



**Annual Financial Report
For the year ended 31 December 2008**

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

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

The Members of the Board of Directors

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

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

1. The annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2008 to December 31, 2008, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 of article 5 of L. 3556/2007 and
2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of TITAN CEMENT COMPANY S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Athens, 24 March 2009

The President of the Board

Chief Executive Officer

Member and General Manager

D. Manolopoulos

P.Drosinos

G. Lagogiannis

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2008 – 31.12.2008

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year financial year from January 1, 2008 to December 31, 2008 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art 43^a § 3 and 4 and art 107 § 3) as well as art. 4 § 6 L.3556/2007 and related HCMC circulars.

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

The sections of the report provide information regarding:

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

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 2008, 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

For the year 2008, despite the global economic crisis affecting all the economic sectors, the company's progress was in line with the forecasts and initial plans. Specifically, the increases of the turnover as well as the improvement of the basic financial ratios show clearly the achievement of the company's goals for commercial expansion within a healthy corporate environment.

The company's trends in the fields of information technology and provision of relevant technology solutions as well as the preservation of market position among the most important System Integrators for wide scale projects have been kept at high levels due to the state of art technology and the expertise of the company's personnel.

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

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

2.1.1.1 Financial results

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INCOME STATEMENTS DATA						
	CONSOLIDATED DATA			CORPORATE DATA		
Amounts in €	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %
Revenue	49.916	44.756	11,53%	49.565	44.455	11,49%
Gross profit	15.386	13.530	13,72%	15.202	13.351	13,86%
Gross profit margin	31%	30%		31%	30%	
EBIT	3.373	2.755	22,43%	2.830	2.642	7,12%
EBITDA	4.171	3.535	17,99%	3.628	3.421	6,05%
Earnings before taxes	1.848	1.829	1,04%	1.334	1.716	-22,26%
Earnings after taxes	1.687	1.839	-8,27%	1.192	1.744	-31,65%

The Group's turnover amounted to € 49.916 thousand compared to € 44.756 thousand of year 2007 showing an increase of 11,53% attributed mainly in the commercial expansion of products and services as well as the completion of major IT projects.

The Group's Gross profit amounted to € 15.386 thousand compare to € 13.530 thousand of year 2007 an increase of 13,72%, due to the increase of turnover, maintaining though, the Gross profit margin at the level of year 2007. This was achieved through the continuous efforts for higher Added Value by increasing the services offered, while maintaining stable the trade aspects our biggest suppliers.

The Group's EBIT amounted to € 3.373 thousand compare to € 2.755 thousand of year 2007 showing an increase of 22,43%, attributed to the increase of the turnover in relation to the decrease of the operating expenses as percentage turnover.

The Group's EBITDA amounted to € 4.171 thousand compare to € 3.535 thousand of year 2007 showing an increase of 17,99%, attributed to the continuous effort for best use of corporate resources in a way that the increasing trend of turnover and the implementation of more IT projects are positively reflected in the operating results.

The Group's earnings before taxes amounted to € 1.848 thousand compare to € 1.829 thousand of year 2007. The increase of the earnings has been affected negatively by the global economic crisis trough the increase, especially in the second half of year 2008, of the interest rates, as result of the lack of trust in the money markets.

The Group's earnings after taxes amounted to € 1.687 thousand compare to € 1.839 of year 2007, show a decrease attributed to provision charged for the tax unaudited fiscal years 2007 and 2008 as well the defferd taxation effects.

At the company's level, the earnings (EBITDA, EBIT, earnings before and after taxes) are shown to be decreased due mainly to the result of the liquidation of the affiliated company SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD amounted to € 459 thousand. At the Group's level the liquidation result amounted to € 92 thousand.

2.1.1.2 Assets

BALANCE SHEET (ASSETS)						
	GROUP			COMPANY		
Amounts in € thousand	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %
Total Assets	47.894	41.833	14,49%	47.930	42.401	13,04%
Total non current receivables	12.172	10.277	18,44%	12.093	10.845	11,51%
Inventories	3.075	1.817	69,24%	3.075	1.817	69,24%
Trade receivables	24.363	23.308	4,53%	24.231	23.214	4,38%
Other receivables	8.284	6.431	28,81%	8.531	6.525	30,74%

The Group's Total Assets amounts to € 47.894 thousand compare to € 41.833 thousand of year 2007. The increase (14,49%) is proportionate to the increase of the fixed assets (18,44%) as well as the increase of the turnover (11,53%).

The Group's non current receivables' net value amounts to € 12.172 thousand compare to € 10.277 thousand of year 2007. The increase is attributed to the revaluation at fair value of the Company's assets. The valuation was performed by Savills Hellas Ltd based on current market prices and in compliance with the valuation methods of the Royal Institution of Chartered Surveyors, Great Britain. The result of the revaluation amounted to € 1.286 thousand it is included in the Revaluation Reserve. There are no real liens on non-current assets or property except the underwriting, amounting to € 800 thousand, dated 24 September 2008, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 3.075 thousand compare to € 1.817 thousand of year 2007. The increase is attributed to the implementation of public projects. The increase is deemed to be temporary as for this type of projects the implementation period exceeds the year.

The Group's Trade receivables amount to € 24.363 thousand compare to € 23.308 thousand of year 2007. The increase is attributed to the increase of the Company's turnover. All the trade receivables are collectable.

The Group's other receivables amount to € 8.284 thousand compare to 6.431 thousand of year 2007. The increase is attributed to the increase of cash, due to notable collections, although overdue for the purpose of loan payments according to the Group's financial policy.

2.1.1.3 Liabilities

BALANCE SHEET (Liabilities)						
	CONSOLIDATED DATA			CORPORATE DATA		
Amounts in € thousand	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %
Total Liabilities	47.894	41.833	14,49%	47.930	42.401	13,04%
Shareholders' Equity	14.307	11.364	25,90%	14.022	11.578	21,11%
Long term loans	676	0		676	0	
Other long term liabilities	1.855	1.693	9,57%	2.240	2.034	10,13%
Short term loans	14.326	15.507	-7,62%	14.326	15.507	-7,62%
Other short term liabilities	16.730	13.269	26,08%	16.666	13.282	25,48%

The Shareholders' equity amounts to € 14.307 thousand compare to € 11.364 thousand of year 2007. The increase is attributed to the company's profitability as well as to the results of the revaluation at fair value of the company's property.

The long term loans concern the mortgage loan ending at 31.01.2013 for the construction of new premises on 6 Loch. Dedousi Str., Cholargos, Athens.

The Group's other long term liabilities amount to € 1.855 thousand compare to € 1.693 thousand of year 2007. The increase is attributed mainly to the deferred taxation effects.

The Group's short term loans amounting to € 14.326 thousand compare to € 15.507 thousand of year 2007 show a decrease due to the Management's aim of lowering the banking loans through the improvement of collection/payments procedures. The main goal is the containment of the financial cost.

The Group's other short term liabilities amount to € 16.730 thousand compare to € 13.269 thousand of year 2007. The commercial expansion and consequently the increasing involvement in new projects have led to an increase of orders towards our suppliers. However, this increase has allowed the improvement of the trade terms with the suppliers

Both the Group and the company monitor its Liabilities to ensure consistency in payments and preserve its good reputation

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2.1.1.4 Cash flow

CASH FLOW STATEMENTS						
	GROUP			COMPANY		
Amounts in € thousand	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %	01.01- 31.12.2008	01.01- 31.12.2007	METABOAH %
Total cash inflow/(outflow) from operating activities	2.991	-4.940	160,55%	2.869	-4.946	158,01%
Total cash inflow/(outflow) from investing activities	-985	-2.236	-55,95%	-984	-2.252	-56,31%
Total cash inflow/(outflow) from financing activities	-504	6.472	-107,79%	-504	6.472	-107,79%

The cash flow from operating activities is positive amounting to € 2.991 thousand. This is consistent with strategic goals for commercial expansion within a healthy corporate environment. The outflow of year 2007 was expected to be temporary and attributable to the increase of the turnover recorded during the years 2007 and 2008. The return to inflow for the year 2008, where the turnover was still increasing, at slower pace yet, is a sign of the Group's financial trends.

The cash flow from investing activities is negative amounting to € 985 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

The cash flow from financing activities is negative amounting to € 504 thousand. This is attributable to the use of cash inflows for the reduction of existing loans.

2.1.1.5 Performance ratios

RATIOS		Group		Company	
		31.12.2008	31.12.2007	31.12.2008	31.12.2007
A.	LIQUIDITY RATIOS				
A1.	CURRENT RATIO	115,02%	108,66%	115,63%	109,61%
A2.	QUICK RATIO	105,12%	102,35%	105,71%	103,30%
A3.	ACID TEST RATIO	8,69%	4,16%	7,81%	3,60%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,13 multiple	0,08 multiple	0,14 multiple	0,09 multiple
B.	CAPITAL STRUCTURE RATIOS				
B1.	DEPT TO EQUITY	234,76%	268,12%	241,83%	266,22%
B2.	CUERRENT LIABILITIES TO NET WORTH	217,07%	253,22%	221,03%	248,65%
B3.	FIXED ASSETS TO NET WORTH	81,62%	87,82%	82,71%	88,62%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	42,60%	37,30%	41,35%	37,56%
B5.	CUERRENT ASSETS TO TOTAL ASSETS RATIO	74,58%	74,75%	74,77%	74,42%
C.	ACTIVITY RATIOS				
C1.	INVENTORIES TURNOVER RATIO	14,12 multiple	25,72 multiple	14,05 multiple	28,81 multiple
C2.	FIXED ASSETS TURNOVER RATIO	4,27 multiple	4,48 multiple	4,27 multiple	4,33 multiple
C3.	DAYS OF SALES OUTSTANDING (D.S.O)	201,70 days	161,37 days	205,15 days	175,56 days
C4.	ASSET TURNOVER RATIO	1,04 multiple	1,07 multiple	1,03 multiple	1,05 multiple
C5.	OWNER'S EQUITY TURNOVER RATIO	3,49 multiple	3,94 multiple	3,53 multiple	3,84 multiple
D.	PROFITABILITY RATIOS				
D1.	GROSS PROFIT MARGIN	30,82%	30,23%	30,67%	30,03%
D2.	NET PROFIT MARGIN	3,70%	4,09%	2,69%	3,86%
D3.	RETURN OF INVESTMENT	18,50%	22,96%	15,21%	21,55%
D4.	EFFICIENCY OF TOTAL ASSETS	12,92%	16,10%	9,51%	14,82%
D5.	RETURN ON TOTAL CAPITAL EMPLOYED	7,73%	6,67%	6,64%	6,31%
D6.	FINANCIAL LEVERAGE RATIO	0,52 multiple	0,65 multiple	0,42 multiple	0,64 multiple

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E.	OPERATING EXPENSES RATIOS				
E1.	OPERATING RATIO	95,97%	99,89%	97,04%	100,16%
E2.	INTEREST RATIO	2,00 multiple	2,90 multiple	1,72 multiple	2,79 multiple
E3.	OPERATING EXPENSES TO NET SALES	26,79%	30,13%	27,71%	30,19%
E4.	LOANS TO TOTAL ASSETS	31,32%	37,45%	32,10%	37,76%

2.1.1.6 Own Shares

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares which took place during the period from 1st July 2007 to 31st December 2007. The operation was accomplished for the execution of the General Meeting decision, by the virtue of which, a Stock Option Plan has been introduced in favor of the staff of the company, ending at 31.12.2010. None of the existing options were exercised during year 2008. The fair value of the stock options was 0,89 € per share while the stock's closing price was 0,68 € per share.

2.1.1.7 Participating interests and investments

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

<u>Corporate name</u>	<u>Acquisition cost</u>		<u>Ownership percentage</u>		<u>Consolidation method</u>	<u>Country</u>
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>		
<u>Subsidiaries</u>						
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD ***	-	470	0%	100%	Full Consolidation	Greece
SPACE HELLAS (CYPRUS) LTD	35	35	100%	100%	Full Consolidation	Cyprus
<u>Total Subsidiaries</u>	35	505				
<u>Associates & Joint Ventures</u>						
GARNETT S.A.*	-	484	0%	50%	Equity method	Greece
JOINT-VENTURE "EMY" MODERNIZATION	389	386	67,5%	51%	Equity method	Greece
JOINT-VENTURE ALKYONA	49	49	99%	99%	Equity method	Greece
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3	3	35%	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	3	0	50%	50%	Equity method	Greece
«HSTS» **	40	0	50%	-	Equity method	Greece
<u>Total Associates & Joint Ventures</u>	484	922				
<u>Less: impairment provisions GARNETT S.A.</u>	-	-484				
<u>Total Associates & Joint Ventures After impairment</u>	484	438				
<u>Other investments</u>						
MOBICS L.T.D.	120	62	17,17%	17,17%	-	Greece
<u>Total Other investments</u>	120	62				
<u>Total Shareholding</u>	<u>639</u>	<u>1.005</u>				

* Liquidated at 31.12.2008

** Newly established without operating activities

*** Winding up at 18.12.2008

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At 18.12.2008, took place the winding up of the subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD of which the Company was the sole owner, by virtue of the contract, with notaries certification 3753/12.12.2008 of Mrs. Kalliopi Papantoniou Simeonidou, notary of Athens, legally published in the Court of First instance with general registration number 19976 and special registration number 5713. The winding up took place taking into account the accumulated losses as well as the small chances of recovery. The winding up impacted the turnover, the results after taxes and the minority interests for less than 25%. The loss, amounting to € 459 thousand was charged to the Company's results. The Group's results were affected for € 92 thousand of loss.

GARNETT S.A., of which the Company owned the 50% of the Shareholding, which was under liquidation (General Meeting Decision at 27.12.2008) has been cancelled from the Trade Register (Cancellation act reg. number EM-28331/08). The liquidation and consequently the cancellation have impacted the turnover, results after taxes and the Shareholders equity for less than 25%. The impairment provision formed and charged in previous periods' results both of the Company and the Group has over covered the liquidation result and the remaining positive difference, amounting to € 3 thousand, was charged in the current period's results, both of the Company and the Group.

2.1.1.8 Commitments -Guarantees

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

<u>Contingent Liabilities</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Guarantee letters to secure good performance of contract terms *	6.360*	3.791*	5.283	3.284
Total contingent liabilities	<u>6.360</u>	<u>3.791</u>	<u>5.283</u>	<u>3.284</u>

* Including letters of guarantee issued in favor of joint ventures amounting to € 1.253 thousand for the current period and to € 507 thousand for the previous period.

2.1.1.9 Excess clause provisions and Disputed claims

Except for disputed claims of third parties against the Group and the Company of € 296 thousand, which are deemed unfounded. There are no other cases are that might have significant impact on the financial position both of the Group and the Company.

2.1.1.10 Other contingent liabilities

For the event of tax audit of previews fiscal years a provision amounting to € 75 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact.

Except the above mentioned there are no other contingent liabilities.

2.1.2 OTHER INFORMATION

2.1.2.1 Branches

The operating branches as at 31.12.2007 are the following:

<u>s/n</u>	<u>Establishment</u>	<u>Address</u>
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Thessaloniki	G.-I. Kar. & P. Kyrillou, Thessaloniki
3.	Athens	Em. Mpenaki 59, Athens

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4.	Patra	Gkotsi 26-28 Patra
5.	Crete	Eth. Antistaseos 101 Crete
6.	Ioannina	Tsirigotaki 14 & Kaniggos, Ioannina
7.	Komotini	Maronias 1, Komotini

At 20.11.2008 the newly established branch of Komotini started its operations. The branch has enforced the technical support net for Northern Greece, including mobile telephony services.

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

2.1.2.2 Personnel figures

The Group's Management is supported by a team of expert and valuable staff contributing to the Group's development

The table below is showing the staff that has been employed on average during the year 2008 as well as the remuneration received (salary and social security contributions):

Employees (average numbers)						
Amounts in € thousand	Group			Company		
Staff category	Persons	Total salary	Social security charges	Persons	Total salary	Social security charges
Management	80	2.782	496	79	2.760	491
Technical support	74	2.202	554	74	2.202	554
Sales	86	3.153	782	86	3.153	782
	240	8.137	1832	239	8.115	1.827

2.1.2.3 Corporate governance

The company has adopted the Corporate Governance (CG) principles in compliance to the current legislation and to the international practice as well. The aim of CG is to provide transparency towards the investors and to assure the shareholders' interests by establishing internal regulations and control procedures.

The Company's Board of directors is the keeper of the CG principles. The board is formed of four executive members and three non executive members tow of which are independent according to the provisions of CG Law 3016/2002.

The application of CG principles with consistency is present in all the day to day activities, the trade transactions and the intra-company staff relationship including shareholders and executive staff.

In more detail, the provisions of Law 3016/2002 and the HCMC circular 5/204/14.11.2000, the application of CG defines:

- ❑ The Board of Directors composition
- ❑ The respect and protections of the shareholders and other stakeholders.
- ❑ The validity of the information provided

The internal audit (IA) is the basis and indispensable prerequisite for effective CG. The IA department is an independent organizational unit, reporting to the Board of Directors.

The Internal Audit Department's main responsibilities are the monitoring of the application and compliance with the Internal Regulation Manual, as well as the Greek legislation and related regulations.

2.1.2.4 Corporate social security

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

The Management's primary concern is the good working relationships the excellent working environment and the efficient corporate structure. The state of the art equipment allows our employees exploited all of their talents and skills contributing to the Group's success.

The Group's priorities are the continuous improvement of the working conditions, the safety and the training of its employees, contributing in this manner to society. The Group responds to the society needs with donations to Public Benefit foundations.

Finally, the Group, environmentally aware, takes part on the recycling scheme of Collective System of Alternative Management of Waste Materials of Electrical and Electronic Equipment. Furthermore, our providers of electronic equipment certified RoHS (Registration of Hazardous Substances); therefore the packing material is free of Hazardous Substances and heavy metals.

2.1.2.5 Dividend policy

Due to the compensation of part of the previews period' losses, with the current period's profit, the company will not distribute any dividend for the year 2008.

2.2 SIGNIFICANT FACTS DURING YEAR 2008 AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

Significant facts that took place during the period from 1st January to 31st December 2008 are the following:

- At 17th April 2008 the project "EMY", conducted by the joint venture EMY, owned by the Company 67,5%, was declared completed (final acceptance stage).
- At 2nd May 2008, the project DORY (satellite communication for 1.700 spots and 13 public organizations) was assigned to the joint venture «SPACE HELLAS – KBI». The project's budget amounts to € 7.353. thousand VAT included.
- At 22nd May 2008, SPACE HELLAS SA and RHEIMENTAL HELLAS S.A. have commonly established with equal share the company HSTS with the main activity to provide training trough the use of simulation systems.
- On 6 Loch. Dedousi Str., the under construction (construction license number 626/2008) new four-floor building, adjacent to the Company's premises, will house the Company's needs for its expanding activities.
- At 10th July 2008 the project contract between the Company and Secretariat General of Sports was concluded for the implementation of systems regarding the control of access to sports facilities, card members management and ticketing. The project's budget amounts to € 13.080 thousand VAT included.
- At 29th October 2008 the project "RADAR", conducted by the joint venture ALKYONA, was declared completed (final acceptance stage).

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- At 4th November 2008, after the Provisional Acceptance Test, the greater part of the Electronic supervision of Sport facilities project was accepted. The remaining part of the project regarded the last of the 22 athletic camps. The final delivery took place at 21.01.2009
-
- At 6th November 2008 the Provisional Acceptance Test (2nd Stage) of the "IS survey for the Hellenic National Cadastre" project, conducted by the joint venture UNISYSTEMS SA-SPACE HELLAS S.A. was completed.
- From 14th November 2008, SPACE HELLAS S.A. is a registered member of the Ministry of National Defense Registry of manufacturers of defense materials for the activities of development and support of electronic simulation systems.
- At 20.11. 2008 the newly established branch of Komotini started its operations. The branch has enforced the technical support net for Northern Greece, including mobile telephony services
- At 8th December 2008, the project "Integrated Information System", General Secretariat for Civil Protection was officially declared accepted. The budget of the project amounted to € 4.637 thousand, VAT included.
- At 29th December 2008, the project "Integrated Information System", Hellenic Navy Hydrographical Service, was declared completed (final acceptance stage). The budget of the project amounted to € 1.497 thousand, VAT included.
- At 18.12.2008, took place the winding up of the subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD of which the Company was the sole owner, by virtue of the contract, with notaries certification 3753/12.12.2008 of Mrs Kalliopi Papantoniou Simeonidou, notary of Athens, legally published in the Court of First instance with general registration number 19976 and special registration number 5713. The winding up took place taking into account the accumulated losses as well as the small chances of recovery. The winding up impacted the turnover, the results after taxes and the minority interests for less than 25%. The loss, amounting to € 459 thousand was charged to the Company's results. The Group's results were affected for € 92 thousand of loss.
- GARNETT S.A., of which the Company owned the 50% of the Shareholding, which was under liquidation (General Meeting Decision at 27.12.2008) has been cancelled from the Trade Register (Cancellation act reg. number EM-28331/08). The liquidation and consequently the cancellation have impacted the turnover, results after taxes and the Shareholders equity for less than 25%. The impairment provision formed and charged in previous periods' results both of the Company and the Group, has over covered the liquidation result and the remaining positive difference, amounting to € 3 thousand, was charged in the current period's results, both of the Company and the Group.

During the year 2008 the following events also took place:

- SPACE HELLAS SA has become Microsoft Gold Certified Partner with expertise in the field of Networking Infrastructure Solutions and Information Worker Solutions. This certification places the company among the top partners of Microsoft and provides a framework of commercial and technical collaboration that would improve the services provided to our clients.
- SPACE HELLAS has received from Greek Ministry of Tourism the special provider permit which allows the provision and implementation of systems CCTV to Casinos throughout Greece. The permit was granted upon inspection of the Company's survey and recording products and their use for Casino surveillances.
- Sun Microsystems and SPACE HELLAS S.A. have signed a collaboration agreement under the framework Sun Partner Advantage, at a Principal level. SPACE HELLAS S.A. has invested in technological equipment and has obtained all the necessary certifications in order to fully support Sun Microsystems's solutions.
- SPACE HELLAS S.A. has received from TUV Hellas, honorary distinction for the continuous improvement efforts and the quality orientation for the benefit of the customers and the society.

- On November 2008, SPACE HELLAS S.A. has become Certified Silver partner tou BT Alliance Group for the support and promotion of all the products and services and the international network as well.

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

The global economic crisis has affected also the Greek economic environment. The Group's Management, taking into account this situation, intends to undertake a series of actions in order to face successfully the economic crisis.

For the next year, the company will maintain the same operational routes:

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

With regard to the trade operations route, the company continues the well designed promotion of nine products/technology solutions and telecommunication and security software. The company continuously monitors the efficiency of this operational route. Due to the economic crisis, the Company will emphasize to the increase of sales

With regard to the projects route, the progress the complex projects is very successful as we have completed and continue to successfully implement all the assumed projects. The implementation of the Electronic supervision of Sport facilities project is a good example. Meanwhile, during the 1st semester of 2009 the project DORY (satellite communication for 1.700 spots and 13 public organizations) it is expected to begin.

Also the financial goals are aligned with the commercial perspective. More specifically, the generations of cash inflows together with the necessary liquidity level are primary targets for the coming year. The next step will be the cost reduction through the increase of productivity, in order to maintain the enterprise resources at the current level.

The Managements' intention is the achievement of the dual goal of commercial expansion within a healthy corporate environment. The expansion of our product solutions, the exploitation of today's opportunities and the continuous monitoring of risk/performance for all of our investment plans allow us to believe that the global crisis will not significantly affect the Group's overall performance.

2.4 RISK MANAGEMENT AND HEADGING POLICY

The Group and the Company do not expect to face significant risks in the short term that could compromise the good performance. The Group's expertise, its highly trained and skilled staff and its state of the arte equipment, together with the development of new products will allow the Group to maintain its competitive advantage and to penetrate in new markets as well.

Furthermore, the flexibility of our infrastructure in relation to ongoing projects allows believing that the Group will respond with quality and efficiency to the challenging coming year.

The Group is exposed to the following:

□ Financial Risk Factors

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group. Group Treasury does not undertake any transactions of a speculative nature or transactions that are unrelated to the Group's trading, investment and financing activities.

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

○ **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 as well as investments in overseas operations. Exchange rate exposures are managed within approved policy parameters.

Exposures are managed through the use of natural hedges and forward exchange contracts. It is the policy of the Group to use as natural hedges any material foreign currency loans against underlying investments in foreign subsidiaries whose net assets are exposed to currency translation risk, when possible.

The Group and its subsidiaries have not had any reasonable amounts in currency different than euro and therefore there is no substantial risk for the group.

The functional and presentation currency of the parent company and its subsidiaries is the Euro. The functional currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Transactions involving other currencies are converted into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are adjusted to reflect the current exchange rates. Gains or losses resulting from year-end foreign currency remeasurements are reflected in the accompanying statement of income.

The main foreign transaction currency is USD. In the table below there is sensitivity analysis due to currency exchange rate changes.

sensitivity analysis due to currency exchange rate changes	Currency	Exchange rate variation	Effect on profit before tax
Amounts in € thousands- Year 2008	USD	1,5%	-99
		-1,5%	99

○ **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed to 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 increase of the inventories is attributed to the implementation of public projects. The increase is deemed to be temporary as for this type of projects the implementation period exceeds the year.

○ **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. Loans on floating interest rate expose the Group to cash flow risk while loans on fixed interest rate expose the Group to risk of Fair Value changes.

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Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. In order to mitigate interest rate risk, the Group's financing is structured at a pre-determined combination of fixed and floating rate debt. Group Treasury steers the Group's fixed- floating rate ratio of net debt according to market conditions, the Group's strategy and its funding needs.

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. Consequently, all short term borrowings are based on floating rates. Medium and long-term facilities consist of either fixed or floating interest rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant:

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 in € thousands- Year 2008	EURO	0,5%	-47
		-0,5%	85
Amounts in € thousands- Year 2007	EURO	0,5%	-47
		-0,5%	47

The impact on profit has been calculated on the average amount of borrowings for the current period. The above table does not comprise the positive impact of interest received from deposits.

After the significant increase of interest rates the Group's and especially the parent company's main goal for the year 2008 was the containment of the financial cost through the decrease of the bank loans, while maintaining the necessary liquidity. This goal for year 2008 was achieved in great part and therefore, for year 2009 it is expected that the Group will benefit from the ECB initiatives to enforce market liquidity while controlling the existing credit margins.

Taking into consideration the above mentioned, it is expected that the group will not face significant financial risk at least in the short term.

○ Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis

Where considered appropriate, credit guarantee insurance cover is purchased. The granting of credit is controlled by application and account limits. Appropriate provision for impairment losses is made for specific credit risks and at the year-end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a doubtful debt provision.

The Group also has potential credit risk exposure arising from cash and cash equivalents, investments and derivative contracts. 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.

The exposure at the credit risk is limited from the fair value of each of the receivables disclosed at 31.12.2008.

At 31.12.2008, the appropriate provisions for impairment losses were made. For year 2008, the parent company's goal was to obtain benefits from the containment of the credit limit granted to customers in order to compensate the losses from collections. The company will follow the same credit policy for year 2009.

○ **Liquidity Risk**

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn call/demand borrowing facilities that can be utilized to fund any potential shortfall in cash resources for year 2009.

The table below summarizes the maturity profile of financial liabilities at 31 December 2008 based on contractual undiscounted payments.

<u>Amounts in € thousand</u>				
<u>Group</u>				
<u>31.12.2008</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>>5years</u>
Borrowings	15.002	14.326	676	-
Trade and other payables	16.734	16.731	-	3

<u>Amounts in € thousand</u>				
<u>Company</u>				
<u>31.12.2008</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>>5years</u>
Borrowings	15.002	14.326	676	-
Trade and other payables	17.087	16.666	418	3

Borrowings include the floating and fixed rate outstanding principal at year end plus accrued interest up to maturity.

○ **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.

The Group monitors capital using a gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as "Total borrowings" (including "current and non-current borrowings" as shown in the balance sheet) less "Cash and cash equivalents" less "Available for sale financial assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt. The Group's objective is the improvement of capital structure through the right management of its resources.

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<u>Gearing ratio</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Short term Borrowings	14.326	15.507	14.326	15.507
Long term Borrowings	676	0	676	0
Less: cash and cash equivalents	-2.700	-1.198	-2.419	-1.037
Net Debt	12.302	14.309	12.583	14.470
Equity	14.306	11.364	14.022	11.578
Total capital employed	26.608	25.673	26.605	26.048
Gearing ratio	46,23%	55,74%	47,30%	55,56%

The improvement of the Gearing ratio from 55,74% to 46,23% , achieved during year 2008 proves gives evidence for the achievement of the strategic goal of healthy corporate development.

2.5 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

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

The tables below summarize the transactions and the account balances with related parties carried out during year 2008 and 2007 respectively.

<u>Amounts in € thousand</u>	<u>Revenue</u>		<u>Expenses</u>		<u>Receivables</u>		<u>Liabilities</u>	
<u>Company</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD ***	5	5	4	197	-	-	-	134
SPACE HELLAS (CYPRUS) LTD	1	-	-	-	1	-	-	-
Subsidiaries	6	5	4	197	1	-	-	134
«HSTS» **	7	-	-	-	7	-	-	-
GARNETT S.A. ****	4	4	-	-	-	8	-	21
Associates	11	4	-	-	7	8	-	21
JOINT-VENTURE "EMY" MODERNIZATION	687	716	-	-	3.752	2.614	-	-
JOINT-VENTURE ALKYONA	456	1.109	38	-	900	1.476	412	-
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3.373	-	39	-	1.672	-	44	-
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	101	103	-	-	269	122	-	-
Joint ventures	4.617	1.928	77	-	6.593	4.212	456	-
MOBICS L.T.D.	25	36	-	-	-	-	-	-
SPACE CONSULTING S.A.	284	68	-	-	564	276	-	-76
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	501	491	78	-	-	19
SPACE VISION S.A.	3	194	104	1.012	286	286	-	115
MASTER HELLAS S.A.*	-	-	-	69	-	-	-	-
DIGITAL PUBLICATIONS S.A.*	-	1	-	86	-	1	-	6
Other related parties	314	301	605	1.658	928	563	-	64
Total Company	4.948	2.238	686	1.855	7.529	4.783	456	219

<u>Amounts in € thousand</u>	<u>Έσοδα</u>		<u>Έξοδα</u>		<u>Απαιτήσεις</u>		<u>Υποχρεώσεις</u>	
<u>Group</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
«HSTS» **	7	-	-	-	7	-	-	-
GARNETT S.A. ****	4	4	-	-	-	8	-	21
Associates	11	4	-	-	7	8	-	21
JOINT-VENTURE "EMY" MODERNIZATION	687	716	-	-	3.752	2.614	-	-
JOINT-VENTURE ALKYONA	456	1.109	38	-	900	1.476	412	-
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3.373	-	39	-	1.672	-	44	-

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JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	101	103	-	-	269	122	-	-
Joint ventures	4.617	1.928	77	-	6.593	4.212	456	-
MOBICS L.T.D.	25	36	-	-	-	-	-	-
SPACE CONSULTING S.A.	284	68	-	-	564	276	-	-76
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	501	491	78	-	-	19
SPACE VISION S.A.	3	194	104	1.012	286	286	-	115
MASTER HELLAS S.A.	-	-	-	69	-	-	-	-
DIGITAL PUBLICATIONS S.A.	-	1	-	86	-	1	-	6
Other related parties	314	301	605	1.658	928	563	-	64
Total Group	4.942	2.233	682	1.658	7.528	4.783	456	85

Notes:

* Intercompany relations are terminated as, for the first, Shareholding has changed and for the second, the composition of the Board of Directors has changed.

** Newly established without operating activities

*** Winding up at 18.12.2008

**** Liquidated at 31.12.2008

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

The amounts of revenues shown, concern the implementation of wide scale projects conducted through the joint ventures. The great part of the receivables from joint ventures, which is the 90% of the total intercompany receivables, concerns the Joint ventures "EMY" MODERNIZATION and INFO QUEST – SPACE HELLAS. For the first, at 7.4.2008, the project was declared completed and consequently, significant collections are expected in year 2009. For the second, concerning the IS survey for the Hellenic National Cadastre project a similar progress is expected.

There are no provisions for impairment made against losses for this type of receivables.

Table of Key management compensation:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Salaries and other employee benefits	1.513	1.849	1.513	1.849
Receivables from executives and members of the Board	-	53	-	53
Payables to executives and member of the Board	-	-	-	-

Tables of Guarantees to third parties:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.040	4.463	1.040	4.463
Used guarantees to third parties on behalf of subsidiaries	0	715	0	715
Bank guarantee letters	1.040	1.363	1.040	1.363

For year 2008 there were no transactions with significant impact on the Group

2.6 SIGNIFICANT POST-BALANCE SHEET EVENTS

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

Within the first half of year 2009, the project DORY (satellite communication for 1.700 spots and 13 public organizations) it is expected to begin. The project will provide satellite communication for 1.700 spots and 13 public organizations, supporting the terrene network SYZEFXIS of which our company is participating member.

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EXPLANATORY REPORT OF THE BOARD OF DIRECTORS (Pursuant to paragraphs 7 and 8 of Law 3556/2007)

The explanatory report of the Board of Directors contains the detailed information required by virtue of the art.11 para. 1, Law 3371/2005.

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

The Company's share capital amounts to 8.424.358,40 Euro, divided to 26.326.120 fully paid up ordinary registered shares with a nominal value of 0,32 Euro each. All shares are listed in the Athens Stock Exchange in the sector "Telecommunications equipment" under the "Medium and Small Capitalization" category.

II. *Limitations on transfer of Company shares*

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

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

On 21.01.2008 the following shareholders held more than 5% of the total voting rights of the Company:

Name and Surname	Percentage
Dimitrios Manolopoulos	33,01%
ALPHA BANK S.A.	18,96%
Mpellos Panagiotis	17,10%
Drosinos Paraskevas	14,60%

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 deviating from those provided for in Codified Law 2190/20*

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.*

According to the provisions of article 16, para. 5 to 13, Law 2190/1920, the ASE listed companies can purchase own shares on approval of the General Meeting up to a maximum of 10%, setting the terms and conditions as prescribed in the aforementioned article 16 Law 2190/1920. The articles of Association do not preclude such purchase.

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares for the amount of € 811 thousand and took place in the period from 1st July 2007 to 31st December 2007. The aforementioned amount has been disclosed as a reduction of the Shareholders' Equity. The operation took place in force of the General Meeting decision, by the virtue of which, a Stock Option Plan has been introduced in favor of members of the board and staff of the company. More specifically, 500.000 ordinary voting shares should be purchased at a price between € 0,50 and € 5, within a six month period, and then distributed to the company's staff under a stock option scheme (repurchase) at the price of € 1,10. The stock options should be exercised within the period of three (3) years beginning from 01.03.2008.

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.*

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

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

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

Athens, 24 March 2009

The President

D. MANOLOPOULOS

The Board of Directors

4 INDEPENDENT AUDITOR'S REPORT

PKF Euroauditing SA.



Accountants &
business advisers

AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **SPACE HELLAS S.A.**, and the consolidated financial statements of the Company and its subsidiaries, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements in the context of the requirements of articles 43a, 107 and 37 of Codified Law 2190/1920.

PKF EUROAUDITING S.A.

Certified Public Accountants

PANNELL KERR FORSTER

International Limited

124 Kifissias Avenue, 115 26 Athens

S.O.E.L. Reg. No. 132

Athens, 26 March 2009

DIMOS N. PITELIS

Certified Public Accountant

S.O.E.L. Reg. No. 14481

5

ANNUAL FINANCIAL STATEMENTS FROM 1ST JANUARY 2008 TO 31ST DECEMBER 2008

5.1 INCOME STATEMENT

Amounts in € thousand	NOTES	CONSOLIDATED DATE		CORPORATE DATA	
		01.01- 31.12.2007	01.01- 31.12.2007	01.01- 31.12.2007	01.01- 31.12.2007
Revenue	5.8.1	49.916	44.756	49.565	44.455
Cost of sales		-34.530	-31.226	-34.363	-31.104
Gross profit		15.386	13.530	15.202	13.351
Other income	5.8.2	1.359	2.708	1.363	2.711
Administrative expenses	5.8.3	-5.844	-4.725	-5.799	-4.686
Research and development cost	5.8.3	-428	-610	-428	-610
Selling and marketing expenses	5.8.3	-6.415	-7.683	-6.378	-7.662
Other expenses	5.8.4	-685	-465	-1.130	-462
Earnings before taxes, investing and financial results		3.373	2.755	2.830	2.642
Interest & other similar income		234	314	233	314
Interest and other financial expenses		-1.852	-961	-1.851	-961
Profit/(loss) from revaluation of investments in subsidiaries - associated companies		93	-279	122	-279
Profit/(loss) before taxes		1.848	1.829	1.334	1.716
Taxes	5.8.5	-161	10	-142	28
Profit after taxes		1.687	1.839	1.192	1.744
Attributable as follows:					
Company Shareholders		1.687	1.839	1.192	1.744
Minority Interests in subsidiaries		0	0	-	-
Proposed dividend payable per share (in €)		0,0653	0,0705	0,0491	0,0669
Summary of the Income Statement					
Profit before interest, taxes, depreciation and amortization (EBITDA)		4.171	3.535	3.628	3.421
Less depreciation		798	780	798	779
Profit before interest and taxes, (EBIT)		3.373	2.755	2.830	2.642
Profit before taxes		1.848	1.829	1.334	1.716
Profit after taxes		1.687	1.839	1.192	1.744

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5.2 BALANCE SHEET AS AT 31 DECEMBER

<u>Amounts in € thousand</u>	<u>NOTES</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
ASSETS					
Non-current assets					
Property, plant & equipment	5.8.6	10.376	8.681	10.376	8.685
Goodwill	5.8.8	428	428	428	428
Intangible assets	5.8.7	495	585	495	585
Investments in subsidiaries	5.8.9	0	0	35	505
Investments in associates	5.8.9	718	440	604	500
Other non current receivables		155	143	155	142
Total Non-current assets		12.172	10.277	12.093	10.845
Current assets					
Inventories	5.8.10	3.075	1.817	3.075	1.817
Trade debtors	5.8.11	24.363	23.308	24.231	23.214
Other debtors	5.8.12	3.751	3.774	4.279	4.029
Financial assets		12	12	12	12
Advanced payments	5.8.13	1.821	1.447	1.821	1.447
Cash and cash equivalents	5.8.14	2.700	1.198	2.419	1.037
Total Current assets		35.722	31.556	35.837	31.556
TOTAL ASSETS		47.984	41.833	47.930	42.401
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	5.8.15	8.424	8.424	8.424	8.424
Share premium	5.8.15	10.255	10.255	10.255	10.255
Stock option plan reserve	5.8.16	144	0	144	0
Treasury shares	5.8.16	-811	-811	-811	-811
Fair value reserves		3.435	2.256	3.435	2.256
Other Reserves		671	675	671	671
Retained earnings		-7.811	-9.435	-8.096	-9.217
Equity attributable to equity holders of the parent		14.307	11.364	14.022	11.578
Minority interests		0	0	-	-
Total equity		14.307	11.364	14.022	11.578
Non-current liabilities					
Other non-current liabilities	5.8.17	3	134	388	475
Long term loans	5.8.19	676	0	676	0
Provisions	5.8.25	75	31	75	31
Retirement benefit obligations		1.156	1.081	1.156	1.081
Deferred income tax liability	5.8.20	621	447	621	447
Total Non-current liabilities		2.531	1.693	2.916	2.034
Current liabilities					
Trade and other payables	5.8.22	15.619	11.874	15.597	11.912
Income tax payable		1.111	1.395	1.069	1.370
Short-term borrowings		14.326	15.507	14.326	15.507
Total Current liabilities		31.056	28.776	30.992	28.789
Total Equity and Liabilities		47.894	41.833	47.930	42.401

5.3 CHANGES IN SHAREHOLDERS' EQUITY

**Statement of Changes in Shareholders' Equity
Company:**

<u>Amounts in € thousand</u>	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
Balance at 1 January 2007 as previously reported	8.424	10.255	3.008	0	0	404	-11.739	10.352
Changes in the Shareholders equity for the period 01/01-31/12/2007								
Profit for the year	0	0	0	0	0	0	1.744	1.744
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	0
Dividends distributed (profits)	0	0	0	0	0	0	0	0
Net income recognized directly in equity	0	0	-752	0	0	267	778	293
Reclassified item*	0	0	0	0	0	0	0	0
Treasury shares purchased	0	0	0	0	-811	0	0	-811
Stock Option Plan formation reserve	0	0	0	0	0	0	0	0
Balance at 31 December 2007	8.424	10.255	2.256	0	-811	671	-9.217	11.578
Changes in the Shareholders equity for the period 01/01-31/12/2008								
Balance at 1 January 2008 as previously reported	8.424	10.255	2.256	0	-811	671	-9.217	11.578
Profit for the year	0	0	0	0	0	0	1.192	1.192
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	0
Dividends distributed (profits)	0	0	0	0	0	0	0	0
Net income recognized directly in equity	0	0	1.179	0	0	0	-71	1.108
Treasury shares purchased	0	0	0	0	0	0	0	0
Stock Option Plan formation reserve	0	0	0	144	0	0	0	144
Balance at 31 December 2008	8.424	10.255	3.435	144	-811	671	-8.096	14.022

Note:

- The amount of € -71 thousand recognized directly in equity concerns prior years' tax differences of Joint venture ALKYONA
- The amount of € 1.179 thousand recognized directly in equity concerns the revaluation of property at fair value

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**Statement of Changes in Shareholders' Equity
Group:**

<u>Amounts in € thousand</u>	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
<i>Balance at 1 January 2007 as previously reported</i>	8.424	10.255	3.008	0	0	552	-11.488	10.751
Changes in the Shareholders equity for the period 01/01-31/12/2007								
Profit for the year	0	0	0	0	0	0	1.839	1.839
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	0
Dividends distributed (profits)	0	0	0	0	0	0	0	0
Net income recognized directly in equity	0	0	-752	0	0	123	214	-415
Treasury shares purchased	0	0	0	0	-811	0	0	-811
Stock Option Plan formation reserve	0	0	0	0	0	0	0	0
<i>Balance at 31 December 2007</i>	8.424	10.255	2.256	0	-811	675	-9.435	11.364
Changes in the Shareholders equity for the period 01/01-31/12/2008								
<i>Balance at 1 January 2008 as previously reported</i>	8.424	10.255	2.256	0	-811	675	-9.435	11.364
Profit for the year	0	0	0	0	0	0	1.687	1.687
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	0
Dividends distributed (profits)	0	0	0	0	0	0	0	0
Net income recognized directly in equity	0	0	1.179	0	0	0	-71	1.108
Treasury shares purchased	0	0	0	0	0	0	0	0
Stock Option Plan formation reserve	0	0	0	144	0	0	0	144
Winding up effect of subsidiaries	0	0	0	0	0	-4	7	3
Offsetting of subsidiary's distributed dividends	0	0	0	0	0	0	1	1
<i>Balance at 31 December 2008</i>	8.424	10.255	3.435	144	-811	671	-7.811	14.307

Note:

- The amount of € -71 thousand recognized directly in equity concerns prior years' tax differences of Joint venture ALKYONA
- The amount of € 1.179 thousand recognized directly in equity concerns the revaluation of property at fair value

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5.4 CASH FLOW STATEMENT

Amounts in € thousand	GROUP		COMPANY	
	01.01- 31.12.2008	01.01- 31.12.2007	01.01- 31.12.2008	01.01- 31.12.2007
Cash flows from operating activities				
Profit/(Loss) Before Taxes	1.848	1.829	1.334	1.716
Adjustments for:				
Depreciation & amortization	798	780	798	779
Provisions	76	184	76	184
Foreign exchange differences	112	58	110	55
Net (profit)/Loss from investing activities	-308	-375	34	-369
Interest and other financial expenses	1.852	961	1.851	961
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-1.258	-1.207	-1.258	-1.218
Decrease/(increase) in Receivables	-1.828	-11.460	-1.791	-11.602
(Decrease)/increase in Payables (excluding banks)	3.852	4.743	3.867	5.001
Less:				
Interest and other financial expenses paid	-1.852	-961	-1.851	-961
Taxes paid	-301	508	-301	508
Total cash inflow/(outflow) from operating activities (a)	2.991	-4.940	2.869	-4.946
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-104	-876	-104	-876
Purchase of tangible and intangible assets	-1.133	-1.720	-1.133	-1.720
Proceeds from sale of tangible and intangible assets	9	46	9	30
Proceeds from sale/liquidation of subsidiaries	9	0	11	0
Interest received	234	314	233	314
Dividends received	0	0	1	0
Total cash inflow/(outflow) from investing activities (b)	-985	-2.236	-983	-2.252
Cash flow from Financing Activities				
Proceeds from Borrowings	6.416	8.768	6.416	8.768
Payments of Borrowings	-6.920	-543	-6.920	-543
Payments of finance lease liabilities	0	-1.753	0	-1.753
Dividends paid	0	0	0	0
Total cash inflow/(outflow) from financing activities (c)	-504	6.472	-504	6.472
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	1.502	-704	1.382	-726
Cash and cash equivalents at beginning of period	1.198	1.902	1.037	1.763
Cash and cash equivalents at end of period	2.700	1.198	2.419	1.037

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5.5 MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES: (IAS 24)

The tables below summarize the major financial amounts as at 31/12/2008 for the subsidiaries, associates and joint ventures and other related parties according to IAS 24.

Amounts in € thousand	<u>Revenue</u>		<u>Expenses</u>		<u>Receivables</u>		<u>Liabilities</u>	
	2008	2007	2008	2007	2008	2007	2008	2007
Parent company								
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD ***	5	5	4	197	-	-	-	134
SPACE HELLAS (CYPRUS) LTD	1	-	-	-	1	-	-	-
Subsidiaries	6	5	4	197	1			134
«HSTS» **	7	-	-		7	-	-	-
GARNETT S.A.****	4	4				8		21
Associates	11	4	-		7	8	-	21
JOINT-VENTURE "EMY" MODERNIZATION	687	716	-		3.752	2.614	-	-
JOINT-VENTURE ALKYONA	456	1.109	38	-	900	1.476	412	-
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3.373	-	39	-	1.672	-	44	-
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	101	103	-	-	269	122	-	-
Joint Ventures	4.617	1.928	77	-	6.593	4.212	456	-
MOBICS L.T.D.	25	36	-	-	-	-	-	-
SPACE CONSULTING S.A.	284	68	-	-	564	276	-	-76
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	501	491	78	-	-	19
SPACE VISION S.A.	3	194	104	1.012	286	286		115
MASTER HELLAS S.A.*		-		69		-		-
DIGITAL PUBLICATIONS S.A.*		1		86		1		6
Other related parties	314	301	605	1.658	928	563	-	64
Total Parent company	4.948	2.238	686	1.855	7.529	4.783	456	219

Amounts in € thousand	<u>Revenue</u>		<u>Expenses</u>		<u>Receivables</u>		<u>Liabilities</u>	
	2008	2007	2008	2007	2008	2007	2008	2007
Group								
«HSTS» **	7	-	-		7	-	-	-
GARNETT S.A.****	4	4				8		21
Associates	11	4	-		7	8	-	21
JOINT-VENTURE "EMY" MODERNIZATION	687	716	-		3.752	2.614	-	-
JOINT-VENTURE ALKYONA	456	1.109	38	-	900	1.476	412	-
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3.373	-	39	-	1.672	-	44	-
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	101	103	-	-	269	122	-	-
Joint Ventures	4.617	1.928	77	-	6.593	4.212	456	-
MOBICS L.T.D.	25	36	-	-	-	-	-	-
SPACE CONSULTING S.A.	284	68	-	-	564	276	-	-76
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	2	2	501	491	78	-	-	19
SPACE VISION S.A.	3	194	104	1.012	286	286		115
MASTER HELLAS S.A.		-		69		-		-
DIGITAL PUBLICATIONS S.A.		1		86		1		6
Other related parties	314	301	605	1.658	928	563	-	64
Total Group	4.942	2.233	682	1.658	7.528	4.783	456	85

Notes:

* Intercompany relations are terminated as, for the first, Shareholding has changed and for the second, the composition of the Board of Directors has changed.

** Newly established without operating activities

*** Winding up at 18.12.2008

**** Liquidated at 31.12.2008

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

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The amounts of revenues shown, concern the implementation of wide scale projects conducted through the joint ventures. The great part of the receivables from joint ventures, which is the 90% of the total intercompany receivables, concerns the Joint ventures "EMY" MODERNIZATION and INFO QUEST – SPACE HELLAS. For the first, at 7.4.2008, the project was declared completed and consequently, significant collections are expected in year 2009. For the second, concerning the IS survey for the Hellenic National Cadastre project a similar progress is expected.

There are no provisions for impairment made against losses for this type of receivables.

Table of Key management compensation:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Salaries and other employee benefits	1.513	1.849	1.513	1.849
Receivables from executives and members of the Board	-	53	-	53
Payables to executives and member of the Board	-	-	-	-

Tables of Guarantees to third parties:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.040	4.463	1.040	4.463
Used guarantees to third parties on behalf of subsidiaries	0	715	0	715
Bank guarantee letters	1.040	1.363	1.040	1.363

5.6 GENERAL INFORMATION FOR SPACE HELLAS S.A.

5.6.1 GENERAL INFORMATION

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon power of attorney n.86369/15.07.1985, approved by the Refecture of Attica, EM 4728/1.8.85, and published in the Official Gazzete of Greece, ΦΕΚ 2929/8.8.85 ΤΑΕ & ΕΠΕ).The company's duration has been set to 100 years, its legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. On 06.05.1999, the descision of the General Meeting, approved by the Prefecture (EM 4247/99, registered in the Societers Anonymes Register (23.07.1999) and published in the Officila Gazette of Greece (ΦΕΚ 6299/2.8.99 ΤΑΕ & ΕΠΕ), has set the company's duration to 50 years.

The company's S.A. Register Number (ΑΡ.Μ.Α.Ε.) is 13966/06/Β/86/95 and the Tax Register Number (ΑΦΜ) is 094149709

5.6.2 OPERATING ACTIVITIES

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

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

5.6.3 BOARD OF DIRECTORS

By virtue of the company's decision, dated 21.12.2007, registered in the S.A. register (K2-18420) and published in the official Gazette of Greece (ΦΕΚ 165 9/1/2008), the Board of Directors has been constituted of the following members:

Dimitrios S. Manolopoulos, President of the Board, executive member
Paraskevas D. Drosinos Chief Executive Officer, executive member
Christos P. Mpellos, A' Vice-president of the Board, non executive member
Anastasios I. Giokas B' Vice-President, executive member
Georgios P. Lagogiannis executive member.
Dimitrios E. Chouchoulis independent non-executive member.
Lysandros K. Kapopoulos independent non-executive member.

The incumbency of the Board od Directors will end at 30.06.2010.

5.7 GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.7.1 GENERAL INFORMATION

The accompanying financial statements of the period from 1st January to 31st December 2008 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 entities at a national and international level

The company's legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. The URL address is www.space.gr.

The financial statements of the company and the Group for the year ended at 31.12.2008 have been approved by the Board of Directors with the decision No 1449/24th March 2009.

It should be noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Accounting Standards. It should be also noted that, for simplification purposes, the published, in the press, brief financial data contain summarizations or reclassifications of certain figures.

5.7.2 BASIS OF PREPARATION

These financial statements have been approved for issue by the Board of Directors on March 24, 2008 have been prepared by management in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union as of December 31, 2008.

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 2007,

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain equity investments, investment property, and derivative instruments at fair value through profit or loss. Those principles have

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. Estimates and associated assumptions are continually reviewed.

The parent company and its subsidiaries fully comply with the Companies' Act of Greece (Codified Law 2190/1920) as well as with the standing tax legislation. From 1st January 2005, the parent company and the Greek subsidiaries are obliged to comply with the IFRS adopted by the European Union preserving the right to prepare their financial statements according to the Greek Accounting Standards for tax purpose only. The overseas companies disclose their financial statements and comply with the standing regulations in each country of origin. Consequently, with regard to the preparation of the consolidated financial statements, the disclosed information has been adjusted in order to apply the same accounting policy for all the companies of the Group.

5.7.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for the periods beginning January 1, 2007, onwards (except if mentioned otherwise below). The Group's and the Company's Management's assessment regarding the effect of these new standards and interpretations is as follows:

5.7.3.1 Standards and interpretations for the financial year beginning 1 January 2008

IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures; Reclassification of Financial Assets", effective from 1 July 2008 and cannot be applied retrospectively to reporting periods before the effective date.

The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss ("FVTPL") category in particular circumstances.

5.7.3.2 The following new interpretations, became mandatory for the first time for the financial year beginning 1 January 2008

IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions"

IFRIC 11 requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. The interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. This Interpretation applies to the way the Group's subsidiaries account, in their individual financial statements, for options granted to their employees to buy equity shares of the Company. The accounting treatment followed by the Group is in line with the relevant provisions of the Interpretation.

IFRIC 12, "Service Concession Arrangements".

This Interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset. IFRIC 12 is not relevant to the Group.

IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation has no impact on its financial position or performance as all defined benefit schemes are currently in deficit.

IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures; Reclassification of Financial Assets", effective from 1 July 2008 and cannot be applied retrospectively to reporting periods before the effective date.

The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss ("FVTPL") category in particular circumstances.

5.7.3.3 Standards and interpretations after the financial year of 2008

IAS 1, "Presentation of Financial Statements" (Amended), effective for annual periods beginning on or after 1 January 2009.

This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in

the balance sheet. To be applied retrospectively. Early application is permitted. The group will adopt the changes.

IAS 23, "Borrowing Costs" (Amended), effective for annual periods beginning on or after 1 January 2009.

The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39. To be applied retrospectively. Early application is permitted. The group will adopt the changes since 1st of January 2009.

IAS 32 and IAS 1, "Puttable Financial Instruments" (Amended), effective for annual periods beginning on or after 1 January 2009.

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

IAS 39, "Financial instruments recognition and measurement" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.

- Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted. . The Group does not expect these amendments to impact the financial statements of the Group.

Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements" effective for financial years beginning on or after 1 January 2009.

The amendments to IFRS 1 allows an entity to determine the "cost" of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statements. The revision to IAS 27 will have to be applied prospectively. The new requirements affect only the parent's separate financial statements and do not have an impact on the financial statements of the Group.

IFRS 2, "Share-based Payments" (Amended), effective for annual periods beginning on or after 1 January 2009.

The amendment clarifies two issues. The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment. OR It is not expected to have a material impact on the group's financial statements

IFRS 3, "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended), effective for annual periods beginning on or after 1 July 2009

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests. The revised IFRS 3 and amendments to IAS 27 have not yet been endorsed by the EU. The Group will make the necessary changes.

IFRS 8, "Operating Segments", effective for annual periods beginning on or after 1 January 2009.

IFRS 8 replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact of this standard on its financial statements.

IFRIC 13, "Customer Loyalty Programmes", effective for financial years beginning on or after 1 July 2008.

This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation will have no impact on the Company's / Group's financial statements as no such schemes currently exist.

IFRIC 15, "Agreements for the Construction of Real Estate", effective for financial years beginning on or after 1 January 2009 and is to be applied retrospectively.

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. This Interpretation has not yet been endorsed by the EU. Adoption of the amendment is not expected to impact significantly the financial statements of the Company or the Group.

IFRIC 16, "Hedges of a Net Investment in a foreign operation", effective for financial years beginning on or after 1 October 2008 and is to be applied prospectively.

IFRIC 16 clarifies three main issues, namely:

- A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- Hedging instrument(s) may be held by any entity or entities within the group.
- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item. The Company and the Group do not expect that this interpretation will impact the financial statements.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments are effective for periods beginning on or after 1 January 2009.

IAS 1, "Presentation of Financial Statements" (Revised), effective for annual periods beginning on or after 1 January 2009.

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.

IAS 16, "Property, Plant and Equipment" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Replaces the term 'net selling price' with 'fair value less costs to sell', regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36 Impairment of Assets.
- Items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group

IAS 19, "Employee Benefits" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Revises the definition of 'past service costs' to include reductions in benefits related to past services ('negative past service costs') and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively – to changes to benefits occurring on or after 1 January 2009. Early application is permitted.
- Revises the definition of 'return on plan assets' to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.
- Revises the definition of 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.
- Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted

IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance" (Amended), effective for annual periods beginning on or after 1 January 2009.

Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009. The group haven't received any loans from the government.

IAS 27 "Consolidated and Separate Financial Statements" (Amended), effective for annual periods beginning on or after 1 January 2009.

When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be reevaluated. Early application is permitted.

IAS 28, "Investment in Associates" (Amended), effective for annual periods beginning on or after 1 January 2009.

- If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to

paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.

IAS 29, "Financial Reporting in Hyperinflationary Economies" (Amended), effective for annual periods beginning on or after 1 January 2009.

This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. No specific transition requirements have been stated as it is a clarification of the references rather than a change. Adoption of that amendment is not expected to impact the financial statements of the Company or the Group

IAS 31, "Interest in Joint ventures" (Amended), effective for annual periods beginning on or after 1 January 2009.

This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply. Adoption of these amendment is not expected to impact significantly the financial statements of the Company or the Group.

IAS 36, "Impairment of assets" (Amended),

This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'. To be applied retrospectively.

IAS 38, "Intangible Assets" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Expenditure on advertising and promotional activities is recognized as an expense when the entity either has the right to access the goods or has received the services. To be applied retrospectively. Early application is permitted.
- Deletes references to there being rarely, if ever, persuasive evidence to support an amortization method for finite life intangible assets that results in a lower amount of accumulated amortization than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.
- A prepayment may only be recognized in the event that payment has been made in advance to obtaining right of access to goods or receipt of services

IAS 39, "Financial instruments recognition and measurement"(Amended),

- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.
- Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.
- Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting. To be applied retrospectively. Early application is permitted..

IAS 40, "Investment property" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value

can be determined or construction is complete. Adoption of these amendment is not expected to impact the financial statements of the Company or the Group.

IAS 41, "Agriculture" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Replaces the term 'point-of-sale costs' with 'costs to sell'. Revises the example of produce from trees in a plantation forest from 'logs' to 'felled trees'.
- Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
- Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account. Adoption of these amendment is not expected to impact the financial statements of the Company or the Group.

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" (Amended), effective for annual periods beginning on or after 1 July 2009.

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. The Group and the Company will make the necessary changes to the presentation of its financial statements in 2010.

5.7.4 ACCOUNTING POLICIES AND METHODS

There are no changes in the accounting principles compared to those used for the preparation of the financial statements for year 2007.

5.7.5 PROPERTY, PLANT AND EQUIPMENT

Fixed assets are reported in the financial statements at 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 less accumulated depreciation and less any accumulated impairment loss. Land held for the production or management is presented at its fair value. As the useful period of life cannot be determined, the relevant carrying amounts are not subject to depreciation.

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

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

Intangible assets include goodwill, concessions and industrial property rights, as well as the computer software.

Depreciation on other assets (except land which is not depreciated) is calculated using the straight-line method over its estimated useful lives, as follows:

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

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

5.7.6 IMPAIRMENT OF ASSETS

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results.

Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit- CGU) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

5.7.7 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organize and present each activities and results in its internal reporting. 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. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December

5.7.8 LIENS AND PLEDGES

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

5.7.9 CONSOLIDATION

5.7.9.1 Subsidiaries

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

5.7.9.2 Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of post acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

5.7.9.3 Joint Ventures

Joint ventures are consolidated using the full consolidated method, regardless of the percentage ownership

5.7.9.4 Other investments

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

5.7.10 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost is determined using the weighted average method.

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

5.7.11 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.

5.7.12 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 of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. The components of cash and cash equivalents have a negligible risk of change in value.

5.7.13 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. This reserve cannot be distributed during the operational life of the company, but can be used to cover losses.

Based on existing Greek tax law, tax exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company.

5.7.14 SHARE CAPITAL

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000.

The Company's share capital amounts to € 8.424 thousand Euro, divided to 26.326.120 shares with a nominal value of 0,32 Euro all, of which are ordinary shares.

Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in shareholders equity. The share premium amount to € 10.255 thousand.

Basic earnings per share are calculated by dividing net profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

The earnings per share are calculated taking into account the weighted average number of ordinary shares in issue during the year which, for the year 2008, amounted to 25.825.120 shares.

5.7.15 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.

5.7.16 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.

Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

5.7.17 FINANCIAL RISK MANAGEMENT

□ Financial Risk Factors

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group. Group Treasury does not undertake any transactions of a speculative nature or transactions that are unrelated to the Group's trading, investment and financing activities.

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

○ 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 as well as investments in overseas operations. Exchange rate exposures are managed within approved policy parameters.

Exposures are managed through the use of natural hedges and forward exchange contracts. It is the policy of the Group to use as natural hedges any material foreign currency loans against underlying investments in foreign subsidiaries whose net assets are exposed to currency translation risk, when possible.

The Group and its subsidiaries have not had any reasonable amounts in currency different than euro and therefore there is no substantial risk for the group.

The functional and presentation currency of the parent company and its subsidiaries is the Euro. The functional currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Transactions involving other currencies are converted into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are adjusted to reflect the current exchange rates. Gains or losses resulting from year-end foreign currency remeasurements are reflected in the accompanying statement of income.

The main foreign transaction currency is USD. In the table below there is sensitivity analysis due to currency exchange rate changes.

sensitivity analysis due to currency exchange rate changes	Currency	Exchange rate variation	Effect on profit before tax
Amounts in € thousands- Year 2008	USD	1,5%	-99
		-1,5%	99

○ **Price risk**

The Group is not exposed to securities price risk. The Group is exposed to 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 increase of the inventories is attributed to the implementation of public projects. The increase is deemed to be temporary as for this type of projects the implementation period exceeds the year.

○ **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. Loans on floating interest rate expose the Group to cash flow risk while loans on fixed interest rate expose the Group to risk of Fair Value changes.

Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. In order to mitigate interest rate risk, the Group's financing is structured at a pre-determined combination of fixed and floating rate debt. Group Treasury steers the Group's fixed- floating rate ratio of net debt according to market conditions, the Group's strategy and its funding needs.

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. Consequently, all short term borrowings are based on floating rates. Medium and long-term facilities consist of either fixed or floating interest rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant:

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 in € thousands- Year 2008	EURO	0,5%	-47
		-0,5%	85
Amounts in € thousands- Year 2007	EURO	0,5%	-47
		-0,5%	47

The impact on profit has been calculated on the average amount of borrowings for the current period. The above table does not comprise the positive impact of interest received from deposits.

After the significant increase of interest rates the Group's and especially the parent company's main goal for the year 2008 was the containment of the financial cost through the decrease of the bank loans, while maintaining the necessary liquidity. This goal for year 2008 was achieved in great part and therefore, for year 2009 it is expected that the Group will benefit from the ECB initiatives to enforce market liquidity while controlling the existing credit margins.

Taking into consideration the above mentioned, it is expected that the group will not face significant financial risk at least in the short term.

○ Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis

Where considered appropriate, credit guarantee insurance cover is purchased. The granting of credit is controlled by application and account limits. Appropriate provision for impairment losses is made for specific credit risks and at the year-end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a doubtful debt provision.

The Group also has potential credit risk exposure arising from cash and cash equivalents, investments and derivative contracts. 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.

The exposure at the credit risk is limited from the fair value of each of the receivables disclosed at 31.12.2008.

At 31.12.2008, the appropriate provisions for impairment losses were made. For year 2008, the parent company's goal was to obtain benefits from the containment of the credit limit granted to customers in order to compensate the losses from collections.

○ Liquidity Risk

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn call/demand borrowing facilities that can be utilized to fund any potential shortfall in cash resources for year 2009.

The table below summarizes the maturity profile of financial liabilities at 31 December 2008 based on contractual undiscounted payments.

Amounts in € thousand				
	Group			
31.12.2008	Total	Less than 1 year	1 to 5 years	>5years
Borrowings	15.002	14.326	676	-
Trade and other payables	16.734	16.731	-	3

Amounts in € thousand				
	Company			
31.12.2008	Total	Less than 1 year	1 to 5 years	>5years
Borrowings	15.002	14.326	676	-
Trade and other payables	17.087	16.666	418	3

Borrowings include the floating and fixed rate outstanding principal at year end plus accrued interest up to maturity.

○ 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.

The Group monitors capital using a gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as "Total borrowings" (including "current and non-current borrowings" as shown in the balance sheet) less "Cash and cash equivalents" less "Available for sale financial assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt. The Group's objective is the improvement of capital structure through the right management of its resources.

<u>Gearing ratio</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Short term Borrowings	14.326	15.507	14.326	15.507
Long term Borrowings	676	0	676	0
Less: cash and cash equivalents	-2.700	-1.198	-2.419	-1.037
Net Debt	12.302	14.309	12.583	14.470
Equity	14.306	11.364	14.022	11.578
Total capital employed	26.608	25.673	26.605	26.048
<u>Gearing ratio</u>	<u>46,23%</u>	<u>55,74%</u>	<u>47,30%</u>	<u>55,56%</u>

The improvement of the Gearing ratio from 55,74% to 46,23% , achieved during year 2008 proves gives evidence for the achievement of the strategic goal of healthy corporate development.

5.7.18 EMPLOYEE BENEFITS

According to law 282/20 if the employee's employment is terminated at the normal retirement date, the entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. Those benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. For defined benefit plans, the pension liability is the present value of the defined benefit obligation at the balance sheet date minus the fair value of the plan assets, including any adjustments for unrecognized actuarial gains/losses and past service costs. The Group follows the "corridor" approach of IAS 19 "Employee Benefits" according to which a certain amount of actuarial gains and losses remains unrecognized and is amortized over the average remaining service lives of the employees participating in the plan. The defined benefit obligation is calculated by independent actuaries on an annual basis using the projected unit credit method. The present value of the defined obligation is determined by the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Pension costs are charged or credited to the income statement over the service lives of the related employees.

These obligations are valued by independent qualified actuaries. As regards termination before the normal retirement date or voluntary redundancy, the Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary

redundancy. Any such benefits falling due more than 12 months after balance sheet date are discounted to present value.

5.7.19 LEASES

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

5.7.20 DISPUTED CLAIMS

Except for disputed claims of third parties against the Group and the Company of € 296 thousand, which are deemed unfounded. There are no other cases that might have significant impact on the financial position both of the Group and the Company.

5.7.21 PERSONNEL EMPLOYED

The personnel employed at 31-12-2008 both in the Company and the Group amounted to 247 persons and in the Group to 232 persons. For the year 2007 the personnel employed in the Company amounted to 231 persons and in the Group to 232 persons

5.7.22 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 it is probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxation is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

5.7.23 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.

5.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.8.1 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 are different from those of other business segments.

Geographical segments provide products or services within a particular economic environment that is subject to risks and performances that are different from those of components operating in other economic environments.

The Group and the company's segments are based on the products and services provided.

□ Primary segment – Business segments

The Group organizes its activities in three segments:

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

The segment consolidated results for the year ended December 31 2008 and 2007 are as follows:

Εταιρία												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	Year			Year			Year			Year		
Amounts in € thousand	2008	2007	VARIATION %	2008	2007	VARIATION %	2008	2007	VARIATION %	2008	2007	VARIATION %
Revenue	32.480	30.250	7,37	15.126	12.755	18,59	1.959	1.450	35,10	49.565	44.455	11,49
Gross profit	11.074	9.950	11,30	3.548	2.966	19,62	580	435	33,33	15.202	13.351	13,86
EBIT	2.340	2.221	5,36	1.200	1.150	4,35	88	50	76,00	3.628	3.421	6,05
Earnings before taxes	-	-	-	-	-	-	-	-	-	1.334	1.716	-22,26
Less taxes	-	-	-	-	-	-	-	-	-	-142	28	
Earnings after taxes	-	-	-	-	-	-	-	-	-	1.192	1.744	-31,65

□ Secondary segment – Geographical segment

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

5.8.2 OTHER OPERATING INCOME

Amounts in € thousand	GROUP		COMPANY	
	01.01-31.12.2008	01.01-31.12.2007	01.01-31.12.2008	01.01-31.12.2007
Other operating income	319	307	324	312
Offsetting of prior year's provision (Cosmote agreement)	50	1.850	50	1.850
Offsetting of prior year's provision (inventories impairment)	59	0	59	0
Offsetting of prior year's provision (receivables of doubtful collection)	31	0	31	0
Other extraordinary income	70	5	69	5
Gains from currency exchange	231	67	231	67

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Gains from renegotiations of trade agreements	486	351	486	351
Gains from ownership changes of joint ventures	81	0	81	0
Other extraordinary gains	3	70	3	70
Prior year's income	27	58	27	56
Gains from liquidation of associated company	2	0	2	0
Total other operating income	1.359	2.708	1.363	2.711

5.8.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be decreased compared to prior year's results for 2,53% , mainly because of the containment of the operation cost, though maintaining the company's positive trends

5.8.4 OTHER OPERATING EXPENSES

Amounts in € thousand	GROUP		COMPANY	
	01.01- 31.12.2008	01.01- 31.12.2007	01.01- 31.12.2008	01.01- 31.12.2007
Extraordinary expenses	127	226	115	226
Loss from currency exchange	343	122	341	122
Extraordinary loss	16	111	16	108
Loss from liquidation of associated company	0	0	459	0
Provisions for extraordinary liabilities	139	1	139	1
Prior years' expenses	5	5	5	5
Loss from renegotiations of trade agreements	55	0	55	0
Total other operating expenses	685	465	1.130	462

5.8.5 INCOME TAX

The income tax expense imputed the results as following:

Income Tax	NOTE	GROUP		COMPANY	
Amounts in € thousand		31.12.2008	31.12.2007	31.12.2008	31.12.2007
Current Income Tax		19	18	0	0
Provision charged for the tax unaudited fiscal years		75	0	75	0
Deferred tax imputed to results	5.8.20	67	-28	67	-28
Total		161	-10	142	-28

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

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Income Tax reconciliation	GROUP		COMPANY	
Amounts in € thousand	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Earnings before taxes	1.848	1.829	1.333	1.716
Tax calculated at the statutory tax rate (25%)	462	457	333	429
Expenses not deductible for tax purposes	86	189	78	176
Provision for tax unaudited fiscal years	75	0	75	0
Effect of changes in future tax rates and tax revaluation	-103	0	-103	0
Unused recognized tax losses	-145	-533	-145	-533
Μόνιμες φορολογικές διαφορές	209	240	209	240
Utilization of previously recognized tax losses	-435	-340	-341	-340
Offsetting of overestimated tax related to previously recognized due to completion of the tax audit.	36	0	36	0
Effect of different tax rates in other countries	-24	-23	0	0
Total	161	-10	142	-28

5.8.6 PROPERTY, PLANT AND EQUIPMENT

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

The valuation was performed by Savills Hellas Ltd based on current market prices and in compliance with the valuation methods of the Royal Institution of Chartered Surveyors, Great Britain. The result of the revaluation amounted to € 1.286 thousand it is included in the Revaluation Reserve, free of deferred taxation.

The property, plant and equipment of the Group are the following:

Amounts in € thousand

	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 31.12.2007	1.040	5.133	3.775	47	2.397	12.392
Plus: Additions	333	225	485	1	83	1.127
Minus: Disposals	0	0	20	0	37	57
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	435
Plus: Revaluation adjustment (Acquisition cost)	582	704	0	0	0	1.286
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	0	0	-5	0	1	-4
Ending balance 31.12.2008	1.955	5.627	4.235	48	2.444	14.309
Depreciation at 31.12.2007	0	874	1.420	24	1.393	3.711
Plus: Depreciation expense	0	180	326	4	193	702
Minus: Depreciation of disposed elements	0	0	5	0	33	37
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	435
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	0	0	5	0	3	8
Ending balance 31.12.2008	0	619	1.736	28	1.550	3.933
Net Book Value at 31.12.2008	1.955	5.008	2.499	20	894	10.376

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The property, plant and equipment of the Company are the following:

Amounts in € thousand

	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening balance 31.12.2007	1.040	5.133	3.770	47	2.399	12.389
Plus: Additions	333	225	485	1	83	1.127
Minus: Disposals	0	0	20	0	37	57
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	435
Plus: Revaluation adjustment (Acquisition cost)	582	704	0	0	0	1.286
Ending balance 31.12.2008	1.955	5.627	4.235	48	2.445	14.310
Depreciation 31.12.2007	0	874	1.415	24	1.391	3.704
Depreciation expense	0	180	326	4	193	702
Minus: Depreciation of disposed elements	0	0	5	0	33	38
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	435
Depreciation at 31.12.2008	0	619	1.736	28	1.551	3.934
Net Book Value 31.12.2008	<u>1.955</u>	<u>5.008</u>	<u>2.499</u>	<u>20</u>	<u>894</u>	<u>10.376</u>

5.8.7 INTANGIBLE ASSETS

The account refers to the cost for the acquisition of trademarks. Due to the difficulty of a reliable measurement of their commercial value, no amortization has been charged.

The intangible assets of the Group and the company are the following:

Intangible assets of the Group:

Amounts in € thousand

	Software	Other intangibles	Total intangible assets IFRS
Opening balance 31.12.2007	831	284	1.115
Additions	6	0	6
Disposals/Write offs	6	0	6
Ending balance 31.12.2008	831	284	1.115
Depreciation 31.12.2007	530	0	530
Depreciation expense	96	0	96
Disposals	6	0	6
Depreciation at 31.12.2008	620	0	620
Net Book Value 31.12.2008	<u>211</u>	<u>284</u>	<u>495</u>

Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	Total intangible assets IFRS
Opening balance 31.12.2007	831	284	1.115
Additions	6	0	6
Disposals/Write offs	6	0	6
Ending balance 31.12.2008	831	284	1.115
Depreciation 31.12.2007	530	0	530
Depreciation expense	96	0	96
Disposals	6	0	6
Depreciation at 31.12.2008	620	0	620
Net Book Value at 31.12.2008	<u>211</u>	<u>284</u>	<u>495</u>

5.8.8 GOODWILL

The Goodwill, amounting to € 428 thousand, comprised among the non current assets, resulted from the buyout of the remaining 50% of SPACE PHONE S.A. currently merged by absorption by the parent company.

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

5.8.9 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

<u>Corporate name</u>	<u>Acquisition cost</u>		<u>Ownership percentage</u>		<u>Consolidation method</u>	<u>Country</u>
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>		
<u>Subsidiaries</u>						
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD ***	-	470	0%	100%	Full Consolidation	Greece
SPACE HELLAS (CYPRUS) LTD	35	35	100%	100%	Full Consolidation	Cyprus
<u>Total Subsidiaries</u>	35	505				
<u>Associates & Joint Ventures</u>						
GARNETT S.A.*	-	484	0%	50%	Equity method	Greece
JOINT-VENTURE "EMY" MODERNIZATION	389	386	67,5%	51%	Equity method	Greece
JOINT-VENTURE ALKYONA	49	49	99%	99%	Equity method	Greece
JOINT-VENTURE INFO QUEST – SPACE HELLAS	3	3	35%	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	3	0	50%	50%	Equity method	Greece

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«HSTS» **	40	0	50%	-	Equity method	Greece
Total Associates & Joint Ventures	484	922				
Less: impairment provisions GARNETT S.A.	-	-484				
Total Associates & Joint Ventures After impairment	484	438				
Other investments						
MOBICS L.T.D.	120	62	17,17%	17,17%	-	Greece
Total Other investments	120	62				
Total Shareholding	639	1.005				

* Liquidated at 31.12.2008

** Newly established without operating activities

*** Winding up at 18.12.2008

Notes:

- At 18.12.2008, took place the winding up of the subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD of which the Company was the sole owner, by virtue of the contract, with notaries certification 3753/12.12.2008 of Mrs Kalliopi Papantoniou Simeonidou, notary of Athens, legally published in the Court of First instance with general registration number 19976 and special registration number 5713. The winding up took place taking into account the accumulated losses as well as the small chances of recovery. The winding up impacted the turnover, the results after taxes and the minority interests for less than 25%. The loss, amounting to € 459 thousand was charged to the Company's results. The Group's results were affected for € 92 thousand of loss.
- GARNETT S.A., of which the Company owned the 50% of the Shareholding, which was under liquidation (General Meeting Decision at 27.12.2008) has been cancelled from the Trade Register (Cancellation act reg. number EM-28331/08). The liquidation and consequently the cancellation have impacted the turnover, results after taxes and the Shareholders equity for less than 25%. The impairment provision formed and charged in previous periods' results both of the Company and the Group has over covered the liquidation result and the remaining positive difference, amounting to € 3 thousand, was charged in the current period's results, both of the Company and the Group.

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

<u>Corporate name</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Earnings after taxes</u>	<u>Percentage Ownership</u>	<u>Consolidation method</u>	<u>Country</u>
Amounts in € thousand							
<u>Subsidiaries</u>							
SPACE HELLAS (CYPRUS) LTD	413	65	350	157	100%	Full consolidation	Cyprus
Total subsidiaries	413	65	350	157			
<u>Joint Ventures</u>							
JOINT-VENTURE "EMY" MODERNIZATION	5.790	5.412	3.295	290	67,5%	Equity method	Greece
JOINT-VENTURE ALKYONA	986	936	448	-38	99%	Equity method	Greece
JOINT-VENTURE INFO QUEST – SPACE HELLAS	8.890	8.935	9.193	-110	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	276	273	232	3	50%	Equity method	Greece

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Total Joint Ventures	15.942	15.556	13.168	145			
Total ownership	<u>16.355</u>	<u>15.621</u>	<u>13.518</u>	<u>302</u>			

Summary of the major financial amounts as at 31/12/2007 for the subsidiaries, associates and joint ventures:

<u>Corporate name</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Earnings after taxes</u>	<u>Percentage Ownership</u>	<u>Consolidation method</u>	<u>Country</u>
Amounts € thousand							
<u>Subsidiaries</u>							
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD	166	61	200	-51	100%	Full consolidation	Greece
SPACE HELLAS (CYPRUS) LTD	253	60	285	145	100%	Full consolidation	Cyprus
Total subsidiaries	419	121	485	94			
<u>Joint Ventures</u>							
JOINT-VENTURE "EMY" MODERNIZATION	5.358	3.749	1.503	348	51%	Equity method	Greece
JOINT-VENTURE ALKYONA	2.713	2.663	1.232	-338	99%	Equity method	Greece
JOINT-VENTURE INFO QUEST – SPACE HELLAS	2.288	2.288	1.905	-16	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	133	133	0	-2	50%	Equity method	Greece
Total Joint ventures	10.492	8.833	4.640	-8			
Total ownership	<u>10.911</u>	<u>8.954</u>	<u>5.125</u>	<u>86</u>			

Table of other financing obligations of joint ventures for which has guaranteed SPACE HELLAS:

Amounts in € thousand	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Guarantees to joint ventures	1.040	4.463	4.463	4.463
Used guarantees to joint ventures	0	715	715	715
Bank guarantee letters	1.040	1.363	1.363	1.363

Joint Ventures' activities

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

5.8.10 INVENTORIES

Inventories index group and company

<u>Inventories</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Goods	2.893	1.811	2.893	1.811
Materials	182	6	182	6
Total inventories	3.075	1.817	3.075	1.817

Inventories are tested for impairment at the end of the year. During year 2008, the company has recycled impaired inventories for the amount of € 192 thousand. The inventories, disclosed in the above table concern goods and merchandise of optimum conditions.

The inventories result to be higher compared to year 2008 mainly because of the public sector's ongoing projects.

5.8.11 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 provisions formed are then used for the cancellation of the receivables of doubtful liquidation.

<u>Trade receivables</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Trade receivables	28.057	26.882	27.925	26.788
Less: Provisions for doubtful liquidation	3.694	3.574	3.694	3.574
Total trade receivables	24.363	23.308	24.231	23.214

The trade receivables' fair value is approximately equal to the book value.

The trade receivables after impairment, for both the Group and the company, are fully collectable.

The trade receivables accounts are not bearing any interest. And are usually arranged as following: Group 1 - 180 Days, Company 1 - 180 days. The collection of receivables related to projects depends on the completion stage.

Aging analysis for receivables:

<u>Trade receivables</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
1 – 90 days	15.207	15.598	15.075	14.505
91 – 180 days	4.266	4.765	4.266	4.764
181 – 360 days	1.460	2.731	1.460	2.731
> 360 days	3.430	1.214	3.430	1.214
Total trade receivables	24.363	23.308	24.231	23.214

Aging analysis of related parties' trade receivables

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Receivables from Related parties	Group		Company	
Amounts in Euro thousands	31.12.2008	31.12.2007	31.12.2008	31.12.2007
1 – 90 days	990	665	990	665
91 – 180 days	923	207	923	207
181 – 360 days	1.184	2.524	1.184	2.524
> 360 days*	3.314	1.195	3.314	1.195
Total Receivables from Related parties	6.411	4.591	6.411	4.591

* The amount concerns mostly public sector's ongoing projects they going to close within 2009.

5.8.12 OTHER RECEIVABLES

Other receivables of the group and company:

Other receivables	Group		Company	
Amounts in Euro thousands	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Notes receivable	0	3	0	3
Cheques receivable	462	791	462	791
Cheques overdue	2.411	2.393	2.411	2.393
Deducted Taxes & other receivables	154	592	154	565
Salary prepayments	5	2	5	2
Advances to account for	745	1.170	745	1.170
Amounts owed by affiliated undertakings	509	493	1.037	775
Amounts owed from selling of participating interests	46	46	46	46
Deferred charges	1.247	698	1.247	698
Income earned	482	102	482	102
Other receivables	301	275	301	275
Total other receivables	6.362	6.565	6.890	6.820
Less: provisions for doubtful liquidation	2.611	2.791	2.611	2.791
Total other receivables	3.751	3.774	4.279	4.029

The trade receivables' fair value is approximately equal to the book value.

The trade receivables after impairment, for both the Group and the company, are fully collectable.

5.8.13 PREPAYMENTS

Analysis of prepayments:

Prepayments	Group		Company	
Amounts in Euro thousands	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Orders placed abroad	298	1.430	298	1.430
Prepayments to other creditors	1.523	17	1.523	17
Total prepayments	1.821	1.447	1.821	1.447

5.8.14 CASH AND CASH EQUIVALENTS

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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, and bank overdrafts.

Analysis of Cash and cash equivalents:

<u>Cash and cash equivalents</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Cash in hand	86	35	86	34
Sight and time deposits	2.614	1.163	2.333	1.003
Total cash and cash equivalents	<u>2.700</u>	<u>1.198</u>	<u>2.419</u>	<u>1.037</u>

5.8.15 SHARE CAPITAL

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

<u>Number of shares and nominal value</u>	<u>31.12.2008</u>
Number of ordinary shares	26.326.120
Nominal value each share	0,32 €

The company's share capital amounts to € 8.424 thousand and is fully paid up.

The Share premium account, amounting to € 10.255, thousand, has been formed from the issue of new shares that took place in previous years, at a price greater than the nominal value.

The earnings per share have been calculated by dividing net profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares. The weighted average number of ordinary shares resulted to 25.825.120.

5.8.16 PURCHASE OF OWN SHARES

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares for the amount of € 811 thousand and took place in the period from 1st July 2007 to 31st December 2007. The aforementioned amount has been disclosed as a reduction of the Shareholders' Equity.

The operation was accomplished for the execution of the General Meeting decision, by the virtue of which, a Stock Option Plan has been introduced in favor of members of the board and staff of the company. More specifically, 500.000 ordinary voting shares should be purchased at a price between € 0, 50 and € 5, within a six month period, and then distributed to the company's staff under a stock option scheme (repurchase) at the price of € 1, 10. The stock options should be exercised within the period of three (3) years beginning from 01.03.2008

The amounts paid up for the purchase of own shares have been disclosed as negative element the Shareholders equity.

The fair value of the stock options, calculated using the Black Scholes model, is € 1,45 per stock option. The model took into account the current stock price at the exercise date (€ 1,19), the stock's volatility (47,19%), the dividend yield (4,5% and the risk free annual interest rate (4%).

The difference between fair value and exercise price has been charged to the results, forming the stock option reserve.

On 29 June 2007 the 21st Shareholders' General Meeting decided to proceed in the establishment of the Stock option plan, providing all the necessary information regarding the terms and dates of the exercise

rights and with the primary term of continuing to be member of the company's staff. After the due of the exercise date, the stock option will permanently be cancelled.

No exercise of options took place during year 2008 no option was

5.8.17 OTHER LONG TERM LIABILITIES

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

<u>Other long term liabilities</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Foreign currency loans	0	131	0	131
losses from joint ventures	0	0	385	341
Guarantees received	3	3	3	3
Total Other long term liabilities	<u>3</u>	<u>134</u>	<u>388</u>	<u>475</u>

The offsetting of the liability in foreign currency was legally made under the renegotiated agreement with the supplier.

5.8.18 EMPLOYEE BENEFITS

According to law 282/20 if the employee's employment is terminated at the normal retirement date, the entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. Those benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. For defined benefit plans, the pension liability is the present value of the defined benefit obligation at the balance sheet date minus the fair value of the plan assets, including any adjustments for unrecognized actuarial gains/losses and past service costs. The Group follows the "corridor" approach of IAS 19 "Employee Benefits" according to which a certain amount of actuarial gains and losses remains unrecognized and is amortized over the average remaining service lives of the employees participating in the plan. The defined benefit obligation is calculated by independent actuaries on an annual basis using the projected unit credit method. The present value of the defined obligation is determined by the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Pension costs are charged or credited to the income statement over the service lives of the related employees.

Provisions for employees' benefits were as follows at 31 December 2008 and 2007:

<u>Provisions for employees benefits</u>	<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Present value of the liability recognized in the balance sheet	1.185	1.214
Reserves to be formed	<u>1.185</u>	<u>1.214</u>
Additional post retirement and termination benefits paid out, not provided for	29	133
Liability disclosed	<u>1.156</u>	<u>1.081</u>

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<u>Provisions for employers benefits recognized in the income statement</u>	<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Current service cost	142	140
Current service cost	59	48
Business combination	0	35
Affect of settlement	0	61
Benefits	66	0
Actuarial loss / (gain)	18	9
Net periodic cost	249	275
Additional post retirement and termination benefits paid out, not provided for	174	91
Amounts recognized in the income statement	75	184

5.8.19 LONG TERM LIABILITIES

The long term borrowing amounting to € 676 covering the cost of a 4 stores building which will cover the operational needs of the company at 2013.

5.8.20 DEFERRED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries where the companies of the group operate.

The calculation of the deferred taxes both for the Group and the Company are reviewed each year, as the balance on the balance sheet to reflect the effective tax rates. In 2008, the Greek state has passed the tax reform law 3697/2008, according to which the tax rates will be reduced by 1% each year for the years 2010 to 2014. The deferred tax of the Greek subsidiaries has been calculated taking into account the above mentioned change.

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

<u>Deferred income taxes</u>	<u>Group & Company</u>			
	<u>31.12.2008</u>			
<u>Amounts in Euro thousands</u>	<u>31.12.2007</u>	<u>Debit/(Credited) charged to net profit</u>	<u>Debit/(Credited) charged to equity</u>	<u>Total</u>
Deferred tax liabilities				
Depreciation rate difference effect	-741	217	0	-524
Fair value adjustments Property, plant and equipment	-752	0	-107	-859
Total Deferred tax liabilities	-1.493	217	-107	-1.383
Deferred tax assets				
Provisions for Trade and other payables	178	127	0	305
Post-employment and termination benefits	270	7	0	277
Inventories	63	-63	0	0
Other Provisions *	1	-1	0	0
Tax deductible losses	534	-389	0	145
Provisions for stock options	0	35	0	35
Total Deferred tax assets	1.046	-284	0	762
Total Deferred tax	447	-67	-107	-621

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5.8.21 UNAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

The Fiscal years unaudited by the tax authorities are as followed:

<u>Company</u>	<u>FISCAL YEARS UNAUDITED</u>
SPACE HELLAS S.A.	2007-2008
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD	2005 – 2008
SPACE HELLAS (CYPRUS) LTD	2008
GARNETT S.A.	2007 – 2008
JOINT-VENTURE "EMY" MODERNIZATION	2007 - 2008
JOINT-VENTURE ALKYONA	2007 - 2008
JOINT-VENTURE INFO QUEST – SPACE HELLAS	2007 - 2008

The Income tax provisions for unaudited fiscal years amounts to € 75 thousand.

5.8.22 TRADE AND OTHER PAYABLES

<u>TRADE AND OTHER PAYABLES</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Trade payables	11.700	10.241	11.679	10.281
Checks payables	433	212	433	212
Customer down payments/advances	2.573	54	2.573	54
Social security	434	399	434	397
Other payables	0	17	0	17
Amounts due to related parties	72	0	71	0
Sale & Lease back	0	5	0	5
Next year's Income	130	365	130	365
Accrued expenses	67	74	65	74
Purchases under arraignment	196	457	196	457
Other short term provisions	14	50	16	50
Total Trade and other payables	<u>15.619</u>	<u>11.874</u>	<u>15.597</u>	<u>11.912</u>

5.8.23 CASH FLOW

<u>CASH FLOW STATEMENTS</u>						
	<u>GROUP</u>			<u>COMPANY</u>		
<u>Amounts in € thousand</u>	<u>01.01- 31.12.2008</u>	<u>01.01- 31.12.2007</u>	<u>VARIATION %</u>	<u>01.01- 31.12.2008</u>	<u>01.01- 31.12.2007</u>	<u>VARIATION %</u>
Total cash inflow/(outflow) from operating activities	2.991	-4.940	160,55%	2.869	-4.946	158,01%
Total cash inflow/(outflow) from investing activities	-985	-2.236	-55,95%	-984	-2.252	-56,31%
Total cash inflow/(outflow) from financing activities	-504	6.472	-107,79%	-504	6.472	-107,79%

The cash flow from operating activities is positive amounting to € 2.991 thousand. This is consistent with strategic goals for commercial expansion within a healthy corporate environment. The outflow of year 2007 was expected to be temporary and attributable to the increase of the turnover recorded during the years 2007 and 2008. The return to inflow for the year 2008, where the turnover was still increasing, at slower pace yet, is a sign of the Group's financial trends.

The cash flow from investing activities is negative amounting to € 985 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

The cash flow from financing activities is negative amounting to € 504 thousand. This is attributable to the use of cash inflows for the reduction of existing loans.

5.8.24 CONTINGENT EVENTS

5.8.24.1 Commitments -Guarantees

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

<u>Contingent Liabilities</u>	<u>Group</u>		<u>Company</u>	
<u>Amounts in € thousand</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Guarantee letters to secure good performance of contract terms *	6.360*	3.791*	5.283	3.284
Total contingent liabilities	<u>6.360</u>	<u>3.791</u>	<u>5.283</u>	<u>3.284</u>

* Including letters of guarantee issued in favor of joint ventures amounting to € 1.040 thousand for the current period and to € 1.363 thousand for the previous period.

5.8.24.2 Excess clause provisions and Disputed claims

There are no cases (note. 5.7.20) that might have significant impact on the financial position both of the Group and the Company

5.8.24.3 Other contingent liabilities

For the unaudited years (note 5.8.21) 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 € 75 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact.

5.8.24.4 Operating lease commitments

At 31.12.2008, the company's leases concerned motor vehicles as well as buildings

The minimum future payments based on valid contracts are the following:

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Minimum future payments			
Amounts in € thousand	Εταιρία		
	Up to year	Up to 5 years	Over 5 years
Motor vehicle	317	450	-
Buildings	568	2.626	2.279
Total	885	3.076	2.279

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

5.8.24.5 Capital commitments

At 31.12.2008 there were no capital commitments.

5.8.25 PROVISIONS

Provisions	GROUP		COMPANY	
Amounts in € thousand	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Provisions for extraordinary liabilities and claims*	0	31	0	31
Provisions for tax unaudited years	75	0	75	0
Other provisions	0	0	0	0

* Offsetting of provision formed in previous years due to settlement

The Group has formed provisions for doubtful trade receivables for the amount of € 3.694 thousand and for doubtful non trade receivables for the amount of € 2.611 thousand, the provisions are disclosed compensated among the trade and other receivables

5.8.26 IMPORTANT FACTS

Significant facts that took place during the period from 1st January to 31st December 2008 are the following:

- At 17th April 2008 the project "EMY", conducted by the joint venture EMY, owned by the Company 67,5%, was declared completed (final acceptance stage).
- At 2nd May 2008, the project DORY (satellite communication for 1.700 spots and 13 public organizations) was assigned to the joint venture «SPACE HELLAS – KBI». The project's budget amounts to € 7.353. thousand VAT included.
- At 22nd May 2008, SPACE HELLAS SA and RHEIMENTAL HELLAS S.A. have commonly established with equal share the company HSTS with the main activity to provide training through the use of simulation systems.
- On 6 Loch. Dedousi Str., the under construction (construction license number 626/2008) new four-floor building, adjacent to the Company's premises, will house the Company's needs for its expanding activities.
- At 10th July 2008 the project contract between the Company and Secretariat General of Sports was concluded for the implementation of systems regarding the control of access to sports facilities, card members management and ticketing. The project's budget amounts to € 13.080 thousand VAT included.

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- At 29th October 2008 the project "RADAR", conducted by the joint venture ALKYONA, was declared completed (final acceptance stage).
- At 4th November 2008, after the Provisional Acceptance Test, the greater part of the Electronic supervision of Sport facilities project was accepted. The remaining part of the project regarded the last of the 22 athletic camps. The final delivery took place at 21.01.2009
- At 6th November 2008 the Provisional Acceptance Test (2nd Stage) of the "IS survey for the Hellenic National Cadastre" project, conducted by the joint venture UNISYSTEMS SA-SPACE HELLAS S.A. was completed.
- From 14th November 2008, SPACE HELLAS S.A. is a registered member of the Ministry of National Defense Registry of manufacturers of defense materials for the activities of development and support of electronic simulation systems.
- At 20.11. 2008 the newly established branch of Komotini started its operations. The branch has enforced the technical support net for Northern Greece, including mobile telephony services
- At 8th December 2008, the project "Integrated Information System", General Secretariat for Civil Protection was officially declared accepted. The budget of the project amounted to € 4.637 thousand, VAT included.
- At 29th December 2008, the project "Integrated Information System", Hellenic Navy Hydrographical Service, was declared completed (final acceptance stage). The budget of the project amounted to € 1.497 thousand, VAT included.
- At 18.12.2008, took place the winding up of the subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD of which the Company was the sole owner, by virtue of the contract, with notaries certification 3753/12.12.2008 of Mrs. Kalliopi Papantoniou Simeonidou, notary of Athens, legally published in the Court of First instance with general registration number 19976 and special registration number 5713. The winding up took place taking into account the accumulated losses as well as the small chances of recovery. The winding up impacted the turnover, the results after taxes and the minority interests for less than 25%. The loss, amounting to € 459 thousand was charged to the Company's results. The Group's results were affected for € 92 thousand of loss.
- GARNETT S.A., of which the Company owned the 50% of the Shareholding, which was under liquidation (General Meeting Decision at 27.12.2008) has been cancelled from the Trade Register (Cancellation act reg. number EM-28331/08). The liquidation and consequently the cancellation have impacted the turnover, results after taxes and the Shareholders equity for less than 25%. The impairment provision formed and charged in previous periods' results both of the Company and the Group has over covered the liquidation result and the remaining positive difference, amounting to € 3 thousand, was charged in the current period's results, both of the Company and the Group.

During the year 2008 the following events also took place:

- SPACE HELLAS SA has become Microsoft Gold Certified Partner with expertise in the field of Networking Infrastructure Solutions and Information Worker Solutions. This certification places the company among the top partners of Microsoft and provides a framework of commercial and technical collaboration that would improve the services provided to our clients.
- SPACE HELLAS has received from Greek Ministry of Tourism the special provider permit which allows the provision and implementation of systems CCTV to Casinos throughout Greece. The permit was granted upon inspection of the Company's survey and recording products and their use for Casino surveillances.
- Sun Microsystems and SPACE HELLAS S.A. have signed a collaboration agreement under the framework Sun Partner Advantage, at a Principal level. SPACE HELLAS S.A. has invested in technological equipment and has obtained all the necessary certifications in order to fully support Sun Microsystems's solutions.

- SPACE HELLAS S.A. has received from TUV Hellas, honorary distinction for the continuous improvement efforts and the quality orientation for the benefit of the customers and the society.
- On November 2008, SPACE HELLAS S.A. has become Certified Silver partner tou BT Alliance Group for the support and promotion of all the products and services and the international network as well.

5.9 SIGNIFICANT POST BALANCE SHEET EVENTS

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

Within the first half of year 2009, the project DORY (satellite communication for 1.700 spots and 13 public organizations) it is expected to begin. The project will provide satellite communication for 1.700 spots and 13 public organizations, supporting the terrene network SYZEFXIS of which our company is participating member.

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FIGURES AND INFORMATION FOR THE YEAR ENDED AT 31.12.2008

SPACE

HELLAS

SA

TELECOMMUNICATIONS, IT, SECURITY SYSTEMS & SERVICES PRIVATE ENTERPRISE FOR PROVISION OF SECURITY SERVICES

Number in Register of Societies Anonymes: 13966/06/b/86/95

312, Mesogeion Ave. 153 41 Ag. Paraskevi

CONDENSED FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM 1 JANUARY 2008 TO 31 DECEMBER 2008

(Published according to L. 2190, article 135 for enterprises that prepare annual financial statements, consolidated or not, according to International Financial Reporting Standards - IFRS)

The following data and information aim at providing a general knowledge for the financial position and the results of operations of "SPACE HELLAS" AE. Therefore, it is recommended, the reader who seeks to have an overview of the financial position and results of operations of the company, before proceeding to any kind of investment decision or other transaction with the Company, must visit the Company's web site, at the internet address www.space.gr where are posted the Annual Financial Statements prepared according to the International Financial Reporting Standards accompanied with the Auditors' Report of the Certified Public Accountant Auditor.

COMPANY DATA

<http://www.space.gr>

Internet Address:

Date of Approval of Annual Financial Statements:

(from which this data has been extracted):

Certified Public Accountant Auditor:

Auditing Company:

Type of Auditors' Report:

24.03.2009 Minutes of Board of Directors No 1449

Dimos N. Pitelis (SOEL Reg. No 14481)

PKF EUROAUDITING S.A.

Unqualified

Board of Directors:

Manolopoulos Dimitrios

Drosinos Paraskevas

Bellos Christos

Goulas Anastasios

Lagoyiannis Georgios

Houhoulis Dimitrios

Kappoulas Lysandros

Chairman and Executive member

Managing Director and Executive member

A' Vice Chairman - Non Executive member

B' Vice Chairman - Executive member

Executive member

Non Executive member

Non Executive member

1.1 DATA FROM BALANCE SHEET

THE GROUP

THE COMPANY

(annual consolidated or not) Amounts reported in Euro thousands

31.12.2008

31.12.2007

31.12.2008

31.12.2007

ASSETS

Tangible and non current assets, used by the company

Intangible assets

Other non current assets

Inventories

Trade receivables

Other current assets

TOTAL ASSETS

10.376

495

1.301

3.075

24.363

8.284

47.894

8.681

584

1.012

1.817

23.308

6.431

41.833

10.376

495

1.222

3.075

24.231

8.531

47.930

8.685

584

1.576

1.817

23.214

6.525

42.401

SHAREHOLDERS EQUITY & LIABILITIES

Share capital

Other capital and reserves attributable to equity holders of the Company

Total capital and reserves attributable to equity holders of the Company (a)

Minority interest (b)

Total Equity (c) = (a) + (b)

Non-current liabilities

Provisions and other non current liabilities

Short-term borrowings

Other current liabilities

Total Liabilities (d)

TOTAL LIABILITIES AND EQUITY (c) + (d)

8.424

5.883

14.307

0

14.307

676

1.855

14.326

16.730

33.587

47.894

8.424

2.940

11.364

0

11.364

0

1.693

15.507

13.269

30.469

41.833

8.424

5.598

14.022

-

14.022

676

2.240

14.326

16.666

33.908

47.930

8.424

3.154

11.578

-

11.578

0

2.034

15.507

13.282

30.823

42.401

1.4 DATA FROM CASH FLOW STATEMENT

THE GROUP

THE COMPANY

(annual consolidated or not) Amounts reported in Euro thousands

31.12.2008

31.12.2007

31.12.2008

31.12.2007

Cash Flows related to Operating Activities

Net profit before taxes

Plus / Less adjustments for:

Depreciation and Amortisation

Provisions

Exchange rate differences

Results (income, expenses, profit and losses) from investing activities

Debit interest and similar expenses

Plus / Less adjustments of working capital to net cash or related to operating activities:

Decrease / (increase) of Inventories

Decrease / (increase) of Receivables

Increase / (decrease) of payable accounts (except Banks)

Less:

Interest paid and similar expenses

Income Tax paid

Net cash generated from Operating Activities (a)

1.848

798

76

112

-308

1.852

-1.258

1.828

3.852

-1.852

-301

2.991

1.829

780

184

58

-375

961

-1.207

11.460

4.743

-961

508

-4.940

1.334

798

76

110

34

1.851

-1.258

1.791

3.867

-1.851

-301

2.869

1.716

779

184

55

-369

961

-1.218

11.602

5.001

-961

508

-4.946

Cash Flows related to Investing Activities

Acquisition of subsidiaries, associates, joint-ventures and other investments

Purchases of property, plant and equipment and of intangible

Proceeds from sale of PPE and intangible assets

Proceeds from sale / Liquidations of subsidiaries Associates

Interest received

Dividends received

Net cash used in Investing Activities (b)

-104

-1.133

9

9

234

0

-985

-876

-1.720

46

0

314

0

-2.236

-104

-1.133

9

11

233

1

-983

-876

-1.720

30

0

314

0

-2.252

Cash Flows related to Financial Activities

Proceeds from Loans

Repayment of Loans

Repayment of finance lease obligations (installments for paying off the debt)

Dividends paid

Net cash generated from Financing Activities (c)

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

6.416

-6.920

0

0

-504

1.502

1.198

2.700

8.768

-543

-1.753

0

6.472

-704

1.902

1.198

6.416

-6.920

0

0

-504

1.382

1.037

2.419

8.768

-543

-1.753

0

6.472

-726

1.763

1.037

1.2 DATA FROM INCOME STATEMENT FOR THE PERIOD

THE GROUP

THE COMPANY

(annual consolidated or not) Amounts reported in Euro thousands

31.12.2008

31.12.2007

31.12.2008

31.12.2007

Total Sales Revenue

Gross Profit

Earnings before taxes, financing and investing results (EBIT)

Profit before taxes total (EBT)

Profit for the period (after taxes)

Attributable to:

Equity holders of the Company

Minority interest

Profit for the period (after taxes)

Earnings (after taxes) per share-basic (expressed in €)

Earnings before taxes, financing and investing results and depreciation - amortization (EBITDA)

49.916

15.386

3.373

1.848

1.687

1.687

0

1.687

0,0653

4.171

44.756

13.530

2.755

1.829

1.839

1.839

0

1.839

0,0705

3.535

49.565

15.202

2.830

1.334

1.192

1.192

0

1.192

0,0491

3.628

44.455

13.351

2.642

1.716

1.744

1.744

-

1.744

0,0669

3.421

ADDITIONAL DATA AND INFORMATION

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share was calculated based on the weighted average number of ordinary shares in issue during the year amounting to 25.825.120.

2. The companies of the Group, the ownership percentage and the consolidation method as well as presented in detail in note 5.8.9 of the annual Financial Statements. Among the consolidated companies, the company HST, owned by 50% is newly established and at 31.12.2008 was inactive.

3. Increase of the ownership percentage for 16,5% in the Joint Venture EHY through the buyout of the share owned by IFS HELLAS S.A. The initial ownership percentage amounted to 51% and after the buyout have reached the 67,50% On 18-12-2008 (registration number 19976 Court of First Instance of Athens) the winding up of SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD was concluded. The winding up has caused a loss of € 459 thousand which has been charged to the income statement, and € 92 thousand has been charged to the Group's results.

4. GARRETT S.A., has been cancelled from the Trade Register (Cancellation act reg. number EH-28331/08). The impairment provision formed and charged in previous periods' results both of the Company and the Group, amounting to € 484 thousand has over covered the liquidation result and the remaining positive difference, amounting to € 3 thousand, was charged in the current period's results, both of the Company and the Group. SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD (subsidiary) and GARRETT S.A (associate) are no longer consolidated. The results of the subsidiary up to the winding up have been included in the Group's income statement. The non consolidation of these two companies have affected the Groups figures for less than 25%. Consequently, the financial statements of year 2008 are not completely comparable with those of year 2007.

5. The tax unaudited fiscal years is presented in detail in note 5.8.21 of the Annual financial statements 2008.

6. Except for disputed claims of third parties against the Group and the Company of € 296 thousand, which are deemed unfounded. There are no other cases are that might have significant impact on the financial position both of the Group and the Company (note 5.7.20).

7. For the event of tax audit of previous fiscal years a provision amounting to € 75 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact (note 5.8.21). There are no other provisions formed (note 5.8.25).

8. There are no real liens on non-current assets or property except the underwriting, amounting to € 800 thousand, dated 24 September 2008, on the property situated at 6 Loch, Dedousi St, Cholongos, Athens.

9. The personnel employed at 31-12-2008 both in the Company and the Group amounted to 247 persons and in the Group to 232 persons. For the year 2007 the personnel employed in the Company amounted to 231 persons and in the Group to 232 persons.

10. 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 2007.

11. There are no audit remarks in the Auditor's Report that might have impact on the results and the Shareholders equity as well. The type of Audit Report is "unqualified".

12. Transactions with related parties according to IAS 24, for the period from 1st January to 31st December 2008:

Amounts in € thousand

THE GROUP

THE COMPANY

a) Revenue

b) Expenses

c) Receivables

d) Liabilities

e) Key management compensations

f) Receivables from key management

g) Payables to key management included in above

4.942

682

7.528

456

1.513

0

0

4.948

686

7.529

456

1.513

0

0

The company has issued letters of guaranty in favor of joint venture ALKYONIA for a total amount of € 1.017 thousand and in favor of joint venture SPACE HELLAS SA - KONSTANTINOS SYMPONIS LTD for a total amount € 23 thousand.

Athens, 23 March 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE GENERAL MANAGER

THE FINANCIAL SERVICES MANAGER

THE HEAD OF ACCOUNTS DEPT.

DIMITRIOS MANOLOPOULOS

PARASKEVAS DROSINOS

GEORGIOS LAGOYIANNIS

IOANNIS DOULABERIS

ANASTASIA PAPAZIOU

ID. No. AZ 549717

ID. No. A B 275447

ID. No. A B 291787

ID. No. A H 073261

ID. No. AZ 547617

H.E.C. License No. 0004438 A* Class

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INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

ISSUE	PLACE OF APPEARANCE	DATE
Provisions of equipment to EKAB for the system of medical	www.ase.gr www.space.gr	11/12/2008
Increase of turnover and earnings before taxes for the Group	www.ase.gr www.space.gr	26/11/2008
Announcement for the Figures and information 1/1/-30/9/2008	www.ase.gr www.space.gr	25/11/2008
Figures and information according to IAS, 25/11/2008	www.ase.gr www.space.gr	
Figures and information according to IAS, 25/11/2008	www.ase.gr www.space.gr	
Provision of ADSL services to the port of Igoumenitsa	www.ase.gr www.space.gr	21/11/2008
Transaction notification	www.ase.gr www.space.gr	31/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	31/10/2008
Transaction notification	www.ase.gr www.space.gr	30/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	30/10/2008
Transaction notification	www.ase.gr www.space.gr	29/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	29/10/2008
Transaction notification	www.ase.gr www.space.gr	29/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	29/10/2008
Transaction notification	www.ase.gr www.space.gr	22/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	22/10/2008
Transaction notification	www.ase.gr www.space.gr	20/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	20/10/2008
Transaction notification	www.ase.gr www.space.gr	08/10/2008
Announcement for transaction notification	www.ase.gr www.space.gr	08/10/2008
Strategic collaboration agreement with Sun Microsystems	www.ase.gr www.space.gr	30/09/2008
Transaction notification	www.ase.gr www.space.gr	17/09/2008
Announcement for transaction notification	www.ase.gr www.space.gr	17/09/2008
Transaction notification	www.ase.gr www.space.gr	16/09/2008
Space Hellas becomes a Microsoft Gold Certified Partner	www.ase.gr www.space.gr	16/09/2008
Transaction notification	www.ase.gr www.space.gr	15/09/2008
Announcement for transaction notification	www.ase.gr www.space.gr	15/09/2008
Transaction notification	www.ase.gr www.space.gr	15/09/2008

SPACE HELLAS
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ISSUE	PLACE OF APPEARANCE	DATE
Announcement for transaction notification	www.ase.gr www.space.gr	15/09/2008
Designation of the new Sales Manager	www.ase.gr www.space.gr	28/08/2008
Figures and Information according IAS, 27/08/2008	www.ase.gr www.space.gr	
Figures and Information according IAS, 27/08/2008	www.ase.gr www.space.gr	
Announcement of Figures and Information according IAS, 1/1-30/6/2008	www.ase.gr www.space.gr	27/08/2008
Space Hellas will be the provider of the electronic ticket management system and card management system	www.ase.gr www.space.gr	22/07/2008
Announcement: Correction of the Decision of 22th General Meeting, 6 th issue	www.ase.gr www.space.gr	2/07/2008
Space Hellas updates the Coordination Centre for search and rescue Ministry of mercantile Marine	www.ase.gr www.space.gr	01/07/2008
Announcement: Decisions of the 22 th General Meeting	www.ase.gr www.space.gr	30/06/2008
Announcement for the modification of the deed of association	www.ase.gr www.space.gr	27/06/2008
Announcement: Description of the Company's Stock Option Plan	www.ase.gr www.space.gr	27/06/2008
Announcement: Distribution of the annual report 2007	www.ase.gr www.space.gr	13/06/2008
Space Hellas participates in the Conference "Football in Greece: Moving ahead"	www.ase.gr www.space.gr	13/06/2008
Space Hellas hosts the General Meeting of the ISI (Integral Satcom Initiative) European Technology Platform	www.ase.gr www.space.gr	10/06/2008
Announcement for figures and information 01/01-31/3/2008	www.ase.gr www.space.gr	28/05/2008
Figures and information according to IAS, 26/05/2008	www.ase.gr www.space.gr	
Figures and information according to IAS, 26/05/2008	www.ase.gr www.space.gr	
Announcement: Comments on Newspaper articles	www.ase.gr www.space.gr	23/05/2008
Transaction notification	www.ase.gr www.space.gr	14/05/2008
Announcement: Comments on the financial statements	www.ase.gr www.space.gr	13/05/2008
Space Hellas announces the provision of technical equipment and software for the upgrade of EKETEA network infrastructure	www.ase.gr www.space.gr	08/05/2008
Space Hellas upgrades the information and network systems of FAGE	www.ase.gr www.space.gr	22/04/2008
Space Hellas is the sponsor for Expos 2008	www.ase.gr www.space.gr	09/04/2008
Space Hellas participates in the Launch Event of Microsoft Greece	www.ase.gr www.space.gr	04/04/2008
Transaction notification	www.ase.gr www.space.gr	02/04/2008
Announcement for transaction notification	www.ase.gr www.space.gr	02/04/2008
Announcement for the position of Marketing Manager	www.ase.gr www.space.gr	02/04/2008
Space Hellas is the golden sponsor of Cisco Expo 2008 for the 6 th consecutive year	www.ase.gr www.space.gr	26/03/2008
Space Hellas participates in the project ESA GMES MARISS	www.ase.gr www.space.gr	13/03/2008
Space Hellas announces 51,8 increase of profits after taxes	www.ase.gr www.space.gr	03/03/2008
Figures and information according to IAS, 26/02/2008	www.ase.gr www.space.gr	

SPACE HELLAS
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(For the year ended 31 December 2008)

ISSUE	PLACE OF APPEARANCE	DATE
Figures and information according to IAS, 26/02/2008	www.ase.gr www.space.gr	
Space Hellas receives special permit from the Ministry of Tourism for the selling of CCTV systems to the Greek Casinos	www.ase.gr www.space.gr	26/02/2008
Announcement for transaction notification	www.ase.gr www.space.gr	21/02/2008
Transaction notification	www.ase.gr www.space.gr	21/02/2008
Announcement for transaction notification	www.ase.gr www.space.gr	20/02/2008
Transaction notification	www.ase.gr www.space.gr	20/02/2008
Announcement for transaction notification	www.ase.gr www.space.gr	20/02/2008
Transaction notification	www.ase.gr www.space.gr	20/02/2008
Space Hellas receives honorary distinction from TUV Hellas, for the high levels of quality in the provided services	www.ase.gr www.space.gr	12/02/2008
Transaction notification	www.ase.gr www.space.gr	11/02/2008
Transaction notification	www.ase.gr www.space.gr	11/02/2008
Announcement for transaction notification	www.ase.gr www.space.gr	11/02/2008
Transaction notification	www.ase.gr www.space.gr	05/02/2008
Announcement for transaction notification	www.ase.gr www.space.gr	05/02/2008
Space Hellas success in the projects of wireless ADSL networks of cities and municipalities	www.ase.gr www.space.gr	05/02/2008
Transaction notification	www.ase.gr www.space.gr	31/01/2008
Announcement for transaction notification	www.ase.gr www.space.gr	31/01/2008
Transaction notification	www.ase.gr www.space.gr	24/01/2008
Announcement for transaction notification	www.ase.gr www.space.gr	24/01/2008
Transaction notification	www.ase.gr www.space.gr	18/01/2008
Transaction notification	www.ase.gr www.space.gr	18/01/2008
Announcement for transaction notification	www.ase.gr www.space.gr	18/01/2008

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COMPANY'S URL ADDRESS

The reader is recommended to look to the company's website where the financial statements both of the Company and the Group are presented.