

A large, abstract graphic consisting of several overlapping, glowing blue rings or loops, resembling a stylized eye or a futuristic design, set against a light gray background with a horizontal line.

**Semi-annual Financial Report**

**For the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2009**

The interim financial report has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 27<sup>th</sup> August 2009 and has been uploaded at the URL address <http://www.space.gr>.

**«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 of SPACE HELLAS SA

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

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

1. The semi-annual financial statements of the Group and of the company SPACE HELLAS SA for the period from January 1, 2009 to June 31, 2009, were prepared according to International Financial Reporting Standards, and present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 of article 5 of L. 3556/2007 and
2. The enclosed report of the Board of Directors presents in a true manner the information required according to art. 5, para 6, Law 3556/2007

Agia Paraskevi, 27 August 2009

The President of the Board

Chief Executive Officer

Member and General Manager

D. Manolopoulos  
ID AZ 549717

P.Drosinos  
ID AB 275447

G. Lagogiannis  
ID. AB 291787

## **2 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2009 – 30.06.2009**

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial period from January 1, 2009 to June 31, 2009 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art 43<sup>o</sup> § 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 aim to provide information regarding:

- The financial position of the Group and the Company, and additional related information for the period.
- The important issues that took place during the first half of year 2009 and their impact on the financial statements.
- The risk and uncertainties of the Group and the Company,
- The transactions with related parties during the period

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

The 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**

The global economic crisis is considered to be the worst of the last decades. The significant sharp downsizing of the economic trends, started at the end of year 2008 and continued up to the first quarter of year 2009 is affecting all the economic sectors of the national economy.

The Group, with its strategic planning and its sound corporate framework, is adjusting to the new financial environment the high amounts of the ongoing projects, allow to believe that will be able to cope with all the unpredictable need of this crucial period.

The following table presents a comparison of the financial results for the a' half of year 2009 and 2008 respectively.

### 2.1.1.1 Financial results

<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
	<b>GROUP</b>			<b>COMPANY</b>		
<b>Amounts in €</b>	<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008</b>	<b>VARIATION %</b>	<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008</b>	<b>VARIATION %</b>
Revenue	24.896	26.421	-5,77%	24.658	26.256	-6,09%
Gross profit/loss	7.577	7.666	-1,16%	7.469	7.585	-1,53%
Gross profit margin	30%	30%		30%	30%	
EBIT	1.910	2.148	-11,08%	1.805	2.118	-14,78%
EBITDA	2.342	2.549	-8,12%	2.237	2.518	-11,16%
Earnings before taxes	1.161	1.363	-14,82%	1.100	863	27,46%
Earnings after taxes	1.014	1.341	-24,38%	964	850	13,41%
Other comprehensive income after taxes	-84	-71	18,31%	-84	-71	18,31%
Total comprehensive income after taxes	930	1.270	-26,77%	880	779	12,97%

**The Group's turnover** amounted to € 24.896 thousand compared to € 26.421 thousand of the previews period showing a decrease of 5,77%.which is considered to be temporary. Despite the increase of sales in the Public sector and the IT integration projects, the overall decrease is attributed to the decline of sales towards companies

**The Group's Gross profit** amounted to € 7.577 thousand compare to € 7.666 thousand of year 2007 of the previews period showing a moderate decrease of 1,16%, maintaining though, the Gross profit margin at the same level with respect to the previews period.

**The Group's EBIT** amounted to € 1.910 thousand compare to € 2.148 thousand of the previews period showing a decrease of 11,08%, attributed to the lower turnover and in relation to the increased operating expenses following the increase of highly skilled personnel for the completion of the ongoing major IT integration projects.

**The Group's EBITDA** amounted to € 2.342 thousand compare to € 2.549 thousand of the previews period showing a decrease of 8,12%,

**The Group's earnings before taxes** amounted to € 1.161 thousand compare to € 1.363 thousand of the previews period in direct relation with the decrease of the turnover.

**The Group's earnings after taxes** amounted to € 1.014 thousand compare to € 1.341 of the previews period showing a decrease attributed mainly to the income tax charges, having the tax discount from previews years' losses.

**The Group's other total income after taxes** amounted to € -84 thousand, concern expenses, net of (deferred) tax, related to the capitalization of the Share premium.

### 2.1.1.2 Cash flow

**The cash flow from operating activities** is negative amounting to € 4.008 thousand. This is considered to be temporary and is attributed to the increasing involvement of the company in public sector projects, the cash flow of which varies significantly though time. This is more accentuated for projects with duration less than a year and thus, the cash flow varies from positive to negative each quarter.

**The cash flow from investing activities** is negative amounting to € 459 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

**The cash flow from financing activities** is positive amounting to € 2.888 thousand. This is attributable to the use of short term bank loans for the financing of the operating and investing activities

### 2.1.1.3 Performance ratios

The company operates in the IT and Telecommunications market offering integrated solutions and services for networks, information technology and security, to Private and Public entities.

Both private and public sector companies are investing in Information technology seeking to improve their productivity and competitiveness. For Space Hellas this is a significant advantage in order to maintain a good rate of progress even under these extremely rough market conditions. Despite the delay in sales of the private sector customers, the state investments as well the progress of the ongoing projects gives us the opportunity to cope with the market difficulties minimizing the losses.

The ratios presented below will provide a better understanding of the a' half of year 2009 economic figures. Despite the rough market conditions, both the company's liquidity as well as the capital structure is at a sufficient level.

	<b>RATIOS</b>	<b>Group</b>		<b>Company</b>	
		<b>30.06.2009</b>	<b>30.06.2008</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
<b>A.</b>	<b>LIQUIDITY RATIOS</b>				
A1.	CURRENT RATIO	117,62%	112,03%	117,95%	112,18%
A2.	QUICK RATIO	106,76%	108,02%	107,07%	108,17%
A3.	ACID TEST RATIO	3,66%	3,37%	2,55%	2,69%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,15	0,11	0,15	0,11
<b>B.</b>	<b>ΑΡΙΘΜΟΔΕΙΚΤΕΣ ΔΙΑΡΘΡΩΤΙΚΗΣ ΙΣΟΡΡΟΠΙΑΣ (CAPITAL STRUCTURE RATIOS)</b>				
B1.	DEPT TO EQUITY	215,39%	272,45%	223,01%	281,27%
B2.	CUERRENT LIABILITIES TO NET WORTH	200,35%	259,65%	204,23%	265,18%
B3.	OWNER'S EQUITY TO TOTAL LIABILITIES	46,43%	36,70%	35,55%	37,56%
<b>C.</b>	<b>PROFITABILITY RATIOS</b>				
C1.	GROSS PROFIT MARGIN	30,44%	29,07%	30,29%	28,9%
C2.	NET PROFIT MARGIN	4,67%	5,15%	4,46%	3,28%
<b>D.</b>	<b>OPERATING EXPENSES RATIOS</b>				
D1.	OPERATING RATIO	93,23%	94,86%	93,59%	94,86%
D2.	LOANS TO TOTAL ASSETS	37,16%	36,16%	38,15%	36,91%

### 2.1.1.4 Commitments -Guarantees

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

<b>Contingent Liabilities</b>	<b>Group</b>		<b>Company</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>Amounts in € thousand</b>				
Guarantee letters to secure good performance of contract terms *	6.121*	6.360*	5.044	5.283
<b>Total contingent liabilities</b>	<b>6.121</b>	<b>6.360</b>	<b>5.044</b>	<b>5.283</b>

\* Including letters of guarantee issued in favor of joint ventures amounting to € 1.040

### 2.1.1.5 Excess clause provisions and Disputed claims

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

#### 2.1.1.6 Other contingent liabilities

For the event of tax audit of previews fiscal years a provision amounting to € 88 thousand has been charged regarding only the parent company as for the rest of the Group such an event would have insignificant impact. The tax audit for years 2007-2008 has already started from June 2009.

Except the above mentioned there are no other contingent liabilities.

## 2.2 SIGNIFICANT FACTS DURING THE FIRST HALF OF YEAR 2009 AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

Significant facts that took place during the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2009 are the following:

- **Shareholders' Ordinary General Meeting at 30-06-2009**, important issues of the meeting were the following:
  - Modification of the article 3 of the Association to extent the corporate aims to include the provision of finance and accounting services
  - Share Capital increase through capitalization of the Share premium with concurrent offsetting of previews years losses and modification of article 5 of the Association. Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.
  - Constitution of and member designation for the Audit committee in compliance with the Law 3693/08 with the following responsibilities a) monitoring of the financial reporting processes b) monitoring of the effectiveness of the Internal Audit and the Risk Management System as well as supervision of the Internal Control Unit. c) monitoring of the statutory external audits of the corporate and consolidated financial statements d) review and monitoring of the independence of the legal auditor.
  - Modification of article 10 of the Association allowing increasing the members of the Board of Directors up to 9 members. The members of the Board, which may be shareholders or not (non Shareholders) are elected from the General Meeting with an incumbency of 5 year, automatically extended until the first General Meeting that will take place after the end of their incumbency, and for the maximum of one more year
- **Begin of the tax audit** for the fiscal years 2007-2008 of the parent company
- **Space Hellas received the certification ISO/IEC 27001:2005 SPACE HELLAS S.A. Information Security Management Systems (ISMS)** at corporate level, for all of its commercial activities and for all of its premises and the branches of Athens, Thessaloniki, Patra, Ioannina and Crete. The audit was performed by ISOQAR and the company received the UKAS certification (Certificate No. 7421 ISMS 001.) SPACE HELLAS .S.A. is one of the few companies in Greece possessing this certification for the whole of its activities. The certification according to ISO/IEC 27001, assures that all processes are tested for information confidentiality, integrity and availability for the data protection purposes. The certification is for the benefit of all the company's stakeholders and especially of its major clients. The ISMS Implementation was conducted by the Department of Information Security of the company.
- **New branch at Rhodes.** After Thessaloniki, Patra, Iraklio, Ioanina and Komotini, the well promising new branch of Space Hellas started its activities. The new branch will provide technical support to the wider area of Dodecanese.

## 2.3 RISK MANAGEMENT AND HEADGING POLICY

### □ 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 Group's main transaction currencies are the Euro, the USD and the GBP

#### □ **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- First Half of year 2009	EURO	0,5%	-90
		-0,5%	90
Amounts in € thousands- First Half of year 2008	EURO	0,5%	-85
		-0,5%	85

#### □ 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.

Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate. The postdated collection of receivables is an important issue but is not related to our customers credit ability.

#### □ 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	<b>Group</b>			
<u>30.06.2009</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>&gt;5years</u>
Borrowings	<b>17.892</b>	17.299	593	-
Trade and other payables	<b>12.281</b>	12.278	-	3

<u>Amounts in € thousand</u>	<u>Company</u>			
	<u>30.06.2009</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>
Borrowings	<b>17.892</b>	17.299	593	-
Trade and other payables	<b>12.737</b>	12.227	507	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.

<u>Gearing ratio</u>	<u>Group</u>		<u>Company</u>	
	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2009</u>	<u>30.06.2008</u>
<u>Amounts in € thousand</u>				
Short term Borrowings	17.299	17.113	17.299	17.113
Long term Borrowings	593	0	593	0
<b>Less:</b> cash and cash equivalents	<u>-1.121</u>	<u>-1.110</u>	<u>-777</u>	<u>-885</u>
<b>Net Debt</b>	<b>16.771</b>	<b>16.003</b>	<b>17.115</b>	<b>16.228</b>
Equity	<u>15.266</u>	<u>12.706</u>	<u>14.931</u>	<u>12.429</u>
<b>Total capital employed</b>	<b>32.037</b>	<b>28.709</b>	<b>32.046</b>	<b>28.657</b>
<u>Gearing ratio</u>	<b>52,34%</b>	<b>55,74%</b>	<b>53,40%</b>	<b>56,62%</b>

#### □ **Other operational risk**

A reliable internal Control System has been established by the company's management in order to timely identify potential distortions in the company's commercial activities. The insurance coverage against all risks is deemed to be sufficient. There are no other risks expected that might rise up in the short term for both the Group and the Company.

Moreover, the ability to adjust our activities to new market conditions as well as the level of the ongoing projects allow us to believe that will efficiently face the present critical market and economic conditions maintaining our high quality standards.

#### ○ **Corporate Government**

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.

○ **Internal Audit**

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

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

○ **Certifications**

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

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

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

The company has obtained the certification EN ISO 9001:2000 for its Quality Management System. Furthermore, in February 2009, the company received the certification ISO/IEC 27001:2005 "Information Security Management Systems (ISMS)" at corporate level, for all of its commercial activities. This accomplishment is a special distinction enhancing the company's competitive advantage. The Company's Department of Information Security, offers a wide variety of products and services, in accordance with the EU directives, in the field of Certification and Compliance, part of which are the ISO/IEC 27001:2005, ADAE, BS 25999 Business Continuity Management, PCI DSS Standard, Bank of Greece requirements, SOX,

## 2.4 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 the periods a' half year 2009 and a' half year 2008 respectively.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/06		30/06		30/06		30/06	
<b>Company</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
«HSTS»	1	-	43	-	58	-	43	-
<b>Associates</b>	<b>1</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>43</b>	<b>-</b>
JOINT-VENTURE "EMY" MODERNIZATION	7	139	15	11	3.900	3.004	-	11
JOINT-VENTURE ALKYONA	-	426	31	12	665	132	443	386
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)- SPACE HELLAS	92	2.848	2	11	137	3.941	46	11
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	-	101	4	-	272	240	4	-
<b>Joint ventures</b>	<b>99</b>	<b>3.514</b>	<b>52</b>	<b>34</b>	<b>4.974</b>	<b>7.317</b>	<b>493</b>	<b>408</b>
MOBICS L.T.D.	-	5	-	-	-	-	-	-
SPACE CONSULTING S.A.	3	4	-	-	941	418	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	-	-	249	238	79	71	-	5
SPACE VISION S.A.	2	-	100	-	632	286	-	60
<b>Other related parties</b>	<b>5</b>	<b>9</b>	<b>349</b>	<b>238</b>	<b>1.652</b>	<b>775</b>	<b>-</b>	<b>65</b>
<b>Total Company</b>	<b>105</b>	<b>3.523</b>	<b>444</b>	<b>272</b>	<b>6.684</b>	<b>8.092</b>	<b>536</b>	<b>473</b>

Amounts in € thousand	<u>Revenue</u>		<u>Expenses</u>		<u>Receivables</u>		<u>Liabilities</u>	
	30/06		30/06		30/06		30/06	
	2009	2008	2009	2008	2009	2008	2009	2008
«HSTS»	1	-	43	-	58	-	43	-
<b>Associates</b>	<b>1</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>43</b>	<b>-</b>
JOINT-VENTURE "EMY" MODERNIZATION	7	139	15	11	3.900	3.004	-	11
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<b>Joint ventures</b>	<b>99</b>	<b>3.514</b>	<b>52</b>	<b>34</b>	<b>4.974</b>	<b>7.317</b>	<b>493</b>	<b>408</b>
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<b>Other related parties</b>	<b>5</b>	<b>9</b>	<b>349</b>	<b>238</b>	<b>1.652</b>	<b>775</b>	<b>-</b>	<b>65</b>
<b>Total Group</b>	<b>105</b>	<b>3.523</b>	<b>444</b>	<b>272</b>	<b>6.684</b>	<b>8.092</b>	<b>536</b>	<b>473</b>

**Notes:**

\* Newly established

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 venture "EMY" MODERNIZATION which is in the Provisional acceptance stage. The decrease of receivables from joint ventures reflects the good progress of the projects' completion. There are no provisions for impairment made against losses for this type of receivables.

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

Table of Key management compensation:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
<b>Salaries and other employee benefits</b>	<b>636</b>	<b>749</b>	<b>636</b>	<b>749</b>
<b>Receivables from executives and members of the Board</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Payables to executives and member of the Board</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Tables of Guarantees to third parties:

Amounts in € thousand	<u>Group</u>		<u>Company</u>	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
<b>Guarantees to third parties on behalf of subsidiaries and joint ventures</b>	<b>1.040</b>	<b>378</b>	<b>1.040</b>	<b>378</b>
<b>Used guarantees to third parties on behalf of subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bank guarantee letters</b>	<b>1.040</b>	<b>378</b>	<b>1.040</b>	<b>378</b>

For the 1<sup>st</sup> half of year 2009 there were no transactions with significant impact on the Group

## 2.5 CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

## 2.6 SIGNIFICANT EVENTS AFTER THE 30<sup>th</sup> JUNE 2009:

Other significant events after the 30<sup>th</sup> June 2009 are the following:

- ❑ At 09.07.2009, Space Hellas and Information Society S.A., have signed the contract for the project «full digitization of four upgraded Radar of CMH», of € 1,58 million contract budget and the final beneficiary is CMH (EMY).
- ❑ At 28.07.2009, in accordance with HCMC decision 3/347/12.7.2005, article 2 § 2(ε) the company announced the closure of collaboration with Mr. Anastasios Giokas. Thus, Mr. Giokas has resigned from the positions of second vice president of the Board of Directors, non executive member of the Board of Directors and member of the company's Audit committee.
- ❑ At 29.07.2009 the project «Remote access users Greek Police » (greek acronym «3G ΕΛ.ΑΣ»), of € 1,59 million contract budget, for the Greek police, was assigned to Space Hellas. The contract sign up is expected to be take place on September 2009
- ❑ At 03.08.2009, Space Hellas and KBI Hellas have commonly established with equal share the joint venture DORY. The aim of the joint venture is the development of satellite telecommunications for the Public Sector, of € 7,35 million contract budget for the Ministry of Transport Communications. The Contracting authority is Information Society SA and the contract sign up is expected on September 2009

All the information above presented, related to the Company and the Group's financial position can be found in the interim financial statements of 30<sup>th</sup> June 2009

Agia Paraskevi, 27 August 2009

The Board of Directors

### 3 REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

PKF Euroauditing SA.



Accountants &  
business advisers

#### REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

##### Introduction

We have reviewed the accompanying corporate and consolidated statement of financial position of **SPACE HELLAS S.A.** (the "Company") as at 30 June 2009, the corporate and consolidated statements of comprehensive income, changes in equity and cash flow for the six-month period ended, as well as the explanatory notes which are integral part of the six-month financial report of article 5 Law 3556/2007. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applies to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

##### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", to which the Greek Auditing Standards refer.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### Conclusion

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

##### Report on Other Legal Requirements

From the above review we ascertained that this interim financial report includes the data and information that are prescribed by the article 5 of L. 3556/2007 and is consistent with the accompanying financial information.



**PKF EUROAUDITING S.A.**  
Certified Public Accountants  
**PANNEL KERR FORSTER**  
International Limited  
124 Kifissias Avenue, 115 25 Athens  
S.O.E.L. Reg. No. 132

**Athens, 28 August 2009**  
**The Certified Chartered**  
**Accountant**

**DIMOS N. PITELIS**  
**A.M. SOEL 14481**

Τηλ 210 7480600  
Fax 210 7483600 | Email pkfathen@otenet.gr | www.pkf.com  
PKF | Λ. Κηφισίας 124 | 115 26 Αθήνα  
PKF | Αλ. Παπαναστασίου 33 | 546 39 Θεσσαλονίκη | Τηλ Fax 2310 944991  
PKF | Κορίνθου 4-8 | 262 23 Πάτρα | Τηλ 2610 453669 - 454981 | Fax 2610 453448  
PKF | Δ. Μποφώρ 7 | 712 02 Ηράκλειο Κρήτης | Τηλ/Fax 2810 229383  
PKF | Ι. Στάικου 7 | 301 00 Αγρίνιο | Τηλ 26410 59599 | Fax 26410 39312

The PKF International Association is an association of legally independent firms.



## 4 INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FRO 1<sup>st</sup> JANUARY 2009 TO 30<sup>th</sup> JUNE 2009

### 4.1 INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in € thousand	NOTES	GROUP				COMPANY			
		01.01- 30.06.2009	01.01- 30.06.2008	01.04- 30.06.2009	01.04- 30.06.2008	01.01- 30.06.2009	01.01- 30.06.2008	01.04- 30.06.2009	01.04- 30.06.2008
Revenue	4.7.1	24.896	26.421	13.067	15.252	24.658	26.256	12.923	15.165
Cost of sales		-17.319	-18.755	-9.254	-10.891	-17.189	-18.671	-9.181	-10.852
<b>Gross profit/loss</b>		<b>7.577</b>	<b>7.666</b>	<b>3.813</b>	<b>4.361</b>	<b>7.469</b>	<b>7.585</b>	<b>3.742</b>	<b>4.313</b>
Other income	4.7.2	225	810	174	279	225	812	174	279
Administrative expenses	4.7.3	-2.960	-3.083	-1.676	-1.849	-2.957	-3.054	-1.675	-1.835
Research and development cost	4.7.3	-222	-222	-129	-108	-222	-222	-129	-108
Selling and marketing expenses	4.7.3	-2.419	-2.905	-1.295	-1.430	-2.419	-2.885	-1.295	-1.422
Other expenses	4.7.4	-291	-118	-78	-110	-291	-118	-78	-110
<b>Earnings before taxes, investing and financial results</b>		<b>1.910</b>	<b>2.148</b>	<b>809</b>	<b>1.143</b>	<b>1.805</b>	<b>2.118</b>	<b>739</b>	<b>1.117</b>
Interest & other similar income		155	40	24	19	155	39	24	19
Interest and other financial expenses		-809	-793	-443	-416	-809	-792	-442	-416
Profit/(loss) from revaluation of investments in subsidiaries - associated companies		-95	-33	-48	-37	-52	-502	-27	-507
<b>Profit/(loss) before taxes</b>		<b>1.161</b>	<b>1.363</b>	<b>342</b>	<b>709</b>	<b>1.100</b>	<b>863</b>	<b>294</b>	<b>213</b>
Taxes	4.7.5	-147	-22	119	18	-136	-13	113	23
<b>Profit after taxes (A)</b>		<b>1.014</b>	<b>1.341</b>	<b>461</b>	<b>727</b>	<b>964</b>	<b>850</b>	<b>407</b>	<b>236</b>
- Company Shareholders		1.014	1.341	461	727	964	850	407	236
- Minority Interests in subsidiaries		0	0	0	0	-	-	-	-
<b>Other comprehensive income after taxes (B)</b>		<b>-84</b>	<b>-71</b>	<b>-84</b>	<b>0</b>	<b>-84</b>	<b>-71</b>	<b>-84</b>	<b>0</b>
<b>Total comprehensive income after taxes (A) + (B)</b>		<b>930</b>	<b>1.270</b>	<b>377</b>	<b>727</b>	<b>880</b>	<b>779</b>	<b>323</b>	<b>236</b>
- Company Shareholders		930	1.270	377	727	880	779	323	236
- Minority Interests in subsidiaries		0	0	0	0	-	-	-	-
Κέρδη μετά από φόρους ανά μετοχή – βασικά (σε €)		0,0393	0,0519	0,0179	0,0281	0,0378	0,0329	0,0158	0,0091
<b>Summary of interim statement of comprehensive income</b>									
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>2.342</b>	<b>2.549</b>	<b>1.025</b>	<b>1.344</b>	<b>2.237</b>	<b>2.518</b>	<b>955</b>	<b>1.318</b>
<b>Less depreciation</b>		<b>432</b>	<b>401</b>	<b>216</b>	<b>201</b>	<b>432</b>	<b>400</b>	<b>216</b>	<b>201</b>
<b>Profit before interest and taxes, (EBIT)</b>		<b>1.910</b>	<b>2.148</b>	<b>809</b>	<b>1.143</b>	<b>1.805</b>	<b>2.118</b>	<b>739</b>	<b>1.117</b>
<b>Profit before taxes</b>		<b>1.161</b>	<b>1.363</b>	<b>342</b>	<b>709</b>	<b>1.100</b>	<b>863</b>	<b>294</b>	<b>213</b>
<b>Profit after taxes</b>		<b>1.014</b>	<b>1.341</b>	<b>461</b>	<b>727</b>	<b>964</b>	<b>850</b>	<b>407</b>	<b>236</b>
<b>Other comprehensive income after taxes</b>		<b>-84</b>	<b>-71</b>	<b>-84</b>	<b>0</b>	<b>-84</b>	<b>-71</b>	<b>-84</b>	<b>0</b>
<b>Total comprehensive income after taxes</b>		<b>930</b>	<b>1.270</b>	<b>377</b>	<b>727</b>	<b>880</b>	<b>779</b>	<b>323</b>	<b>236</b>

- At 18.12.2008, the winding up of the subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD took place. This event has impacted the turnover, the results after taxes, the minority interests and the Shareholders equity for less than 25%. Consequently, the company's figures are not fully comparable with those of the previous period
- The amount of. € - 84 charged directly to the Shareholders equity, concerns the net of taxes expenses related to the capitalization of the Share premium.

## 4.2 INTERIM STATEMENT OF FINANCIAL POSITION

<b>Amounts in € thousand</b>	<b>NOTES</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant & equipment	4.7.6	10.550	10.376	10.550	10.376
Goodwill	4.7.8	428	428	428	428
Intangible assets	4.7.7	502	495	502	495
Investments in subsidiaries	4.7.10	34	0	34	35
Investments in associates	4.7.10	519	718	604	604
Other noncurrent receivables		143	155	143	155
<b>Total Non-current assets</b>		<b>12.176</b>	<b>12.172</b>	<b>12.261</b>	<b>12.093</b>
<b>Current assets</b>					
Inventories	4.7.11	3.319	3.075	3.319	3.075
Trade debtors	4.7.12	23.884	24.363	23.691	24.231
Other debtors	4.7.13	4.456	3.751	4.984	4.279
Financial assets		12	12	12	12
Advanced payments	4.7.14	3.184	1.821	3.184	1.821
Cash and cash equivalents	4.7.15	1.121	2.700	777	2.419
<b>Total Current assets</b>		<b>35.976</b>	<b>35.722</b>	<b>35.967</b>	<b>35.837</b>
<b>TOTAL ASSETS</b>		<b>48.152</b>	<b>47.984</b>	<b>48.228</b>	<b>47.930</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share Capital	4.7.16	10.530	8.424	10.530	8.424
Share premium	4.7.16	53	10.255	53	10.255
Stock option plan reserve	4.7.21	173	144	173	144
Treasury shares	4.7.21	-811	-811	-811	-811
Fair value reserves		3.435	3.435	3.435	3.435
Other Reserves		671	671	671	671
Retained earnings		1.215	-7.811	880	-8.096
<b>Equity attributable to equity holders of the parent</b>		<b>15.266</b>	<b>14.307</b>	<b>14.931</b>	<b>14.022</b>
<b>Minority interests</b>		<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>15.266</b>	<b>14.307</b>	<b>14.931</b>	<b>14.022</b>
<b>Non-current liabilities</b>					
Other non-current liabilities	4.7.18	3	3	510	388
Long term loans	4.7.17	593	676	593	676
Provisions	4.7.24	88	75	88	75
Retirement benefit obligations	4.7.20	972	1.156	972	1.156
Deferred income tax liability	4.7.22	641	621	641	621
<b>Total Non-current liabilities</b>		<b>2.296</b>	<b>2.531</b>	<b>2.804</b>	<b>2.916</b>
<b>Current liabilities</b>					
Trade and other payables	4.7.23	12.278	15.619	12.227	15.597
Income tax payable		1.013	1.111	967	1.069
Short-term borrowings		17.299	14.326	17.299	14.326
<b>Total Current liabilities</b>		<b>30.590</b>	<b>31.056</b>	<b>30.493</b>	<b>30.992</b>
<b>Total Equity and Liabilities</b>		<b>48.152</b>	<b>47.894</b>	<b>48.228</b>	<b>47.930</b>

### 4.3 INTERIM STATEMENT OF CHANGES IN EQUITY

#### Statement of Changes In Company's Equity:

<u>Amounts in € thousand</u>	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
<b>Balance at 1 January 2008 as previously reported</b>	<b>8.424</b>	<b>10.255</b>	<b>2.256</b>	<b>0</b>	<b>-811</b>	<b>671</b>	<b>-9.217</b>	<b>11.578</b>
<b>Changes in the Shareholders equity for the period 01/01-30/06/2008</b>								
Profit for the year	0	0	0	0	0	0	850	<b>850</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	-71	<b>-71</b>
Reclassification	0	0	0	0	0	0	0	<b>0</b>
Treasury shares purchased	0	0	0	0	0	0	0	<b>0</b>
Stock Option Plan formation reserve	0	0	0	72	0	0	0	<b>72</b>
<b>Balance at 30 June 2008</b>	<b>8.424</b>	<b>10.255</b>	<b>2.256</b>	<b>72</b>	<b>-811</b>	<b>671</b>	<b>-8.438</b>	<b>12.429</b>
<b>Changes in the Shareholders equity for the period 01/01-30/06/2009</b>								
<b>Balance at 1 January 2009 as previously reported</b>	<b>8.424</b>	<b>10.255</b>	<b>3.435</b>	<b>144</b>	<b>-811</b>	<b>671</b>	<b>-8.096</b>	<b>14.022</b>
Profit for the year	0	0	0	0	0	0	964	<b>964</b>
Share Capital increase/ (decrease)	2.106	0	0	0	0	0	0	<b>2.106</b>
Dividends distributed (profits)	0	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	-84	<b>-84</b>
Treasury shares purchased	0	0	0	0	0	0	0	<b>0</b>
Stock Option Plan formation reserve	0	0	0	29	0	0	0	<b>29</b>
Share premium capitalization with previews years' loss offsetting for the Share capital increase.	0	-10.202	0	0	0	0	8.096	<b>-2.106</b>
<b>Balance at 30 June 2009</b>	<b>10.530</b>	<b>53</b>	<b>3.435</b>	<b>173</b>	<b>-811</b>	<b>671</b>	<b>880</b>	<b>14.931</b>

**Note:**

Current period

- The Share capital increase took place through the Share premium capitalization with previews years' loss offsetting...
- The amount of. € - 84 charged directly to the equity, concerns the net of taxes expenses related to the capitalization of the Share premium

Previews period

- The amount of. € - 71 charged directly to the equity, concerns prior years' tax differences of Joint venture ALKYONA

### Statement of Changes in Group's Equity:

<u>Amounts in € thousand</u>	Share Capital	Share premium	Fair value reserves	Stock option plan reserves	Treasury shares	Other Reserves	Retained earnings	Total
<b>Balance at 1 January 2008 as previously reported</b>	<b>8.424</b>	<b>10.255</b>	<b>2.256</b>	<b>0</b>	<b>-811</b>	<b>675</b>	<b>-9.435</b>	<b>11.364</b>
<b>Changes in the Shareholders equity for the period 01/01-30/06/2008</b>								
Profit for the year	0	0	0	0	0	0	1.341	<b>1.341</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	-71	<b>-71</b>
Treasury shares purchased	0	0	0	0	0	0	0	<b>0</b>
Stock Option Plan formation reserve	0	0	0	72	0	0	0	<b>72</b>
<b>Balance at 30 June 2008</b>	<b>8.424</b>	<b>10.255</b>	<b>2.256</b>	<b>72</b>	<b>-811</b>	<b>675</b>	<b>-8.165</b>	<b>12.706</b>
<b>Changes in the Shareholders equity for the period 01/01-30/06/2009</b>								
<b>Balance at 1 January 2009 as previously reported</b>	<b>8.424</b>	<b>10.255</b>	<b>3.435</b>	<b>144</b>	<b>-811</b>	<b>671</b>	<b>-7.811</b>	<b>14.307</b>
Profit for the year	0	0	0	0	0	0	1.014	<b>1.014</b>
Share Capital increase/ (decrease)	2.106	0	0	0	0	0	0	<b>2.106</b>
Dividends distributed (profits)	0	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	-84	<b>-84</b>
Treasury shares purchased	0	0	0	0	0	0	0	<b>0</b>
Stock Option Plan formation reserve	0	0	0	29	0	0	0	<b>29</b>
Winding up effect of subsidiaries	0	0	0	0	0	0	0	<b>0</b>
Subsidiary's dividends offsetting	0	0	0	0	0	0	0	<b>0</b>
Share premium capitalization with previews years' loss offsetting for the Share capital increase.	0	-10.202	0	0	0	0	8.096	<b>-2.106</b>
<b>Balance at 30 June 2009</b>	<b>10.530</b>	<b>53</b>	<b>3.435</b>	<b>173</b>	<b>-811</b>	<b>671</b>	<b>1.215</b>	<b>15.266</b>

**Note:**

Current period

- The Share capital increase took place through the Share premium capitalization with previews years' loss offsetting...
- The amount of. € - 84 charged directly to the equity, concerns the net of taxes expenses related to the capitalization of the Share premium

Previews period

- The amount of. € - 71 charged directly to the equity, concerns prior years' tax differences of Joint venture ALKYONA

#### 4.4 INTERIM CASH FLOW STATEMENT

<b>Amounts in € thousand</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008</b>	<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008</b>
<b>Cash flows from operating activities</b>				
Profit/(Loss) Before Taxes	1.161	1.363	1.100	863
<b>Adjustments for:</b>				
Depreciation & amortization	432	401	432	400
net of taxes expenses related to the capitalization of the Share premium	-84	0	-84	0
Provisions	-2.093	-1.084	-2.093	-622
Foreign exchange differences	168	-10	168	-10
Net (profit)/Loss from investing activities	-59	383	-101	384
Interest and other financial expenses	809	793	809	792
<b>Plus or minus for Working Capital changes:</b>				
Decrease/(increase) in Inventories	-244	496	-244	496
Decrease/(increase) in Receivables	-136	-5.498	-76	-5.626
(Decrease)/increase in Payables (excluding banks)	-2.930	2.802	-2.968	2.901
Less:				
Interest and other financial expenses paid	-838	-793	-838	-792
Taxes paid	-194	-155	-176	-151
<b>Total cash inflow/(outflow) from operating activities (a)</b>	<b>-4.008</b>	<b>-1.302</b>	<b>-4.071</b>	<b>-1.365</b>
<b>Cash flow from Investing Activities</b>				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	0	-6	0	-6
Purchase of tangible and intangible assets	-620	-427	-620	-427
Proceeds from sale of tangible and intangible assets	6	0	6	0
Interest received	155	40	155	39
<b>Total cash inflow/(outflow) from investing activities (b)</b>	<b>-459</b>	<b>-393</b>	<b>-459</b>	<b>-394</b>
<b>Cash flow from Financing Activities</b>				
Proceeds from Borrowings	4.587	5.047	4.587	5.047
Payments of Borrowings	-1.699	-3.440	-1.699	-3.440
<b>Total cash inflow/(outflow) from financing activities (c)</b>	<b>2.888</b>	<b>1.607</b>	<b>2.888</b>	<b>1.607</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>-1.579</b>	<b>-88</b>	<b>-1.642</b>	<b>-152</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2.700</b>	<b>1.198</b>	<b>2.419</b>	<b>1.037</b>
<b>Cash and cash equivalents at end of period</b>	<b>1.121</b>	<b>1.110</b>	<b>777</b>	<b>885</b>

## 4.5 GENERAL INFORMATION FOR SPACE HELLAS

### 4.5.1 GENERAL INFORMATION

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

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

### 4.5.2 OPERATING ACTIVITIES

Since 1985, 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.

### 4.5.3 BOARD OF DIRECTORS

By virtue of the company's decision, dated 03.06.2009, registered in the S.A. register (K2-6292) at 17.06.2009 and published in the official Gazette of Greece (ΦΕΚ 573 19/6/2009), 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 of Directors will end at 30.06.2010.

Furthermore, at 30.06.2009, the Company's Ordinary General Meetings approved the modification of art. 10 of the Association by which it is now possible to add more members in the Board of directors up to 9 members.

At 28.07.2009, the company announced the closure of collaboration with Mr. Anastasios Giokas, which has resigned from the positions of B' Vice President of the Board of Directors, non executive member of the Board of Directors and member of the company's Audit committee

## **4.6 GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.6.1 GENERAL INFORMATION**

The accompanying interim financial statements of the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2009 comprise the individual as well as the consolidated financial statements of "SPACE HELLAS".

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](http://www.space.gr).

The interim financial statements of the company and the Group for the period ended at 30.06.2009 have been approved by the Board of Directors with the decision No 1549/27<sup>th</sup> August 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.

### **4.6.2 BASIS OF PREPARATION**

These financial statements have been approved for issue by the Board of Directors on August 27, 2009 have been prepared by management in accordance with the Going Concern principle as well as with the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and IAS 34 in particular and the issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union.

The interim financial statements should be read along with the annual financial statements for the year ended December 31, 2008, which have been prepared in accordance with IFRSs and are available at the URL address [www.space.gr](http://www.space.gr)

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008. When deviation from these policies is required, this is specifically reported. If was necessary the figures of past years/periods were reformed in order to be comparable with those the current year/period.

These financial statements have been prepared under the historical cost convention, except for the First time adoption (01.01.2004) where the cost convention was modified by the revaluation of certain investment property at fair value.

All the new or revised accounting standards and interpretations, effective as of as of 1 January 2009, that apply to the company and the Group were taken into account to the extent of the applicability.

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.

#### 4.6.3 NEW STANDARDS AND INTERPRATATIONS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods.

The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows.

##### 4.6.3.1 Standards and interpretations mandatory for the financial year beginning January 1, 2009.

###### **IAS 1 (Revised) "Presentation of Financial Statements"**

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements. The interim financial statements have been prepared under the revised disclosure requirements.

###### **IFRS 8 "Operating Segments"**

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification.

###### **IAS 23 (Amendment) "Borrowing Costs"**

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment will not impact the Group.

###### **IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations**

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

###### **IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments**

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

###### **IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items**

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group.

##### Interpretations effective for year ended 31 December 2009

###### **IFRIC 13 – Customer Loyalty Programmes**

This interpretation clarifies the treatment of entities that grant loyalty award credits such as "points" and "travel miles" to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

###### **IFRIC 15 - Agreements for the construction of real estate**

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognize revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognize revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.



#### **IFRIC 16 - Hedges of a net investment in a foreign operation**

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation. Standards effective after year ended 31 December 2009

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

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date. Interpretations effective after year ended 31 December 2009

#### **IFRIC 17 "Distributions of non-cash assets to owners"** (effective for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date

#### **IFRIC 18 "Transfers of assets from customers"** (effective for transfers of assets received on or after 1 July 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group

#### **4.6.4 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 2008.

#### **4.6.5 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:

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.

#### **4.6.6 IMPAIRMENT OF ASSETS**

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

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

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

#### **4.6.7 GOODWILL**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. 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 annual impairment test of goodwill.

#### **4.6.8 CONSOLIDATION**

##### **4.6.8.1 Subsidiaries**

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

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

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

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

##### **4.6.8.2 Associates**

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

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

##### **4.6.8.3 Joint Ventures**

Joint ventures are accounted for by the equity method of accounting.

The equity method is a method of accounting whereby an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for the post-acquisition change in the venture's share of net assets of the jointly controlled entity. The profit or loss of the venture includes the venture's share of the profit or loss of the jointly controlled entity.

##### **4.6.8.4 Other investments**

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

#### **4.6.9 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.

#### 4.6.10 TRADE RECEIVABLES

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

#### 4.6.11 CASH AND CASH EQUIVALENTS

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

#### 4.6.12 RESERVES

The company is obliged according to the applicable commercial law 2190/1920 art. 44 and 45 to form a 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.

#### 4.6.13 SHARE CAPITAL

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

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

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

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

After the capitalization the remaining Share premium amounts to € 53 thousand.

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

#### 4.6.14 REVENUE AND EXPENSE RECOGNITION

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

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

#### **4.6.15 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.

#### **4.6.16 FINANCIAL INSTRUMENTS**

##### **Financial instruments**

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

These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit or losses which result from financial assets or liabilities are recognized as income or expenses, respectively. The distribution of dividends to shareholders is reflected directly in equity.

Financial assets and liabilities are set-off when the company has the legal right and the intention to do so (between the parties).

##### **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.

□ **Price risk**

The Group is exposed mainly 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.

□ **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.

□ **Credit Risk**

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors. The Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis.

□ **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. Despite the financial crisis, the Group maintains excellent relationships with the Banking institutions.

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.

#### **4.6.17 BORROWINGS**

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

#### **4.6.18 EMPLOYEE BENEFITS**

**Short-term benefits:** Short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any

outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits; the company records the excess amount as its asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

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

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

**Defined benefit plan:** The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the estimated benefit liability at the beginning of every period, are recognized in other income/expenses in the income statement over the average remaining service lives of the related employees (corridor approach).

#### 4.6.19 LEASES

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

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

#### 4.6.20 INCOME TAX AND DEFERRED TAX

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. The charge from income tax consists in the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate.

Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.



Deferred income tax assets are recognized only to the extent that 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.

#### **4.6.21 FOREIGN CURRENCY TRANSACTIONS**

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional, and presentation currency of the Company and the presentation currency of the Group.

Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income.

The operating results and financial position of all group entities (none of which operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the closing rate at the date of the balance sheet.



## 4.7 NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 4.7.1 OPERATING SEGMENTS

Business segment is a distinct part of the Company and the Group which provides products and services subject to different grades of risk and performance that 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 period ended June 30, 2009 and 2008 are as follows:

<b>Group</b>												
	<b>Technology Solutions and Services</b>			<b>Integration projects</b>			<b>Mobile telecommunications</b>			<b>Total</b>		
	<b>period</b>			<b>period</b>			<b>period</b>			<b>period</b>		
	<b>30/06</b>			<b>30/06</b>			<b>30/06</b>			<b>30/06</b>		
<b>Amounts in € thousand</b>	<b>2009</b>	<b>2008</b>	<b>VARIATION %</b>	<b>2009</b>	<b>2008</b>	<b>VARIATION %</b>	<b>2009</b>	<b>2008</b>	<b>VARIATION %</b>	<b>2009</b>	<b>2008</b>	<b>VARIATION %</b>
Revenue	15.050	18.200	-17,31	8.896	7.200	23,56	950	1.021	-6,95	<b>24.896</b>	<b>26.421</b>	-5,77
Gross profit	4.595	5.441	-15,55	2.695	1.915	40,73	290	310	-6,45	<b>7.577</b>	<b>7.666</b>	-1,16
<b>EBIT</b>	1.200	1.509	-20,48	1.132	1.010	12,08	10	30	-66,67	<b>2.342</b>	<b>2.549</b>	-8,12
<b>Earnings before taxes</b>	-	-	-	-	-	-	-	-	-	<b>1.161</b>	<b>1.363</b>	-14,82
Less taxes	-	-	-	-	-	-	-	-	-	<b>-147</b>	<b>-22</b>	
<b>Earnings after taxes</b>	-	-	-	-	-	-	-	-	-	<b>1.014</b>	<b>1.341</b>	-24,38

#### □ Secondary segment – Geographical segment

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

#### 4.7.2 OTHER OPERATING INCOME

<u>Amounts in € thousand</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>	<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>
Service provision	0	44	0	45
Income from property leases	42	40	42	41
Income from technical equipment leases	0	5	0	5
Government Grants	59	103	59	103
Offsetting of prior year's provision (Cosmote agreement)	0	50	0	50
Offsetting of prior year's provision (inventories impairment)	0	59	0	59
Offsetting of prior year's provision (receivables of doubtful collection)	0	31	0	31
Other extraordinary income	76	68	76	68
Currency exchange gains/losses	45	143	45	143
Gains from renegotiation of agreements	0	159	0	159
Gains from ownership changes of joint ventures	0	81	0	81
Other extraordinary gains	3	0	3	0
Prior year's income	0	27	0	27
<b>Total other operating income</b>	<b>225</b>	<b>810</b>	<b>225</b>	<b>812</b>

#### 4.7.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be decreased compared to previous period for 9,81% , mainly because of the containment of the operation cost, though maintaining the company's positive trends

<u>Amounts in € thousand</u>	<u>GROUP</u>		<u>VARIATION %</u>	<u>COMPANY</u>		<u>VARIATION %</u>
	<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>		<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>	
Payroll expenses	3.590	3.553	1,04	3.590	3.531	1,67
Third parties' fees and expenses	438	701	-37,52	435	686	-36,73
Third parties' utilities and services	813	848	-4,13	813	845	-3,79
Taxes and dues	95	90	5,56	95	90	5,56
Sundry expenses	393	546	-28,02	393	544	-27,76
Depreciations	253	316	-19,94	253	316	-19,94
Provisions	19	156	-87,82	19	149	-87,25
<b>Total operating expenses</b>	<b>5.601</b>	<b>6.210</b>	<b>-9,81</b>	<b>5.598</b>	<b>6.161</b>	<b>-9,15</b>

#### 4.7.4 OTHER OPERATING EXPENSES

<u>Amounts in € thousand</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>	<u>01.01- 30.06.2009</u>	<u>01.01- 30.06.2008</u>
Extraordinary expenses	29	8	29	8
Loss from currency exchange	214	23	214	23
Extraordinary loss legal dispute	21	0	21	0
Prior years' expenses	2	0	2	0
Provisions for receivables of doubtful collection	21	85	21	85
Extraordinary losses	4	2	4	2
<b>Total other operating expenses</b>	<b>291</b>	<b>118</b>	<b>291</b>	<b>118</b>

#### 4.7.5 INCOME TAX

The income tax expense imputed the results as following:

<b>Income Tax</b>	<b>NOTES</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>30.06.2009</b>	<b>30.06.2008</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
<b>Amounts in € thousand</b>					
Current Income Tax		-86	-9	-75	0
Provision charged for the tax unaudited fiscal years		-13	0	-13	0
Deferred tax imputed to results	4.7.22	-48	-13	-48	-13
<b>Total</b>		<b>-147</b>	<b>-22</b>	<b>-136</b>	<b>-13</b>

#### 4.7.6 PROPERTY, PLANT AND EQUIPMENT

##### Property, Plant and Equipment: Group

Amounts in € thousand

	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
<b>Opening Balance 01.01.2008</b>	<b>1.040</b>	<b>5.133</b>	<b>3.775</b>	<b>47</b>	<b>2.397</b>	<b>12.392</b>
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
<b>Ending balance 31.12.2008</b>	<b>1.955</b>	<b>5.627</b>	<b>4.235</b>	<b>48</b>	<b>2.444</b>	<b>14.309</b>
Depreciation at 01.01.2008	0	874	1.420	24	1.393	3.711
Plus: Depreciation expense	0	180	326	4	193	702
Minus: Depreciation of disposed elements	0	0	5	0	33	37
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	435
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	0	0	5	0	3	8
<b>Ending balance 31.12.2008</b>	<b>0</b>	<b>619</b>	<b>1.736</b>	<b>28</b>	<b>1.550</b>	<b>3.933</b>
<b>Net Book Value at 31.12.2008</b>	<b>1.955</b>	<b>5.008</b>	<b>2.499</b>	<b>20</b>	<b>894</b>	<b>10.376</b>
<b>Opening Balance 01.01.2009</b>	<b>1.955</b>	<b>5.627</b>	<b>4.235</b>	<b>48</b>	<b>2.444</b>	<b>14.309</b>
Plus: Additions	0	388	113	17	46	564
Minus: Disposals	0	0	-8	-8	-47	63
<b>Ending balance 30.06.2009</b>	<b>1.955</b>	<b>6.015</b>	<b>4.340</b>	<b>57</b>	<b>2.443</b>	<b>14.810</b>
Depreciation at 01.01.2009	0	619	1.736	28	1.550	3.933
Plus: Depreciation expense	0	112	170	3	98	383
Minus: Depreciation of disposed elements	0	0	3	7	46	56
<b>Ending balance 30.06.2009</b>	<b>0</b>	<b>731</b>	<b>1.903</b>	<b>24</b>	<b>1.602</b>	<b>4.260</b>
<b>Net Book Value at 30.06.2009</b>	<b>1.955</b>	<b>5.283</b>	<b>2.438</b>	<b>33</b>	<b>841</b>	<b>10.550</b>

## Property, Plant and Equipment: Company

Amounts in € thousand

	Land	Buildings and buildings installations	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
<b>Opening Balance 01.01.2008</b>	<b>1.040</b>	<b>5.133</b>	<b>3.770</b>	<b>47</b>	<b>2.399</b>	<b>12.389</b>
Plus: Additions	333	225	485	1	83	<b>1.127</b>
Minus: Disposals	0	0	20	0	37	<b>57</b>
Minus: Revaluation adjustment (Depreciation)	0	435	0	0	0	<b>435</b>
Plus: Revaluation adjustment (Acquisition cost)	582	704	0	0	0	<b>1.286</b>
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	<b>1.955</b>	<b>5.627</b>	<b>4.235</b>	<b>48</b>	<b>2.445</b>	<b>14.310</b>
<b>Ending balance 31.12.2008</b>						
	0	874	1.415	24	1.391	<b>3.704</b>
Depreciation at 01.01.2008	0	180	326	4	193	<b>702</b>
Plus: Depreciation expense	0	0	5	0	33	<b>38</b>
Minus: Depreciation of disposed elements	0	435	0	0	0	<b>435</b>
Minus: Revaluation adjustment (Depreciation)	<b>0</b>	<b>619</b>	<b>1.736</b>	<b>28</b>	<b>1.551</b>	<b>3.934</b>
Minus: Elimination of previously adjusted transactions of subsidiaries no longer consolidated	<b>1.955</b>	<b>5.008</b>	<b>2.499</b>	<b>20</b>	<b>894</b>	<b>10.376</b>
<b>Ending balance 31.12.2008</b>						
<b>Net Book Value at 31.12.2008</b>	<b>1.955</b>	<b>5.627</b>	<b>4.235</b>	<b>48</b>	<b>2.444</b>	<b>14.309</b>
	0	388	113	17	46	<b>564</b>
<b>Opening Balance 01.01.2009</b>	0	0	-8	-8	-47	<b>63</b>
Plus: Additions	<b>1.955</b>	<b>6.015</b>	<b>4.340</b>	<b>57</b>	<b>2.443</b>	<b>14.810</b>
Minus: Disposals						
<b>Ending balance 30.06.2009</b>	<b>0</b>	<b>619</b>	<b>1.736</b>	<b>28</b>	<b>1.550</b>	<b>3.933</b>
	0	112	170	3	98	<b>383</b>
Depreciation at 01.01.2009	0	0	3	7	46	<b>56</b>
Plus: Depreciation expense	<b>0</b>	<b>731</b>	<b>1.903</b>	<b>24</b>	<b>1.602</b>	<b>4.260</b>
<b>Net Book Value at 30.06.2009</b>	<b>1.955</b>	<b>5.283</b>	<b>2.438</b>	<b>33</b>	<b>841</b>	<b>10.550</b>

#### 4.7.7 INTANGIBLE ASSETS

The account refers to the acquisition cost of software and other intangible assets. The account of other intangible assets concerns 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
<b>Opening balance 01.01.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Additions	6	0	6
Disposals/Write offs	6	0	6
<b>Ending balance 31.12.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Depreciation 01.01.2008	530	0	530
Depreciation expense	96	0	96
Disposals	6	0	6
<b>Depreciation at 31.12.2008</b>	<b>620</b>	<b>0</b>	<b>620</b>
<b>Net Book Value 31.12.2008</b>	<b><u>211</u></b>	<b><u>284</u></b>	<b><u>495</u></b>
<b>Opening balance 01.01.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Additions	56	0	56
Disposals/Write offs	0	0	0
<b>Ending balance 30.06.2009</b>	<b>887</b>	<b>284</b>	<b>1.171</b>
Depreciation 01.01.2008	620	0	620
Depreciation expense	49	0	49
Disposals	0	0	0
<b>Depreciation at 30.06.2009</b>	<b>669</b>	<b>0</b>	<b>669</b>
<b>Net Book Value 30.06.2009</b>	<b><u>218</u></b>	<b><u>284</u></b>	<b><u>502</u></b>

##### Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	Total intangible assets IFRS
<b>Opening balance 01.01.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Additions	6	0	6
Disposals/Write offs	6	0	6
<b>Ending balance 31.12.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Depreciation 01.01.2008	530	0	530
Depreciation expense	96	0	96
Disposals	6	0	6
<b>Depreciation at 31.12.2008</b>	<b>620</b>	<b>0</b>	<b>620</b>
<b>Net Book Value 31.12.2008</b>	<b><u>211</u></b>	<b><u>284</u></b>	<b><u>495</u></b>
<b>Opening balance 01.01.2008</b>	<b>831</b>	<b>284</b>	<b>1.115</b>
Additions	56	0	56
Disposals/Write offs	0	0	0
<b>Ending balance 30.06.2009</b>	<b>887</b>	<b>284</b>	<b>1.171</b>
Depreciation 01.01.2008	620	0	620
Depreciation expense	49	0	49
Disposals	0	0	0
<b>Depreciation at 30.06.2009</b>	<b>669</b>	<b>0</b>	<b>669</b>
<b>Net Book Value 30.06.2009</b>	<b><u>218</u></b>	<b><u>284</u></b>	<b><u>502</u></b>

#### 4.7.8 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.

#### 4.7.9 LIENS AND PLEDGES

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

#### 4.7.10 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and Joint venture as at 30.06.2009, 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>30.06.2009</u>	<u>31.12.2008</u>				
<u>Amounts in € thousand</u>						
<b><u>Subsidiaries</u></b>						
SPACE HELLAS (CYPRUS) LTD*	34	35	100%	100%	Full method	Cyprus
<b>Total Subsidiaries</b>	<b>34</b>	<b>35</b>				
<b><u>Associates &amp; Joint Ventures</u></b>						
JOINT-VENTURE "EMY" MODERNIZATION	389	389	67,5%	67,5%	Equity method	Greece
JOINT-VENTURE ALKYONA	49	49	99%	99%	Equity method	Greece
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)- SPACE HELLAS	3	3	35%	35%	Equity method	Greece
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	3	3	50%	50%	Equity method	Greece
«HSTS» **	40	40	50%	50%	Equity method	Greece
<b>Total Associates &amp; Joint Ventures</b>	<b>484</b>	<b>484</b>				
<b><u>Other investments</u></b>						
MOBICS L.T.D.	120	120	17,17%	17,17%	-	Greece
<b>Total Other investments</b>	<b>120</b>	<b>120</b>				
<b>Total Shareholding</b>	<b>638</b>	<b>639</b>				

\* Currency exchange difference due to the transition into Euro currency

\*\* Newly established without operating activities

Summary of the major financial liabilities of Joint Ventures for which SPACE HELLAS has granted guarantee letters:

<u>Amounts in € thousand</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2009</u>	<u>30.06.2008</u>
<b>Guarantees to third parties on behalf of subsidiaries and joint ventures</b>	<b>1.040</b>	<b>378</b>	<b>1.040</b>	<b>378</b>
<b>Used guarantees to third parties on behalf of subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bank guarantee letters</b>	<b>1.040</b>	<b>378</b>	<b>1.040</b>	<b>378</b>

### **Joint Ventures' activities**

- Joint Venture Unisystems Information Systems SA (formerly 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.

#### **4.7.11 INVENTORIES**

Inventories of the group and the company

<b><u>Inventories</u></b>	<b><u>GROUP</u></b>		<b><u>COMPANY</u></b>	
	<b><u>30.06.2009</u></b>	<b><u>31.12.2008</u></b>	<b><u>30.06.2009</u></b>	<b><u>31.12.2008</u></b>
<b>Amounts in Euro thousands</b>				
Goods	3.141	2.893	3.141	2.893
Materials	166	182	166	182
Consumables	<u>12</u>	<u>0</u>	<u>12</u>	<u>0</u>
<b>Total inventories</b>	<b><u>3.319</u></b>	<b><u>3.075</u></b>	<b><u>3.319</u></b>	<b><u>3.075</u></b>

The Group has taken all the necessary measures (insurance, surveillance) to minimize the risk and the contingent loss of stock due to theft or destruction. Appropriate allowance is made for damaged, obsolete and slow moving items.

For the current period, the cost of obsolete and slow moving items amounts to € 14 thousand. This amount is recognized as an expense of the period.

The level of the inventories reflects the company's efforts to achieve an efficient warehouse management without lowering the reliability of the provided services.

#### **4.7.12 TRADE RECEIVABLES**

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

<b><u>Trade receivables</u></b>	<b><u>GROUP</u></b>		<b><u>COMPANY</u></b>	
	<b><u>30.06.2009</u></b>	<b><u>31.12.2008</u></b>	<b><u>30.06.2009</u></b>	<b><u>31.12.2008</u></b>
<b>Amounts in Euro thousands</b>				
Trade receivables	27.599	28.057	27.406	27.925
<b>Less: Provisions for doubtful liquidation</b>	3.715	3.694	3.715	3.694
<b>Total trade receivables</b>	<b><u>23.884</u></b>	<b><u>24.363</u></b>	<b><u>23.691</u></b>	<b><u>24.231</u></b>

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>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<b>Amounts in Euro thousands</b>				
1 – 90 days	12.040	15.207	11.847	15.075
91 – 180 days	6.134	4.266	6.134	4.266
181 – 360 days	2.110	1.460	2.110	1.460
> 360 days	3.600	3.430	3.600	3.430
<b>Total trade receivables</b>	<b><u>23.884</u></b>	<b><u>24.363</u></b>	<b><u>23.691</u></b>	<b><u>24.231</u></b>

Aging analysis of related parties' trade receivables:

<u>Receivables from Related parties</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<b>Amounts in Euro thousands</b>				
1 – 90 days	131	990	131	990
91 – 180 days	1.234	923	1.234	923
181 – 360 days	398	1.184	398	1.184
> 360 days*	2.900	3.314	2.900	3.314
<b>Total Receivables from Related parties</b>	<b><u>4.663</u></b>	<b><u>6.411</u></b>	<b><u>4.663</u></b>	<b><u>6.411</u></b>

\* The amount concerns mostly public sector's ongoing projects near their conclusion stage

#### 4.7.13 OTHER RECEIVABLES

Other receivables of the group and company:

<u>Other receivables</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<b>Amounts in Euro thousands</b>				
Notes receivable	0	0	0	0
Cheques receivable	200	462	200	462
Cheques overdue	2.399	2.411	2.399	2.411
Deducted Taxes & other receivables	122	154	122	154
Salary prepayments	22	5	22	5
Advances to account for	1.020	745	1.020	745
Amounts owed by affiliated undertakings	627	509	1.155	1.037
Amounts owed from selling of participating interests	46	46	46	46
Deferred charges	425	1.247	425	1.247
Income earned	1.878	482	1.878	482
Other receivables	316	301	316	301
<b>Total other receivables</b>	<b><u>7.055</u></b>	<b><u>6.362</u></b>	<b><u>7.583</u></b>	<b><u>6.890</u></b>
Less: provisions for doubtful liquidation	2.599	2.611	2.599	2.611
<b>Total other receivables</b>	<b><u>4.456</u></b>	<b><u>3.751</u></b>	<b><u>4.984</u></b>	<b><u>4.279</u></b>

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

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



#### 4.7.14 PREPAYMENTS

Analysis of prepayments:

<u>Prepayments</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<b>Amounts in Euro thousands</b>				
Orders placed abroad	504	298	504	298
Prepayments to other creditors	2.680	1.523	2.680	1.523
<b>Total prepayments</b>	<b><u>3.184</u></b>	<b><u>1.821</u></b>	<b><u>3.184</u></b>	<b><u>1.821</u></b>

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

#### 4.7.15 CASH AND CASH EQUIVALENTS

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

<u>Cash and Cash equivalents</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<b>Amounts in Euro thousands</b>				
Cash on hand	209	86	209	86
Short term Bank deposits	912	2.614	568	2.333
<b>Total Cash and Cash equivalents</b>	<b><u>1.121</u></b>	<b><u>2.700</u></b>	<b><u>777</u></b>	<b><u>2.419</u></b>

#### 4.7.16 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>30.06.2009</u>
Number of ordinary shares	26.326.120
Nominal value each share	0,40 €

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

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

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

After the capitalization the remaining Share premium amounts to € 53 thousand.

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

#### 4.7.17 LONG TERM LOANS

For the current period the long term loan amounts € 593 thousand for outstanding principal at year end plus accrued interest up to maturity. The long term loan due at 2003 and concerns the building up of the new company premises.

#### 4.7.18 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>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
losses from joint ventures	0	0	507	385
Guarantees received	3	3	3	3
<b>Total Other long term liabilities</b>	<b>3</b>	<b>3</b>	<b>510</b>	<b>388</b>

#### 4.7.19 PERSONNEL EMPLOYEED

The personnel employed at 30-06-2009 both in the Company and the Group amounted to 256 persons while as at 30.06.2008 was 239 for the company and 240 for the Group.

#### 4.7.20 PROVISIONS FOR EMPLOYEES BENEFITS

The Management of the Group, in compliance with IFRS (IAS 19), has appointed an independent actuary firm to assess the Group' s liabilities arising from the obligation to pay termination indemnities. The details and principal assumptions of the actuarial study as at 30.06.2009 and 31.12.2008 have as follows:

<u>Provisions for employees benefits</u>	<u>Company</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>
Present value of unfunded obligations	1.253	1.185
Fair Value of employee benefits assets	0	0
<b>Reserves to be formed</b>	<b>1.253</b>	<b>1.185</b>
Past service cost	0	0
Actuarial (gains)/losses	0	29
benefits paid	-281	0
<b>Liability recognized in the Statement of financial position</b>	<b>972</b>	<b>1.156</b>

<u>Provisions for employers benefits recognized in the income statement</u>	<u>Company</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>
Current service cost	62	142
Cost of interest	35	59
Business combination	0	0
Affect of settlement	0	0
Benefits	0	66
Actuarial loss / (gain)	0	18
<b>Net periodic cost</b>	<b>97</b>	<b>249</b>
Post retirement and termination benefits paid out	0	174
<b>Amounts recognized in the income statement</b>	<b>97</b>	<b>75</b>

The assumptions used are the following

<b>Assumptions</b>														
<b>Demographic assumptions</b>														
1.	Mortality rates	The Greek mortality rates table of 1990 for men and women (Minister Decision K3-3974/99).												
2.	Staff mobility :	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age group</th> <th style="text-align: center;">Resignations</th> <th style="text-align: center;">Dismissals</th> </tr> </thead> <tbody> <tr> <td>Up to 30</td> <td style="text-align: center;">10,71%</td> <td style="text-align: center;">8,25%</td> </tr> <tr> <td>30 - 40</td> <td style="text-align: center;">5,35%</td> <td style="text-align: center;">4,12%</td> </tr> <tr> <td>41 and over</td> <td style="text-align: center;">0%</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	Age group	Resignations	Dismissals	Up to 30	10,71%	8,25%	30 - 40	5,35%	4,12%	41 and over	0%	0%
Age group	Resignations	Dismissals												
Up to 30	10,71%	8,25%												
30 - 40	5,35%	4,12%												
41 and over	0%	0%												
3.	Regular retirement age :	According to the social security fund of each employee												
4.	Regular retirement age : hazardous occupations	Reduction for 5 years of regular retirement age												
<b>Financial assumptions</b>														
1.	Average annual long term inflation rate	2% (according to EU, Lisbon convention)												
2.	Average annual long term GNP growth rate	3% (according to Euro Group).												
3.	Average annual long term salary growth (L. 2112/1920)	Average annual long term inflation rate +GNP=5%												
4.	Discount rate (see note. 4.4. below ):	5,9% as at 31/12/2008												
5.	Benefit asset for the compensation according to L/. 2190/1920	(0,00)												
<b>Other assumptions</b>														
1.	Level of compensation	According to L 2112/20 (excluding to upper limit of month salary).												
2.	Evaluation date :	31.12.2008												
3.	Demographic date:	As at 31.12.2008.												
4.	Benefits paid during 2008:	As resulted during the year												
5.	Voluntary redundancy program	There is no such program												
6.	Additional benefits:	Only the mandatory requirements of L 2112/1920.												
7.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)												
8.	Valuation method :	(Projected Unit Credit Method) (IAS19)												

**Note concerning the discount rate assumption:**

According to IAS 19 the discount rate should be determined taking into account the current performance of high quality corporate bonds. In case there is no such a market, government bond should be used furthermore, the discount rate should reflect the timescale benefit plan schedule. Thus, taking into account the interest curve together with the benefit schedule, the weighted average interest rate as at 31.12.2008 resulted to be 5,9%.

#### 4.7.21 PURCHASE OF OWN SHARES

On 29 June 2007 the 21<sup>st</sup> Shareholders' General Meeting decided to proceed in the purchase of five hundred (500.000) own ordinary shares that took place in the period from 1<sup>st</sup> July 2007 to 31<sup>st</sup> 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 21<sup>st</sup> 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.

In order to exercise the share options, indispensable condition is the continued employment of the beneficiary. The stock options will be granted totally or gradually within the exercise period following the completion of the continuous employment condition along the other requirements of the plan.

If the deadline is exceeded then share options will irrevocably lapse. During the period no option exercise took place.

#### 4.7.22 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 and Company</u>			
		<u>30.06.2009</u>		
<u>Amounts in Euro thousands</u>	<u>31.12.2008</u>	<u>Debit/(Credited) charged to net profit</u>	<u>Debit/(Credited) charged to equity</u>	<u>Total</u>
<b>Deferred tax liabilities</b>				
Depreciation rate difference effect	-524	-93	0	-617
Fair value adjustments Property, plant and equipment	-859	0	0	-859
<b>Total Deferred tax liabilities</b>	<b>-1.383</b>	<b>-93</b>	<b>0</b>	<b>-1.476</b>
<b>Deferred tax assets</b>				
Provisions for Trade and other payables	305	224	0	529
Post-employment and termination benefits	277	-44	0	233
Impairment of Inventories	0	4	0	4

Tax deductible previews years losses	145	-145	0	0
Provisions for stock options	35	6	0	41
Share premium capitalization expenses	0	0	28	28
<b>Total Deferred tax assets</b>	<b>762</b>	<b>45</b>	<b>28</b>	<b>835</b>
<b>Total Deferred tax</b>	<b>-621</b>	<b>-48</b>	<b>28</b>	<b>-641</b>

#### 4.7.23 TRADE AND OTHER PAYABLES

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

<b>TRADE AND OTHER PAYABLES</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>Amounts in Euro thousands</b>				
Trade payables	9.859	11.700	9.810	11.679
Checks payables	1.498	433	1.498	433
Customer down payments/advances	15	2.573	15	2.573
Social security	226	434	226	434
Other payables	17	0	16	0
Amounts due to related parties	0	72	0	71
Next year's Income	28	130	28	130
Accrued expenses	12	67	11	65
Purchases under arraignment	597	196	597	196
Other short term provisions	26	14	26	16
<b>Total Trade and other payables</b>	<b>12.278</b>	<b>15.619</b>	<b>12.227</b>	<b>15.597</b>

Creditors aging analysis

<b>Trade payables</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>Amounts in Euro thousands</b>				
1 – 90 days	5.169	6.280	5.120	6.259
91 – 180 days	2.940	3.870	2.940	3.870
181 – 360 days	1.470	1.250	1.470	1.250
> 360 days	280	300	280	300
<b>Total trade payables</b>	<b>9.859</b>	<b>11.700</b>	<b>9.810</b>	<b>11.679</b>

#### 4.7.24 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 3.715 thousand, for doubtful non trade receivables for the amount of € 2.599 thousand, and for obsolete inventories for the amount of € 14 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

<b>Provision changes for the Group and the Company</b>				
<b>Amounts in € thousand</b>	<b>31.12.2008</b>	<b>Additions</b>	<b>Uses</b>	<b>30.06.2009</b>
Provisions for extraordinary liabilities and claims*	0		0	0
Provisions for tax unaudited years	75	13	0	88
Provisions for employers benefits	1.156	97	281	972
Other provisions	0	0	0	0
<b>Total</b>	<b>1.231</b>	<b>110</b>	<b>281</b>	<b>1.060</b>

#### 4.7.25 DISPUTED CLAIMS

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

#### 4.7.26 UNDAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

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

<u>Company</u>	<u>Unaudited year</u>
SPACE HELLAS S.A.	2007-2008*
SPACE HELLAS (CYPRUS) LTD	2005 – 2008
HTST	2008
JOINT-VENTURE "EMY" MODERNIZATION	2007 – 2008
JOINT-VENTURE ALKYONA	2007 - 2008
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2007 - 2008
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	2007 - 2008

*\*There is an ongoing tax audit*

Although the result of the tax audit cannot be estimated with reliability, the company, using statistical information from previous year's tax audits, has formed a provision for tax unaudited years amounting to € 88 thousand. For the rest of the Group such an event would have insignificant impact.

#### 4.7.27 CONTINGENT EVENTS

##### 4.7.27.1 Commitments -Guarantees

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

Contingent liabilities related to guarantee letters are the following:

<u>Contingent Liabilities</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
<u>Amounts in € thousand</u>				
Guarantee letters to secure good performance of contract terms	6.121*	6.360*	5.044	5.283
<b>Total contingent liabilities</b>	<b><u>6.121</u></b>	<b><u>6.360</u></b>	<b><u>5.044</u></b>	<b><u>5.283</u></b>

*\* Including letters of guarantee issued in favor of joint ventures amounting to € 1.040 thousand for the current period*

##### 4.7.27.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.7.25) that might have significant impact on the financial position both of the Group and the Company.

#### 4.7.27.3 Other contingent liabilities

For the unaudited years (note 4.7.26) there is the risk that the tax authorities' review might result in higher or additional tax obligations.

For the event of tax audit of previous fiscal years a provision amounting to € 88 thousand has been charged regarding only the parent company as for the rest of the Group such an event would have insignificant impact.

#### 4.7.27.4 Operating lease commitments

At 30.06.2009, the company's leases concerned motor vehicles as well as buildings  
The minimum future payments based on valid contracts are the following:

<b><u>Minimum future payments</u></b>			
<b>Amounts in € thousand</b>	<b><u>Company</u></b>		
	<b><u>Up to year</u></b>	<b><u>Up to 5 years</u></b>	<b><u>Over 5 years</u></b>
Motor vehicle	280	343	-
Buildings	565	2.612	1.568
<b>Total</b>	<b>845</b>	<b>2.955</b>	<b>1.568</b>

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

#### 4.7.27.5 Capital commitments

At 30.06.2009 there were no capital commitments.

### 4.7.28 CASH FLOW

**The cash flow from operating activities** is negative amounting to € 4.008 thousand. This is considered to be temporary and is attributed to the increasing involvement of the company in public sector projects, the cash flow of which varies significantly through time. This is more accentuated for projects with duration less than a year and thus, the cash flow varies from positive to negative each quarter.

**The cash flow from investing activities** is negative amounting to € 459 thousand. This is attributable to the construction of new premises as well as the purchase of storage/backup equipment, indispensable for the provision of reliable quality services.

**The cash flow from financing activities** is positive amounting to € 2.888 thousand. This is attributable to the use of short term bank loans for the financing of the operating and investing activities

#### 4.7.29 TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (IAS 24) FROM 01-01-2009 TO 30-06-2009

The table below summarizes the transactions between the company the related parties according to IAS 24, from the beginning of the year up to 30.06.2009, as well as the receivables and payables of the company and the group as at 30.06.2009 related to these transactions.

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/06		30/06		30/06		30/06	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Company</b>								
SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD **	-	2	-	4	-	-	-	40
SPACE HELLAS (CYPRUS) LTD	-	-	-	-	1	-	-	-
<b>Subsidiaries</b>	-	<b>2</b>	-	<b>4</b>	<b>1</b>	-	-	<b>40</b>
«HSTS» *	1	-	43	-	58	-	43	-
GARNETT S.A.***	-	-	-	-	-	10	-	-
<b>Associates</b>	<b>1</b>	-	<b>43</b>	-	<b>58</b>	<b>10</b>	<b>43</b>	-
JOINT-VENTURE "EMY" MODERNIZATION	7	139	15	11	3.900	3.004	-	11
JOINT-VENTURE ALKYONA	-	426	31	12	665	132	443	386
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)- SPACE HELLAS	92	2.848	2	11	137	3.941	46	11
JOINT-VENTURE SPACE HELLAS - KONSTANTINOS SYMPONIS LTD	-	101	4	-	272	240	4	-
<b>Joint ventures</b>	<b>99</b>	<b>3.514</b>	<b>52</b>	<b>34</b>	<b>4.974</b>	<b>7.317</b>	<b>493</b>	<b>408</b>
MOBICS L.T.D.	-	5	-	-	-	-	-	-
SPACE CONSULTING S.A.	3	4	-	-	941	418	-	-
SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	-	-	249	238	79	71	-	5
SPACE VISION S.A.	2	-	100	-	632	286	-	60
<b>Other related parties</b>	<b>5</b>	<b>9</b>	<b>349</b>	<b>238</b>	<b>1.652</b>	<b>775</b>	-	<b>65</b>
<b>Total Company</b>	<b>105</b>	<b>3.525</b>	<b>444</b>	<b>276</b>	<b>6.685</b>	<b>8.102</b>	<b>536</b>	<b>513</b>

Amounts in € thousand	Revenue		Expenses		Receivables		Liabilities	
	30/06		30/06		30/06		30/06	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Group</b>								
«HSTS» *	1	-	43	-	58	-	43	-
GARNETT S.A.***	-	-	-	-	-	10	-	-
<b>Συγγενείς εταιρίες</b>	<b>1</b>	-	<b>43</b>	-	<b>58</b>	<b>10</b>	<b>43</b>	-
JOINT-VENTURE "EMY" MODERNIZATION	7	139	15	11	3.900	3.004	-	11
JOINT-VENTURE ALKYONA	-	426	31	12	665	132	443	386
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MOBICS L.T.D.	-	5	-	-	-	-	-	-
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<b>Other related parties</b>	<b>5</b>	<b>9</b>	<b>349</b>	<b>238</b>	<b>1.652</b>	<b>775</b>	-	<b>65</b>
<b>Total Group</b>	<b>105</b>	<b>3.523</b>	<b>444</b>	<b>272</b>	<b>6.684</b>	<b>8.102</b>	<b>536</b>	<b>473</b>

**Notes:**

\* 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 venture "EMY" MODERNIZATION which is in the Provisional acceptance stage. The decrease of receivables from joint ventures reflects the good progress of the projects' completion. There are no provisions for impairment made against losses for this type of receivables.



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

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

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Salaries and other employee benefits	636	749	636	749
Receivables from executives and members of the Board	-	5	-	5
Payables to executives and member of the Board	-	-	-	-

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.040	378	1.040	378
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.040	378	1.040	378

#### 4.7.30 RISK MANAGEMENT AND HEDGING POLICY

##### □ 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 Group's main transaction currencies are the Euro, the USD and the GBP.

□ **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- First Half of year 2009	EURO	0,5%	-90
		-0,5%	90
Amounts in € thousands- First Half of year 2008	EURO	0,5%	-85
		-0,5%	85

□ **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 exposure at the credit risk is limited from the fair value of each of the receivables disclosed at 30.06.2009.

<b>Trade Receivables</b>	<b>Group</b>		<b>Company</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>Amounts in Euro thousands</b>				
Trade receivables	27.599	28.057	27.406	27.925
<b>Less: Provisions for doubtful liquidation</b>	3.715	3.694	3.715	3.694
<b>Total trade receivables at fair value</b>	<b><u>23.884</u></b>	<b><u>24.363</u></b>	<b><u>23.691</u></b>	<b><u>24.231</u></b>

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.

#### □ **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

<b>Short term liabilities</b>	<b>Group</b>		<b>Company</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>	<b>30.06.2009</b>	<b>31.12.2008</b>
<b>Amounts in € thousand</b>				
Total Trade and other payables	12.278	15.619	12.227	15.597
Income tax payable	1.013	1.111	967	1.069
Short-term borrowings	17.299	14.326	17.299	14.326
<b>Total Current liabilities</b>	<b>30.590</b>	<b>31.056</b>	<b>30.493</b>	<b>30.992</b>

Budgetary control instrument allow to timely respond for the balancing of outflows and inflows.

The liabilities have a due date less than 6 months and are balanced with collection of receivables and short term borrowings.

#### □ **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.

<u>Gearing ratio</u>	<u>Group</u>		<u>Company</u>	
	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2009</u>	<u>30.06.2008</u>
<b>Amounts in € thousand</b>				
Short term Borrowings	17.299	17.113	17.299	17.113
Long term Borrowings	593	0	593	0
<b>Less: cash and cash equivalents</b>	<b>-1.121</b>	<b>-1.110</b>	<b>-777</b>	<b>-885</b>
<b>Net Debt</b>	<b>16.771</b>	<b>16.003</b>	<b>17.115</b>	<b>16.228</b>
Equity	15.266	12.706	14.931	12.429
<b>Total capital employed</b>	<b>32.037</b>	<b>28.709</b>	<b>32.046</b>	<b>28.657</b>
<b>Gearing ratio</b>	<b>52,34%</b>	<b>55,74%</b>	<b>53,40%</b>	<b>56,62%</b>

□ **Other operational risk**

A reliable internal Control System has been established by the company's management in order to timely identify potential distortions in the company's commercial activities. The insurance coverage against all risks is deemed to be sufficient.

**4.7.31 SIGNIFICANT EVENTS**

- **Shareholders' Ordinary General Meeting at 30-06-2009**, important issues of the meeting were the following:
  - Modification of the article 3 of the Association to extent the corporate aims to include the provision of finance and accounting services
  - Share Capital increase through capitalization of the Share premium with concurrent offsetting of previous years losses and modification of article 5 of the Association. Thus, the fully paid-up Share Capital amounts to € 10.530.448,00 divided to 26.326.120 shares with a nominal value of € 0,40, all of which are ordinary shares.
  - Constitution of and member designation for the Audit committee in compliance with the Law 3693/08 with the following responsibilities a) monitoring of the financial reporting processes b) monitoring of the effectiveness of the Internal Audit and the Risk Management System as well as supervision of the Internal Control Unit. c) monitoring of the statutory external audits of the corporate and consolidated financial statements d) review and monitoring of the independence of the legal auditor.
  - Modification of article 10 of the Association allowing increasing the members of the Board of Directors up to 9 members. The members of the Board, which may be shareholders or not (non Shareholders) are elected from the General Meeting with an incumbency of 5 year, automatically extended until the first General Meeting that will take place after the end of their incumbency, and for the maximum of one more year.
- **Begin of the tax audit** for the fiscal years 2007-2008 of the parent company
- **Space Hellas received the certification ISO/IEC 27001:2005 SPACE HELLAS S.A. Information Security Management Systems (ISMS)** at corporate level, for all of its commercial activities and for all of its premises and the branches of Athens, Thessaloniki, Patra, Ioannina and Crete. The audit was performed by ISOQAR and the company received the UKAS certification (Certificate No. 7421 ISMS 001.) SPACE HELLAS .S.A. is one of the few companies in Greece possessing this certification for the whole of its activities. The certification according to ISO/IEC 27001, assures that all processes are tested for information confidentiality, integrity and availability for the data protection purposes. The certification is for the benefit of all the company's stakeholders and especially of its major clients. The ISMS Implementation was conducted by the Department of Information Security of the company.

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

#### **4.8 SIGNIFICANT EVENTS AFTER THE 30<sup>th</sup> JUNE 2009:**

Significant events after the 30<sup>th</sup> June 2009 are the following:

- At 09.07.2009, Space Hellas and Information Society S.A., have signed the contract for the project «full digitization of four upgraded Radar of CMH», of € 1,58 million contract budget and the final beneficiary is CMH (EMY).
- At 28.07.2009, in accordance with HCMC decision 3/347/12.7.2005, article 2 § 2(ε) the company announced the closure of collaboration with Mr. Anastasios Giokas. Thus, Mr. Giokas has resigned from the positions of second vice president of the Board of Directors, non executive member of the Board of Directors and member of the company's Audit committee.
- At 29.07.2009 the project «Remote access users Greek Police » (3G ΕΛ.ΑΣ), of € 1,59 million contract budget , for the Greek police, was assigned to Space Hellas. The contract sign up is expected to be take place on September 2009.
- At 03.08.2009, Space Hellas and KBI Hellas have commonly established with equal share the joint venture DORY. The aim of the joint venture is the development of satellite telecommunications for the Public Sector, of € 7,35 million contract budget for the Ministry of Transport Communications. The Contracting authority is Information Society SA and the contract sign up is expected on September 2009.

There are no other important facts after 30.06.2009 up to 27<sup>th</sup> August 2009 that are significant to be reported. We certify that the attached semi-annual financial report includes the interim financial statements which have been approved by the Board of Directors of SPACE HELLAS SA on August 27, 2009 and have been published by posting them on the internet, at the address <http://www.space.gr>, and have been signed by the following:

PRESIDENT OF  
THE BOARD OF DIRECTORS

CHIEF EXECUTIVE  
OFFICER

GENERAL MANAGER

CHIEF FINANCIAL  
OFFICER

CHIEF  
ACCOUNTANT

**DIMITRIOS  
MANOLOPOULOS**

**PARASKEVAS  
DROSINOS**

**GEORGIOS  
LAGOGIANNIS**

**IOANNIS  
DOULAVERIS**

**ANASTASIA  
PAPARIZOU**

<b>SPACE HELLAS SA</b>																																																																																																																																																																				
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(According to 4/507/28.4.2009 resolution of board of the Capital Market Committee)																																																																																																																																																																				
The following data and information, that derives from financial statements, aims to provide a broad overview of the financial position and results of "SPACE HELLAS AE". We therefore, suggest to the reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, at the internet address www.space.gr where the Financial Statements and notes according to IFRS are published together with the Auditors' Report whenever it is required.																																																																																																																																																																				
<p><b>COMPANY DATA</b></p> <p>Web site: <a href="http://www.space.gr">http://www.space.gr</a></p> <p>Date of approval of Financial Statements by BoD: August 27, 2009</p> <p>Minutes of Board of Directors No 1.549</p> <p>Certified Public Accountant Auditor: Dimos N. Pirets (SOFEL Reg. No 14481)</p> <p>Auditing Company: PwF EUROAUDITING S.A.</p> <p>Type of Auditors' Report: Unqualified opinion</p>		<p><b>1.1 CASH FLOW STATEMENT</b></p> <p>(consolidated or not) Amounts reported in Euro thousands:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">THE GROUP</th> <th colspan="2" style="text-align: center;">THE COMPANY</th> </tr> <tr> <th></th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> </tr> </thead> <tbody> <tr> <td><b>Cash Flows related to Operating Activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net profit before taxes</td> <td style="text-align: right;">1.161</td> <td style="text-align: right;">1.363</td> <td style="text-align: right;">1.100</td> <td style="text-align: right;">863</td> </tr> <tr> <td>Plus / Less adjustments for:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Depreciation and Amortisation</td> <td style="text-align: right;">432</td> <td style="text-align: right;">401</td> <td style="text-align: right;">432</td> <td style="text-align: right;">400</td> </tr> <tr> <td>Expenses of capitalization of difference from premium share</td> <td style="text-align: right;">-84</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-84</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Provisions</td> <td style="text-align: right;">-2.093</td> <td style="text-align: right;">-1.084</td> <td style="text-align: right;">-2.093</td> <td style="text-align: right;">-622</td> </tr> <tr> <td>Exchange rate differences</td> <td style="text-align: right;">168</td> <td style="text-align: right;">-10</td> <td style="text-align: right;">168</td> <td style="text-align: right;">-10</td> </tr> <tr> <td>Results (income, expenses, profit and losses) from investing</td> <td style="text-align: right;">-59</td> <td style="text-align: right;">383</td> <td style="text-align: right;">-101</td> <td style="text-align: right;">384</td> </tr> <tr> <td>Debit interest and similar expenses</td> <td style="text-align: right;">809</td> <td style="text-align: right;">793</td> <td style="text-align: right;">809</td> <td style="text-align: right;">792</td> </tr> <tr> <td>Plus / Less adjustments of working capital to net cash or related to operating activities:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Decrease / (increase) of Inventories</td> <td style="text-align: right;">-244</td> <td style="text-align: right;">496</td> <td style="text-align: right;">-244</td> <td style="text-align: right;">496</td> </tr> <tr> <td>Decrease / (increase) of Receivables</td> <td style="text-align: right;">-136</td> <td style="text-align: right;">-5,498</td> <td style="text-align: right;">-76</td> <td style="text-align: right;">-5,626</td> </tr> <tr> <td>Increase / (decrease) of payable accounts (except Banks)</td> <td style="text-align: right;">-2,930</td> <td style="text-align: right;">2,802</td> <td style="text-align: right;">-2,968</td> <td style="text-align: right;">2,901</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest paid and similar expenses</td> <td style="text-align: right;">-838</td> <td style="text-align: right;">-793</td> <td style="text-align: right;">-838</td> <td style="text-align: right;">-792</td> </tr> <tr> <td>Income Tax paid</td> <td style="text-align: right;">-194</td> <td style="text-align: right;">-155</td> <td style="text-align: right;">-176</td> <td style="text-align: right;">-151</td> </tr> <tr> <td><b>Net cash generated from Operating Activities (a)</b></td> <td style="text-align: right;"><b>-4,008</b></td> <td style="text-align: right;"><b>-1,302</b></td> <td style="text-align: right;"><b>-4,071</b></td> <td style="text-align: right;"><b>-1,365</b></td> </tr> <tr> <td><b>Cash Flows related to Investing Activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Acquisition of subsidiaries, associates, joint-ventures and other investments</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-0</td> </tr> <tr> <td>Purchases of property, plant and equipment and of intangible assets</td> <td style="text-align: right;">-620</td> <td style="text-align: right;">-427</td> <td style="text-align: right;">-620</td> <td style="text-align: right;">-427</td> </tr> <tr> <td>Proceeds from sale of PPE and intangible assets</td> <td style="text-align: right;">6</td> <td style="text-align: right;">0</td> <td style="text-align: right;">6</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Interest received</td> <td style="text-align: right;">155</td> <td style="text-align: right;">40</td> <td style="text-align: right;">155</td> <td style="text-align: right;">39</td> </tr> <tr> <td><b>Net cash used in Investing Activities (b)</b></td> <td style="text-align: right;"><b>-459</b></td> <td style="text-align: right;"><b>-393</b></td> <td style="text-align: right;"><b>-459</b></td> <td style="text-align: right;"><b>-394</b></td> </tr> <tr> <td><b>Cash Flows related to Financial Activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Proceeds from Loans</td> <td style="text-align: right;">4,587</td> <td style="text-align: right;">5,047</td> <td style="text-align: right;">4,587</td> <td style="text-align: right;">5,047</td> </tr> <tr> <td>Repayment of Loans</td> <td style="text-align: right;">-1,699</td> <td style="text-align: right;">-3,440</td> <td style="text-align: right;">-1,699</td> <td style="text-align: right;">-3,440</td> </tr> <tr> <td><b>Net cash generated from Financing Activities (c)</b></td> <td style="text-align: right;"><b>2,888</b></td> <td style="text-align: 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30.06.2008	01.01.- 30.06.2009	01.01.- 30.06.2008	<b>Cash Flows related to Operating Activities</b>					Net profit before taxes	1.161	1.363	1.100	863	Plus / Less adjustments for:					Depreciation and Amortisation	432	401	432	400	Expenses of capitalization of difference from premium share	-84	0	-84	0	Provisions	-2.093	-1.084	-2.093	-622	Exchange rate differences	168	-10	168	-10	Results (income, expenses, profit and losses) from investing	-59	383	-101	384	Debit interest and similar expenses	809	793	809	792	Plus / Less adjustments of working capital to net cash or related to operating activities:					Decrease / (increase) of Inventories	-244	496	-244	496	Decrease / (increase) of Receivables	-136	-5,498	-76	-5,626	Increase / (decrease) of payable accounts (except Banks)	-2,930	2,802	-2,968	2,901	Less:					Interest paid and similar expenses	-838	-793	-838	-792	Income Tax paid	-194	-155	-176	-151	<b>Net cash generated from Operating Activities (a)</b>	<b>-4,008</b>	<b>-1,302</b>	<b>-4,071</b>	<b>-1,365</b>	<b>Cash Flows related to Investing Activities</b>					Acquisition of subsidiaries, associates, joint-ventures and other investments	0	-0	0	-0	Purchases of property, plant and equipment and of intangible assets	-620	-427	-620	-427	Proceeds from sale of PPE and intangible assets	6	0	6	0	Interest received	155	40	155	39	<b>Net cash used in Investing Activities (b)</b>	<b>-459</b>	<b>-393</b>	<b>-459</b>	<b>-394</b>	<b>Cash Flows related to Financial Activities</b>					Proceeds from Loans	4,587	5,047	4,587	5,047	Repayment of Loans	-1,699	-3,440	-1,699	-3,440	<b>Net cash generated from Financing Activities (c)</b>	<b>2,888</b>	<b>1,607</b>	<b>2,888</b>	<b>1,607</b>	<b>Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>-1,579</b>	<b>-88</b>	<b>-1,642</b>	<b>-152</b>	Cash and cash equivalents at beginning of the period	2,700	1,198	2,419	1,037	<b>Cash and cash equivalents at end of the 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LIABILITIES</b>					Share capital	10,530	8,424	10,530	8,424	Other capital and reserves attributable to equity holders of the Company	4,736	5,883	4,401	5,598	Total capital and reserves attributable to equity holders of the Company (a)	15,266	14,307	14,931	14,022	Minority interest (b)	0	0	-	-	Total Equity (c) = (a) + (b)	15,266	14,307	14,931	14,022	Non-current liabilities	993	676	593	676	Provisions and other non current liabilities	1,704	1,655	2,211	2,240	Short-term borrowings	17,299	14,326	17,299	14,326	Other current liabilities	13,290	16,730	13,194	16,666	Total Liabilities (d)	32,886	33,587	33,297	33,908	<b>TOTAL LIABILITIES AND EQUITY (c) + (d)</b>	<b>48,152</b>	<b>47,894</b>	<b>48,228</b>	<b>47,930</b>	<p><b>1.2 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY</b></p> <p>(consolidated or not) Amounts reported in Euro thousands:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">THE GROUP</th> <th colspan="2" style="text-align: center;">THE COMPANY</th> </tr> <tr> <th></th> <th style="text-align: center;">30.06.2009</th> <th style="text-align: center;">30.06.2008</th> <th style="text-align: center;">30.06.2009</th> <th style="text-align: center;">30.06.2008</th> </tr> </thead> <tbody> <tr> <td>Equity balance at the beginning of period (01.01.2009 and 01.01.2008 respectively)</td> <td style="text-align: right;">14,307</td> <td style="text-align: right;">11,364</td> <td style="text-align: right;">14,022</td> <td style="text-align: right;">11,578</td> </tr> <tr> <td>Total comprehensive income</td> <td style="text-align: right;">930</td> <td style="text-align: right;">1,270</td> <td style="text-align: right;">880</td> <td style="text-align: right;">779</td> </tr> <tr> <td>Increase / (decrease) in Share Capital</td> <td style="text-align: right;">2,106</td> <td style="text-align: right;">0</td> <td style="text-align: right;">2,106</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Stock Option Plan formation reserve</td> <td style="text-align: right;">29</td> <td style="text-align: right;">72</td> <td style="text-align: right;">29</td> <td style="text-align: right;">72</td> </tr> <tr> <td>Increase Share Capital after the capitalization of part of the share premium and concurrent decrease in order to offset the losses of prior years</td> <td style="text-align: right;">-2,106</td> <td style="text-align: right;">0</td> <td style="text-align: right;">-2,106</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Equity balance at the end of the period (30.06.2009 and 30.06.2008 respectively)</td> <td style="text-align: right;">15,266</td> <td style="text-align: right;">12,706</td> <td style="text-align: right;">14,931</td> <td style="text-align: right;">12,429</td> </tr> </tbody> </table>				THE GROUP		THE COMPANY			30.06.2009	30.06.2008	30.06.2009	30.06.2008	Equity balance at the beginning of period (01.01.2009 and 01.01.2008 respectively)	14,307	11,364	14,022	11,578	Total comprehensive income	930	1,270	880	779	Increase / (decrease) in Share Capital	2,106	0	2,106	0	Stock Option Plan formation reserve	29	72	29	72	Increase Share Capital after the capitalization of part of the share premium and concurrent decrease in order to offset the losses of prior years	-2,106	0	-2,106	0	Equity balance at the end of the period (30.06.2009 and 30.06.2008 respectively)	15,266	12,706	14,931	12,429										
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<p><b>1.2 INCOME STATEMENT</b></p> <p>(consolidated or not) Amounts reported in Euro thousands:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="4" style="text-align: center;">THE GROUP</th> <th colspan="4" style="text-align: center;">THE COMPANY</th> </tr> <tr> <th></th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> <th style="text-align: center;">01.04.- 30.06.2009</th> <th style="text-align: center;">01.04.- 30.06.2008</th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> <th style="text-align: center;">01.04.- 30.06.2009</th> <th style="text-align: center;">01.04.- 30.06.2008</th> </tr> </thead> <tbody> <tr> <td>Total Sales Revenue</td> <td style="text-align: right;">24,896</td> <td style="text-align: right;">26,421</td> <td style="text-align: right;">13,067</td> <td style="text-align: right;">15,252</td> <td style="text-align: right;">24,658</td> <td style="text-align: right;">26,256</td> <td style="text-align: right;">12,923</td> <td style="text-align: right;">15,165</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">7,577</td> <td style="text-align: right;">7,666</td> <td style="text-align: right;">3,813</td> <td style="text-align: right;">4,361</td> <td style="text-align: right;">7,469</td> <td style="text-align: right;">7,588</td> <td style="text-align: right;">3,742</td> <td style="text-align: right;">4,313</td> </tr> <tr> <td>Earnings before taxes, financing and investing results (EBIT)</td> <td style="text-align: right;">1,910</td> <td style="text-align: right;">2,148</td> <td style="text-align: right;">809</td> <td style="text-align: right;">1,143</td> <td style="text-align: right;">1,805</td> <td style="text-align: right;">2,118</td> <td style="text-align: right;">739</td> <td style="text-align: right;">1,117</td> </tr> <tr> <td>Profit 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<td style="text-align: right;">377</td> <td style="text-align: right;">727</td> <td style="text-align: right;">880</td> <td style="text-align: right;">779</td> <td style="text-align: right;">323</td> <td style="text-align: right;">236</td> </tr> <tr> <td>- Equity holders of the Company</td> <td style="text-align: right;">930</td> <td style="text-align: right;">1,270</td> <td style="text-align: right;">377</td> <td style="text-align: right;">727</td> <td style="text-align: right;">880</td> <td style="text-align: right;">779</td> <td style="text-align: right;">323</td> <td style="text-align: right;">236</td> </tr> <tr> <td>- Minority interest</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Earnings (after taxes) per 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30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008	Total Sales Revenue	24,896	26,421	13,067	15,252	24,658	26,256	12,923	15,165	Gross Profit	7,577	7,666	3,813	4,361	7,469	7,588	3,742	4,313	Earnings before taxes, financing and investing results (EBIT)	1,910	2,148	809	1,143	1,805	2,118	739	1,117	Profit before taxes total (EBT)	1,161	1,363	342	709	1,100	863	294	213	Profit for the period after taxes (A)	1,014	1,341	461	727	964	850	407	236	- Equity holders of the Company	0	0	461	727	964	850	407	236	- Minority interest	0	0	0	0	0	0	0	0	Other comprehensive (expenses)/income after taxes (B)	-84	-71	-84	0	-84	-71	-84	0	Total comprehensive income after taxes (A) + (B)	930	1,270	377	727	880	779	323	236	- Equity holders of the Company	930	1,270	377	727	880	779	323	236	- Minority interest	0	0	0	0	0	0	0	0	Earnings (after taxes) per share-basic (expressed in €)	0,0393	0,0519	0,0179	0,0281	0,0378	0,0329	0,0158	0,0091	Earnings before taxes, financing and investing results and depreciation - amortization 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<p><b>ADDITIONAL DATA AND INFORMATION</b></p> <p>1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share was calculated based on the weighted average number of ordinary shares in issue during the year amounting to 25.826.120 taking into account the purchase of 500.000 own shares at the cost of €11 thousand euro.</p> <p>2. The company's share capital has register an increase after the capitalization of part of the spare premium account and a concurrent decrease in order to offset the losses of prior years (note 4.7.16).</p> <p>3. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.7.10 of the 6-month interim financial statements of 2009.</p> <p>4. On 18-12-2008 (registration number 19976) the First Instance Court of Athens has declared the liquidation of subsidiary SPACE NETWORK INFRASTRUCTURES SOLE SHAREHOLDER CO. LTD On 31-12-2008 (Cancellation act reg. number EM-28331/08) the Prefecture of Athens has declared the liquidation of the affiliated company GARNETT S.A. The aforementioned companies are no longer incorporated in the consolidated financial statements. The impact on the Group's position was less than 25%.</p> <p>5. Consequently the company's financial statements for the period from 01/01/2009 to 30/06/2009 are not fully comparable with the financial statements for the corresponding period of 2008.</p> <p>6. The tax un-audited years of the Company and the Group are disclosed in note 4.7.26 of the 6-month interim financial statements of 2009.</p> <p>7. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.</p> <p>8. The company has formed a provision for the tax un-audited years amounting to 88 thousand euro. For the rest of the Group's companies no provision has been formed as the impact of the additional tax is deemed to be insignificant (note 4.7.24).</p> <p>9. 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.</p> <p>10. The personnel employed at 30-06-2009 in the Company and the Group amounted to 256 persons and as at 30-06-2008 in the Company amounted to 239 persons and in the Group to 240 persons.</p> <p>11. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.</p> <p>12. Transactions with related parties according to IAS 24, for the period from 1 January to 30 June 2009:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">THE GROUP</th> <th colspan="2" style="text-align: center;">THE COMPANY</th> </tr> <tr> <th></th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> <th style="text-align: center;">01.01.- 30.06.2009</th> <th style="text-align: center;">01.01.- 30.06.2008</th> </tr> </thead> <tbody> <tr> <td>a) Revenue</td> <td style="text-align: right;">105</td> <td style="text-align: right;">105</td> <td style="text-align: right;">105</td> <td style="text-align: right;">105</td> </tr> <tr> <td>b) Expenses</td> <td style="text-align: right;">444</td> <td style="text-align: right;">444</td> <td style="text-align: right;">444</td> <td style="text-align: right;">444</td> </tr> <tr> <td>c) Receivables</td> <td style="text-align: right;">6,684</td> <td style="text-align: right;">6,665</td> <td style="text-align: right;">6,684</td> <td style="text-align: right;">6,665</td> </tr> <tr> <td>d) Liabilities</td> <td style="text-align: right;">536</td> <td style="text-align: right;">536</td> <td style="text-align: right;">536</td> <td style="text-align: right;">536</td> </tr> <tr> <td>e) Key management compensations</td> <td style="text-align: right;">636</td> <td style="text-align: right;">636</td> <td style="text-align: right;">636</td> <td style="text-align: right;">636</td> </tr> <tr> <td>f) Receivables from key management</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>g) Payables to key management included in above</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </tbody> </table> <p>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.</p>										THE GROUP		THE COMPANY			01.01.- 30.06.2009	01.01.- 30.06.2008	01.01.- 30.06.2009	01.01.- 30.06.2008	a) Revenue	105	105	105	105	b) Expenses	444	444	444	444	c) Receivables	6,684	6,665	6,684	6,665	d) Liabilities	536	536	536	536	e) Key management compensations	636	636	636	636	f) Receivables from key management	0	0	0	0	g) Payables to key management included in above	0	0	0	0																																																																																																															
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DIMITRIOS MANILOPOULOS ID. No. AZ 549717	PARASKEVAS DROSINOS ID. No. A B 275447	GEORGIOS LAGOYIANNIS ID. No. A B 291787	IOANNIS DOULABERIS ID. No. A H 073261	ANASTASIA PAPANIZOU ID. No. AZ 547617 H.E.C. License No. 0004438 A " Class																																																																																																																																																																