



INTRACOM SA
DEFENSE ELECTRONIC SYSTEMS

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

31 December 2009

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.

(All amounts in €)

Contents	Page
BOARD OF DIRECTORS' REPORT	4
INDEPENDENT AUDITOR'S REPORT	8
Statement of financial position	10
Statement of Comprehensive Income	11
Statement of changes in equity	12
Cash flow statement	13
Notes to the financial statements in accordance with International Financial Reporting Standards	14
1. General Information	14
2. Summary of significant accounting policies	14
3. Financial risk management	28
4. Critical accounting estimates and judgements	31
5. Segment Information – Geographical Segments	31
6. Property, plant and equipment	34
7. Intangible assets	35
8. Investment property	36
9. Trade and other receivables	36
10. Inventories	38
11. Cash and cash equivalents	38
12. Share capital	39
13. Reserves	39
14. Borrowings	40
15. Deferred income tax	40
16. Retirement benefit obligations	41
17. Provisions	43
18. Trade and other payables	44
19. Sales by nature	44
20. Expenses by nature	45
21. Employee benefits	46
22. Other operating income	46
23. Other gains/ (losses) –net	46
24. Finance costs – net	47
25. Income tax expense	47
26. Profit per share	48
27. Cash generated from operations	48

(All amounts in €)

28. Commitments	48
29. Contingent liabilities/receivables	49
30. Related party transactions	49
31. Dividends	50
32. Events after the balance sheet date	50
Notes and Information	51

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 2009

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, 2009. 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 activity of the Company concerns the Defense Electronics Manufacturing production systems, trade, design, development, manufacture, installation of defense electronic systems and related services.

FINANCIAL RESULTS – ACTIVITY REVIEW

The company turnover reduced by 34% in fiscal year 2009, amounted to € 43.237 thousand against € 65.303 thousand in fiscal year 2008.

Earnings before taxes amounted to € 624 thousand compared to € 3.406 thousand while net income totaled € 337 thousand against € 3.048 thousand of fiscal year 2008.

Earnings before interest, tax, depreciation and amortization of the Company (EBITDA), amounted to € 2.986 thousand against € 5.210 thousand in 2008 a decrease of 43% attributed to the nature of the works carried out in 2009 and to reduced sales.

Inventories maintained at a similar level as the previous year and stood at € 31.201 thousand for the Company. Trade receivables and other receivables increased and amounted to € 30.352 thousand. Current tax assets related to taxes withheld or paid in advance amounting to € 336 thousand. Total liabilities amounted to € 36.653 thousand, of which bank borrowings amounted to € 2.000 thousand. Administrative expenses amounted to € 4.568 thousand and are reduced.

Net financial cost amounted to € 417 thousand. The cash and cash equivalents at the end of the fiscal year amounted to € 4.797 thousand.

The equity of the Company at the end of the year 2009 amounted to € 83.380 thousand against € 84.390 in the year 2008.

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

(All amounts in €)

a. Financial Structure Ratios

	<u>2009</u>	<u>2008</u>
Current Assets/Total Assets	56%	53%
Total Equity/Total Liabilities	227%	267%
Total Equity/Fixed Assets	156%	154%
Current Assets/Short-term Liabilities:	193%	204%

b. Profitability Ratios

	<u>2009</u>	<u>2008</u>
Net Profit / Sales	1%	5%
Gross Profit / Sales	28%	31%
Sales / Total Equity	52%	77%

MAIN EVENTS

During the year 2009 the company undertook new projects with a total budget of € 71 million, the more significant concerns the following:

- with NAMSA (NATO Maintenance and Supply Agency). NAMSA awarded in INTRACOM Defense Electronics for two (2) additional years the support of PATRIOT air defense systems established in Europe (Germany, Greece, Spain, Holland and U.S. systems in Europe) after the successful cooperation over the past two years.
- With the RAYTHEON company, a contract worth 62 million USD. Refers to the production of launcher subsystems of the most advanced version of PATRIOT air defense systems for the United Arab Emirates.
- With the RAYTHEON company, a contract worth 20 million U.S. dollars to produce subsystems of launchers of the most advanced version of PATRIOT air defense systems, for a third country.
- Frame Agreement with the company NORTHROP GRUMMAN for the production of electronic self-protection systems Warning Receiver for F-16 aircraft procured by third country.
- With Diehl BGT Defence (DBD) company on the program of missile IRIS – T. Within the framework of the Contract, which will be progressively completed by November 2011, INTRACOM Defense Electronics will construct additional supply units for navigation system and control devices of the missile.

GOALS – PERSPECTIVES

The restrictive policy implementation by the state for defense spending as a subsequence of Greece's difficult fiscal position, the virtual absence of domestic market and the unfavorable international economic environment, were important factors that contributed to a significant reduction in the volume of sales of the company. Despite this reduction, the company managed to achieve its key objectives focused on maintaining profitability and other aggregates and to achieve further penetration in international markets.

The backlog of the company's contracts on 31.12.2009 amounted to € 135 million.

RISKS AND UNCERTAINTIES

Risks associated with the company's activity

Defense market trend

(All amounts in €)

The uncertainty caused by the global financial developments has led many governments to introduce austerity measures in the field of defence. In Greece, the deepening of the fiscal problem reinforces the continued reduction policies in defence spending and the postponement of defence programs. Given that the Greek Defence Industry is highly dependent on the Greek state, the defence sector is significantly influenced by the deteriorating financial situation of the country. The lack of international orientation and the small size of many companies poses significant risks to their activity, making them extremely vulnerable. Those companies, that have promptly acquired a more extrovert stance in the highly competitive international environment, face a more reduced impact of the domestic market stagnation.

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 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.

Cash flow and fair value interest rate risk

The company is in minimal exposure to interest rate risk, due to the small borrowings (€ 2m) 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.

Directors' remuneration and key management compensation amounted to € 909.566 during the year 2009 in comparison to € 970.820 during the previous year, furthermore, shares of the parent company INTRACOM HOLDINGS valued € 153.000, were given at no cost to the board of Directors members.

PERSONNEL

The number of company's employees on 31.12.2009 reached 512 people compared to 520 persons on 31.12.2008.

OTHER SIGNIFICANT EVENTS

Up to the date of the submission of this report, no other event has been occurred which could materially affect on the financial position and progress of the company.

Messrs Shareholders,

As of the income distribution for fiscal year 2009, the Board of Directors proposes to be kept from the net profit (a) the amount of € 23.408,57 for the completion of the statutory capital reserve, (b) the amount of € 114.719,03 for the formation of tax free reserve of the Law 3299/04, and (c) to allocate the amount of € 200.000,00 for dividends.

(All amounts in €)

The Board of Directors considers what was set out as a report on the activities during the year 01/01/2009 through 31/12/2009 and expects the General Meeting of Shareholders will approve the treatment of the company's interests in considered fiscal year and the balance sheet of 31/12/2009 with the analysis of the Income Statement, Statement of Cash Flows, the Statement of Changes in Equity and the Distribution of Earnings.

It also hopes that the General Meeting of Shareholders with a particular decision will relieve the Board of Directors and the Auditors from any liability for the year ended January 1, 2009 until December 31, 2009.

In order the company's shareholders to be adequately informed, it is mentioned that the Company has not acquired own shares.

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

koropi, April 27, 2010
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 statement of financial position as at 31 December 2009, 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 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 at 31 December 2009, 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

(All amounts in €)

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, 18h May 2010

MARIA N. CHARITOU

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No.15161



Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

(All amounts in €)

Statement of financial position

	Note	31/12/2009	31/12/2008
ASSETS			
Non-current assets			
Property, plant and equipment	6	40.963.244	43.179.993
Intangible assets	7	1.635.929	1.612.584
Investment property	8	10.705.821	9.914.257
Trade and other receivables	9	41.030	54.498
		53.346.023	54.761.332
Current assets			
Inventories	10	31.201.133	32.501.769
Trade and other receivables	9	30.352.328	18.031.598
Current income tax assets		336.384	1.414.064
Cash and cash equivalents	11	4.797.158	9.293.085
		66.687.002	61.240.515
Total assets		120.033.025	116.001.847
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	67.923.717	67.923.717
Reserves	13	10.031.859	9.529.463
Retained earnings		5.424.335	6.936.968
		83.379.911	84.390.148
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	15	273.979	33.069
Retirement benefit obligations	16	1.173.731	1.008.718
Provisions for other liabilities and charges	17	707.176	601.052
		2.154.886	1.642.839
Current liabilities			
Trade and other payables	18	31.542.057	25.395.488
Borrowings	14	2.000.000	2.000.000
Provisions for other liabilities and charges	17	956.171	2.573.373
		34.498.228	29.968.861
Total liabilities		36.653.114	31.611.700
Total equity and liabilities		120.033.025	116.001.847

The notes on pages 14 to 50 are an integral part of these financial statements.

(All amounts in €)

Statement of Comprehensive Income

	Note	1/1-31/12/2009	1/1-31/12/2008
Sales	19	43.236.819	65.303.473
Cost of goods sold	20	(31.091.518)	(45.157.830)
Gross profit		12.145.301	20.145.644
Selling and research costs	20	(7.010.618)	(11.853.377)
Administrative expenses	20	(4.568.009)	(5.718.000)
Other income	22	531.584	509.320
Other gains/(losses) - net	23	(56.650)	(11.894)
Operating profit		1.041.608	3.071.694
Finance income	24	51.184	84.735
Finance costs	24	(468.563)	249.517
Finance costs - net		(417.380)	334.252
Profit before income tax		624.228	3.405.946
Income tax expense	25	(287.465)	(357.880)
Profit after income tax		336.764	3.048.066
Attributable to:			
Equity holders of the Company	26	336.764	3.048.066
Minority interest			
		336.764	3.048.066
Other comprehensive income:			
Other Comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		336.764	3.048.066
Total comprehensive income attributable to:			
Equity holders of the Company		336.764	3.048.066
Minority interest			
		336.764	3.048.066
Earning per share profit attributable to the equity holders of the company during the year			
<i>Basic</i>	26	0,015	0,132

The notes on pages 14 to 50 are an integral part of these financial statements.

(All amounts in €)

Statement of changes in equity

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2008		67.923.717	9.179.858	5.938.507	83.042.082
Profit for the year		-	-	3.048.066	3.048.066
Net profits recognised during the year		-	-	3.048.066	3.048.066
Transfer	12	-	349.605	(349.605)	
Dividends relating to year 2007		-	-	(1.700.000)	(1.700.000)
Balance at 31 December 2008		67.923.717	9.529.463	6.936.968	84.390.148
Balance at 1 January 2009		67.923.717	9.529.463	6.936.968	84.390.148
Profit for the year		-	-	336.764	336.764
Net profits recognised during the year		-	-	336.764	336.764
Transfer	12	-	502.396	(502.396)	-
Dividends relating to year 2008		-	-	(1.500.000)	(1.500.000)
Distribution of treasury shares of the parent company INTRACOM HOLDINGS		-	-	153.000	153.000
Balance at 31 December 2009		67.923.717	10.031.859	5.424.335	83.379.911

The notes on pages 14 to 50 are an integral part of these financial statements.

(All amounts in €)

Cash flow statement

	Note	1/1-31/12/2009	1/1-31/12/2008
Cash flows from operating activities			
Cash generated from operations	27	(2.708.079)	5.471.418
Interest paid	27	(468.563)	249.517
Income tax paid		1.031.125	(754.423)
Net cash from operating activities		(2.145.517)	4.966.512
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)	6	(508.505)	(1.126.134)
Purchase of intangible assets	7	(394.397)	(1.568.858)
Proceeds from sale of PPE		1.308	131
Interest received	27	51.184	84.735
Net cash from investing activities		(850.410)	(2.610.127)
Cash flows from financing activities			
Dividends paid		(1.500.000)	(3.400.000)
Repayments of finance leases		-	(101.539)
Net cash from financing activities		(1.500.000)	(3.501.539)
Net decrease in cash and cash equivalents		(4.495.928)	(1.145.154)
Cash and cash equivalents at beginning of year		9.293.085	10.438.240
Cash and cash equivalents at end of year	11	4.797.158	9.293.085

The notes on pages 14 to 50 are an integral part of these financial statements.

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

1. General Information

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.

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 2009 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 27th 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 consist of the financial statements of Intracom Defense for the year ended 31 December 2009, and 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 2009.

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 2008

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 Company has elected to present one statement i.e. the statement of comprehensive income. The financial statements have been prepared under the revised standard requirements .

IAS 23 (Revised) “Borrowing Costs”

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale.

Based on modifications of IAS 23, all borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The above amendment has as a consequence the abolition of alternative usage of the borrowing cost as expense.

The company has adopted the change on or after 1.1.2009.

IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements”

The amendment of IAS 32 requires that certain financial instruments available by the holder and liabilities arising during liquidation be classified as Equity if certain criteria are met. The amendment of IAS 1 requires the disclosure of certain information on such instruments which are classified as Equity. Amendments have also been made to IFRS 7, IAS 39 and IFRIC 2, which apply to periods starting on or after 1.1.2009. Given that the Group does not hold any such instruments, the amendments will not affect the Group’s financial statements

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRIC 9 “Reassessment of Embedded Derivatives”

This amendments to IFRIC 9 and IAS 39 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category.

This amendment is not applicable to the Company as it does not apply hedge accounting for transactions between segments in terms of IAS 39.

IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards”

(All amounts in €)

The amendment of IFRS 1 allows the financial entities which are implementing the IFRSs for the first time to use, as the deemed cost, either the fair value or the previous GAAP carrying amount for the evaluation of the initial cost of investments in subsidiaries, in jointly controlled entities or in associates. Also, the amendment abolishes the definition of the cost method from IAS 27 and replaces it with the requirement that the dividends be presented as earnings in the investor's separate financial statements. Limited amendments have also been made to IAS 18, IAS 21 and IAS 36, which also apply to the periods starting on or after 1.1.2009.

Given that the company have already transferred to IFRS, this amendment will not affect the Company's financial statements.

IFRS 2 (Amendment) "Share Based Payment"

The amendment clarifies The Definition of "vesting condition", introducing the term "non vesting condition" for conditions other than service conditions and performance conditions. It also clarifies that the Same accounting treatment applies to awards that are effectively cancelled by either the entity or the counter party.

The subject amendment is not applicable for the Company.

IFRS 7 (Amendment) "Financial instruments – Disclosures" - IFRS 4 (Amendment) "Insurance contracts"

This amendment requires additional disclosures with regard to the measurement of fair value and of liquidity risk. In particular, the amendment requires disclosures of fair value measurements of every category of financial assets or financial liabilities using a 3 level hierarchy. Level 1) stock exchange rates from markets with substantial volume of exchange, level 2) information which is derived direct(i.e. prices) or indirect(as a derivative of price), level 3) information which is not based on market data. This amendment also clarifies the requirements for the liquidity risk disclosures with regard to derivative transactions and assets used in liquidity management. Changes in the disclosures in IFRS 7 - Insurance contracts resulted by the aforementioned disclosures.

This amendment does not have an effect for the financial statement of 2009

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.

This has resulted in no change in the number of reportable segments presented.

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 Company's operations.

IFRIC 15 – Agreements for the construction of real estate.

(All amounts in €)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to each particular case. This interpretation will be applied by the company in case of requirements are met.

This interpretation is not relevant to the Company'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 Company, as the Company does not apply hedge accounting for any investment in a foreign operation.

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

IAS 24 (Amendment) “Related Party Disclosures” *(effective for annual periods beginning on or after 1 January 2011)*

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements.

The Company will apply these changes from their effective date. The amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) “Financial Instruments: Presentation” *(effective for annual periods beginning on or after 1 February 2010)*

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

This amendment is not expected to impact the Company's financial statements.

IAS 39 (Amendment) “Financial Instruments”: Recognition and Measurement” *(effective for annual periods beginning on or after 1 July 2009)*

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.

This amendment is not expected to impact the Company's financial statements.

(All amounts in €)

IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” *(effective for annual periods beginning on or after 1 January 2010)*

The revised IFRS 1 replaces the existing version in order to simplify it and facilitate potential amendments in the future. Moreover in the revised IFRS1 are abolished certain outdated transient guidelines and are included certain other of less importance rewordings. The current requirements remain immutable.

This amendment will not impact the Company’s financial statements since it has already adopted IFRS.

IFRS 2 (Amendment) “Share Based Payment” *(effective for annual periods beginning on or after 1 January 2010)*

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for Company cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment is not expected to impact the Company’s financial statements. This amendment has not yet been endorsed by the EU.

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

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires a change in ownership interest of a subsidiary is 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 non-controlling interests. The Company will apply these changes from their effective date.

IFRS 9 “Financial Instruments” *(effective for annual periods beginning on or after 1 January 2013)*

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

(All amounts in €)

IFRIC 12 “Service Concession Arrangements” (*EU endorsed for periods beginning 30 March 2009*)

IFRIC 12 concerns arrangements that government grants contracts for the supply of public services to private operators. IFRS 1, IFRIC 4 -Determining whether an arrangement contains a Lease and the interpretation SIC 29 disclosure - Service Concession Arrangements of Standard Interpretations Committee ,are modified according the appendix B of IFRIC 12.

The subject amendment is not applicable for the Company.

IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (*effective for annual periods beginning on or after 1 January 2011*)

The amendments apply to specific cases: when the financial entity is subject to a minimum funding requirement and makes a prepayment of contributions to meet this requirement. These amendments allow such financial entity to recognise the benefit from such prepayment as an asset. The above amendment will not affect the Company's financial statements. This amendment has not yet been adopted by the European Union.

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 Company 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 IFRS 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 (such as electricity, fuel or water).

This Interpretation specifies the definition of an asset the recognition and measurement of the initial cost . It also identifies the obligation for the service provision in exchange for the asset , as well as the revenue recognition and the guidance for handling the transfer of cash from customers.

IFRIC 18 is not applicable to the Company.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (*effective for annual periods beginning on or after 1 July 2010*)

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Company. This amendment has not yet been endorsed by the EU.

(c) Amendments to standards that form part of the IASB's annual improvements project

(All amounts in €)

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

IFRS 2 "Share-Based payment" (*effective for annual periods beginning on or after 1 July 2009*)

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

IFRS 8 "Operating Segments"

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 "Presentation of Financial Statements"

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 7 "Statement of Cash Flows"

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

IAS 17 "Leases"

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 "Revenue"

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 "Impairment of Assets"

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

IAS 38 "Intangible Assets"

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities

(All amounts in €)

when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 “Financial Instruments: Recognition and Measurement”

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

IFRIC 9 “Reassessment of Embedded Derivatives” (*effective for annual periods beginning on or after 1 July 2009*)

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” (*effective for annual periods beginning on or after 1 July 2009*)

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the Company, including the foreign operation itself, as long as certain requirements are satisfied.

Segment Information

As business segment is considered a distinguishable part of a company, that it is engaged in providing individualized products or services or a group of related products or services which sustain risks and odds, that differ from those of other business segments.

As geographical segment is considered a distinguishable part of a company, that it is engaged in providing products or services in a special economic environment and sustain risks and rewards which differ from those segments which operate in a different financial environment..

The company operates in defense electronic system segment. The geographical areas that company operates are Greece, European Union, rest of Europe and rest of the world.

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.

(All amounts in €)

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 recognised in the income statement in the period in which they arise.

(All amounts in €)

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 3-5 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.

(All amounts in €)

(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.

(All amounts in €)

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.

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.

Share capital

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. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

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 the income statement over the period of the borrowings using the effective interest method.

Borrowing costs

All borrowing costs are recognized in the income statement as 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.

(All amounts in €)

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.

(All amounts in €)

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 recognised as incurred. The Company recognises 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 collectibility 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.

(All amounts in €)

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.

(All amounts in €)

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 31/12/2009	Effect on Net Profit 31/12/2008
-12,00%	(281.932)	(388.700)
-9,00%	(211.449)	(291.525)
-6,00%	(140.966)	(194.350)
-3,00%	(70.483)	(97.175)
3,00%	70.483	97.175
6,00%	140.966	194.350
9,00%	211.449	291.525
12,00%	281.932	388.700

Price risk

The Entity has no exposure to price risk.

(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, while at the same time no financial institution has more than 15% of the managed assets.

(c) Liquidity risk

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

(d) 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 2008 and 2007. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2008 and 2007 respectively.

(All amounts in €)

Financial instruments in Euro

Change in interest rates (base units)	Effect on Net Profit 31/12/2009	Effect on Net Profit 31/12/2008
-100	337	(73.944)
-75	253	(55.458)
-50	169	(36.972)
-25	84	(18.486)
25	(84)	18.486
50	(169)	36.972
75	(253)	55.458
100	(337)	73.944

Financial instruments in USD

Change in interest rates (base units)	Effect on Net Profit 31/12/2009	Effect on Net Profit 31/12/2008
-100	(28.689)	(23.251)
-75	(21.517)	(17.438)
-50	(14.345)	(11.626)
-25	(7.172)	(5.813)
25	7.172	5.813
50	14.345	11.626
75	21.517	17.438
100	28.689	23.251

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 - 31/12/2009	1/1 - 31/12/2008
Total borrowings (note 14)	2.000.000	2.000.000
Less: Cash and cash equivalents (note 11)	4.797.158	9.293.085
Net debt	(2.797.158)	(7.293.085)
Total equity	83.379.911	84.390.148
Total capital employed	80.582.753	77.097.062
Gearing ratio	-3,5%	-9,5%

(All amounts in €)

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 – Geographical Segments

The company operates in defense electronic system segment.

Segments Results

	1/1-31/12/2008	
	Defense	Total
Sales	65.303.473	65.303.473
Total Sales	65.303.473	65.303.473
Operating Profit	3.071.694	3.071.694
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	5.209.581	5.209.581
Finance income		84.735
Finance cost		249.517
Financial cost - net (note24)		334.252
Profit before income tax		3.405.946

(All amounts in €)

	1/1-31/12/2009	
	Defense	Total
Sales	43.236.819	43.236.819
Total Sales	43.236.819	43.236.819
Operating Profit	1.041.608	1.041.608
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	(1.620.130)	(1.620.130)
Finance income		51.184
Finance cost		(468.563)
Financial cost - net (note 24)		(417.380)
Profit before income tax		624.228

Further segmental information

	1/1-31/12/2008	
	Defense	Total
Depreciation of Fixed Assets (note 6)	2.049.378	2.049.378
Amortisation of Intangible Assets (note 7)	356.319	356.319
Depreciation of Investment Property (note 8)	85.488	85.488

	1/1-31/12/2009	
	Defense	Total
Depreciation of Fixed Assets (note 6)	1.844.382	1.844.382
Amortisation of Intangible Assets (note 7)	371.053	371.053
Depreciation of Investment Property (note 8)	87.523	87.523

	31/12/2008	
	Defense	Total
Total Assets	116.001.847	116.001.847
Total Liabilities	31.611.700	31.611.700
Capital Expenditure	2.694.993	2.694.993

	31/12/2009	
	Defense	Total
Total Assets	120.033.025	120.033.025
Total Liabilities	36.653.114	36.653.114
Capital Expenditure	902.902	902.902

(All amounts in €)

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.

Information by geographical area

	Sales		Assets		Capital expenditure	
	1/1-31/12/2009	1/1-31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Greece	12.897.937	21.927.026	110.636.999	105.575.160	902.902	2.694.993
European Union	13.900.004	29.202.773	5.764.696	8.995.070	-	-
Other European countries	70.080	188.947	-	-	-	-
Other countries	16.368.798	13.984.727	3.631.330	1.431.618	-	-
Total	43.236.819	65.303.473	120.033.025	116.001.847	902.902	2.694.993

Sales by nature

	1/1-31/12/2009	1/1-31/12/2008
Sales of products	37.089.318	52.989.326
Sales of goods	1.287	930.935
Revenue from services	6.146.214	11.383.213
Total	43.236.819	65.303.473

(All amounts in €)

6. Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Furniture & other equipment	Prepayments and assets under construction	Total
Balance at 1 January 2008	22.066.184	22.698.485	13.810.832	194.508	3.530.893	63.218	62.364.119
Additions	-	-	792.630	-	224.019	109.485	1.126.134
Disposals	-	-	(17.899)	-	(63.477)	-	(81.376)
Reclassifications	-	172.703	-	-	-	(172.703)	-
Transfer from investment property	90.357	86.249	-	-	-	-	176.606
Balance at 31 December 2008	22.156.541	22.957.437	14.585.564	194.508	3.691.435	-	63.585.484
Accumulated depreciation							
Balance at 1 January 2008	-	6.175.236	9.993.732	90.170	2.137.306	-	18.396.445
Depreciation charge	-	683.542	1.000.630	23.271	341.936	-	2.049.378
Disposals	-	-	(17.899)	-	(59.148)	-	(77.047)
Transfer from investment property	-	36.715	-	-	-	-	36.715
Balance at 31 December 2008	-	6.895.493	10.976.463	113.441	2.420.094	-	20.405.491
Net book amount at 31 December 2008	22.156.541	16.061.944	3.609.101	81.066	1.271.341	-	43.179.993
Balance at 1 January 2009	22.156.541	22.957.437	14.585.564	194.508	3.691.435	-	63.585.484
Additions	-	21.226	372.618	18.675	95.987	-	508.505
Disposals	-	-	-	(2.957)	(36.231)	-	(39.188)
Transfer to investment property	(827.092)	(67.824)	-	-	-	-	(894.915)
Net book amount at 31 December 2009	21.329.449	22.910.839	14.958.181	210.225	3.751.191	-	63.159.885
Accumulated depreciation							
Balance at 1 January 2009	-	6.895.493	10.976.463	113.441	2.420.094	-	20.405.491
Depreciation charge	-	686.885	787.082	23.749	346.667	-	1.844.382
Disposals	-	-	-	(1.368)	(36.035)	-	(37.403)
Transfer to investment property	-	(15.829)	-	-	-	-	(15.829)
Balance at 31 December 2009	-	7.566.550	11.763.545	135.822	2.730.725	-	22.196.642
Net book amount at 31 December 2009	21.329.449	15.344.289	3.194.637	74.403	1.020.465	-	40.963.244

(All amounts in €)

7. Intangible assets

	Trademarks and licences	Software	Total
Balance at 1 January 2008	40.240	4.129.752	4.169.991
Additions	-	1.568.858	1.568.858
Balance at 31 December 2008	40.240	5.698.610	5.738.850
Accumulated depreciation			
Balance at 1 January 2008	40.240	3.729.707	3.769.946
Depreciation charge	-	356.319	356.319
Balance at 31 December 2008	40.240	4.086.026	4.126.266
Net book amount at 31 December 2008	-	1.612.584	1.612.584
Balance at 1 January 2009	40.240	5.698.610	5.738.850
Additions	-	394.397	394.397
Net book amount at 31 December 2009	40.240	6.093.008	6.133.247
Accumulated depreciation			
Balance at 1 January 2009	40.240	4.086.026	4.126.266
Depreciation charge	-	371.053	371.053
Balance at 31 December 2009	40.240	4.457.079	4.497.318
Net book amount at 31 December 2009	-	1.635.929	1.635.929

(All amounts in €)

8. Investment property

	<u>31/12/2009</u>	<u>31/12/2008</u>
Cost		
Balance at beginning of year	10.606.139	10.782.746
Transfer from investment property	894.915	-
Transfer to investment property	-	(176.606)
Balance at end of year	11.501.055	10.606.139
Accumulated depreciation		
Balance at beginning of year	691.882	643.109
Depreciation charge	87.523	85.488
Transfer from investment property	15.829	-
Transfer to investment property	-	(36.715)
Balance at end of year	795.234	691.882
Net book amount at end of year	10.705.821	9.914.257

Rental income for 2009 and 2008 amounted to € 358.781 and € 353.298 respectively (note 22).

9. Trade and other receivables

	<u>31/12/2009</u>	<u>31/12/2008</u>
Trade receivables	19.542.873	15.464.356
Less: provision for impairment	-	-
Trade receivables - net	19.542.873	15.464.356
Receivables from related parties (note 30)	102.350	51.774
Prepayments to creditors	9.530.441	278.614
Other prepayments	70.331	507.301
Accrued income	-	93.300
Other receivables	1.147.362	1.690.751
Total	30.393.357	18.086.096
Non-current assets	41.030	54.498
Current assets	30.352.328	18.031.598
	30.393.357	18.086.096

The fair value of receivables approximates their carrying amounts.

(All amounts in €)

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

	<u>31/12/2009</u>	<u>31/12/2008</u>
Total	19.542.873	15.464.356
Not past due and not impaired at the balance sheet date	9.212.960	9.161.495
Impaired at the balance sheet date	0	0
Provision made for the following amount:	0	0
	0	0
< 90 days	7.124.856	2.554.668
90-180 days	487.449	1.798.257
180-270 days	57.439	655.324
270-365 days	1.313.818	4.529
1- 2 yrs	77.348	661
>2 yrs	1.269.003	1.289.422
	10.329.913	6.302.861
	19.542.873	15.464.356

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

Trade and other receivables are denominated in the following currencies:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Euro	18.078.086	16.751.962
US Dollar	12.257.451	1.316.473
Other	57.820	17.662
	30.393.357	18.086.096

(All amounts in €)

10. Inventories

	<u>31/12/2009</u>	<u>31/12/2008</u>
Raw & auxiliary materials	17.382.370	18.281.212
Semi-finished goods	8.532.108	9.051.366
Finished goods	6.126.430	3.980.373
Work in progress	513.824	1.998.396
Merchandise	9.668	10.489
Total	<u>32.564.401</u>	<u>33.321.837</u>
Less: Provisions for obsolete inventories		
Raw & auxiliary materials	1.056.984	559.061
Semi-finished goods	292.860	255.060
Finished goods	13.424	5.947
	<u>1.363.268</u>	<u>820.068</u>
Net realisable value	<u>31.201.133</u>	<u>32.501.769</u>

The movement of the provision is as follows:

At the beginning of the year	820.068	798.061
Provision for impairment	543.200	361.147
Amount of provision reversed during the year	-	(339.139)
At the year end	<u>1.363.268</u>	<u>820.068</u>

11. Cash and cash equivalents

	<u>31/12/2009</u>	<u>31/12/2008</u>
Cash at bank and in hand	137.761	648.007
Short-term bank deposits	4.659.397	8.645.079
Total	<u>4.797.158</u>	<u>9.293.085</u>

The effective interest rate on short-term bank deposits in Euro and USD was 2,09% and 0,38% respectively (2008: 4,5% and 1,52% respectively).

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

(All amounts in €)

Cash and cash equivalents are analysed in the following currencies:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Euro (EUR)	1.966.738	498.656
US Dollar (USD)	2.829.630	2.293.274
Japanese Yen (JPY)	-	6.500.000
Other	790	1.156
	<u>4.797.158</u>	<u>9.293.085</u>

The Company's bank deposits in JPY have fixed exchange rate/fixed return, and as a result there is no exposure to risk from JPY exchange rate changes.

12. Share capital

	<u>Number of Shares</u>	<u>Common Shares</u>	<u>Total</u>
Balance at 1 January 2008	23.103.305	67.923.717	67.923.717
Balance at 31 December 2008	23.103.305	67.923.717	67.923.717
Balance at 31 December 2009	23.103.305	67.923.717	67.923.717

As at 31 December 2008 the share capital of the Company was divided into 23.103.305 shares with nominal value € 2,94 each.

13. Reserves

	<u>Statutory reserves</u>	<u>Tax free reserves</u>	<u>Extraordinary reserves</u>	<u>Total</u>
Balance at 1 January 2008	235.723	8.603.093	341.041	9.179.858
Transfer to retained earnings	140.000	209.605	-	349.605
Balance at 31 December 2008	375.723	8.812.699	341.041	9.529.463
Transfer from retained earnings	155.000	347.396	-	502.396
Balance at 31 December 2009	530.723	9.160.095	341.041	10.031.859

(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.

(All amounts in €)

14. Borrowings

	<u>31/12/2009</u>	<u>31/12/2008</u>
Current borrowings		
Bank loans	2.000.000	2.000.000
Total current borrowings	<u>2.000.000</u>	<u>2.000.000</u>
Total borrowings	<u>2.000.000</u>	<u>2.000.000</u>

The weighted average interest rate for the Company's borrowings for 2009 was around 3,082% (2008: 4,673%). Total borrowings 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:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Deferred tax assets:		
To be recovered after more than 12 months	860.273	1.190.280
To be recovered within 12 months	142.229	21.258
	<u>1.002.502</u>	<u>1.211.538</u>
Deferred tax liabilities		
To be settled after more than 12 months	(1.261.448)	(1.156.677)
To be settled within 12 months	(15.034)	(87.931)
	<u>(1.276.481)</u>	<u>(1.244.607)</u>
	<u>(273.979)</u>	<u>(33.069)</u>

The total movement in deferred tax is as follows:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Balance at the beginning of the year:	(33.069)	(484.307)
Charged/ (credited) to the income statement	(240.910)	451.238
Balance at the end of the year	<u>(273.979)</u>	<u>(33.069)</u>

(All amounts in €)

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 2008	(1.095.153)	(73.064)	(81.506)	(1.249.723)
Charged / (credited) to the income statement	5.540	-	(425)	5.116
Balance at 31 December 2008	(1.089.613)	(73.064)	(81.931)	(1.244.607)
Charged / (credited) to the income statement	(101.694)	2.923	66.897	(31.874)
Balance at 31 December 2009	(1.191.306)	(70.141)	(15.034)	(1.276.481)

	Provisions /impairment losses	Other / Provisions	Accrued expenses	Other	Total
Balance at 1 January 2008	199.515	467.540	48.683	49.677	765.416
Charged / (credited) to the income statement	5.502	81.189	(45.607)	405.038	446.122
Balance at 31 December 2008	205.017	548.730	3.076	454.715	1.211.538
Charged / (credited) to the income statement	122.167	85.574	(3.076)	(413.701)	(209.036)
Balance at 31 December 2009	327.184	634.304	-	41.014	1.002.502

16. Retirement benefit obligations

	31/12/2009	31/12/2008
Balance sheet obligations for :		
Pension benefits	1.173.731	1.008.718
Total	1.173.731	1.008.718
Income statement charge		
Pension benefits	234.650	1.306.738
Total	234.650	1.306.738

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

	31/12/2009	31/12/2008
Present value of unfunded obligations	1.534.594	1.555.944
Unrecognized actuarial losses	(360.863)	(547.226)
Liability in the Balance Sheet	1.173.731	1.008.718

(All amounts in €)

The amounts recognized in the income statement are as follows:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Current service cost	129.716	280.993
Interest cost	87.133	75.205
Net actuarial losses recognized during the year	17.801	96.575
Losses on curtailment	-	853.965
Total, included in staff costs (note 21)	<u>234.650</u>	<u>1.306.738</u>

The total charge is allocated as follows:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Cost of goods sold	126.968	810.366
Selling costs	79.958	346.760
Administrative expenses	27.724	149.612
	<u>234.650</u>	<u>1.306.738</u>

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

	<u>31/12/2009</u>	<u>31/12/2008</u>
Balance at the beginning of the year	1.008.718	698.146
Total expense charged / (credited) in the income statement	234.650	1.306.738
Contributions paid	(69.637)	(996.167)
Balance at the end of the year	<u>1.173.731</u>	<u>1.008.718</u>

The principal actuarial assumptions used were as follows:

	<u>31/12/2009</u>	<u>31/12/2008</u>
	%	%
Discount rate	5,60	5,60
Future salary increases	4,50	4,50

(All amounts in €)

17. Provisions

	Warranties	Unused compensated absences	Litigation & tax provisions	Other provisions	Total
Balance at 1 January 2008	1.040.135	31.880	681.043	122.060	1.875.119
Provisions for the year	300.000	-	-	1.733.174	2.033.174
Unused provisions reversed	(285.814)	-	(87.951)	-	(373.764)
Provisions used during the year	-	-	(360.104)	-	(360.104)
Balance at 31 December 2008	1.054.321	31.880	232.989	1.855.234	3.174.425
Additional provisions	-	-	42.893	283.000	325.893
Provisions used during the year	-	-	(175.239)	(1.661.731)	(1.836.970)
Balance at 31 December 2009	1.054.321	31.880	100.643	476.503	1.663.347

Analysis of total provisions:

	31/12/2009	31/12/2008
Current liabilities	956.171	2.573.373
Non- current liabilities	707.176	601.052
Total	1.663.347	3.174.425

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

(All amounts in €)

18. Trade and other payables

	<u>31/12/2009</u>	<u>31/12/2008</u>
Trade payables	3.248.104	5.133.373
Amounts due to related parties (note XX)	3.410.170	3.296.662
Accrued expenses	594.733	395.250
Social security and other taxes	1.385.321	1.306.137
Advances from customers	22.832.087	15.120.337
Other liabilities	71.641	143.729
Total	<u>31.542.057</u>	<u>25.395.488</u>
Non-current liabilities		
Current liabilities	31.542.057	25.395.488
	<u>31.542.057</u>	<u>25.395.488</u>

Trade and other payables are denominated in the following currencies:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Euro (EUR)	14.088.031	18.544.539
US Dollar (USD)	17.436.512	6.848.910
Great Britain Pound (GBP)	8.896	-
Othes	8.618	2.038
	<u>31.542.057</u>	<u>25.395.488</u>

The average credit payment terms of the Company's liabilities are 90 days.

19. Sales by nature

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Sales of products	37.089.318	52.989.326
Sales of goods	1.287	930.935
Revenue from services	6.146.214	11.383.213
Total	<u>43.236.819</u>	<u>65.303.473</u>

(All amounts in €)

20. Expenses by nature

	Note	1/1-31/12/2009	1/1-31/12/2008
Employee benefit expense	21	(18.765.756)	(19.713.078)
Inventory cost recognised in cost of goods sold		(12.985.785)	(24.062.774)
Depreciation of PPE		-	-
-Freehold property	6	(1.844.382)	(2.029.048)
-Leasehold property		-	(20.330)
Depreciation of investment property	8	(87.522)	(85.488)
Amortisation of intangible assets	7	(371.053)	(356.319)
Impairment of inventories		(543.200)	(361.147)
Subcontractors' fees		(1.285.967)	(5.949.066)
Repairs and maintenance		(994.960)	(808.180)
Operating lease payments		-	-
-buildings		(55.989)	-
-Vehicles and machinery		(225.036)	(205.971)
-Furniture and other equipment		(103)	(634)
Transportation and travelling expenses		(1.002.171)	(1.318.129)
Advertisement		(375.669)	(412.782)
Telecommunication, lighting & heating		(921.665)	(956.044)
Third party fees		(1.370.547)	(2.019.577)
Taxes and duties		(487.449)	(732.600)
Other expenses		(1.352.891)	(3.698.038)
Total		(42.670.145)	(62.729.206)
Split by function:			
Cost of goods sold		(31.091.518)	(45.157.830)
Selling costs		(7.010.618)	(11.853.377)
Administrative expenses		(4.568.009)	(5.718.000)
		(42.670.145)	(62.729.206)

(All amounts in €)

21. Employee benefits

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Wages and salaries	14.386.109	14.448.280
Social security costs	3.581.693	3.516.407
Other employers' contributions and expenses	410.304	441.653
Pension costs - defined contribution plans	153.000	-
Pension costs - defined benefit plans (note 16)	234.650	1.306.738
Total	<u>18.765.756</u>	<u>19.713.078</u>

The total number of employees as at 31/12/2009 was 512 (2008: 520).

22. Other operating income

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Income from grants	137.560	29.640
Rental income	358.781	353.298
Other	35.244	126.382
Total	<u>531.584</u>	<u>509.320</u>

23. Other gains/ (losses) –net

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Net foreign exchange gains / (losses)	(56.173)	(19.944)
Gains/ (losses) from sale of PPE	(477)	(4.198)
Other	-	12.249
Total	<u>(56.650)</u>	<u>(11.894)</u>

(All amounts in €)

24. Finance costs – net

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Finance expenses		
-Bank borrowings	(63.834)	(118.261)
- Finance leases	-	4.356
- Letters of credit and related costs	(154.162)	(137.989)
- Other	(137.606)	(48.353)
- Net foreign exchange gains / (losses)	(112.961)	549.765
	<u>(468.563)</u>	<u>249.517</u>
Finance income		
-Interest income	51.184	84.735
	<u>51.184</u>	<u>84.735</u>
Total	<u>(417.380)</u>	<u>334.252</u>

25. Income tax expense

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Current tax	46.555	809.117
Deffered tax (Note 15)	240.910	(451.238)
Total	<u>287.465</u>	<u>357.880</u>

The income tax rate for the years 2009 and 2008 was 25%. The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entity, as follows:

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Profit before tax	<u>624.228</u>	<u>3.405.946</u>
Tax calculated at tax rates applicable to Greece	156.057	851.486
Income not subject to tax	(468.694)	(927.355)
Expenses not deductible for tax purposes	566.794	423.149
Differences in tax rates	(11.416)	-
Provisions for not tax audited years	42.893	-
Other	1.831	10.599
Tax charge	<u>287.465</u>	<u>357.880</u>

During the year 2009 the company settled the open tax years 2007. The outcome tax had been included in the respectively years provisions.

(All amounts in €)

26. Profit per share

	<u>31/12/2009</u>	<u>31/12/2008</u>
Number of shares	23.103.305	23.103.305
Net Profit before taxes	624	3.406
Income tax	(287)	(358)
Net Profit before taxes	<u>337</u>	<u>3.048</u>
Profit per shares	0,015	0,132

27. Cash generated from operations

	<u>Note</u>	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Profit for the year		336.764	3.048.066
Adjustments for:		-	-
Tax	25	287.465	357.880
Depreciation of PPE	6	1.844.382	2.049.378
Depreciation of investment property	6	87.522	85.488
Loss on sale of PPE	7	371.053	356.319
Loss on sale of PPE	23	477	4.198
Interest income	24	(51.184)	(84.735)
Interest expense	24	468.563	(249.517)
Received treasury shares of the parent company		153.000	-
		<u>3.498.043</u>	<u>5.567.078</u>
Changes in working capital			
(Increase)/ decrease in Inventories		1.300.635	4.445.131
(Increase)/ decrease in trade and other receivables		(12.307.261)	8.148.645
Increase/ (decrease) in trade and other payables		6.146.569	(14.747.368)
Increase/ (decrease) in provisions		(1.511.078)	1.747.360
Increase/ (decrease) in retirement benefit obligations		165.013	310.572
		<u>(6.206.122)</u>	<u>(95.660)</u>
Cash generated from operations		<u>(2.708.079)</u>	<u>5.471.418</u>

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:

	<u>31/12/2009</u>	<u>31/12/2008</u>
No later than 1 year	141.838	146.991
Later than 1 year and no later than 5 years	213.584	346.145
	<u>355.422</u>	<u>493.137</u>

The lease payments relate to rentals of motor vehicles.

(All amounts in €)

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:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Guarantees for advance payments	8.259.792	11.006.145
Guarantees for good performance	7.354.978	8.145.632
Guarantees for participation in contests	307.000	322.500
	<u>15.921.771</u>	<u>19.474.277</u>

the receivables concerning revenue from property rental are as follows:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Up to 1 year	389.211	344.523
Από 2-5 έτη	1.456.296	1.378.092
Πέραν των 5 ετών	1.166.778	1.166.778
	<u>3.012.286</u>	<u>2.889.394</u>

30. Related party transactions

The following transactions are carried out with related parties:

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
Sales of goods / services:		
To parent company	-	-
To other related parties	480.599	984.691
	<u>480.599</u>	<u>984.691</u>
Purchases of goods / services:		
From parent company	574.886	1.369.967
From other related parties	1.021.793	4.163.381
	<u>1.596.679</u>	<u>5.533.348</u>
Purchases of fixed assets:		
From parent company	-	1.497.257
From other related parties	272.300	95.862
	<u>272.300</u>	<u>1.593.119</u>
Rental Income		
From other related parties	<u>358.781</u>	<u>336.740</u>

(All amounts in €)

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

	<u>31/12/2009</u>	<u>31/12/2008</u>
Receivables from related parties:		
From parent company	-	-
From other related parties	102.350	51.774
	102.350	51.774
Liabilities to related parties:		
To parent company	2.947.818	2.414.473
To other related parties	462.353	882.189
	3.410.170	3.296.662

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. Other related parties are companies within the Intracom Holdings Group, as well as companies in which the major shareholder of Intracom Holdings Group holds an interest share.

Key management compensation

Total amount of € 909.566 has been paid by the Company as director's remuneration and key management compensation for the year 2009 (2008: € 970.820). An amount of € 153.000 of INTRACOM HOLDINGS free share titles were given in members of the Board of Directors

31. Dividends

The Board of Directors propose a dividend of € 0,0087 per share (totaling € 200.000) for the year 2009. The proposed dividend will be submitted for formal approval at the shareholders' Annual General Meeting. This dividend will be accounted for as an appropriation of retained earnings in the following year.


The Annual General Meeting held on June 26th, 2009 approved a dividend of € 0,0649 per share (totaling € 1.500.000) for the year 2008. The dividend was paid during 2009.

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 2009.

(All amounts in €)

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 2009																																																																																																																																																				
(In terms of article 135 of Law 2190, for Companies publishing annual financial statements in accordance with IAS/IFRS)																																																																																																																																																				
<p>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.</p>																																																																																																																																																				
COMPANY'S INFORMATION DATA	CONDENSED STATEMENT OF COMPREHENSIVE INCOME																																																																																																																																																			
<p>Authority in charge: Municipality of Eastern Attica</p> <p>Date of approval financial statements (from which derived the concise financial information): 27/04/2010</p> <p>Board of Directors: Socrates P. Kokkalis (Chairman), Dimitrios X. Klionis (Vice President), George J. Troulinos (Member - C.E.O)</p> <p>Certified Auditors Accountants: Maria N. Charitou (L.C. Association of Certified Auditors 15161)</p> <p>Certified Auditing Firms: "SOL" S.A. CERTIFIED AUDITORS ACCOUNTANTS</p> <p>Type of Review Opinion: With no qualification</p> <p>Web address: www.intracomdefense.com</p>	<table border="1"> <thead> <tr> <th>(Amounts in Euro)</th> <th>31.12.2009</th> <th>31.12.2008</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>43.236.819</td> <td>65.303.473</td> </tr> <tr> <td>Gross profit</td> <td>12.145.301</td> <td>20.145.644</td> </tr> <tr> <td>Earnings Before Interest & Tax</td> <td>682.827</td> <td>2.718.396</td> </tr> <tr> <td>Profit before tax</td> <td>624.228</td> <td>3.405.946</td> </tr> <tr> <td>Less: taxes</td> <td>(287.465)</td> <td>(357.880)</td> </tr> <tr> <td>Total comprehensive income for the year</td> <td>336.764</td> <td>3.048.066</td> </tr> <tr> <td colspan="3">Attributable to:</td> </tr> <tr> <td>Equity holders of the company</td> <td>336.764</td> <td>3.048.066</td> </tr> <tr> <td></td> <td>336.764</td> <td>3.048.066</td> </tr> <tr> <td>Earnings After Tax per share (in €)</td> <td>0,01</td> <td>0,13</td> </tr> <tr> <td>Proposed dividend per Share (in €)</td> <td>0,01</td> <td>0,06</td> </tr> <tr> <td>Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)</td> <td>2.985.785</td> <td>5.209.581</td> </tr> </tbody> </table>	(Amounts in Euro)	31.12.2009	31.12.2008	Turnover	43.236.819	65.303.473	Gross profit	12.145.301	20.145.644	Earnings Before Interest & Tax	682.827	2.718.396	Profit before tax	624.228	3.405.946	Less: taxes	(287.465)	(357.880)	Total comprehensive income for the year	336.764	3.048.066	Attributable to:			Equity holders of the company	336.764	3.048.066		336.764	3.048.066	Earnings After Tax per share (in €)	0,01	0,13	Proposed dividend per Share (in €)	0,01	0,06	Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	2.985.785	5.209.581																																																																																																												
(Amounts in Euro)	31.12.2009	31.12.2008																																																																																																																																																		
Turnover	43.236.819	65.303.473																																																																																																																																																		
Gross profit	12.145.301	20.145.644																																																																																																																																																		
Earnings Before Interest & Tax	682.827	2.718.396																																																																																																																																																		
Profit before tax	624.228	3.405.946																																																																																																																																																		
Less: taxes	(287.465)	(357.880)																																																																																																																																																		
Total comprehensive income for the year	336.764	3.048.066																																																																																																																																																		
Attributable to:																																																																																																																																																				
Equity holders of the company	336.764	3.048.066																																																																																																																																																		
	336.764	3.048.066																																																																																																																																																		
Earnings After Tax per share (in €)	0,01	0,13																																																																																																																																																		
Proposed dividend per Share (in €)	0,01	0,06																																																																																																																																																		
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	2.985.785	5.209.581																																																																																																																																																		
CONDENSED STATEMENT OF FINANCIAL POSITION	STATEMENT OF CASH FLOWS																																																																																																																																																			
<table border="1"> <thead> <tr> <th>(Amounts in Euro)</th> <th>31.12.2009</th> <th>31.12.2008</th> </tr> </thead> <tbody> <tr> <td colspan="3">ASSETS</td> </tr> <tr> <td>Property, Plant & Equipment</td> <td>40.963.244</td> <td>43.179.993</td> </tr> <tr> <td>Investment Properties</td> <td>10.705.821</td> <td>9.914.257</td> </tr> <tr> <td>Intangible assets</td> <td>1.635.929</td> <td>1.612.584</td> </tr> <tr> <td>Inventories</td> <td>31.201.133</td> <td>32.501.769</td> </tr> <tr> <td>Trade and Other receivables</td> <td>30.393.357</td> <td>18.086.096</td> </tr> <tr> <td>Other current assets</td> <td>5.133.542</td> <td>10.707.149</td> </tr> <tr> <td>TOTAL ASSETS</td> <td>120.033.025</td> <td>116.001.847</td> </tr> <tr> <td colspan="3">EQUITY AND LIABILITIES</td> </tr> <tr> <td>Share capital</td> <td>67.923.717</td> <td>67.923.717</td> </tr> <tr> <td>Other equity components</td> <td>15.456.195</td> <td>16.466.431</td> </tr> <tr> <td>Capital and reserves attributable to Company Shareholders (a)</td> <td>83.379.911</td> <td>84.390.148</td> </tr> <tr> <td>Minority interests (b)</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Equity (c) = (a) + (b)</td> <td>83.379.911</td> <td>84.390.148</td> </tr> <tr> <td>Provisions / Other long term liabilities</td> <td>2.154.886</td> <td>1.642.839</td> </tr> <tr> <td>Short term borrowings</td> <td>2.000.000</td> <td>2.000.000</td> </tr> <tr> <td>Other short-term liabilities</td> <td>32.498.228</td> <td>27.968.861</td> </tr> <tr> <td>Total liabilities (d)</td> <td>36.653.114</td> <td>31.611.700</td> </tr> <tr> <td>TOTAL EQUITY AND LIABILITIES (c) + (d)</td> <td>120.033.025</td> <td>116.001.847</td> </tr> </tbody> </table>	(Amounts in Euro)	31.12.2009	31.12.2008	ASSETS			Property, Plant & Equipment	40.963.244	43.179.993	Investment Properties	10.705.821	9.914.257	Intangible assets	1.635.929	1.612.584	Inventories	31.201.133	32.501.769	Trade and Other receivables	30.393.357	18.086.096	Other current assets	5.133.542	10.707.149	TOTAL ASSETS	120.033.025	116.001.847	EQUITY AND LIABILITIES			Share capital	67.923.717	67.923.717	Other equity components	15.456.195	16.466.431	Capital and reserves attributable to Company Shareholders (a)	83.379.911	84.390.148	Minority interests (b)	-	-	Total Equity (c) = (a) + (b)	83.379.911	84.390.148	Provisions / Other long term liabilities	2.154.886	1.642.839	Short term borrowings	2.000.000	2.000.000	Other short-term liabilities	32.498.228	27.968.861	Total liabilities (d)	36.653.114	31.611.700	TOTAL EQUITY AND LIABILITIES (c) + (d)	120.033.025	116.001.847	<table border="1"> <thead> <tr> <th>(Amounts in Euro)</th> <th>31.12.2009</th> <th>31.12.2008</th> </tr> </thead> <tbody> <tr> <td colspan="3">Indirect Method</td> </tr> <tr> <td colspan="3">Operating activities</td> </tr> <tr> <td>Profit Before Tax</td> <td>624.228</td> <td>3.405.946</td> </tr> <tr> <td>Plus / Minus Adjustments for:</td> <td></td> <td></td> </tr> <tr> <td>Depreciation</td> <td>2.302.958</td> <td>2.491.186</td> </tr> <tr> <td>Provisions / impairment</td> <td>(1.345.588)</td> <td>2.062.130</td> </tr> <tr> <td>Results (income, expenses, profit and losses) from investing activities</td> <td>(101.816)</td> <td>(84.735)</td> </tr> <tr> <td>Interest expenses and related costs / Interest income and related income</td> <td>468.563</td> <td>(249.517)</td> </tr> <tr> <td>Plus / Minus Adjustments for Working Capital Changes related to operating activities.</td> <td></td> <td></td> </tr> <tr> <td>Decrease / (increase) in inventories</td> <td>1.300.635</td> <td>4.445.131</td> </tr> <tr> <td>Decrease / (increase) in receivables</td> <td>(12.307.261)</td> <td>8.148.645</td> </tr> <tr> <td>(Decrease) / increase in liabilities (other than banks)</td> <td>6.146.569</td> <td>(14.747.368)</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> </tr> <tr> <td>Interest expenses and related costs paid</td> <td>(468.563)</td> <td>249.517</td> </tr> <tr> <td>Income tax paid</td> <td>1.031.125</td> <td>(754.423)</td> </tr> <tr> <td>Total inflow / (outflow) from operating activities (a)</td> <td>(2.145.517)</td> <td>4.966.512</td> </tr> <tr> <td colspan="3">Investing activities</td> </tr> <tr> <td>Purchase of PPE and intangible assets</td> <td>(902.902)</td> <td>(2.694.993)</td> </tr> <tr> <td>Proceeds from sales of PPE and intangible assets</td> <td>1.308</td> <td>131</td> </tr> <tr> <td>Interest received</td> <td>51.184</td> <td>84.735</td> </tr> <tr> <td>Total inflow / (outflow) from investing activities (b)</td> <td>(850.410)</td> <td>(2.610.127)</td> </tr> <tr> <td colspan="3">Financing activities</td> </tr> <tr> <td>Dividends paid to Shareholders</td> <td>(1.500.000)</td> <td>(3.400.000)</td> </tr> <tr> <td>Repayments of finance leases</td> <td>-</td> <td>(101.539)</td> </tr> <tr> <td>Total inflow / (outflow) from financing activities (c)</td> <td>(1.500.000)</td> <td>(3.501.539)</td> </tr> <tr> <td>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</td> <td>(4.495.928)</td> <td>(1.145.154)</td> </tr> <tr> <td>Cash and cash equivalents at beginning of period</td> <td>9.293.085</td> <td>10.438.240</td> </tr> <tr> <td>Cash and cash equivalents at end of period</td> <td>4.797.158</td> <td>9.293.085</td> </tr> </tbody> </table>	(Amounts in Euro)	31.12.2009	31.12.2008	Indirect Method			Operating activities			Profit Before Tax	624.228	3.405.946	Plus / Minus Adjustments for:			Depreciation	2.302.958	2.491.186	Provisions / impairment	(1.345.588)	2.062.130	Results (income, expenses, profit and losses) from investing activities	(101.816)	(84.735)	Interest expenses and related costs / Interest income and related income	468.563	(249.517)	Plus / Minus Adjustments for Working Capital Changes related to operating activities.			Decrease / (increase) in inventories	1.300.635	4.445.131	Decrease / (increase) in receivables	(12.307.261)	8.148.645	(Decrease) / increase in liabilities (other than banks)	6.146.569	(14.747.368)	Less:			Interest expenses and related costs paid	(468.563)	249.517	Income tax paid	1.031.125	(754.423)	Total inflow / (outflow) from operating activities (a)	(2.145.517)	4.966.512	Investing activities			Purchase of PPE and intangible assets	(902.902)	(2.694.993)	Proceeds from sales of PPE and intangible assets	1.308	131	Interest received	51.184	84.735	Total inflow / (outflow) from investing activities (b)	(850.410)	(2.610.127)	Financing activities			Dividends paid to Shareholders	(1.500.000)	(3.400.000)	Repayments of finance leases	-	(101.539)	Total inflow / (outflow) from financing activities (c)	(1.500.000)	(3.501.539)	Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(4.495.928)	(1.145.154)	Cash and cash equivalents at beginning of period	9.293.085	10.438.240	Cash and cash equivalents at end of period	4.797.158	9.293.085
(Amounts in Euro)	31.12.2009	31.12.2008																																																																																																																																																		
ASSETS																																																																																																																																																				
Property, Plant & Equipment	40.963.244	43.179.993																																																																																																																																																		
Investment Properties	10.705.821	9.914.257																																																																																																																																																		
Intangible assets	1.635.929	1.612.584																																																																																																																																																		
Inventories	31.201.133	32.501.769																																																																																																																																																		
Trade and Other receivables	30.393.357	18.086.096																																																																																																																																																		
Other current assets	5.133.542	10.707.149																																																																																																																																																		
TOTAL ASSETS	120.033.025	116.001.847																																																																																																																																																		
EQUITY AND LIABILITIES																																																																																																																																																				
Share capital	67.923.717	67.923.717																																																																																																																																																		
Other equity components	15.456.195	16.466.431																																																																																																																																																		
Capital and reserves attributable to Company Shareholders (a)	83.379.911	84.390.148																																																																																																																																																		
Minority interests (b)	-	-																																																																																																																																																		
Total Equity (c) = (a) + (b)	83.379.911	84.390.148																																																																																																																																																		
Provisions / Other long term liabilities	2.154.886	1.642.839																																																																																																																																																		
Short term borrowings	2.000.000	2.000.000																																																																																																																																																		
Other short-term liabilities	32.498.228	27.968.861																																																																																																																																																		
Total liabilities (d)	36.653.114	31.611.700																																																																																																																																																		
TOTAL EQUITY AND LIABILITIES (c) + (d)	120.033.025	116.001.847																																																																																																																																																		
(Amounts in Euro)	31.12.2009	31.12.2008																																																																																																																																																		
Indirect Method																																																																																																																																																				
Operating activities																																																																																																																																																				
Profit Before Tax	624.228	3.405.946																																																																																																																																																		
Plus / Minus Adjustments for:																																																																																																																																																				
Depreciation	2.302.958	2.491.186																																																																																																																																																		
Provisions / impairment	(1.345.588)	2.062.130																																																																																																																																																		
Results (income, expenses, profit and losses) from investing activities	(101.816)	(84.735)																																																																																																																																																		
Interest expenses and related costs / Interest income and related income	468.563	(249.517)																																																																																																																																																		
Plus / Minus Adjustments for Working Capital Changes related to operating activities.																																																																																																																																																				
Decrease / (increase) in inventories	1.300.635	4.445.131																																																																																																																																																		
Decrease / (increase) in receivables	(12.307.261)	8.148.645																																																																																																																																																		
(Decrease) / increase in liabilities (other than banks)	6.146.569	(14.747.368)																																																																																																																																																		
Less:																																																																																																																																																				
Interest expenses and related costs paid	(468.563)	249.517																																																																																																																																																		
Income tax paid	1.031.125	(754.423)																																																																																																																																																		
Total inflow / (outflow) from operating activities (a)	(2.145.517)	4.966.512																																																																																																																																																		
Investing activities																																																																																																																																																				
Purchase of PPE and intangible assets	(902.902)	(2.694.993)																																																																																																																																																		
Proceeds from sales of PPE and intangible assets	1.308	131																																																																																																																																																		
Interest received	51.184	84.735																																																																																																																																																		
Total inflow / (outflow) from investing activities (b)	(850.410)	(2.610.127)																																																																																																																																																		
Financing activities																																																																																																																																																				
Dividends paid to Shareholders	(1.500.000)	(3.400.000)																																																																																																																																																		
Repayments of finance leases	-	(101.539)																																																																																																																																																		
Total inflow / (outflow) from financing activities (c)	(1.500.000)	(3.501.539)																																																																																																																																																		
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(4.495.928)	(1.145.154)																																																																																																																																																		
Cash and cash equivalents at beginning of period	9.293.085	10.438.240																																																																																																																																																		
Cash and cash equivalents at end of period	4.797.158	9.293.085																																																																																																																																																		
CONDENSED STATEMENT OF CHANGES IN EQUITY																																																																																																																																																				
<table border="1"> <thead> <tr> <th>(Amounts in Euro)</th> <th>31.12.2009</th> <th>31.12.2008</th> </tr> </thead> <tbody> <tr> <td>Total equity at beginning of the year (1/1/2009 and 1/1/2008 respectively)</td> <td>84.390.148</td> <td>83.042.082</td> </tr> <tr> <td>Total comprehensive income for the year</td> <td>336.764</td> <td>3.048.066</td> </tr> <tr> <td>Distributed Dividends</td> <td>(1.500.000)</td> <td>(1.700.000)</td> </tr> <tr> <td>Other equity movements</td> <td>153.000</td> <td>-</td> </tr> <tr> <td>Total equity at the end of the year (31/12/2009 and 31/12/2008 respectively)</td> <td>83.379.911</td> <td>84.390.148</td> </tr> </tbody> </table>	(Amounts in Euro)	31.12.2009	31.12.2008	Total equity at beginning of the year (1/1/2009 and 1/1/2008 respectively)	84.390.148	83.042.082	Total comprehensive income for the year	336.764	3.048.066	Distributed Dividends	(1.500.000)	(1.700.000)	Other equity movements	153.000	-	Total equity at the end of the year (31/12/2009 and 31/12/2008 respectively)	83.379.911	84.390.148																																																																																																																																		
(Amounts in Euro)	31.12.2009	31.12.2008																																																																																																																																																		
Total equity at beginning of the year (1/1/2009 and 1/1/2008 respectively)	84.390.148	83.042.082																																																																																																																																																		
Total comprehensive income for the year	336.764	3.048.066																																																																																																																																																		
Distributed Dividends	(1.500.000)	(1.700.000)																																																																																																																																																		
Other equity movements	153.000	-																																																																																																																																																		
Total equity at the end of the year (31/12/2009 and 31/12/2008 respectively)	83.379.911	84.390.148																																																																																																																																																		
ADDITIONAL INFORMATION																																																																																																																																																				
<ol style="list-style-type: none"> The Company's tax returns have been audited by the tax authorities up to 2007. The Company's Financial statements are included in the consolidated statements of INTRACOM HOLDINGS S.A., which is located in Greece. INTRACOM HOLDINGS S.A. participates in the company's equity with 100%. The consolidation method that used is the purchase method. The amount of € 153.000 in the Company's changes in equity, pertains to the dispensation of INTRACOM HOLDINGS free share titles to company employees, charging the Company's results with an equivalent credit of profits carried forward, according to the provisions of IFRS 2. There are no pledges on the Company's assets. There no legal disputes which may materially affect the financial position of the Company. The amounts for warranty provisions is € 1.054.321 and for other provisions is € 508.383. The provisions for unaudited tax years amounts to € 100.143. Number of employees at the end of the current period : 512 (2008: 520) The sales and purchases by the company to group other companies for the current year amounted to € 480.599 and € 1.868.979 respectively whereas the balances receivable and payable by/to group other companies at the end of the current period amounted to € 102.350 and € 3.410.170 respectively. The Board members and senior management remuneration amount for the year 2009 to € 909.566 (2008: € 970.820) The accounting policies that have been used for the financial statements preparations are consistent with those used in the previous financial year. Differences between amounts presented in the financial statements and corresponding amounts in the notes result from rounding differences 																																																																																																																																																				
KOROPI, 27 April 2010																																																																																																																																																				
<p>THE CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>S.P. KOKKALIS I.D.No. A1 091040/05.10.2009</p>	<p>VICE CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>D.CH. CLONIS A.D.T. P 53967506.11.1995</p>																																																																																																																																																			
<p>CHIEF EXECUTIVE OFFICER</p> <p>G.JI. TROULINOS I.D.No. S 681748/21.07.1999</p>	<p>FINANCIAL AND ADMINISTRATIVE DIRECTOR</p> <p>K. D. PALMOS I.D.No. S 063087/15.10.1995 License No 16941 Class A'</p>																																																																																																																																																			
	<p>ACCOUNTING MANAGER</p> <p>E. J. KOUFOPOULOS I.D.No. K 892341/16.07.1976 License No 5271 Class A'</p>																																																																																																																																																			