost or deemed cost as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets
Buildings are measured at fair value as at 31.12.2012, less accumulated depreciation and less any accumulated impairment loss. Land held for the production or management is presented at its fair value. As the useful period of life cannot be determined, the relevant carrying amounts are not subject to depreciation.
The fair value is assessed based on valuations by external independent values every three or four years, unless factors of the market indicate impairment risk of the value, so as to assure that the carrying value does not differ significantly from the fair value.
Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses
Intangible assets include goodwill, concessions and industrial property rights, as well as computer software both acquired and internally generated as well. The cost of internally generated software comprises the cost of materials and the cost of personnel as well as other costs incurred in order to prepare the asset for the intended use. The criteria used in order to recognise the costs incurred as intangible assets are:

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

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

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

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

4.6.6 INVESTMENT PROPERTY

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

4.6.7 IMPAIRMENT OF ASSETS

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

4.6.8 GOODWILL

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

4.6.9 CONSOLIDATION

- Subsidiaries

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

- Associates

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

- Joint Ventures

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

- Other investments

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

4.6.10 INVENTORIES

Inventories are disclosed in the lower value between acquisition cost and net realizable value, that is, the selling price less its cost of sale. The cost of sale is calculated using the weighted average method, including expenses related to the acquisition of inventories, such as transport cost, freights etc.

Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

4.6.11 TRADE RECEIVABLES

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

4.6.12 CASH AND CASH EQUIVALENTS

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

4.6.13 RESERVES

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

4.6.14 SHARE CAPITAL

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

4.6.15 REVENUE AND EXPENSE RECOGNITION

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

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

4.6.16 Grants

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

4.6.17 Financial instruments – Fair Value

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

4.6.18 Provisions

Provisions, according to IAS 37, are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.
The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.
Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

4.6.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, in line with IAS 23. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

4.6.20 Employee Benefits

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

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

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

Defined benefit plan: The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the

estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.
Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the estimated benefit liability at the beginning of every period, are recognized in other income/expenses in the income statement over the average remaining service lives of the related employees (corridor approach)..

4.6.21 LEASES

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

4.6.22 INCOME TAX AND DEFERRED TAX

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

4.6.23 FOREIGN CURRENCY TRANSACTIONS

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

4.6.24 FINCANCIAL INSTRUMENTS

Financial instruments at fair value

The financial assets and liabilities reflected on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, investments, trade accounts payable and short and long term liabilities

These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit 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.

4.6.25 FINCANCIAL INSTRUMENTS

- **Financial Risk Factors**

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

- **Foreign Exchange Risk**

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

- **Price Risk**

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

- **Interest Rate Risk**

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

- **Credit Risk**

Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors. The Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis.
Each client's credit exposure is monitored by an independent entity, taking into account the client's financial position, the amount of previews transactions and other factors and tests the credit limits granted to the client. The credit limits granted are fixed taking into account internal and external evaluations and are always within the limits approved by the Board of directors.
Appropriate provision for impairment losses is made for specific credit risks. At the end of year 2011 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.

4.6.26 INCOME TAX AND DEFERRED TAX

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

4.6.27 FOREIGN CURRENCY TRANSACTIONS

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

4.7 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4.7.1 OPERATING SEGMENTS

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

- **Primary segment – Business segments**

The Group organizes its activities in three segments:

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

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

GROUP												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	year			year			year			year		
Amounts in € thousand	2013	2012	VARIATION %	2013	2012	VARIATION %	2013	2012	VARIATION %	2013	2012*	VARIATION %
Revenue	35.730	41.752	-14,42	2.439	4.080	-40,22	2.850	2.650	7,55	**41.019**	**48.482**	-15,39
Gross profit	11.440	12.262	-6,70	780	900	-13,33	1.050	1.300	-19,23	**13.270**	**14.462**	-8,24
EBIT	3.099	3.588	-13,63	380	431	-11,83	556	622	-10,61	**4.035**	**4.641**	-13,06
Earnings before taxes	-	-	-	-	-	-	-	-	-	**689**	**456**	51,10
Earnings after taxes	-	-	-	-	-	-	-	-	-	**31**	**318**	-90,25

- **Secondary segment – Geographical segment**

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

4.7.2 OTHER OPERATING INCOME

Amounts in € thousand	GROUP		COMPANY	
	01.01-31.12.2013	01.01-31.12.2012	01.01-31.12.2013	01.01-31.12.2012
Service provision	11	291	11	291
Income from property leases	108	115	115	97
Income from technical equipment leases	347	236	347	248
Government Grants	1.028	30	1.026	28
Other extraordinary income	153	101	236	100
Currency exchange gains	86	189	45	160
Other extraordinary gains	5	9	5	7
Prior year's income	8	21	6	12
Total other operating income	**1.746**	**992**	**1.791**	**943**

4.7.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be decreased compared to year 2012 for 4,31%. Table of Operating Expenses

Amounts in € thousand	GROUP		VARIATION %	COMPANY		VARIATION %
	01.01-31.12.2013	01.01-31.12.2012*		01.01-31.12.2013	01.01-31.12.2012*	
Payroll expenses	5.803	6.157	-5,75%	5.734	6.065	-5,46%
Third parties' fees and expenses	1.423	1.401	1,57%	1.382	1.345	2,75%
Third parties' utilities and services	971	1.381	-29,69%	869	1.420	-38,80%
Taxes and dues	258	349	-26,07%	232	325	-28,62%
Sundry expenses	1.088	798	36,34%	1.005	763	31,72%
Depreciations	671	656	2,29%	671	644	4,19%
Provisions	155	94	64,89%	152	80	90,00%
Total operating expenses	**10.369**	**10.836**	-4,31%	**10.045**	**10.642**	-5,61%

**Restated due to accounting policy change – IAS 19*

4.7.4 Other Operating Expenses

amounts in € thousand	GROUP 01.01-31.12.2013	GROUP 01.01-31.12.2012	COMPANY 01.01-31.12.2013	COMPANY 01.01-31.12.2012
Extraordinary expenses	120	121	121	118
Loss from currency exchange	152	130	104	87
Extraordinary loss legal dispute	0	51	0	32
Provisions for receivables of doubtful collection	1.512	616	1.512	616
Extraordinary losses	0	69	0	69
Prior year's expenses	20	0	0	0
Total other operating expenses	**1.804**	**987**	**1.737**	**922**

4.7.5 Income Tax

The income tax expense imputed the results as following:

Income Tax Amounts in € thousand	NOTE	GROUP 31.12.2013	GROUP 31.12.2012*	COMPANY 31.12.2013	COMPANY 31.12.2012*
Current Income Tax		-627	-345	-489	-313
Deferred tax imputed to results	4.7.21	-31	207	-31	133
Total income tax charge to income statement (a)		**-658**	**-138**	**-520**	**-180**
Deffered tax recognized directly in equity (b)	4.7.21	**4**	**390**	**5**	**390**
Total tax (a+b)		**-654**	**252**	**-515**	**210**

Restated due to accounting policy change – IAS 19

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

Income Tax reconciliation Amounts in € thousand	GROUP 31.12.2013	GROUP 31.12.2012*	COMPANY 31.12.2013	COMPANY 31.12.2012*
Earnings before taxes	**689**	**456**	**161**	**387**
Tax calculated at the statutory tax rate 26% (year 2012: 20%)	179	91	42	78
Expenses not deductible for tax purposes	1.059	108	1.059	107
Provision for tax unaudited fiscal years	0	0	0	0
Effect of changes in future tax rates and tax revaluation	0	-66	0	-85
Unused recognized tax losses	39	-49	0	0
Permanent tax differences	-581	81	-581	80
Effect of different tax rates in other countries	-38	-27	0	0
Deffered tax recognized directly in equity	-4	-390	-5	-390
Total	**654**	**-252**	**515**	**-210**

Restated due to accounting policy change – IAS 19

4.7.6 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 01.01.2012	**1.955**	**6.910**	**5.290**	**328**	**2.477**	**16.960**
Plus: Additions	0	1	1.211	21	73	**1.305**
Minus: Disposals	0	0	6	134	20	**160**
Revaluation	1.236	-4.333	0	0	0	**-3.097**
Plus: Additions from acquisitions	5.071	2.806	12	0	8	**7.897**
Ending balance 31.12.2012	**8.262**	**5.384**	**6.507**	**215**	**2.538**	**22.906**
Depreciation at 01.01.2012	**0**	**1.348**	**2.728**	**155**	**1.893**	**6.124**
Plus: Depreciation expense	0	257	408	13	131	**809**
Minus: Depreciation of disposed elements	0	0	1	50	21	**72**
Minus: Depreciation write off due to revaluation	0	-606	0	0	0	**-606**
Plus: Depreciation from acquisitions	0	111	9	0	7	**127**
Ending balance 31.12.2012	**0**	**1.110**	**3.144**	**118**	**2.010**	**6.382**
Net Book Value at 31.12.2012	**8.262**	**4.274**	**3.363**	**97**	**528**	**16.524**
Opening Balance 01.01.2013	**8.262**	**5.384**	**6.507**	**215**	**2.538**	**22.906**
Plus: Additions	0	118	410	7	141	**676**
Minus: Disposals	0	62	12	2	4	**80**
Ending balance 31.12.2013	**8.262**	**5.440**	**6.905**	**220**	**2.675**	**23.502**
Depreciation at 01.01.2013	**0**	**1.110**	**3.144**	**118**	**2.010**	**6.382**
Plus: Depreciation expense	0	138	433	9	130	**710**
Minus: Depreciation of disposed elements	0	32	6	2	-21	**19**
Ending balance 31.12.2013	**0**	**1.216**	**3.571**	**125**	**2.119**	**7.073**
Net Book Value at 31.12.2013	**8.262**	**4.224**	**3.334**	**95**	**556**	**16.429**

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 01.01.2012	**1.955**	**6.910**	**5.219**	**215**	**2.376**	**16.675**
Plus: Additions	0	1	1.210	21	73	**1.305**
Minus: Disposals	0	0	6	94	16	**116**
Revaluations	1.236	-4.333	0	0	0	**-3.097**
Ending balance 31.12.2012	**3.191**	**2.578**	**6.423**	**142**	**2.433**	**14.767**
Depreciation at 01.01.2012	**0**	**1.348**	**2.678**	**41**	**1.795**	**5.862**
Plus: Depreciation expense	0	247	405	12	131	**795**
Minus: Depreciation of disposed elements	0	0	1	10	15	**26**
Minus: Depreciation write off due to revaluation	0	-606	0	0	0	**-606**
Ending balance 31.12.2012	**0**	**989**	**3.082**	**43**	**1.911**	**6.025**
Net Book Value at 31.12.2021	**3.191**	**1.588**	**3.341**	**99**	**522**	**8.742**
Opening Balance 01.01.2013	**3.191**	**2.578**	**6.423**	**142**	**2.433**	**14.767**
Plus: Additions from merger	5.071	2.793	12	0	8	**7.884**
Plus: Additions	0	118	371	7	141	**637**
Minus: Disposals	0	49	12	2	4	**67**
Ending balance 31.12.2013	**8.262**	**5.440**	**6.794**	**147**	**2.578**	**23.221**
Depreciation at 01.01.2013	**0**	**989**	**3.082**	**43**	**1.911**	**6.025**
Plus: Additions from merger	0	121	9	0	7	137
Plus: Depreciation expense	0	138	429	9	129	**705**
Minus: Depreciation of disposed elements	0	32	6	2	-21	**19**
Ending balance 31.12.2013	**0**	**1.216**	**3.514**	**50**	**2.068**	**6.848**
Net Book Value at 31.12.2013	**8.262**	**4.224**	**3.280**	**97**	**510**	**16.373**

4.7.7 INTANGIBLE ASSETS

The account refers to the acquisition cost for of trademarks, software acquired/internally generated and other intangible assets. Investments in internally generated intangible assets comprise the development cost of ready to use/sale software completed as part of the activities of the technological solutions sector. 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	Cost Development programmes	Total intangible assets IFRS
Opening balance 01.01.2012	**1.648**	**284**	**0**	**1.932**
Additions	264	300	549	**1.113**
Disposals/Write offs	0	0	0	**0**
Plus: Additions from acquisitions	0	0	0	**0**
Ending balance 31.12.2012	**1.912**	**584**	**549**	**3.045**
Depreciation 01.01.2012	**954**	**0**	**0**	**954**
Depreciation expense	186	15	0	**201**
Disposals	0	0	0	**0**
Plus: Depreciation from acquisitions	0	0	0	**0**
Depreciation at 31.12.2012	**1.140**	**15**	**0**	**1.155**
Net Book Value 31.12.2012	**772**	**569**	**549**	**1.890**
Opening balance 01.01.2013	**1.912**	**584**	**549**	**3.045**
Additions	989	0	0	**989**
Disposals/Write offs	0	0	549	**549**
Ending balance 31.12.2013	**2.901**	**584**	**0**	**3.485**
Depreciation 01.01.2012	**1.140**	**15**	**0**	**1.155**
Depreciation expense	212	60	0	**272**
Disposals	0	0	0	**0**
Depreciation at 31.12.2013	**1.352**	**75**	**0**	**1.427**
Net Book Value 31.12.2013	**1.549**	**509**	**0**	**2.058**

Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	Cost Development programmes	Total intangible assets IFRS
Opening balance 01.01.2012	**1.589**	**284**	**0**	**1.873**
Additions	264	300	549	**652**
Disposals/Write offs	0	0	0	**0**
Ending balance 31.12.2012	**1.853**	**584**	**549**	**2.986**
Depreciation 01.01.2012	**896**	**0**	**0**	**896**
Depreciation expense	186	15	0	**201**
Disposals	0	0	0	**0**
Depreciation at 31.12.2012	**1.082**	**15**	**0**	**1.097**
Net Book Value 31.12.2012	**772**	**569**	**549**	**1.889**
Opening balance 01.01.2013	**1.853**	**584**	**549**	**2.986**
Additions	989	0	0	**989**
Disposals/Write offs	0	0	549	**549**
Ending balance 31.12.2013	**2.842**	**584**	**0**	**3.426**
Depreciation 01.01.**2013**	**1.082**	**15**	**0**	**1.097**
Depreciation expense	211	60	0	**271**
Disposals	0	0	0	**0**
Depreciation at 31.12.2013	**1.293**	**75**	**0**	**1.368**
Net Book Value 31.12.2013	**1.549**	**509**	**0**	**2.058**

4.7.8 Investment properties

The amount of € 1.505 thousand concerns building owned by the subsidiary SPACE HELLAS SYSTEM INTEGRATOR S.R.L. (indirect participation). This fair value of this property will be tested on annual basis. The fair value for investments in urban areas is determined taking into account the market value of similar investments. The building is leased for three years. The rent for the current period amounts to € 38 thousand.

4.7.9 Goodwill

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

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

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

4.7.10 Liens and pledges

There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki, as well as the underwriting, amounting to € 650 thousand, on the property situated in Romania belonging to the sub-subsidiary Space Hellas System Integrator Srl.

4.7.11 Subsidiaries, Associates And Joint Ventures

The company's shareholding in subsidiaries, associates and Joint venture as at 31.12.2013, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	Acquisition cost		Ownership percentage		Consolidation method	Country
Amounts in € thousand	31.12.2013	31.12.2012				
Subsidiaries			**Direct**	**Indirect**		
SPACE HELLAS (CYPRUS) LTD	34	34	100%		Full Consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	1.045	946		99,52%	Full Consolidation	Romania
METROLOGY HELLAS S.A.	471	427	86,74%		Full Consolidation	Greece
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.*	-	22	100%		Full Consolidation	Greece
SPACE ROMANIA REAL ESTATE SRL*	-	22	100%		Full Consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad	10	10		100%	Full Consolidation	Serbia
SPACE HELLAS (MALTA) LTD	5	5		99,98%	Full Consolidation	Malta
Total Subsidiaries	**1.565**	**1.466**				
Associates & Joint Ventures						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	-	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	13	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**405**	**405**				
Other investments						
MOBICS L.T.D.	150	150	19,32%	-	-	Greece
Total Other investments	**150**	**150**				
Total Shareholding	**2.120**	**2.021**				

*At 31 October 2013, following the Decision K2-6588 of the Ministry of Development, the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. The absorbed company was operating in the field of property leases. The merger was started at 31.12.2012. The merger agreement did not contain terms of for increase of share capital or issuance of new shares, as any such right would be extinguished due to legal confusion as SPACE HELLAS fully possessed the share capital of the subsidiary and thus, the shares of the subsidiary were cancelled and the value of the participation was replaced by assets and liabilities of the absorbed subsidiary. The above operation had no impact on the Group's figures while at a corporate level the impacted the company's figures for less than 25%.
Furthermore, SPACE ROMANIA REAL ESTATE A SRL subsidiary of SPACE TECHNICAL CONSTRUCTION BUILDING S.A was liquidated and cancelled from the Romanian Company Register. This event has impacted the Group's figures for less than 25%.
Summary of the major financial amounts as at 31/12/2013 for the subsidiaries, associates and joint ventures:

Corporate name	Assets	Liabilities	Revenue	Earnings (Losses) after taxes	Percentage Ownership	Consolidation method	Country
Amounts in € thousand							
Subsidiaries							
SPACE HELLAS (CYPRUS) LTD*	2.883	803	2.196	632	100%	Full Consolidation	Cyprus
METROLOGY HELLAS S.A.	270	133	157	-150	86,74%	Full Consolidation	Greece
Total subsidiaries	**3.153**	**936**	**2.353**	**482**			
Joint Ventures							
JOINT-VENTURE "EMY" MODERNIZATION	1.079	979	120	112	67,5%	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	853	886	843	8	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1.502	1.479	0	-2	50%	Equity method	Greece
Total Joint Ventures	**3.434**	**3.344**	**963**	**118**			
Total ownership	**6.587**	**4.280**	**3.316**	**600**			

Consolidated date.

Summary of the major financial amounts as at 31/12/2012 for the subsidiaries, associates and joint ventures:

Corporate name	Assets	Liabilities	Revenue	Earnings (Losses) after taxes	Percentage Ownership	Consolidation method	Country
Amounts in € thousand							
Subsidiaries							
SPACE HELLAS (CYPRUS) LTD	2.020	579	866	268	100%	Full Consolidation	Cyprus
METROLOGY HELLAS S.A.	317	68	183	-125	86,74%	Full Consolidation	Greece
Total subsidiaries	**2.337**	**647**	**1.049**	**143**			
Joint Ventures							
JOINT-VENTURE "EMY" MODERNIZATION	949	849	0	-983	67,5%	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	709	749	729	10	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1.500	1.477	0	-2	50%	Equity method	Greece
Total Joint Ventures	**3.158**	**3.075**	**729**	**-975**			
Total ownership	**5.495**	**3.722**	**1.778**	**-832**			

Consolidated date.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.858	1.858	1.858	1.858
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.858	1.858	1.858	1.858

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

4.7.12 INVENTORIES

Table of inventories of the Group and the company:

Inventories	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Goods	2.493	2.453	2.493	2.453
Materials	235	285	235	285
Consumables	188	68	188	68
Total inventories	**2.916**	**2.806**	**2.916**	**2.806**

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 the current period the write-downs to net realizable value and inventory losses amounts to € 21 thousand, all charged in cost of sales in previews years' results, The level of inventories is determined according to the Group's customer-oriented, strategic warehouse management.

4.7.13 TRADE RECEIVABLES

Trade receivables are recognized at their acquisition cost (invoice value) 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	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade receivables	19.852	20.655	18.765	19.997
Less: Provisions for doubtful liquidation	4.527	4.577	4.224	4.272
Total trade receivables	**15.325**	**16.078**	**14.541**	**15.725**

The provision for doughtfull liquidation has been formed taking into account the maturity of the receivables in line with the credit policy, as well as historical data and information on clients' solvency.

Balance of the Provisions for doubtful liquidation

	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Total provision - Opening balance	**4.577**	**4.079**	**4.272**	**3.777**
Additions	1	595	0	595
Additions through business combinations	0	3	3	0
Legal settlements	0	0	0	0
Offsetting of prior year's provision	-51	0	-51	0
Total charges to year's income	**-50**	**598**	**-48**	**595**
Write-off of receivables following Court Decisions	0	0	0	0
Write-off of receivables	0	-100	0	-100
Total provision - Ending balance	**4.527**	**4.577**	**4.224**	**4.272**

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 trade receivables:

Trade receivables	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
1 – 90 days	10.041	10.222	9.451	10.222
91 – 180 days	2.534	2.653	2.340	2.300
181 – 360 days	1.320	1.653	1.320	1.653
> 360 days	1.430	1.550	1.430	1.550
Total trade receivables	**15.325**	**16.078**	**14.541**	**15.725**

Aging analysis for trade receivables from related parties:

Receivables from Related parties	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
1 – 90 days	150	0	150	7
91 – 180 days	100	0	100	0
181 – 360 days	190	0	190	0
> 360 days*	835	840	835	840
Total Receivables from Related parties	**1.275**	**840**	**1.275**	**847**

4.7.14 Other Receivables

Other receivables of the group and company:

Other receivables	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Cheques receivable	198	1.621	195	1.616
Cheques receivable at banks as pledge	0	64	0	64
Cheques overdue	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	242	454	240	447
Salary prepayments	9	2	9	2
Advances to account for	19	3	19	2
Amounts owed by affiliated undertakings	50	33	130	802
Deferred charges	1.944	2.020	1.941	2.011
Income earned	728	556	728	556
Other receivables	499	2.207	271	265
Total other receivables	**5.398**	**8.669**	**5.242**	**7.474**
Less: provisions for doubtful liquidation	1.942	3.838	1.942	1.913
Total other receivables	**3.456**	**4.831**	**3.300**	**5.561**

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

- Approximately 51% of the costs are related to two large contracts of the company with the Public Administration managed through the "General Secretariat of Sports" and "Information Society", in which there are no defined acceptance stages and thus without any direct relation with invoicing.
- Approximately 39% of the costs are related to foreign firm contractual obligation to cover maintenance contracts of our customers, where such obligations are not in line with the customers' demands having different maturation beyond the year and
- Approximately 10% of the costs are operating costs (rent, insurance, etc.).

Expenses are acknowledged on an accrual basis.

The amount shown in other receivables of the Group " Other receivables " amounting in € 499 thousand concerns primarily Group's other receivables for which a provision for bad debtors, has been formed amounting to € 233 thousand.

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

4.7.15 Prepayments

Analysis of prepayments:

Prepayments	Group		Company	
Amounts in Euro thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Orders placed abroad	120	179	120	179
Prepayments to other creditors	482	545	376	543
Total prepayments	**602**	**724**	**496**	**722**

4.7.16 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	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Cash on hand	141	105	141	104
Short term Bank deposits	661	3.944	392	3.662
Total Cash and Cash equivalents	**802**	**4.049**	**533**	**3.766**

4.7.17 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	31.12.2013
Number of ordinary shares	6.456.530
Nominal value each share	1,60 €

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

4.7.18 LONG TERM LOANS

The long term loans concern:

i. mortgage loan of € 500 thousand, ending at 2017 contacted to serve the business needs of the company. The amount of the loan during the period amounted to € 375 thousand after interest and principal payments.

ii. mortgage loan of € 800 thousand, ending at 2015 to serve the business needs of the company. The amount of the loan during the period amounted to € 187 thousand after interest and principal payments.

iii. mortgage loan of € 1.125 thousand, ending at 2019 to serve the business needs of the company. The amount of the loan during the period amounted to € 1.013 thousand after interest and principal payments.

iv. mortgage loan of € 1.000 thousand, ending at 2017 to serve the business needs of the company. The amount of the loan during the period amounted to € 750 thousand after interest and principal payments.

v. mortgage loan of € 1.233 thousand, ending at 2016 to serve the business needs of the company. The amount of the loan during the period amounted to € 647 thousand after interest and principal payments.

vi. mortgage loan of € 5.976 thousand, ending at 2026 to serve the business needs of the company. The amount of the loan during the period amounted to € 5.421 thousand after interest and principal payments

vii. mortgage loan of € 650 thousand, ending at 2020 contacted by the subsidiary SPACE HELLAS SYSTEM INTEGRATOR S.R.L. on 27th April 2010 for the acquisition of a building as investment property. The loan amounts to € 347 thousand after the interest and principal payments.

4.7.19 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	31.12.2013	31.12.2012	31.12.2013	31.12.2012
losses from joint ventures	0	0	199	275
Guarantees received	8	11	8	5
Total Other long term liabilities	**8**	**13**	**207**	**282**

4.7.20 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 31.12.2013 for the Group have reached 213 persons and for the company have reached 203 persons while as at 31.12.2012 amounted to 211 and 204 respectively.

4.7.20.1 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. During The details and principal assumptions of the actuarial study have as follows:

Accounting disclosures according to IAS 19	**Group**		**Company**	
Amounts in Euro thousands	**31.12.2013**	**31.12.2012***	**31.12.2013**	**31.12.2012***
Present value of unfunded obligations	600	591	587	577
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**600**	**591**	**587**	**577**
Provisions for employers benefits recognized in the income statement				
Current service cost	55	56	53	55
Cost of interest	29	28	28	27
Actuarial loss / (gain)	0	499	0	493
Past service cost	71	0	71	0
Net periodic cost	**155**	**583**	**152**	**575**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	591	547	577	533
Benefits paid	-160	-539	-160	-531
Cost recognized in the income statement	155	583	152	575
Gains/Losses recognized in Equity	14		18	
Net liability	**600**	**591**	**587**	**577**
Present value of the liability				
Net liability – opening balance as at 01.01	591	547	577	533
Current service cost	55	56	53	55
Cost of interest	29	28	28	27
Past service cost	71	0	71	0
Benefits paid	-160	-539	-160	-531
Actuarial loss / (gain)	0	499	0	493
Gains/Losses recognized in Equity	14	0	18	0
Present value of the liability	**600**	**591**	**587**	**577**

**Restated due to accounting policy change – IAS 19*

The assumptions used are the following:

Assumptions		
1.	Discount interest rate	5% as at 31/12/2013
2.	Average annual long term inflation rate	1,6% (according to EU, Lisbon convention).
3.	Average annual long term salary growth	1%
4.	Valuation date	31.12.2013
5.	Regular retirement age :	According to the social security fund of each employee
6.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7.	Valuation method :	Projected Unit Credit Method (IAS19)

4.7.21 DEFFERED INCOME TAX

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

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

Deferred income taxes		Group			
		31.12.2013			
Amounts in € thousand	31.12.2012*	Amounts from merger by absorption	Amounts recognised through income statement	Amounts recognised through equity	Total
Deferred tax liabilities					
Depreciation rate difference effect	-303	0	-43	0	-346
Fair value adjustments Property, plant and equipment	-1.349	0	0	0	-1.349
Depreciation rate difference effect from acquisition of subsidiary	167	0	0	0	167
Total Deferred tax liabilities	**-1.485**	**0**	**-43**	**0**	**-1.528**
Deferred tax assets					
Provisions for Trade and other payables	591	0	13	0	604
Post-employment and termination benefits	153	0	-1	4	156
Impairment of Inventories	5	0	0	0	5
Tax deductible previews years' losses	47	0	0	0	47
Share premium capitalization expenses	28	0	0	0	28
Total Deferred tax assets	**824**	**0**	**12**	**4**	**840**
Total Deferred tax	**-661**	**0**	**-31**	**4**	**-688**

**Restated due to accounting policy change – IAS 19*

Deferred income taxes	Company			
	31.12.2013			
Amounts in € thousand	31.12.2012*	Amounts recognised through income statement	Amounts recognised through equity	Total
Deferred tax liabilities				
Depreciation rate difference effect	*-301*	*-42*	*0*	*-343*
Depreciation rate difference effect from merger	*0*	*0*	*44*	*44*
Total depreciation differences	**-301**	**-42**	**44**	**-299**
Fair value adjustments Property, plant and equipment	*-469*	*0*	*0*	*-469*
Fair value adjustments Property, plant and equipment from merger	*0*	*0*	*-881*	*-881*
Total revaluation difference recognized in equity	**0**	**0**	**-881**	**-1.350**
Total Deferred tax liabilities	**-770**	**-42**	**-837**	**-1.649**
Deferred tax assets				
Provisions for Trade and other receivables	591	13	0	604
Post-employment and termination benefits	150	-2	5	153
Impairment of Inventories	5	0	0	5
Tax deductible previews years' losses	0	0	0	0
Share premium capitalization expenses	28	0	0	28
Total Deferred tax assets	**774**	**11**	**5**	**790**
Total Deferred tax	**4**	**-31**	**-832**	**-858**

**Restated due to accounting policy change – IAS 19.*

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

4.7.22 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 € thousand	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade payables	6.301	4.637	6.042	4.583
Checks payables	74	3.328	74	3.248
Customer down payments/advances	1.591	1.955	1.591	1.947
Social security	408	552	398	523
Wages and salaries payable	73	152	73	146
Short term liabilities to factors	360	1.038	360	1.038
Other payables	16	68	15	50
Amounts due to related parties	0	0	0	0
Next year's Income	7	14	7	11
Accrued expenses	111	79	102	67
Purchases under arraignment	2	0	2	0
Other short term provisions	0	3	0	3
Total Trade and other payables	**8.943**	**11.826**	**8.664**	**11.616**

4.7.23 Provisions

The Group has formed provisions for doubtful trade receivables for the amount of € 4.272 thousand, for doubtful non trade receivables for the amount of € 1.942 thousand, and for obsolete inventories for the amount of € 21 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

	Provision changes for the Group				
Amounts in € thousand	31.12.2012*	New Provisions	Used Provisions	Decreases	31.12.2013
Provisions for extraordinary liabilities and claims	0	0	0	0	0
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	591	9	0	0	600
Other provisions	0	0	0	0	0
Total	**713**	**9**	**0**	**0**	**722**

	Provision changes for the Company				
Amounts in € thousand	31.12.2012*	New Provisions	Used Provisions	Decreases	31.12.2013
Provisions for extraordinary liabilities and claims	0	0	0	0	0
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	577	10	0	0	587
Other provisions	0	0	0	0	0
Total	**699**	**10**	**0**	**0**	**709**

**Restated due to accounting policy change – IAS 19.*

4.7.24 Disputed claims

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

4.7.25 Undaudited fiscal years by the tax authorities

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

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

Although a reliable estimation regarding the result of the tax audit cannot be made, the company, using statistical information from previews year's tax audits, has formed a provision for the tax unaudited years 2009-2010, amounting to € 122 thousand for the event of additional taxes in case of tax audit. The domestic Group companies are in the process of settlement of tax pending affairs, year 2009 included, according to Law 3888/2010 and a tax audit would have insignificant impact.
For the parent company, according to the provisions of article 82, § 5, of N.2238/1994, for year 2012 the statutory auditors' have performed the tax audit and a report without qualification was issued.

4.7.26 CONTIGENT EVENTS

4.7.26.1 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	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Guarantee letters to secure good performance of contract terms	3.771	4.475	3.771	4.475
Total Contingent Liabilities	**3.771**	**4.475**	**3.771**	**4.475**

** Including letters of guarantee issued in favour of joint ventures amounting to € 386 thousand as at 31.12.2013 and 31.12. 2012 as well*

4.7.26.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.7.24) that might have significant impact on the financial position both of the Group and the Company

4.7.26.3 Other contigent liabilities

For the unaudited years, as mentioned in note 4.7.25, there is the risk that the tax authorities' review might result in higher or additional tax obligations. For the event of tax audit of previews fiscal years a provision amounting to € 122 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact.

4.7.27 OPERATING LEASE COMMITMENTS

At 31.12.2013, the company's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts at 31st December 2013 are the following:

Minimum future payments			
Amounts in € thousand	COMPANY		
	Up to year	Up to 5 years	Over 5 years
Motor vehicle	294	482	-
Buildings	52	249	227
Total	**346**	**731**	**227**

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

4.7.28 CAPITAL COMITTEMENTS

At 31.12.2013 there were no capital commitments for the Group and the Company.

4.7.29 CASH FLOW

Cash flow from operating activities, is positive amounting to € 267 thousand.

Cash flows from investing activities, presented in a negative € 816 thousand. This amount capital was employed to the implementation of the Group's investment plan.

The cash flow from financing activities at the end of year 2013 amounted to € 2.698 thousand in negative, in line with the goal to decrease the short term loans and to improve the Group's capital structure.

4.7.30 CONTINGENT EVENTS - TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (IAS 24) FROM 01-01-2013 TO 31-12-2013

The tables below summarize the transactions carried out with related parties, according to IAS 24, cumulatively from the beginning of the current year, as well as the account receivables and payables at the end of the current and previews year respectively.

The sales to and purchases from related parties, during 2013, 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.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
Company	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
SPACE HELLAS (CYPRUS) LTD	29	0	0	0	0	0	10	10
SPACE HELLAS (MALTA) LTD	24	0	0	0	1	0	0	0
SPACE HELLAS D.o.o. BEORGRAD	34	0	0	0	1	0	0	0
METROLOGY HELLAS SA	14	13	0	108	80	2	0	0
Subsidiaries	**101**	**13**	**0**	**108**	**82**	**2**	**10**	**10**
JOINT-VENTURE "EMY" MODERNIZATION	78	0	0	663	200	272	182	258
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	273	251	0	0	256	261	11	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2	0	1	1	8	1	1.474	1.473
Joint Ventures	**353**	**251**	**1**	**664**	**464**	**534**	**1.667**	**1.745**
MOBICS L.T.D.	0	0	0	40	0	0	0	0
SPACE CONSULTING S.A.	5	1	60	60	836	840	0	0
Associates	**5**	**1**	**60**	**100**	**836**	**840**	**0**	**0**
Total	**459**	**265**	**61**	**872**	**1.382**	**1.376**	**1.677**	**1.755**

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
Group	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
JOINT-VENTURE "EMY" MODERNIZATION	78	0	0	663	200	272	182	258
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	273	251	0	0	256	261	11	14
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2	0	1	1	8	1	1.474	1.473
Joint Ventures	**353**	**251**	**1**	**664**	**464**	**534**	**1.667**	**1.745**
MOBICS L.T.D.	0	0	0	40	0	0	0	0
SPACE CONSULTING S.A.	5	1	60	60	836	840	0	0
Associates	**5**	**1**	**60**	**100**	**836**	**840**	**0**	**0**
Total Group	**358**	**252**	**61**	**764**	**1.300**	**1.374**	**1.667**	**1.745**

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Salaries and other employee benefits	**1.489**	**1.492**	**1.489**	**1.492**
Receivables from executives and members of the Board	**0**	**0**	**0**	**0**
Payables to executives and member of the Board	**8**	**48**	**8**	**48**

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Guarantees to third parties on behalf of subsidiaries and joint ventures	**1.858**	**1.858**	**1.858**	**1.858**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**1.858**	**1.858**	**1.858**	**1.858**

4.7.31 RISK MANAGEMENT AND HEADGING POLICY

- **Financial Risk Factors**

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

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

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

- **Foreign Exchange Risk**

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

The main trading currencies of the Group are the Euro, 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 2013 in € thousand	USD	2,5%	-140
		-2,5%	140
Amounts of year 2012 in € thousand	USD	2,5%	-160
		-2,5%	160

- ### Price Risk

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

- ### 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 2013 in € thousand	EURO	1%	-150
		-1%	150
Amounts of year 2012 in € thousand	EURO	1,5%	-200
		-1,5%	200

- ### Credit Risk

Credit risk lies in the cash, bank deposits, financial instruments as well as exposure to trade risk. Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors and big private companies as well. 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 Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis. 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.
Although the adverse economic environment, as result of the economic crisis, has increased the credit risk , the Group's management, has set appropriate procedures based on its customers base to mitigate credit risk. With regard to the exposure of the Company to the risk of not collecting its trade receivables from the public sector, this risk has been significantly reduced as the amounts at risk have been reduced. Furthermore, current

amendments in the tax legislation have allowed the compensation of tax and other fiscal liabilities with public sector receivables.
Appropriate provision for impairment losses is made for specific credit risks. 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 for the years 2013 and 2012 respectively.

Group								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	2013	2012	2013	2012	2013	2012	2013	2012
Borrowings	**20.056**	**22.754**	11.316	14.521	4.582	3.559	4.158	4.674
Trade and other payables	**10.462**	**12.988**	10.454	14.513	-	-	8	13

Company								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	2013	2012	2013	2012	2013	2012	2013	2012
Borrowings	**19.644**	**15.455**	11.251	13.937	4.300	1.518	4.093	-
Trade and other payables	**10.240**	**12.979**	10.033	12.698	199	277	8	4

- **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	31.12.2013	31.12.2012*	31.12.2013	31.12.2012*
Short term Borrowings	11.316	14.521	11.251	13.937
Long term Borrowings	8.740	8.233	8.393	1.518
Less: cash and cash equivalents	-802	-4.049	-533	-3.766
Net Debt	**19.254**	**18.705**	**19.111**	**11.689**
Equity	12.942	12.921	11.213	11.690
Total capital employed	**32.196**	**31.626**	**30.324**	**23.379**
Gearing ratio	**59,80%**	**59,14%**	**63,02%**	**49,99%**

**Restated due to accounting policy change – IAS 19*

Both the net debt as well as the Equity have been preserved at the same level of year 2012, therefore the gearing ratio remained unaltered.

- **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 challenging years to come, efficiently and effectively.

4.7.32 FAIR VALUE MEASUREMENT

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

4.8 SIGNIFICANT EVENTS

Significant facts that took place during the period from 1st January to 31st December 2013 are the following:

Decision K2-6588 of the Ministry of Development, by which the merger by absorption with SPACE TECHNICAL CONSTRUCTION BUILDING S.A was approved. The absorbed company was operating in the field of property leases. The merger was started at 31.12.2012. The merger agreement did not contain terms of for increase of share capital or issuance of new shares, as any such right would be extinguished due to legal confusion as SPACE HELLAS fully possessed the share capital of the subsidiary and thus, the shares of the subsidiary were cancelled and the value of the participation was replaced by assets and liabilities of the absorbed subsidiary.
The above operation had no impact on the Group's figures while at a corporate level the impacted the company's figures for less than 25%
Furthermore, SPACE ROMANIA REAL ESTATE A SRL subsidiary of SPACE TECHNICAL CONSTRUCTION BUILDING S.A was liquidated (27 November 2013) and cancelled from the Romanian Company Register. This event has impacted the Group's figures for less than 25%.

4.9 RECLASIFFICATIONS- RESTATEMENTS

SPACE HELLAS has applied the amended IAS 19 with regard to the past service cost recognition, and thus, has restated the amounts of the reserve for employers benefits and the equity as well. The restatement is as follows:

Earnings before taxes (**Amounts in € thousand**)	**Group**	**Company**
	31.12.2012	**31.12.2012**
Earnings before the change in IAS 19	**317**	**201**
Change in the accounting policy	6	12
Income tax	-5	-6
Earning after the accounting change- IAS 19	**318**	**207**

Equity (Amounts in € thousand)	Group		Company	
	31.12.2012	01.01.2012	31.12.2012	01.01.2012
Equity before the change in IAS 19	**13.272**	**15.073**	**12.036**	**13.936**
Change in the accounting policy	**-473**	**-480**	**-467**	**-480**
Change in the deffered taxation	**122**	**128**	**121**	**128**
Equity after the accounting change- IAS 19	**12.921**	**14.721**	**11.690**	**13.584**

Reserve for employers benefits (Amounts in € thousand)	31.12.2012	
	Group	Company
Reserve before the change in IAS 19	**118**	**110**
Change in the accounting policy	473	467
Reserve after the accounting change- IAS 19	**591**	**577**

4.10 SIGNIFICANT POST-BALANCE SHEET EVENTS FROM 1ST JANUARY TO 31ST DECEMBER 2013

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

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 31ST DECEMBER 2013

SPACE HELLAS S.A.

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

Financial statement and information for the year 1 January 2013 until 31 December 2013
(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	24 March 2014
	Board of Directors Decisions No 2.433
Certified Auditor Accountant	Dimos N. Pitelis (S.O.E.L. Reg. No 14481)
Auditing Company	PKF Euroauditing S.A..
Type of Auditor's report	Without qualification

Board of Directors

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

1.1 STATEMENT OF FINANCIAL POSITION

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2013	GROUP 31.12.2012	COMPANY 31.12.2013	COMPANY 31.12.2012
ASSETS				
Property, plant and equipment	16.429	16.524	16.373	8.742
Investment properties	1.505	1.500	0	0
Intangible assets	2.058	1.890	2.058	1.889
Other non current assets	1.763	1.622	2.434	1.599
Inventory	2.916	2.806	2.916	2.806
Receivables (trade debtors)	15.325	16.078	14.541	15.725
Other current assets	4.873	9.617	4.342	10.062
TOTAL ASSETS	**44.869**	**50.037**	**42.664**	**40.823**
EQUITY AND LIABILITIES				
Share capital	10.330	10.330	10.330	10.330
Other components of equity	2.644	2.603	883	1.360
Total equity attributable to owners of the parent (a)	**12.974**	**12.933**	**11.213**	**11.690**
Non controlling interests (b)	-32	-12	-	-
Total Equity (c) = (a)+(b)	**12.942**	**12.921**	**11.213**	**11.690**
Long term borrowings	8.740	8.233	8.393	1.518
Long term provisions / Non current liabilities	1.418	1.387	1.774	981
Short term borrowings	11.316	14.521	11.251	13.937
Other current liabilities	10.453	12.975	10.033	12.697
Total Liabilities (d)	**31.927**	**37.116**	**31.451**	**29.133**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**44.869**	**50.037**	**42.664**	**40.823**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2013	GROUP 31.12.2012	COMPANY 31.12.2013	COMPANY 31.12.2012
Total equity in the beginning of the year (1/1/2013 and 1/1/2012 accordingly)	12.921	14.721	11.690	13.584
Total comprehensive income after taxes (continued and discontinued operations)	20	-1.771	-372	-1.894
Increase / (Decrease) of Share Capital	0	0	0	0
Cancellation of own shares	0	0	0	0
Merger Process through absorption of Subsidiary	0	0	-105	0
Non controlling interests	1	-29	0	0
Total equity at the end of the year Total equity at the end of the year (31/12/2013 and 31/12/2012 accordingly)	12.942	12.921	11.213	11.690

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 1.1-31.12.2013	GROUP 1.1-31.12.2012	COMPANY 1.1-31.12.2013	COMPANY 1.1-31.12.2012
Operating Activities :				
Profit before taxes (continued operations)	689	456	161	387
Plus/Less adjustments for :				
Depreciation	980	1.010	976	996
Impairment of tangible and intangible assets	0	390	0	390
Provisions	155	95	152	81
Foreign exchange differences	66	-55	59	-73
Net (profit)/Loss from investing activities	-208	454	-353	471
Interest and other financial expenses	2.751	2.806	2.717	2.666
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-110	785	-110	785
Decrease/(increase) in Receivables	2.245	8.638	2.728	7.840
(Decrease)/increase in Payables (excluding banks)	-3.264	-3.232	-3.262	-2.403
Less:				
Interest and other financial expenses paid	-2.751	-2.806	-2.717	-2.666
Taxes paid	-286	-930	-225	-893
Total cash inflow/(outflow) from operating activities (a)	**267**	**7.611**	**126**	**7.581**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1	-22	-45	-259
Purchase of tangible and intangible assets	-1.170	-2.420	-1.047	-2.418
Proceeds from sale of tangible and intangible assets	12	40	12	38
Interest received	0	14	0	0
Cash proceeds from acquisition of subsidiary	343	400	339	399
Total cash inflow/(outflow) from investing activities (b)	**-816**	**-1.988**	**-741**	**-2.240**
Cash flow from Financing Activities				
Share capital increase from subsidiaries	0	0	0	0
Proceeds from Borrowings	1116	1146	1116	1103
Payments of Borrowings	-3814	-4440	-3749	-4215
Total cash inflow/(outflow) from financing activities (c)	**-2.698**	**-3.294**	**-2.633**	**-3.112**
Net increase/(decrease) in cash and cash equivalents	-3.247	2.329	-3.248	2.229
Cash from merger of Subsidiary	0	0	15	0
Cash and cash equivalents at beginning of period	4.049	1.720	3.766	1.537
Cash and cash equivalents at end of period	**802**	**4.049**	**533**	**3.766**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 1.1-31.12.2013	GROUP 1.1-31.12.2012	COMPANY 1.1-31.12.2013	COMPANY 1.1-31.12.2012
Turnover	41.019	48.482	38.754	47.465
Gross Profit	13.270	14.462	12.296	14.044
Profit before taxes, financing and investing activity	3.055	3.631	2.517	3.423
Profit before taxes	689	456	161	387
Profit after taxes (A)	31	318	-359	207
- *Owners of the parent*	51	336	-359	207
- *Non controlling interests*	-20	-18	-	-
	31	318	-359	207
Other comprehensive income after taxes (B)	-11	-2.089	-13	-2.101
Total comprehensive income after taxes (A)+(B)	20	-1.771	-372	-1.894
- *Owners of the parent*	40	-1.753	-372	-1.894
- *Non controlling interests*	-20	-18	-	-
Earnings (after taxes) per share - basic in €	0,0048	0,0493	-0,0556	0,0321
Profit before taxes, financing and investing activity and depreciation	**4.035**	**4.641**	**3.493**	**4.419**

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530
2. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.7.11 of the financial report of 2013
3. The tax un-audited years of the Company and the Group are disclosed in note 4.7.25 of the financial report of 2013
4. The company has formed a provison for the tax unaudited years amounting to 122 thousand euro for years 2009 and 2010. For the rest of the Group's companies no provision has been formed as the impact of the additional tax is deemed to be There are no other provisions formed (note 4.7.23).
5. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.
6. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki, as well as the underwriting, amounting to € 650 thousand, on the property situated in Romania belonging to the sub-subsidiary Space Hellas System Integrator Srl.
7. The personnel employed at 31-12-2013 for the Group amounted to 213 persons and for the Company amounted to 203 while as at 31.12.2012 amounted to 211 and 204 respectively.
8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2012 except for the revised IAS 19
   Following the adoption of the revised IAS 19, a restatement of the financial statemtents of year 2012 has been made. Infomramtion on ths restatement is disclosed in note 4.9 of the financial report of 2013.
9. Note 4.3 of the annual financial report of 2013 refers to the comprehensive income after taxes for the company and the Group.
10. On 31st October 2013, the Minsitry of Develompent, with its decision K2-6588 ,approved the merger through absorption with the SPACE TECHNICAL CONSTRUCTION BUILDING S.A., a subsidiary operating in the field of Real Estate Management. The impact of this event on the Group's and the company's position and figures as well, was less than 25%.
11 Intercompany transactions for the period from 1 January 2013 to 31 December 2013 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	358	459
b) Purchases of goods and services	61	61
c) Receivables from related parties	1.300	1.382
d) Payables to related parties	1.667	1.677
e) Key management compensations	1.489	1.489
f) Receivables from key management	0	0
g) Payables to key management included in above	8	8

The company has guaranteed to financial institutions for bank credit limits for the JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY") up to the amount of € 1.797 thousand and for the Joint Venture SPACE HELLAS - UNISYSTEMS up to the amount of € 61 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 24 March 2014

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

6 INFORMATION OF ARTICLE 10 L.3401/2005

TOPIC	PLACE OF APPEARANCE	DATE
Financial statements figures as at 30.09.2013	www.ase.gr www.space.gr	
Announcement: Financial statements figures for the period 1/1/-30/9/2013	www.ase.gr www.space.gr	20/11/2013
Modification of the financial Calendar	www.ase.gr www.space.gr	20/11/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	14/10/2013
Financial statements figures of the 1st Semester 2013	www.ase.gr www.space.gr	29/08/2013
Announcement: Financial statements figures for the period 1/1/-30/6/2013	www.ase.gr www.space.gr	29/08/2013
Press release: Two important awards and several distinctions for Space Hellas, from Cisco	www.ase.gr www.space.gr	23/07/2013
Press release: Space Hellas wins the bid for meteorological radars in Cyprus	www.ase.gr www.space.gr	22/07/2013
Announcement: Marketing Manager	www.ase.gr www.space.gr	16/07/2013
Press release: Space Hellas wins the first award in the Business IT Excellence Awards	www.ase.gr www.space.gr	11/07/2013
Press release: Wind of Change in Space Hellas	www.ase.gr www.space.gr	05/07/2013
Announcement: Member of the Board, replaced – new composition of the Board, delegation.	www.ase.gr www.space.gr	05/07/2013
Announcement: Indirect share ownership for the Hellenic Financial Stability Fund	www.ase.gr www.space.gr	03/07/2013
Announcement: Decisions of the General Meeting	www.ase.gr www.space.gr	01/07/2013
Invitation to the ordinary General Meeting	www.ase.gr www.space.gr	12/06/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	25/06/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	03/06/2013
Announcement: Financial results of the 1st quarter 2013	www.ase.gr www.space.gr	29/05/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	26/04/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	26/04/2013
Announcement: regulated information according to L 3356/2007	www.ase.gr www.space.gr	02/04/2013
Response to HCMC	www.ase.gr www.space.gr	28/03/2013
Press release: Announcement: Turnover increase for year 2012	www.ase.gr www.space.gr	20/02/2013
Financial Calendar announced	www.ase.gr www.space.gr	19/02/2013

7 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 2013, have been posted on the Company's website www.space.gr .

We certify that the attached annual financial report, from pages 1 to 71, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2013 to December 31, 2013, which have been approved by the Board of Directors of SPACE HELLAS SA on March 24th , 2014 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	CHIEF FINANCIAL OFFICER AND MEMBER OF THE BOARD	CHIEF ACCOUNTANT
SPIRIDON MANOLOPOULOS	**PARASKEVAS DROSINOS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**