INTRACOM SA
DEFENSE ELECTRONIC SYSTEMS

Financial statements
in accordance with International Financial Reporting Standards
as adopted by the European Union

31 December 2012

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE

Company named

"INTRACOM S.A. DEFENSE ELECTRONIC SYSTEMS",

TRADING NAME: "INTRACOM DEFENSE ELECTRONICS",

Concerning the Financial Statements

For the fiscal year from January 1st to December 31st 2012

To: the Annual General Meeting of Shareholders
Messrs. Shareholders,

We submit for approval the financial statements of the Company's financial year from January 1 to December 31, 2012.
The financial statements for the fiscal year, as the previous ones, have been prepared in accordance with International Accounting Standards, as adopted by the European Union.
This Annual Report of the Board of Directors was prepared in accordance with the provisions of Article 43a paragraph 3 of CL 2190/1920.
The main object of Company's activity concerns the industrial production of defense electronic systems, trade, design, development, manufacture, installation of defense electronic systems and the provision of related services.

FINANCIAL RESULTS – ACTIVITY REVIEW

The company sales in fiscal year 2012, amounted to € 49.659 thousand against € 46.567 thousand in fiscal year 2011 increased by 6,64%.

The Company's operating results (EBITDA), amounted to € 1.251 thousand recording profit against losses of € (584) thousand in 2011.In terms of income before taxes (EBT), the company reported losses € (875) thousand against losses of € (2.756) for the year 2011, while the after tax losses amounted to € (712) thousand against losses of € (2.581) thousand for the previous year.

The level of inventories increased by 34.69% compared with the previous, rising to the amount of € 35.233 thousand. This increase was due to purchases of raw materials for projects that will be invoiced in the future as the time of construction exceeds a year.

Trade receivables and other receivables decreased to € 22.971 thousand. Current tax assets related to taxes withheld or paid in advance amounted to € 782 thousand.

Total liabilities amounted to € 36.724 thousand, of which the larger portion concerns customers advance payments in the frame of projects implementation.

Administrative expenses amounted to € 3.210 thousand and are reduced by 13,54% compared to the previous year.

Net financial cost for the fiscal year was positive, amounted to € 211 thousand.

Cash and cash equivalents at the end of the fiscal year amounted to € 9.155 thousand compared to € 7.059 thousand at the end of the previous fiscal year.

The equity of the Company at the end of the year 2012 amounted to € 80.140 thousand against € 80.852 in the year 2011.

Key financial ratios depicting the Group's and Company's financial condition in a static format are as follows:

a. Financial Structure Ratios

	2012	2011
Current Assets / Total Asests	58,3%	53,8%
Total Equity / Total Liabilities	218,2%	286,9%
Total Equity / Fixed Assets	164,5%	160,6%
Current Assets / Short- term Libilites	194,1%	224,7%

b. Profitability Ratios

	2012	2011
Net Profit / Sales	-1,4%	-5,5%
Gross Profit / Sales	18,4%	20,2%
Sales / Total Equity	62,0%	57,6%

MAIN EVENTS

During the year 2012 IDE was awarded a Supplier Excellence Award by the RAYTHEON company. The award marks the international recognition of the Company taking into account the criteria of total quality, delivery time and competitiveness.

Another major success for the company was the selection of the product WISPR as part of the main equipment of the German army's PzH2000 vehicles, according to the German Federal Office of Defense Technology and Procurement (BWB).

During the year 2012 the company undertook new projects with a total budget of € 30,1 million; the more significant are the following:

- With NORTHROP GRUMMAN company: Contracts worth of 3,4 million U.S. dollars for the production of F-16 aircraft's electronic systems for a third country.

- With the German company Diehl BGT Defense (DBD): A contract worth of 2,3 million EUR for the manufacturing of IRIS-T missile electronic systems for international customers.

- With the RAYTHEON company: Contracts worth of 22,5 million USD for the production of PATRIOT antiaircraft subsystems for third-country customers as well as the production of electronic systems for the surface-to-air missiles RAM and ESSM.

GOALS – PERSPECTIVES

INTRACOM DEFENSE ELECTRONICS remains highly focused on extroversion enforcing policy. Its adaptation has managed to reverse the consequences of the local market's ongoing shrinkage. The efficient and smooth transition towards that goal was realized by the company's prompt and timely diagnosis of the intensified crisis's fiscal consequences on the country's defense expenditures.
The company aims to strengthen its cooperation with large producers of defense equipment in order to participate in international programs for third-country customers and further maintain the successful reorientation to other sectors of defense equipment manufacturing besides defense telecommunications.

The company, taking into account the negative domestic conjuncture as well as the difficulties of the international economic environment, has set the following strategic objectives:

- The establishment of cooperation and agreements with leading companies in the defense sector so that IDE's products are included in their integrated platforms (for promotion to third countries)

- The strengthening of the company's export activity through US international programs for selling Patriot subsystems and other missile systems.

- The strengthening of IDE's presence in new markets by promoting innovative products of its own design in the regions of Africa, Asia and the Middle East.

- The expansion of activities in maintenance services offered to NAMSA (NATO Maintenance and Supply Agency) and the provision for similar maintenance services to other customers such as the Ministry of National Defense.

The backlog of contracts of the Company on 31.12.2012 amounted to € 113,7 million.

RISKS AND UNCERTAINTIES

Risks associated with the company's activity

Defense market trend

The unfavorable economic conditions in the European market continued as long as the banking sector instability and Eurozone rising recession created negative perceptions in the investment landscape. This uncertainty and the restrictive policies of European countries have had direct impact on defense spending which again remained negative this year. More specifically, 18 out of 31 EU countries experienced defense spending cuts by 10% since the beginning of the global economic crisis in 2008.

According to Stockholm International Peace Research Institute (SIPRI), the global defense market in 2012 was lower than 2011 by 0,5% (first decrease since 1998). The global indications show a further decrease for the next 2-3 years. The total global defense spending for 2012 was 1,75 trillion USD whereas the NATO countries spending accounted for 1,0 trillion USD.

More specifically, a decline of 6% was recorded in the U.S.; Western and Central Europe showed also a decline as well as Australia, Canada, India, Sub-Saharan Africa and Japan. On the contrary, there was an increase in Asia (3,3%), Middle East (8,4%), North Africa (7,8%), Latin America (4,2%) and Eastern Europe (15,3%). Significant increases in defense spending were recorded in China (7,8%, ranked second worldwide in defense spending), Russia (16%, third worldwide), Vietnam and Indonesia.

The combination of Greek deep recession for the fourth year, the decline of country's fiscal figures and the deterioration of macro-economic data discourages, in short and middle term, any changes in the current restrictive defense spending policy. This leads to a continuous postponement of defense programs implementation which may cause implications on the required level of the country's defense capabilities.

Greek defense industry, having already faced the consequences of the sharp recession, has to be released from the Greek market restraints and move into a global environment in order to maintain its competitive position in the international defense sector. The small size of Greek defense companies and the lack of international orientation remain the biggest issues which make these companies vulnerable to the consequences caused by the domestic crisis. Furthermore, the lack of liquidity in the market due to the banking crisis is exacerbating the problem.

Financial Risks

Foreign Exchange Risks

The Company intends to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency. In case of exceeding the holding amount, the company has the ability for the surplus to use hedging mechanisms of exchange rate risk through appropriate bank products or use equivalent loans in foreign currency.

Cash flow and fair value interest rate risk

The company is in minimal exposure to interest rate risk, due to the eliminated borrowings and the short-term horizon of the cash deposits.

Credit risk

Due to the nature of the company's activities, credit risk concerning customers receivables is limited (Special certified clients or Public Organizations).

Liquidity risk

The Company holds sufficient liquidity in cash and cash equivalents and has the ability to use available undrawn borrowing facilities.

PERSONNEL

The number of company's employees on 31.12.2012 reached 403 employees compared to 428 employees on 31.12.2011.
Directors' remuneration and key management compensation amounted to € 838.695 during the year 2012 in comparison to € 783.963 during the previous year. There were no requirements or obligations to the management at year end.

OTHER SIGNIFICANT EVENTS

Until the date of submission of this report, no other event has occurred that could significantly affect the financial position and progress of the Company.

Messrs. Shareholders,

The Board of Directors considers the reported data as a statement of its proceedings and expects that the General Assembly will approve the management according to the company's interests and the financial statements for the year which ended on 31/12/2012.

It also expects that a special resolution by the General Assembly will release the Board of Directors and the Auditors from any liability for the fiscal year starting January 1, 2012 until December 31, 2012.

In order for the shareholders to be adequately informed, it is stated that the Company has not proceeded in any own shares acquisition.

True copy from the minutes' Book of the Board of Directors

Koropi, April 10, 2013

THE MANAGING DIRECTOR (CEO)

GEORGE TROULLINOS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "INTRACOM S.A DEFENSE ELECTRONIC SYSTEMS"

Report on the Financial Statements

We have audited the accompanying financial statements of "INTRACOM S.A DEFENSE ELECTRONIC SYSTEMS", which comprise the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 43a and 37 of c.L. 2190/1920.

Athens, 12th April 2013

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Balance sheet

	Note	31/12/2012	31/12/2011
ASSETS			
Non-current assets			
Property, plant and equipment	6	44.196.365	44.446.645
Intangible assets	7	744.614	1.067.335
Investment property	8	3.741.142	4.781.545
Trade and other receivables	9	41.400	41.030
		48.723.521	**50.336.554**
Current assets			
Inventories	10	35.232.939	26.158.989
Trade and other receivables	9	22.970.708	24.704.164
Current income tax assets		781.685	770.629
Cash and cash equivalents	11	9.155.149	7.058.982
		68.140.480	**58.692.763**
Total assets		**116.864.001**	**109.029.317**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	67.923.717	67.923.717
Reserves	13	10.190.820	10.190.820
Retained earnings		2.025.621	2.737.662
		80.140.158	**80.852.199**
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	15	60.193	222.760
Retirement benefit obligations	16	1.109.506	1.073.750
Provisions for other liabilities and charges	17	445.717	758.265
		1.615.416	**2.054.775**
Current liabilities			
Trade and other payables	18	34.531.427	24.695.343
Borrowings	14	-	1.000.000
Provisions for other liabilities and charges	17	577.000	427.000
		35.108.427	**26.122.343**
Total liabilities		**36.723.843**	**28.177.118**
Total equity and liabilities		**116.864.001**	**109.029.317**

The notes on pages 15 to 47 are an integral part of these financial statements.

Statement of Comprehensive Income

	Note	1/1-31/12/2012	1/1-31/12/2011
Sales	19	49.659.292	46.567.389
Cost of goods sold	20	(40.539.177)	(37.141.999)
Gross profit		**9.120.115**	**9.425.391**
Selling and research costs	20	(6.392.554)	(8.722.356)
Administrative expenses	20	(3.210.092)	(3.712.858)
Other income	22	213.548	363.658
Other gains/(losses) - net	23	(394.924)	58.727
Operating profit		**(663.907)**	**(2.587.439)**
Finance income	24	90.314	51.437
Finance costs	24	(301.015)	(219.915)
Finance costs - net		**(210.701)**	**(168.477)**
Profit before income tax		**(874.608)**	**(2.755.917)**
Income tax expense	25	162.567	175.328
Profit after income tax		**(712.041)**	**(2.580.589)**
Other comprehensive income:			
Other Comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**(712.041)**	**(2.580.589)**
Earning per share profit attributable to the equity holders of the company during the year			
Basic	26	**(0,031)**	**(0,112)**

The notes on pages 15 to 47 are an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2011		**67.923.717**	**10.169.987**	**5.339.084**	**83.432.788**
Profit for the year				(2.580.589)	(2.580.589)
Transfer	13		20.833	(20.833)	
Balance at 31 December 2011		**67.923.717**	**10.190.820**	**2.737.662**	**80.852.199**
Balance at 1 January 2012		**67.923.717**	**10.190.820**	**2.737.662**	**80.852.199**
Profit for the year				(712.041)	(712.041)
Balance at 31 December 2012		**67.923.717**	**10.190.820**	**2.025.621**	**80.140.158**

The notes on pages 15 to 47 are an integral part of these financial statements.

Cash flow statement

	Note	1/1-31/12/2012	1/1-31/12/2011
Cash flows from operating activities			
Cash generated from operations	27	3.546.004	3.701.134
Interest paid	27	(301.015)	(219.915)
Income tax paid		(11.057)	(577.256)
Net cash from operating activities		**3.233.932**	**2.903.963**
		-	-
Cash flows from investing activities		-	-
Purchase of property, plant and equipment (PPE)	6	(217.789)	(577.818)
Purchase of intangible assets	7	(10.289)	(48.252)
Proceeds from sale of PPE		0	14.332
Interest received	27	90.314	51.437
Net cash from investing activities		**(137.765)**	**(560.302)**
Cash flows from financing activities			
Dividends paid		-	-
Repayment of borrowings		(1.000.000)	(1.000.000)
Net cash from financing activities		**(1.000.000)**	**(1.000.000)**
Net decrease in cash and cash equivalents		**2.096.167**	**1.343.661**
Cash and cash equivalents at beginning of year		7.058.982	5.715.320
Cash and cash equivalents at end of year	11	**9.155.149**	**7.058.982**

The notes on pages 15 to 47 are an integral part of these financial statements.

Notes to the financial statements in accordance with International Financial Reporting Standards

1. General Information

The annual financial statements include the financial statements of INTRACOM S.A DEFENSE ELECTRONIC SYSTEMS for the year ended 31 December 2012 prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board.

Intracom SA Defense Electronics Systems ("Intracom Defense", "the Company") was founded in Greece and operates mainly in the design, development and manufacturing of defense electronic products, systems and applications and the provision of technical support services and maintenance.

The company operates in Greece and in foreign countries.

The Company's registered office is at 21 km Markopoulou Ave., Peania Attikis, Greece. Its website address is ***www.intracomdefense.com*.**

The Company is 100% subsidiary of Intracom Holdings SA ("Intracom Holdings", "Intracom Holdings Group"). The annual consolidated financial statements of Intracom Holdings SA for the year ended 31 December 2012 have been published on its website at ***www.intracom.com*.**

These financial statements have been approved for issue by the Board of Directors on April 10th and are subject to approval by the Annual General Meeting of the Shareholders.

2. Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost and the going concern conventions. These financial statements are in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") as well as their interpretations issued by the Interpretations committee (IFRIC) and had approved by the European Union (EU).

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The accounting policies that have been used for the financial statements preparations are consistent with those used in the previous financial year. They have been under consideration all the revised standards and their interpretations that are in use from 1 January of 2012.

New standards, interpretations and amendments

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:

a) *Standards/ interpretations effective in 2012*

IAS 12 (Amendment) "Income Taxes" *(effective for annual periods beginning on or after 1 January 2012)*

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The presumption cannot be rebutted for freehold land that is an investment property, because land can only be recovered through sale. This amendment does not affect the Company's financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment does not affect the Company's financial statements.

(b) Standards/ interpretations that are not yet effective and have not been early adopted by the company

IAS 1 (Amendment) "Presentation of financial statements" *(effective for annual periods beginning on or after 1 July 2012)*

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.The company will apply this amendment from the date of entry into force and are not expected to have a material impact on the financial statements.

IAS 19 (Amendment) "Employee Benefits" *(effective for annual periods beginning on or after 1 January 2013)*

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. The Company will adopt the new standard from the next annual period. This amendment will affect the long term liabilities, the equity and the total comprehensive income of the Company since as at 31 December 2012 there are unrecognised losses € 248.949.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment will not affect the Company's financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment will not affect the Company's financial statements.

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

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

IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. The Company is currently assessing the impact of IFRS 13 on its financial statements.

IFRIC 20 "Stripping costs in the production phase of a surface mine" *(effective for annual periods beginning on or after 1 January 2013)*

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This amendment does not affect the Company's financial statements.

Amendments to standards that form part of the IASB's (International Accounting Standards Board) annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013 and have not yet been endorsed by the EU. Unless otherwise stated the following amendments do not have a material impact on Company's financial statements.

IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

IAS 34, 'Interim financial reporting'

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments"

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

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (amendment) "Separate Financial Statements" and IAS 28 (amendment) "Investments in Associates and Joint Ventures". These standards are effective for annual periods beginning on or after 1 January 2013. The standards and the amendments do not affect company's financial statement, while it does not participate in the other companies' equity and does not prepare consolidated financial statements.

Segment Information

The segments are determined on the basis of internal information reviewed by the management of the Company and are reported in the financial statements based on this internal component classification.

The company operates in defense electronic systems segment. The geographical areas that company operates are Greece, European Union, rest of Europe, Middle East, and North Africa.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Investment property

Investment property, principally comprising land and buildings, is held by the Company for long-term rental yields. Investment property is measured at cost less depreciation. Land is not depreciated. Buildings are depreciated using the straight line method to allocate cost over their useful lives, estimated at 33-34 years.

When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in the income statement.

Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings	33 - 34	Years
- Machinery, installations and equipment	10	Years
- Motor vehicles	5 - 7	Years
- Other equipment	5 - 10	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the income statement.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

Finance costs are recognized in the income statement in the period in which they arise.

Leases

(a) Finance leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and 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 other long-term payables. 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. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(b) Operating leases

Leases in which a significant portion of 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.

Intangible assets

Computer software

Software licenses are stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognised, as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount.

Financial assets

The Company classifies its investments in the following categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category refers to financial assets acquired principally for the purpose of selling in the short term or if so designated by Management. Derivatives are also categorised as held for trading unless they are designated as hedges. If these assets are either held for trading or are expected to be realised within 12 months of the balance sheet date these assets are classified as current assets. During the year, the Company did not hold any investments in this category.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. During the year, the Company did not hold any investments in this category.

(d) Available-for-sale financial assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. During the year, the Company did not hold any investments in this category.

Purchases and sales of investments are recognised on trade date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion. Provisions for slow-moving or obsolete inventories are formed when necessary.

Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised 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 Company will not be able to collect all 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 recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents have low risk of changes in value.

Share capital

The share capital includes the Ordinary shares of the company. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing Costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost and using the effective interest method.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it 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 or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Employee benefits

(a) Pension obligations

The Company contributes to both defined benefit and defined contribution plans.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

The liability in respect of defined benefit pension or retirement 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. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Company discloses information about the contingent liability.

Provisions

Provisions are recognized when:

i. There is present legal or constructive obligation as a result of past events
ii. It is probable that an outflow of resources will be required to settle the obligation
iii. The amount can be reliably estimated.

(a) Warranties

The Company recognizes a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects / rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognized as incurred. The Company recognizes the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making contracts

The Company recognizes a provision with an immediate charge to the income statement for long-term service contracts when the expected revenues are lower than the unavoidable expenses which are estimated to arise in order that the contract commitments are met.

Revenue and Expenses recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Company. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognized when the Company has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service. The stage of completion is assessed on the basis of the costs of the actual services provided until the balance sheet date as a proportion of the costs of the total estimated services to be provided under each contract. Costs of services are recognized in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognized only to the extent of costs incurred that are possibly recoverable.

(c) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate. Subsequently, interest is recognized on the impaired value.

Expenses

The expenses are recognized in the results on an accrued basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Roundings

Differences between amounts presented in the financial statements and corresponding amounts in the notes result from rounding differences.

3. Financial risk management

Financial risk factors

Intracom Defense is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, interest rates and debt and equity market prices), credit risk, liquidity risk and cash flow and fair value interest rate risk. The Company's risk management operates under the guidelines set by the overall risk management programme of Intracom Holdings which focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Company (apart from trade payables) include short-term bank loans and finance lease agreements, through which the Company finances its working capital and capital expenditure needs. Moreover, the Company manages financial assets, mainly short-term bank deposits arising from operating activities.

At the end of the current period there are no open positions in derivatives. In any case, such instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy by Intracom Holdings Group speculative use is not permitted.

In summary, the financial risks that arise from the above are market risk, credit risk, liquidity risk and interest rate risk which are analyzed below.

(a) Market risk

Foreign exchange risk

The foreign exchange risk of the Company is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Company may convert part of the borrowings to that currency or may use forward currency contracts.

The Company's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

The following table presents the sensitivity of the Company's net profit in possible fluctuations of the foreign exchange rates for the years 2007 and 2008. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31st December 2009 and 2008 respectively.

Change in EUR/USD rate by	Effect on Net Profit 31/12/2012	Effect on Net Profit 31/12/2011
-12,00%	(1.093.928)	(83.323)
-9,00%	(820.446)	(62.492)
-6,00%	(546.964)	(41.661)
-3,00%	(273.482)	(20.831)
3,00%	273.482	20.831
6,00%	546.964	41.661
9,00%	820.446	62.492
12,00%	1.093.928	83.323

Price risk

The Entity has no exposure to price risk.

Cash flow and fair value interest rate risk

The interest-rate risk arises mainly from the fact that almost all of the Company's borrowings carry floating interest rates. The Company assesses that during the current period, interest rate risk is limited since it is expected that interest rates will either remain stable or drop in the medium-term.

The following tables present the sensitivity of the Company's net profit in possible fluctuations of the interest rates for the years 2012 and 2011. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2012 and 2011 respectively.

Financial instruments in Euro

Change in interest rates (base units)	Effect on Net Profit 31/12/2012	Effect on Net Profit 31/12/2011
-100	(5.411)	(17.953)
-75	(4.058)	(13.465)
-50	(2.706)	(8.976)
-25	(1.353)	(4.488)
25	1.353	4.488
50	2.706	8.976
75	4.058	13.465
100	5.411	17.953

Financial instruments in USD

Change in interest rates (base units)	Effect on Net Profit 31/12/2012	Effect on Net Profit 31/12/2011
-100	(87.405)	(33.333)
-75	(65.554)	(25.000)
-50	(43.702)	(16.667)
-25	(21.851)	(8.333)
25	21.851	8.333
50	43.702	16.667
75	65.554	25.000
100	87.405	33.333

(b) Credit risk

The sales transactions of the Company are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In cases that vendor financing to an overseas customer is required, the Company insures its credit risk via the Export Credit Insurance Organisation (ECIO). As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Company collaborates only with financial institutions of high credit rating.

(c) Liquidity risk

Liquidity risk is kept low, by maintaining sufficient cash and unused credit facilities.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal structure to reduce the cost of capital.

Company's capital is concerned sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital employed is calculated as 'equity attributable to the Company's equity holders' as shown in the balance sheet plus net debt.

	1/1 - 31/12/2012	1/1 - 31/12/2011
Total borrowings (note 14)	0	1.000.000
Less: Cash and cash equivalents (note 11)	9.155.149	7.058.982
Net debt	**(9.155.149)**	**(6.058.982)**
Total equity	80.140.158	80.852.199
Total capital empolyed	**70.985.009**	**74.793.217**
Gearing ratio	-12,9%	-8,1%

Fair value estimation

The nominal values less any estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Company is subject to income tax in Greece. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

5. Segment Information

The company operates in defense electronic systems segment.

Geographical segment

The Company's home-country is Greece. The geographical areas the company operates are Greece, countries in European Union, rest of Europe and rest of the world.

The sales breakdown to the geographical areas is according to the customer's home-country.

The Assets and Capital expenditure breakdown to the geographical areas is according to the customer's home-country.

	Sales		Assets(*)	
	1/1-31/12/2012	1/1-31/12/2011	31/12/2012	31/12/2011
Greece	935.791	722.372	48.682.121	50.295.524
European Union	6.663.008	9.372.745	-	-
Other European countries	890	3.600	-	-
Other countries	42.059.602	36.468.672	-	-
Total	**49.659.292**	**46.567.389**	**48.682.121**	**50.295.524**

(*) Financial assets does not included

Sales by nature

	1/1-31/12/2012	1/1-31/12/2011
Sales of products	44.999.560	41.137.825
Sales of goods	53	14.000
Revenue from services	4.659.679	5.415.564
Total	**49.659.292**	**46.567.389**

6. Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Furniture & other equipment	Prepayments and assets under construction	Total
Balance at 1 January 2011	**22.354.827**	**22.922.798**	**15.200.932**	**210.225**	**3.903.975**	**-**	**64.592.758**
Additions	-	1.000	264.532	10.584	57.427	244.275	577.818
Disposals	-	-	(6.754)	(18.509)	(47.689)	-	(72.952)
Reclassifications	-	232.879	-	-	-	(232.879)	-
Transfer from investment property	3.277.579	2.211.543	-	-	-	-	5.489.122
Balance at 31 December 2011	**25.632.407**	**25.368.220**	**15.458.710**	**202.300**	**3.913.714**	**11.396**	**70.586.747**
Accumulated depreciation							
Balance at 1 January 2011	**-**	**8.266.637**	**12.416.602**	**162.125**	**3.041.808**	**-**	**23.887.173**
Depreciation charge	-	754.789	595.250	22.413	254.492	-	1.626.944
Disposals	-	-	(6.754)	(7.862)	(44.823)	-	(59.439)
Transfer from investment property	-	685.424	-	-	-	-	685.424
Balance at 31 December 2011	**-**	**9.706.851**	**13.005.098**	**176.676**	**3.251.477**	**-**	**26.140.102**
Net book amount at 31 December 2011	**25.632.407**	**15.661.369**	**2.453.613**	**25.624**	**662.236**	**11.396**	**44.446.645**
Balance at 1 January 2012	**25.632.407**	**25.368.220**	**15.458.710**	**202.300**	**3.913.714**	**11.396**	**70.586.747**
Additions	-	14.492	60.581	4.236	53.797	158.110	**291.217**
Disposals	-	-	(623.464)	-	(39.624)	-	**(663.088)**
Reclassifications	(24.552)	194.058	-	-	-	(169.506)	-
Transfer from investment property	750.082	384.199	-	-	-	-	**1.134.281**
Net book amount at 31 December 2012	**26.357.937**	**25.960.968**	**14.895.828**	**206.536**	**3.927.887**	**-**	**71.349.157**
Accumulated depreciation							
Balance at 1 January 2012	**-**	**9.706.851**	**13.005.098**	**176.676**	**3.251.477**	**-**	**26.140.102**
Depreciation charge	-	773.448	576.196	15.106	207.505	-	1.572.255
Disposals	-	-	(622.771)	-	(39.587)	-	(662.358)
Transfer from investment property	-	102.792	-	-	-	-	102.792
Balance at 31 December 2012	**-**	**10.583.091**	**12.958.523**	**191.782**	**3.419.395**	**-**	**27.152.792**
Net book amount at 31 December 2012	**26.357.937**	**15.377.877**	**1.937.305**	**14.754**	**508.492**	**-**	**44.196.365**

There are no pledges on the Company's assets. In 31.12.2012 the Company had not contractual obligations to purchase fixed assets.

7. Intangible assets

	Software	Other	Total
Balance at 1 January 2011	6.181.650	40.240	6.262.129
Additions	37.252	11.000	48.252
Balance at 31 December 2011	**6.218.903**	**51.240**	**6.310.382**
Accumulated depreciation			
Balance at 1 January 2011	4.806.471	40.240	4.886.950
Depreciation charge	353.897	2.200	356.097
Balance at 31 December 2011	**5.160.368**	**42.440**	**5.243.047**
Net book amount at 31 December 2011	**1.058.535**	**8.800**	**1.067.335**
Balance at 1 January 2012	6.218.903	51.240	6.310.382
Additions	10.573	-	10.573
Net book amount at 31 December 2012	**6.229.476**	**51.240**	**6.320.955**
Accumulated depreciation			
Balance at 1 January 2012	5.160.368	42.440	5.243.047
Depreciation charge	324.494	8.800	333.294
Balance at 31 December 2012	**5.484.862**	**51.240**	**5.576.341**
Net book amount at 31 December 2012	**744.614**	**0**	**744.614**

8. Investment property

	31/12/2012	31/12/2011
Cost		
Balance at beginning of year	**4.986.554**	**10.475.677**
Transfer to investment property (note 6)	(1.134.281)	(5.489.122)
Balance at end of year	**3.852.273**	**4.986.554**
Accumulated depreciation		
Balance at beginning of year	**205.009**	**869.994**
Depreciation charge	8.914	20.440
Transfer to investment property (note 6)	(102.792)	(685.424)
Balance at end of year	**111.131**	**205.009**
Net book amount at end of year	**3.741.142**	**4.781.545**

Rental income for 2012 and 2011 amounted to € 62.702 and € 291.130 respectively (note 22).

9. Trade and other receivables

	31/12/2012	31/12/2011
Trade receivables	9.174.067	7.688.251
Less: provision for impairment	(341.171)	(341.171)
Trade receivables - net	**8.832.896**	**7.347.080**
Receivables from related parties (note 30)	211.235	489.484
Prepayments to creditors	10.375.718	14.640.578
Other prepayments	62.838	134.452
Accrued income	43.598	-
Other receivables	3.485.821	2.133.600
Total	**23.012.107**	**24.745.193**
Non-current assets	41.400	41.030
Current assets	22.970.708	24.704.164
	23.012.107	**24.745.193**

The fair value of receivables approximates their carrying amounts.

The analysis of trade receivables at the end of each year is as follows:

Not past due and not impaired at the balance sheet date	**4.642.871**	**2.779.798**
Impaired at the balance sheet date	341.171	341.171
Provision made for the following amount:	(341.171)	(341.171)
	-	-
Not impaired at the balance sheet date but past due in the following periods:		
< 90 days	613.809	1.013.631
90-180 days	81.920	107.162
180-270 days	126.947	12.156
270-365 days	4.075	7.831
1- 2 yrs	22.182	186.203
>2 yrs	3.341.094	3.240.299
	4.190.026	**4.567.283**
	8.832.896	**7.347.080**

As most of the receivables relates to a small number of customers, there is a concentration of credit risk. These customers, however, are customers of high credit quality.

Trade and other receivables are denominated in the following currencies:

	31/12/2012	31/12/2011
Euro	9.591.714	7.387.654
US Dollar	13.383.438	17.358.154
UK Pound GBP	35.609	-
Other	1.346	(615)
	23.012.107	**24.745.193**

10. Inventories

	31/12/2012	31/12/2011
Raw & auxiliary materials	23.891.984	14.689.620
Semi-finished goods	10.704.727	8.155.823
Finished goods	2.295.454	4.392.635
Work in progress	1.171.032	1.086.521
Merchandise	9.345	9.531
Total	**38.072.542**	**28.334.130**
Less: Provisions for obsolete inventories		
Raw & auxiliary materials	2.379.761	1.786.784
Semi-finished goods	436.067	373.375
Finished goods	23.776	14.981
	2.839.603	**2.175.140**
Net realisable value	**35.232.939**	**26.158.989**

The movement of the provision is as follows:

	31/12/2012	31/12/2011
At the beginning of the year	2.175.140	1.803.496
Provision for impairment	664.463	532.376
Amount of provision reversed during the year	-	(160.732)
At the year end	**2.839.603**	**2.175.140**

11. Cash and cash equivalents

	31/12/2012	31/12/2011
Cash at bank and in hand	443.678	1.750.597
Short-term bank deposits	8.711.471	5.308.385
Total	**9.155.149**	**7.058.982**

The effective interest rate on short-term bank deposits in Euro and USD was 1,68% and 1,15% respectively (2011: 1,63% and 0,87% respectively).

The above amounts are the cash and cash equivalents for the purposes of the cash flow statement.

Cash and cash equivalents are analyzed in the following currencies:

	31/12/2012	31/12/2011
Euro (EUR)	533.710	3.770.706
US Dollar (USD)	8.620.758	3.287.681
UK Pound (GBP)	641	595
Other	40	-
	9.155.149	**7.058.982**

12. Share capital

	Number of Shares	Common Shares	Total
Balance at 1 January 2011	23.103.305	**67.923.716,70**	**67.923.717**
Balance at 31 December 2011	23.103.305	**67.923.716,70**	**67.923.717**
Balance at 31 December 2012	**23.103.305**	**67.923.716,70**	**67.923.717**

As at 31 December 2012 the share capital of the Company was divided into 23.103.305 shares with nominal value € 2,94 each.

13. Reserves

	Statutory reserves	Tax free reserves	Extraordinary reserves	Total
Balance at 1 January 2011	**554.132**	**9.274.814**	**341.041**	**10.169.987**
Transfer to retained earnings	20.833	-	-	**20.833**
Balance at 31 December 2011	**574.965**	**9.274.814**	**341.041**	**10.190.820**
Transfer from retained earnings	-	-	-	-
Balance at 31 December 2012	**574.965**	**9.274.814**	**341.041**	**10.190.820**

(a) Statutory reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Tax free reserve

This account includes reserves created from profits, which were used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of development laws in force each time. In other words, this reserve is created from profits for which no tax is calculated or paid.

(c) Special reserve

The special reserve includes amounts that were created following resolutions of the Annual General meetings, have no specific purpose and can therefore be used for any reason following approval from the Annual General meeting, as well as amounts, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalization.

14. Borrowings

	31/12/2012	31/12/2011
Current borrowings		
Bank loans	-	1.000.000
Total current borrowings	-	**1.000.000**
Total borrowings	-	**1.000.000**

The weighted average interest rate for the Company's borrowings for 2011 was around 6,721%. Total borrowings for 2011 are denominated in Euro. The bank loans have been guaranteed by the parent company, Intracom Holdings.

15. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	31/12/2012	31/12/2011
Deferred tax assets:	**1.059.345**	**960.737**
Deferred tax liabilities:	**(1.119.538)**	**(1.183.497)**
	(60.193)	**(222.760)**

Most of the deferred tax assets / liabilities are recoverable / payable after 12 months.

The total movement in deferred tax is as follows:

	31/12/2012	31/12/2011
Balance at the beginning of the year:	(222.760)	(371.516)
Charged/ (credited) to the income statement (note 25)	162.567	148.756
Balance at the end of the year	**(60.193)**	**(222.760)**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdictions, is as follows:

	Accelerated tax depreciation	Provision for bad debts	Other	Total
Balance at 1 January 2011	**(1.111.274)**	**(34.036)**	**(50.042)**	**(1.195.352)**
Charged / (credited) to the income statement	(66.902)	34.036	44.721	11.855
Balance at 31 December 2011	**(1.178.176)**	**-**	**(5.321)**	**(1.183.497)**
Charged / (credited) to the income statement	72.660	-	(8.701)	63.959
Balance at 31 December 2012	**(1.105.517)**	**-**	**(14.022)**	**(1.119.538)**

Deferred tax liabilities:

	Provisions /impairment losses	Other / Provisions	Accrued expenses	Other	Total
Balance at 1 January 2011	**360.699**	**3.072**	**441.669**	**18.395**	**823.836**
Charged / (credited) to the income statement	74.329	(3.072)	70.701	(5.057)	136.901
Balance at 31 December 2011	**435.028**	**-**	**512.371**	**13.338**	**960.737**
Charged / (credited) to the income statement	132.893	-	(20.946)	(13.338)	98.608
Balance at 31 December 2012	**567.921**	**-**	**491.424**	**(0)**	**1.059.345**

16. Retirement benefit obligations

	31/12/2012	31/12/2011
Balance sheet obligations for :		
Pension benefits	1.109.506	1.073.750
Total	**1.109.506**	**1.073.750**
Income statement charge		
Pension benefits(note 21)	471.868	728.218
Total	**471.868**	**728.218**

The amounts recognized in the balance sheet are determined as follows:

	31/12/2012	31/12/2011
Present value of unfunded obligations	1.358.455	1.311.061
Unrecognized actuarial losses	(248.949)	(237.311)
Liability in the Balance Sheet	**1.109.506**	**1.073.750**

The amounts recognized in the income statement are as follows:

	31/12/2012	31/12/2011
Current service cost	137.043	177.857
Interest cost	68.175	83.720
Net actuarial losses recognized during the year	4.982	11.862
Losses on curtailment	261.667	454.779
Total, included in staff costs (note 21)	**471.868**	**728.218**

The total charge is allocated as follows:

	31/12/2012	31/12/2011
Cost of goods sold	267.540	387.227
Selling costs	145.460	248.300
Administrative expenses	58.868	92.691
	471.868	**728.218**

The movement in liability recognized in the balance sheet is as follows:

	31/12/2012	31/12/2011
Balance at the beginning of the year	1.073.750	1.103.497
Total expense charged / (credited) in the income statement	471.868	728.218
Contributions paid	(436.112)	(757.965)
Balance at the end of the year	**1.109.506**	**1.073.750**

The principal actuarial assumptions used were as follows:

	31/12/2012	31/12/2011
	%	%
Discount rate	3,80	5,20
Infaltion rate	2,00	2,00
Future salary increases	2,50	2,50

17. Provisions

	Warranties	Litigation & tax provisions	Other provisions	Total
Balance at 1 January 2011	777.850	16.272	349.060	1.143.181
Provisions for the year	378.401	-	-	378.401
Provisions used during the year	(336.317)	-	-	(336.317)
Balance at 31 December 2011	**819.933**	**16.272**	**349.060**	**1.185.265**
Additional provisions	353.355	-	-	353.355
Provisions used during the year	(515.903)	-	-	(515.903)
Balance at 31 December 2012	**657.386**	**16.272**	**349.060**	**1.022.717**

Analysis of total provisions:

	31/12/2012	31/12/2011
Current liabilities	577.000	427.000
Non- current liabilities	445.717	758.265
Total	**1.022.717**	**1.185.265**

Provisions for repairs or materials replacement concerning projects under warranty period, are included in warranties.

18. Trade and other payables

	31/12/2012	31/12/2011
Trade payables	4.856.972	2.451.387
Amounts due to related parties (note 30)	535.098	751.269
Accrued expenses	113.771	63.688
Social security and other taxes	903.956	973.125
Advances from customers	28.018.740	20.443.516
Other liabilities	102.890	12.358
Total	**34.531.427**	**24.695.343**
Non-current liabilities		
Current liabilities	34.531.427	24.695.343
	34.531.427	**24.695.343**

Trade and other payables are denominated in the following currencies:

	31/12/2012	31/12/2011
Euro (EUR)	3.400.676	3.352.427
US Dollar (USD)	31.120.259	21.340.189
Great Britain Pound (GBP)	9.855	2.272
Othes	637	455
	34.531.427	**24.695.343**

The average credit payment terms of the Company's liabilities are 60 days.

19. Sales by nature

	1/1-31/12/2012	1/1-31/12/2011
Sales of products	44.999.560	41.137.825
Sales of goods	53	14.000
Revenue from services	4.659.679	5.415.564
Total	**49.659.292**	**46.567.389**

20. Expenses by nature

	Note	1/1-31/12/2012	1/1-31/12/2011
Employee benefit expense	21	(14.034.133)	(16.735.414)
Inventory cost recognised in cost of goods sold		(27.644.549)	(25.242.292)
Depreciation of PPE		-	-
-Freehold property	6	(1.572.255)	(1.626.944)
-Leasehold property		-	-
Depreciation of investment property	8	(8.914)	(20.440)
Amortisation of intangible assets	7	(333.294)	(356.097)
Impairment of inventories		(664.463)	(371.645)
Subcontractors' fees		(1.506.497)	(388.839)
Repairs and maintenance		(845.522)	(874.634)
Operating lease payments			
-buildings		-	-
-Vehicles and machinery		(231.902)	(214.793)
-Furniture and other equipment		(495)	(168)
Transportation and travelling expenses		(836.770)	(841.752)
Advertisement		(208.375)	(269.440)
Telecommunication, lighting & heating		(972.675)	(978.460)
Third party fees		(847.580)	(902.006)
Taxes and duties		(6.870)	(1.704)
Other expenses		(427.530)	(411.415)
Total		**(50.141.822)**	**(49.577.213)**
Split by function:			
Cost of goods sold		(40.539.177)	(37.141.999)
Selling costs		(6.392.554)	(8.722.356)
Administrative expenses		(3.210.092)	(3.712.858)
		(50.141.822)	**(49.577.213)**
Split of depreciation and amortisation by function:		(1.183.964)	(1.116.128)
Cost of goods sold		(506.689)	(576.405)
Selling costs		(223.809)	(310.947)
Administrative expenses		**(1.914.463)**	**(2.003.480)**
Split of employee benefits by function:			
Cost of goods sold		(7.683.513)	(8.682.240)
Selling and research costs		(4.240.879)	(5.406.365)
Administrative expenses		(2.109.742)	(2.646.809)
		(14.034.133)	**(16.735.414)**

21. Employee benefits

	1/1-31/12/2012	1/1-31/12/2011
Wages and salaries	10.314.985	12.503.703
Social security costs	2.688.855	3.199.388
Other employers' contributions and expenses	558.426	304.105
Pension costs - defined contribution plans	-	-
Pension costs - defined benefit plans (note 16)	471.868	728.218
Total	**14.034.133**	**16.735.414**

The total number of employees as at 31/12/2012 was 403 (2011: 428).

22. Other operating income

	1/1-31/12/2012	1/1-31/12/2011
Income from grants	124.354	25.562
Rental income	62.702	291.130
Other	26.492	46.966
Total	**213.548**	**363.658**

23. Other gains/ (losses) –net

	1/1-31/12/2012	1/1-31/12/2011
Net foreign exchange gains / (losses)	(397.123)	58.198
Gains/ (losses) from sale of PPE	2.199	819
Other	-	(290)
Total	**(394.924)**	**58.727**

24. Finance costs – net

	1/1-31/12/2012	1/1-31/12/2011
Finance expenses		
-Bank borrowings	(62.009)	(124.841)
- Letters of credit and related costs	(164.507)	(137.204)
- Other	(47.616)	(45.738)
- Net foreign exchange gains / (losses)	(26.884)	87.869
	(301.015)	(219.915)
Finance income		
-Interest income	90.314	51.437
	90.314	51.437
Total	**(210.701)**	**(168.477)**

25. Income tax expense

	1/1-31/12/2012	1/1-31/12/2011
Current tax	-	(26.572)
Deffered tax (Note 15)	(162.567)	(148.756)
Total	**(162.567)**	**(175.328)**

On 11 January 2013 the new corporate tax law was set into force, by voting of the relevant Draft Tax Law, according to which the corporate income tax rate of legal entities for undistributed profits is set at 26% for fiscal year 2013 onwards. The change in tax rate has not been applied in the results of financial year 2012, in which the current tax rate of 20% was applied. Had the new tax rate been applied in the results of 2012, it would have had a positive impact on the Company's results by approximately € 18.058.

Tax returns are filed annually. With respect to the financial years up to and including 2010, the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. From the financial year 2011 and onwards, the tax returns are subject to the Audit Tax Certificate process. Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Audit Tax Certificate:

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994, which is issued after the tax audit by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm not later than the 10 th day of the 7th month after the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

Unaudited tax years

The company has not been tax audited for the financial year 2010. For the Financial year 2011 the Company has been subject under the tax audit of the statutory auditors pursuant to the provisions of article 82 paragraph 5 of Law 2238/1994. The company has been obtained the 'Tax Compliance Report', out of which no additional tax liabilities arose in excess of the tax expense and the tax provision provided for in the 2011 annual financial statements. According to the relevant legislation, the tax liabilities for financial year 2011 shall be considered finalized after eighteen months from the date when the 'Tax Compliance Report' has been submitted to the Ministry of Finance. The tax audit performed by the statutory auditors for the financial year 2012 is still in progress and the tax compliance report is expected to be issued after the publication of the annual financial statements of year 2012. The Company's Management does not expect that significant additional tax liabilities will arise, in excess of these provided for and disclosed in the financial statements.

The tax on the losses before tax of the Company differs from the theoretical amount that would arise using the weighted average tax rate (20%) applicable to profits/losses of the Company as follows:

	1/1-31/12/2012	1/1-31/12/2011
Profit before tax	**(874.608)**	**(2.755.917)**
Tax calculated at tax rates applicable to Greece	(174.922)	(551.183)
Expenses not deductible for tax purposes	12.354	402.427
Social responsibility tax	-	(26.572)
Tax charge	**(162.567)**	**(175.328)**

26. Profit per share

	31/12/2012	1/1-31/12/2011
Net Profit before taxes	(712.041)	(2.580.589)
Number of shares	23.103.305	23.103.305
Profit per share	**(0,031)**	**(0,112)**

27. Cash generated from operations

	Note	1/1-31/12/2012	1/1-31/12/2011
Profit/ losses for the year		**(712.041)**	**(2.580.589)**
Adjustments for:		-	-
Tax	25	(162.567)	(175.328)
Depreciation of PPE	6	1.572.255	1.626.944
Depreciation of investment property	8	8.914	20.440
Loss on sale of PPE	7	333.294	356.097
Loss on sale of PPE	23	(2.199)	(819)
Interest income	24	(90.314)	(51.437)
Interest expense	24	301.015	219.915
		1.248.357	**(584.778)**
Changes in working capital			
(Increase) / decrease in Inventories		(9.073.949)	4.493.191
(Increase)/ decrease in trade and other receivables		1.736.015	15.881.997
Increase/ (decrease) in trade and other payables		9.762.373	(16.101.613)
Increase/ (decrease) in provisions		(162.548)	42.084
Increase/ (decrease) in retirement benefit obligations		35.756	(29.747)
		2.297.647	**4.285.911**
Cash generated from operations		**3.546.004**	**3.701.134**

28. Commitments

Capital commitments

There are no capital commitments contracted for, but not yet incurred, by the balance sheet date.

Operating lease commitments

The future aggregate minimum lease payments under operating leases of the Company are as follows:

	31/12/2012	31/12/2011
No later than 1 year	108.208	148.943
Later than 1 year and no later than 5 years	286.434	45.579
	394.642	**194.522**

The lease payments relate to rentals of motor vehicles.

29. Contingent liabilities/receivables

The Company has contingent liabilities in respect of banks and other matters arising in the ordinary course of business as follows:

	31/12/2012	31/12/2011
Guarantees for advance payments	7.942.025	3.618.325
Guarantees for good performance	616.284	5.306.058
Guarantees for participation in contests	284.054	290.554
	8.842.363	**9.214.937**

30. Related party transactions

The following transactions are carried out with related parties:

	1/1-31/12/2012	1/1-31/12/2011
Sales of goods / services:		
To parent company INTRACOM HOLDINGS	-	776
To INTRACOM HOLDINGS group Subsidiaries	380	14.316
To other related parties	164.329	261.005
	164.709	**276.097**
Purchases of goods / services:		
From parent company INTRACOM HOLDINGS	4.514	155.546
From INTRACOM HOLDINGS group Subsidiaries	731.829	724.180
From other related parties	75.185	149.946
	811.529	**1.029.672**
Purchases of fixed assets:		
From INTRACOM HOLDINGS group Subsidiaries	4.462	24.172
From other related parties	1.890	7.756
	6.352	**31.928**
Sales of fixed assets:		
To other related parties	2.929	500
	2.929	**500**
Rental Income		
From INTRACOM HOLDINGS group Subsidiaries	42.453	52.118
From other related parties	20.249	239.012
	62.702	**291.130**

Year-end balances arising from transactions with related parties are as follows:

	31/12/2012	31/12/2011
Receivables from related parties		
From parent company INTRACOM HOLDINGS	2.204	954
From INTRACOM HOLDINGS group Subsidiaries	2.354	5.224
From other related parties	206.678	483.306
	211.235	**489.484**
Payables to related parties		
To parent company INTRACOM HOLDINGS	-	195.307
To INTRACOM HOLDINGS group Subsidiaries	223.553	206.427
To other related parties	311.545	349.535
	535.098	**751.269**

Services from and to related parties as well as sales and purchases of goods, take place on the basis of the price lists in force with non-related parties

Key management compensation

Directors' remuneration and key management compensation amounted to € 838.695 during the year 2012 in comparison to € 783.963 during the previous year.

31. Dividends

During the period of 1.1-31.12.2012 no dividends were paid. The Board of Directors of the Company, will not propose at the General Meeting of the Shareholders, any dividends distribution in order to strengthen the company's working capital.

32. Events after the balance sheet date

There were no significant events that took place after the current balance sheet date as at 31 December 2012.

33. Notes and Information

INTRACOM S.A.DEFENSE ELECTRONICS SYSTEMS
COMPANY'S No 48500/04/B/01/232(05) IN THE REGISTER OF SOCIETES ANONYMES
21 MARKOPOULOU AVENUE, 19400 KOROPI, ATTICA, HELLAS
FINANCIAL DATA AND INFORMATION FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2012
(In terms of article 135 of Law 2190, for Companies publishing annual financial statements in accordance with IAS/IFRS)

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of INTRACOM S.A. DEFENSE ELECTRONICS SYSTEMS. We recommend users that, before proceeding to any kind of investing activity or transaction with the Company, to access the company's website where the financial statements under the provisions of International Financial Reporting Standards and the certified auditor accountant's report are published.

COMPANY'S INFORMATION DATA	
Authority in charge:	Municipality of Eastern Attica
Date of approval financial statements (from which derived the concise financial information) :	10/04/2013
Board of Directors	Socrates P. Kokkalis (Chairmain)
	Dimitios X. Klonis (Vice Oresident)
	George J. Troullinos (Memder - C.E.O)
Certified Auditors Accountants:	Michalis E. Chatzistavrakis (L.C. Accosiation of Certified Auditors 26581)
	Zoe D. Sofou (L.C. Accosiation of Certified Auditors 14701)
Certified Auditing Firms:	"SOL" S.A. CERTIFIED AUDITORS ACCOUNTANTS
Type of Review Opinion:	With no qualification
Web address:	www.intracomdefense.com

CONDESED STATEMENT OF FINANCIAL POSITION (Amounts in Euro)	31.12.2012	31.12.2011
ASSETS		
Property,Plant &Equipment	44.196.365	44.446.645
Investment Properties	3.741.142	4.781.545
Intangible assets	744.614	1.067.335
Other non current assets	41.400	41.030
Inventories	35.232.939	26.158.989
Trade and Other receivables	9.042.784	7.543.141
Other current assets	23.864.758	24.990.633
TOTAL ASSETS	**116.864.001**	**109.029.317**
EQUITY AND LIABILITIES		
Share capital	67.923.717	67.923.717
Other equity components	12.216.441	12.928.482
Capital and reserves attributable to Company Shareholders (a)	**80.140.158**	**80.852.199**
Provisions / Ither long term liabilities	1.615.416	2.054.775
Short term borrowings	-	1.000.000
Other short-term liabilities	35.108.427	25.122.343
Total liabilities (b)	**36.723.843**	**28.177.118**
TOTAL EQUITY AND LIABILITIES (a) + (b)	**116.864.001**	**109.029.317**

CONDESED STATEMENT OF CHANGES IN EQUITY (Amounts in Euro)	31.12.2012	31.12.2011
Total equity at beginning of the year (1/1/2012 and 1/1/2011 respectively)	**80.852.199**	**83.432.788**
Total comprrehensive income for the year	(712.041)	(2.580.589)
Total equity at the end of the year (31/12/2012 and 31/12/2011 respectively)	**80.140.158**	**80.852.199**

CONDESED STATEMENT OF COMPREHENSIVE INCOME (Amounts in Euro)	31.12.2012	31.12.2011
Sales	49.659.292	46.567.389
Gross profit	9.120.115	9.425.391
Profit/(loss) before income tax, financial and investment results	(663.907)	-2.587.439
Profit/(loss) before tax	(874.608)	-2.755.917
Profit/(loss) after tax (A)	(712.041)	-2.580.589
Other comprehensive income/(loss) for the year after tax(B)	-	-
Total comprehensive income for the year after tax(A+B)	**(712.041)**	**(2.580.589)**
Profit/(losses) after tax per share -basic (in €)	(0,031)	(0,112)
Proposed dividend per Share (in €)	-	-
Profit/(loss) before Income tax, financial and investment results, depreciation and amortisation	**(1.250.556)**	**(583.959)**

STATEMENT OF CASH FLOWS (Amounts in Euro)	31.12.2012	31.12.2011
Indirect Method		
Operating activities		
Profit/(loss) before tax	**(874.608)**	**(2.755.917)**
Plus / Minus Adjustments for:		
Depreciation and amortization	1.914.463	2.003.480
Provisions	(126.792)	(12.336)
Results (income, expenses, profit and losess) from investing activities	(92.512)	(52.256)
Interest expenses and related costs / Interest income and related income	(301.015)	219.915
Plus / Minus Adjustments for Working Capital Changes related to operating activities.		
Decrease / (increase) in inventories	(9.073.949)	4.493.191
Decrease / (increase) in receivables	1.736.015	15.881.997
(Decrease) / increase in liabilities (other than banks)	9.762.373	(16.101.613)
Less:		
Interest expenses and related costs paid	(301.015)	(219.915)
Income tax paid	(11.057)	(577.256)
Total inflow / (outflow) from operating activities (a)	**3.233.932**	**2.903.963**
Investing activities		
Purchase of PPE and intagible assets	(228.078)	(626.071)
Proceeds from sales of PPE and intangible assets	-	14.332
Interest received	90.314	51.437
Total inflow / (outflow) from investing activities (b)	**(137.765)**	**(560.302)**
Financing activities		
Repayment of borrowings	(1.000.000)	(1.000.000)
Total inflow / (outflow) from financing activities (c)	**(1.000.000)**	**(1.000.000)**
Net increase / (decrease) in cash and cash equivelants for the period (a) + (b) + (c)	**2.096.167**	**1.343.661**
Cash and cash equivalents at beginning of period	**7.058.982**	**5.715.320**
Cash and cash equivalents at end of period	**9.155.149**	**7.058.982**

ADDITIONAL INFORMATION

1. The Company is a subsidiary of INTRACOM HOLDINGS S.A.(parent company) which is located in Greece and is listed in Athens Stock of Exchange. INTRACOM HOLDINGS S.A. participates in the company's equity with 100%. The company is included in INTRACOM HOLDINGS consolidated financial statements. The method that used for the consolidation is the purchase method.
2. There are no pledges on the Company's assets.
3. The Company's tax returns have been audited by the tax authorities up to the fiscal year 2009.
4. There no legal disputes which may materially affect the financial posistion of the Company. The company stated € 16.272 for provisions for unaudited tax years and € 1.006.446 for other provisions.
5. The personnel employed as at 31/12/212 were 403 (31/12/2011 :428)
6. Sales and purchases amounts,cumulatively from the beginning of the financial year, for the company by related party transactions and the balances of receivables and payables at the end of the current year between the company and related parties according to I.A.S. are the following :

a) Sales of goods and services.	227.411
b) Sales of fixed assets	2.929
c) Purchases of goods and services.	811.529
d) Purchases of fixed assets	6.352
e) Receivables from related parties	211.235
f) Payables to related parties	535.098
g) Members' of the Board of Directors and key management remuneration	838.695
h) Receivables of the Board of Directors and key management	-
i) Payables to Members' of the Board of Directors and key management	-

7. The amounts in the statement of financial position and cash flow statement reclassified for comparability purposes.

KOROPI, 10 April 2013

THE CHAIRMAN OF THE BOARD OF DIRECTORS	VICE CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	FINANCIAL AND ADMINISTRATIVE DIRECTOR	ACCOUNTING MANAGER
S.P. KOKKALIS I.D.No. AI 091040/05.10.2009	D.CH.CLONIS A.Δ.T. AK 121708/07.10.2011	G.J.I. TROULLINOS I.D.NO. S 681748/21.07.1999	K. D. PALMOS I.D.No. S 063087/15.10.1995 License No 16941 Class A'	E. J. KOUFOPOULOS I.D.No. K 892341/16.07.1976 License No 5271 Class A'