INTRASOFT INTERNATIONAL GROUP

Consolidated financial statements

For the year ended 31 december 2011

In accordance with international financial reporting standards (I.F.R.S.) as endorsed by the european union

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CONTENTS

MESSAGE FROM THE CEO

For the fiscal year 2011, INTRASOFT International gave a strong performance in yet another challenging economic and fragile political environment. We responded to global economic challenges by relentlessly focusing on our clients and their needs whilst operating INTRASOFT International with discipline.

Whilst INTRASOFT International was not immune to the effects of the continued European economic downturn, annual revenues had only been higher on one occasion over the past 16 years of operation. Revenue-wise the EUR 86 million mark was attained whilst our Earnings before interest and tax (EBIT) reached EUR 3.37 million. This was a noteworthy and solid performance considering that pan-European austerity measures are reducing budgets in our key target markets whilst aggressive price competition by other players in survival mode has lowered prices to cost levels. Nevertheless, we are standing firmly, employing over 1 050 professionals and executing over 100 projects around the globe. INTRASOFT International is a powerful multinational IT service company.

Our long-standing success and competitive edge comes as a result of continuous commitment to customer value, achieved by executing projects with precision and integrity while keeping pace with market conditions. In 2011, INTRASOFT International continued to deliver high quality products and services to existing customers, whist its portfolio was enriched with new ones: the European Commission's Directorate-General for Informatics (DG DIGIT), the European Investment Bank (EIB), the European Commissions' Publications Office (OPOCE), the European Maritime Safety Agency (EMSA), and the European Environment Agency (EEA) to name a few significant examples. Our world leadership in customs and excise was maintained and further enhanced. Our 20-country clientele in this area was expanded with contracts with the Romanian ministry of Finance and the Dutch customs authority.

Furthermore, in 2011 we continued to focus on the benefits of transforming innovation into value by actively contributing to the development of innovative pre-industrial products and services through participation in EU research programmes. INTRASOFT International contributed to the strategic policy objective of enabling European companies to master and shape future developments in ICT. At the same time, we sustained our leadership in ICT, and stimulated product, service and process innovation, mainly in the application areas of e-government and e-business.

The numerous new R&D contracts include the Linked2Safety project, which is advancing clinical practice and accelerating medical research, and the IMAGINE project, which is improving the management of modern manufacturing practices. In addition, INTRASOFT International will have a key role in the CASSANDRA project, which is improving the risk management controls applied by customs offices to goods movement across global supply chains.

Over past few years, our commitment to business superiority has also been reflected in numerous ISO certifications that we have been awarded by independent quality organisations. Indeed, INTRASOFT International is a leader within its market with a rich array of five ISO certifications. Our leadership in this area was maintained and further established with the award of the 18001:2007 certification for occupational health and safety management, which promotes a safe and healthy working environment. Additionally we have assured our stakeholders that we take social accountability seriously, having been awarded the SA 8000:2008 Social Accountability certificate, and by proving our commitment to our employees; our greatest asset. In addition, a roadmap has been set out for enhancing maturity Software Development processes by implementing CMMI® practices for SW Development, maturity Level 3.

In 2011, due to the changing global environment we took steps to better position INTRASOFT International in strategic ways for the future. We enhanced our core business and invested in new and emerging growth areas. Our growth strategy will be to focus primarily on international markets and further enhance our international presence and global reach. As part of this strategy, INTRASOFT International will be absorbing its mother company, INTRACOM IT Services. The challenge of renewing a successful company— positioning it for long-term growth and profitability while performing in the current marketplace – will be embraced by advancing our technical skills, expanding our service offering in new markets for 2012, and restructuring and developing a modern, flexible, functional, and aggressive organisational model.

With our positive momentum, significant economic accomplishments and diminishing costs, we are well positioned to achieve a performance of note in 2012. We remain cautiously optimistic for the future whilst being mindful of the realities and challenges of the marketplace and macroeconomic environment.

I would like to thank my 1 050 INTRASOFT International colleagues around the world for their hard work and commitment throughout 2011, which enabled us to rise above the challenging environment by delivering high quality services to our clients.

I'm proud of what we accomplished in 2011 — and even more enthusiastic about the opportunities that lie ahead.

Athanassios Kotsis
Chief Executive Officer

Report of the board of directors of the INTRASOFT International group to the annual general assembly of the shareholders for the fiscal year 01/01/2011 - 31/12/2011

Dear Shareholders,

We have the pleasure to inform you about our company's activities over the past financial year and to submit the Consolidated accounts as closed on 31 December 2011 for your approval. In 2011, INTRASOFT International was operated with discipline and sustained its role as a key player in ICT services in its priority markets. Additionally during the year, the focus was on reorganization matters enabling INTRASOFT International to position itself in new markets in the near future.

For the fiscal year 2011, INTRASOFT International annual revenues reached the EUR 86 million mark; our second best performance in our 15 year history, against EUR 90 million in 2010, a slight and expected downturn of 4,6% and EUR 4,15 million mainly due to the periodicity of projects and fierce price competition in the dominant activity of the company, the EU Institutions.

In the meantime, cost of sales has been at the same level of 2010, pressing gross profit in both absolute value and percentage of revenue, ending with a EUR 9,28 million against EUR 13,0 million in 2010 and a 10,8% of revenue against 14,5% in 2010. Other expenses (marketing & selling expenses, general & administration, other income and gains/losses) were reduced by EUR 847 thousand in comparison to 2010 due to cost savings measures and subsidies granted.

Earnings before interest and tax (EBIT) reached EUR 3.37 million against EUR 6.25 million in 2010, a decrease of EUR 2,88 million.

The macro-economic situation of Greece had a negative impact on financial result that decreased by EUR 475 thousand against 2010 as the higher inter-banking financing rate of Greek banks was cascaded to short-term private loans and credit facilities.

Profit before tax (PBT) reached EUR 2.10 million against EUR 5.46 million in 2010, a decrease of EUR 3,36 million whereas profit after tax reached EUR 1.53 million against EUR 3.35 million in 2010, a decrease of EUR 1,82 million. Decrease in revenues came mainly from ICS Innovation & Studies, SAP solutions divisions and Applications Development (a loss of EUR 8 million in comparison to 2010) whereas Managed services, Professional services and Solutions Development divisions encountered a revenue increase against 2010 by EUR 3,8 million.

In terms of profitability, all divisions suffered a decrease against 2010 as a consequence of price pressure and challenging economic environment. The Group managed to close the fiscal year with a net debt (borrowings minus cash) of EUR 6,47 million (EUR 7,74 million in 2010) and EUR 11,53 million cash in banks (EUR 7,46 million in 2010).

MARKET TRENDS

In 2011, the aftermath of the global crisis saw tension between economic growth and fiscal consolidation in developed economies. Although the global macroeconomic environment showed slow signs of recovery, sovereign debt problems, especially in Europe, created a fragile environment and reduced government spending.

IT spending in figures

In 2011, worldwide IT spending totalled $3.7 trillion, an increase of 5% from 2010. Worldwide IT Services spending amounted to $848 billion; up 6.9% from 2010, whilst for 2012 Gartner forecasts a growth of 3.7% globally. Western Europe saw IT spending rise 3.7% between 2010 and 2011, whilst for 2012 IT spending in Europe is expected to decline by 0,7%, rising again to a 3% (increase) in 2013.

At 20% of the total, government IT spending accounted for the largest share of IT spending in 2011 in Western Europe. Gartner estimates that this sector declined by 4.8% in 2011 and will further decline by 1.7% in 2012. 2010 levels are not expected until 2015.

Our key market preserves its momentum – but competition rises

Despite the on-going decline in overall public sector IT spending, our key market (European Institutions) preserved its momentum, since its demand for services is based on a long-term and quite steady budgeting and planning process. Moreover, due to the critical role of IT in European Organizations' quest for operational efficiency, new opportunities are also arising to support initiatives for providing better public services that cost less.

On the other hand, price competition within the public sector IT market is getting more and more intense. New entrants and off-shore development companies are trying to compete mainly on price, thus squeezing profit margins and putting a lot of pressure on well established players. However, this decline in prices seems to have particular limitations. Since excessive price squeezing is often compromising the quality of services provided and thus putting projects' successful completion at stake, it is anticipated that a balance between price and quality will be gradually restored; in fact, key customers are already starting to require tangible evidence about the quality of services they request for, as well as for the delivery capacity of the corresponding service providers.

Prospects for key market growth – disruptive and evolutionary scenarios

As Europe continues trying to find a way out of its current vicious cycle of debt, economic recession and unemployment, it is expected that deeper and wider integration between Member States will occur. This development could have a profound positive effect on the European Institutions market. Moreover, new opportunities will arise through the alignment of key policies in individual Member States. This disruptive scenario will boost IT demand in our priority market and could yield significant new opportunities.

Even if further integration does not come to fruition in the near future, Europe will still rely on its strategy for a knowledge-based society to achieve competitiveness in the global economic arena. Even in this evolutionary scenario, IT is considered as a cornerstone in supporting innovation, enhancing competitiveness and boosting economic development both in the public and private sectors.

New geographical markets gain importance

As part of our business development strategy, we have been constantly monitoring and evaluating emerging geographical markets over the past few years with a potential for rising demand in IT. As a result, we have identified specific regions that could support our quest for growth and market diversification. These regions include parts of Africa, the Commonwealth of Independent States (CIS), and the Middle East as well as particular EU Member States that are in the early stages of the converging process. Most of these countries are investing in public sector modernisation by introducing new IT systems and aligning their policies with best practices already adopted in the western world. Since these projects are funded either by international institutions or the European structural funds, they represent an area of potential interest for INTRASOFT International and could support its plans for further growth and geographical expansion.

The business of IT is changing

Although traditional IT services are still the main revenue generators in our industry, innovative technologies and new business models are reshaping the overall market rapidly and create new opportunities and threats for the existing players.

For instance, core technology is being concentrated to a few global vendors, while cloud services, mobile applications and pay-as-you-go models diminish geographical barriers and introduce a new era of competition. Despite the technological concentration and the harsh competition, new opportunities also appear for IT service providers that don't create their own core technology, due to the increasing outsourcing trend in IT and the highly complex IT environments they are called to support. Both needs require vertical expertise, highly skilled personnel and comprehensive knowledge of the corresponding business domain.

While the above-mentioned technological evolution is initially applied to fast-paced private markets, it will quickly expand to more traditional ones like public sector and large private organisations, thus heavily affecting our business landscape. Understanding the way new technology will change the whole industry is a prerequisite for building successful strategies and repositioning a traditional IT service provider to align its strengths with market dynamics. Furthermore, keeping up with the IT market evolution is a prerequisite in order to sustain business in the long term, even if this requires a substantial sea change in the way business is conducted.

OPERATIONAL HIGHLIGHTS

In 2011 INTRASOFT International in its 15-year history: the company sustained its role as a key player in ICT services in its priority markets, and at the same time it also laid the necessary foundations for positioning itself within new markets in the near future.The following list highlights major developments and milestones across all of INTRASOFT International's business lines and activities.

Acquiring new contracts with key clients

In 2011 INTRASOFT International succeeded in winning new contracts with:

- The European Commission's Directorate-General for Informatics (DG DIGIT), via the ITSS contract Lot 1 for IT Services to support the local IT environment in various European Commission Directorates-General. Additionally, Systems Administration support was provided via Lot 2.
- The European Investment Bank (EIB) for the maintenance, support, development and implementation of packages and specific information systems at the EIB.
- The European Commission's Publications Office for Application Support Services.
- The European Maritime Safety Agency (EMSA) for the maintenance and support of the vessel traffic monitoring and information system 'SafeSeaNet'.
- The European Environment Agency for Editorial Services, corporate branding and layout.
- The University of Patras for one of the biggest IT projects in Greece's education sector, covering all of the university's administrative processes.
- Thessaloniki Port Authority for an important IT project covering the Supply, Installation and Configuration of an Enterprise Resource Planning (SAP ERP) System and a Business Intelligence (SAP BW) Solution.

Sustaining its leading position in Customs and Excise

Over the last few years INTRASOFT International has gradually emerged as a world leader in Customs and Excise markets. Its global expansion strategy has been reinforced by an agreement with IBM Corp. to jointly develop and market solutions; this partnership has already paid dividends. The company has been involved in a significant number of projects in more than 20 countries around the world, while it offers a wide portfolio of technical and business consulting services in the field.

In 2011 INTRASOFT International was awarded a contract with an estimated potential value of EUR 3 million, to continue providing services to the Romanian Ministry of Finance over the next three years. Moreover, it secured a contract with the Dutch customs authority for supporting their Declaration Management System, including service desk and system maintenance services.

On account of its continued success in the e-customs field, INTRASOFT International launched a new vertical website for this specific business activity. In addition, in 2011 the iconvert application was launched. This brand new INTRASOFT International product complements the electronic exchange of documents between trading partners, in terms of quality assurance, data consistency and accelerated implementation of the underlying business processes.

Expanding our SAP offering

Since 2004, INTRASOFT International has been an official SAP Partner, and since 2007 a SAP Channel Partner. In 2011 it also became a Channel Partner for SAP Business Objects. Furthermore, in 2011 it received Service Partner accreditation, having been nominated by SAP as a Special Expertise Partner in Financial Management, Supply Chain Execution (SCM), Product Lifecycle Management (PLM), Customer Relationship Management (CRM), Business Intelligence (BI) and Technology Platform SAP solution areas.

Embracing Health and Safety Policies

Over the past few years INTRASOFT International has obtained numerous certifications for a wide range of quality, security, and environmental management systems. Our commitment on quality and on process standardisation has seriously improved our efficiency and become one of our core competitive advantages for developing our business in the international IT landscape. Our continuous commitment to business excellence is also reflected in our prioritisation of health and safety within the workplace.

In 2011, in addition to the pre-existing certifications, we were also awarded the OHSAS 18001:2007 certification for occupational health and safety management. This standard provides the framework for consistently identifying and controlling our organisation's health and safety risks, thus reducing the likelihood of accidents, assuring legislative compliance, as well as improving overall performance.

Promoting Social Accountability

In addition to the OHSAS 18001certification, in 2011 INTRASOFT International was also awarded with the SA 8000:2008 certification; an international standardised code of conduct intended to improve working conditions worldwide. The requirements of SA8000 are guiding and encouraging our managers to make sustainable systemic changes in the way they run INTRASOFT International's everyday operations.

Investing in R&D

For more than 10 years, INTRASOFT International has actively contributed to the development of innovative pre-industrial products and services through its participation in EU research programmes. Our strategic research priorities have always been driven by the challenges we face in our core business areas, as well as by our aspirations to contribute to establishing a highly competitive European IT industry and knowledge based society. Currently, our main R&D priorities are focusing on how to achieve business and technological interoperability in practice. Realising that one of the most challenging issues IT faces today is to effectively handle the diversity of IT systems, applications and services -thus aligning them together, made us put a special focus on this horizontal topic.
2011 was a fruitful year for our R&D department as in addition to our ongoing research we started several research projects that will give us the opportunity to study integration and interoperability challenges in a variety of application domains. A few recent notable studies include:

- **Linked2Safety** – led by INTRASOFT International, the project is advancing clinical practice and research through the development of an innovative semantic interoperability framework. The results will be used to make access to a wealth of medical information contained in Electronic Health Records both efficient and homogeneous. INTRASOFT International is joined by 10 partners, including the National University of Ireland, Galway, the University of Manchester, the Gottfried Wilhelm Leibniz Universität, Hannover, and the Centre for Research and Technology Hellas. The project's budget is EUR 4.4 million.

- **IMAGINE** – again led by INTRASOFT International, the consortium is working to improve the management of modern manufacturing practices, which increasingly draw on resources from around the globe. The 14 partners include SOFTWARE AG, the Fraunhofer Research Institute, National Technical University of Athens, EADS, and FIAT. It has a budget of EUR 7.5 million.

- **CASSANDRA** – INTRASOFT International is one of 28 research partners (along with TNO, ATOS, IBM, DHL, UK Customs, and Dutch Customs) improving risk management controls applied by customs offices to the movement of goods across global supply chains. CASSANDRA has a budget of EUR 10 million.

- **Open Discovery Space** – led by INTRASOFT International, the 56-partner consortium is building a pan-European e-learning service for innovative teaching practices. Over the coming few years the project will be the flagship e-learning project in Europe and has been allocated a budget of EUR 10 million.

Preparing the new INTRASOFT International

Competing in a demanding global IT market requires operational efficiency, economies of scale, advanced offering and the size/organisational structure that can achieve a wide geographical reach. In order to cope with the above challenges, as well as respond to the changing global environment, INTRASOFT International and INTRACOM IT SERVICES Groups decided to join forces. A framework for closer cooperation was set out and the two companies' strategic visions and operational models were aligned.

This cooperation framework, which has already been in place since early 2011, included:

- Identification of each company's competitive advantage, capacity, reference, and area of expertise that should be gathered together, instead of being limited in dispersed teams.

- Better utilisation of all available tangible and intangible assets of both Groups, in order to contribute towards strengthening our portfolio of solutions and services, as well as our market presence.

- Alignment of processes and organisational structures between the two Groups.

Our goal is to develop a modern, flexible, functional, yet aggressive organisational model that will support and reinforce our strong presence in European and Middle Eastern markets and drive our strategy for expansion to new international markets. This will also be supported by extending our global reach with offices in 11 countries, enriching, strengthening and introducing innovation to our portfolio of solutions, as well as forming synergies and partnerships with renowned market players impacting upon and shaping international markets.

After making a first successful step, the cooperation framework has been already advanced to the unification process, which is intended to conclude to a single organisational entity in the near future. According to the plan, at the beginning of 2012 INTRASOFT International will absorb its mother company INTRACOM IT Services, thus becoming a larger and stronger organisational entity that is globally recognised as a key player in the IT services market.

FUTURE OUTLOOK

Throughout 2012 the global economic outlook will remain unstable. The combination of private-sector deleveraging and public sector austerity would, on their own, be enough to put the brakes on economic growth. For Western Europe, Gartner is forecasting just a 1% growth in IT spending for 2012. As a result, we expect a cautious approach to spending on global IT products and services. Nevertheless, our solid long-term and successful presence in the EU market, combined with our continuous assessment of new regions and business sectors globally, makes us view future challenges with guarded optimism.

Responding to the changing business environment, in 2011 we concentrated on operating INTRASOFT International with discipline and focused on reorganisation matters. In 2012 INTRASOFT International will complete the merger by absorbing its mother company, INTRACOM IT Services. As a result, our technical skills and service catalogue will be enriched from acquired expertise in vertical markets, such as public financials, taxation, social security, healthcare and banking. Moreover, our new organisational structure will reinforce our presence in European and Middle Eastern markets and will also drive our strategy for expansion to new international markets.

Focusing on Business Development

Our business development strategy in 2012 will concentrate on three main pillars:

- Improving and extending our portfolio of solutions and services;
- Building strong partnerships; and
- Seeking global expansion.

In addition to portfolio enrichment following the merger with INTRACOM IT Services, INTRASOFT International is putting considerable effort into improving or extending the solutions provided in most of its priority areas. Furthermore, our aim is to gradually differentiate the services offered, putting more focus on value-added activities that respond better to our customers' complex and demanding business needs. Our portfolio evolution process is also fuelled by our continuing R&D efforts; in 2012 R&D will be concentrated on the challenges of interoperability between heterogeneous services, solutions, data/content and processes. In addition, our plans are to see our marketable cloud offerings – to be developed with IBM – to take shape in 2012.

Our strategic priorities for 2012 will also focus on building and strengthening our cooperation with world-class partners in IT. Forming synergies and partnerships with renowned market players -such as IBM and Oracle at a global level is expected to have a positive impact on our penetration in new international markets, while at the same time strengthening our offering and improving our technical skills and expertise.

As part of our global expansion strategy, we have been constantly monitoring and evaluating new global and emerging markets over the past few years. As a result, we have identified specific regions that could support our quest for growth and market diversification. These regions include parts of Africa, the Commonwealth of Independent States (CIS) and the Middle East, as well as particular EU Member States that are in the early stages of the converging process. Our aim is to strengthen our presence in selected parts of the above regions, thus responding to any potential rise in demand for IT solutions and services.

Achieving operational excellence through quality

Our ongoing efforts to achieve Total Quality Management and process improvement will be further reinforced through work invested in successful CCMI level 3 appraisals. Today our company is one of the few IT companies globally to hold a rich portfolio of seven ISO certifications, especially in its core market segment, where the competition is far from this standard. As a means of investing in our staff and further improving the quality of the service we offer, we are now focusing on gaining the ISO 29990 certification, which is a badge for maturity and quality of professional practices and performance in the field of learning and training services for employees.

Financial statements and Profit Allocation approval

The Board of Directors proposes the following measures (in accordance with the financial statements and the Auditor's Report):

1. to approve the consolidated accounts as at 31 December 2011;

2. to allocate the total profit (EUR 180.678,74) of the Parent Company for the period to profit brought forward and not to distribute any dividend;

3. to grant a discharge to the Directors and the "Réviseur d'entreprises agréé" for their performance during their mandates.

Luxembourg, 26 March 2012

Socrates KOKKALIS
Chairman

Athanassios KOTSIS
Chief Executive Officer

TO THE SHAREHOLDERS OF INTRASOFT INTERNATIONAL GROUP

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INTRASOFT INTERNATIONAL GROUP** and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the INTRASOFT INTERNATIONAL Group and its subsidiaries as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Other matter

This report, including the opinion, has been prepared for and only for the use of the Group's members as a body and should not be used for any other purposes. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Athens , 27 March 2012

Mrs ANASTASIA PAVLATOU
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No 14441

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C) FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

	Note	2011	2010
Continuing operations:			
Sales	19	85.654.873,27	89.804.181,64
Cost of sales	20	(76.372.059,95)	(76.795.460,99)
Gross profit		**9.282.813,32**	**13.008.720,65**
Selling and marketing costs	20	(2.918.733,25)	(2.914.703,35)
Administrative expenses	20	(3.631.629,10)	(4.116.171,71)
Other income	21	713.538,08	515.085,27
Other gains / (losses) - net	22	(76.762,57)	(244.513,67)
Operating profit		**3.369.226,48**	**6.248.417,19**
Finance income	23	12.700,20	(4.792,09)
Finance cost	23	(1.279.765,14)	(786.732,47)
Finance costs - net	23	**(1.267.064,94)**	**(791.524,56)**
Profit before income tax		**2.102.161,54**	**5.456.892,63**
Income tax expense	24	(571.814,87)	(2.102.741,14)
Profit after tax for the period from continuing operations		**1.530.346,67**	**3.354.151,49**
Profit / (loss) after tax attributable to:			
Equity holders of the Company		1.530.346,67	3.354.151,49
		1.530.346,67	**3.354.151,49**
Other comprehensive income:			
Available-for-sale financial assets - Fair value gains / (loss)		290.505,54	(776.918,45)
Other (specify)		(1.200,00)	0,00
Other comprehensive income, net of tax:		**289.305,54**	**(776.918,45)**
Total comprehensive income for the period		**1.819.652,21**	**2.577.233,04**

Consolidated Statement of Financial Position

	Note	2011	2010
ASSETS			
Non-current assets			
Property, plant and equipment	4	769.609,73	1.255.359,22
Other intangible assets	5	1.321.770,93	1.478.024,73
Available for sale financial assets	7	377.763,97	454.043,25
Deferred income tax assets	9	1.028.705,19	388.383,36
Trade and other receivables	8	46.550,66	50.526,96
		3.544.400,48	**3.626.337,52**
Current assets			
Trade and other receivables	8	38.281.338,05	40.744.303,43
Current income tax receivables		3.115.812,10	2.104.223,84
Cash and cash equivalents	10	11.528.192,75	7.456.010,60
		52.925.342,90	**50.304.537,87**
Total assets		**56.469.743,38**	**53.930.875,39**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	2.304.150,00	2.304.150,00
Fair value reserves	13	(1.407.598,05)	(1.698.103,59)
Other reserves	14	1.455.065,00	1.200.641,22
Retained earnings		14.656.879,13	14.889.206,01
Total equity		**17.008.496,08**	**16.695.893,64**
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	16	1.096.392,00	1.003.144,00
Long-term provisions for other liabilities and charges	17	996.847,62	1.299.119,47
		2.093.239,62	**2.302.263,47**
Current Liabilities			
Trade and other payables	18	12.548.190,42	14.191.123,67
Current income tax liabilities		4.592.467,23	3.399.372,37
Borrowings	15	18.000.000,00	15.193.758,42
Short-term provisions for other liabilities and charges	17	2.227.350,03	2.148.463,82
		37.368.007,68	**34.932.718,28**
Total liabilities		**39.461.247,30**	**37.234.981,75**
Total equity and liabilities		**56.469.743,38**	**53.930.875,39**

Consolidated Statement of Changes in Equity

	Note	Share capital	Fair value reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2010		**2.304.150,00**	**(921.185,14)**	**1.418.838,40**	**12.326.879,77**	**15.128.683,03**
Available-for-sale financial assets - Fair value gains / (loss)	13	0,00	(776.918,45)	0,00	0,00	(776.918,45)
Other comprehensive income		**0,00**	**(776.918,45)**	**0,00**	**0,00**	**(776.918,45)**
Net profit / (loss)		0,00	0,00	0,00	3.354.151,49	3.354.151,49
Total recognised income / (expense) for the year		**0,00**	**(776.918,45)**	**0,00**	**3.354.151,49**	**2.577.233,04**
Issue of share capital		30.000,00	0,00	0,00	0,00	30.000,00
Decrease of share capital		(30.000,00)	0,00	0,00	(57.375,35)	(87.375,35)
Transfer from other reserves to retained earnings		0,00	0,00	(539.660,00)	539.660,00	0,00
Dividend	26	0,00	0,00	0,00	(997.618,69)	(997.618,69)
Other movements in other reserves		0,00	0,00	321.462,82	(276.491,22)	44.971,60
		0,00	**0,00**	**(218.197,18)**	**(791.825,26)**	**(1.010.022,44)**
Balance at 31 December 2010		**2.304.150,00**	**(1.698.103,59)**	**1.200.641,22**	**14.889.206,00**	**16.695.893,63**
Balance at 1 January 2011		**2.304.150,00**	**(1.698.103,59)**	**1.200.641,22**	**14.889.206,00**	**16.695.893,63**
Available-for-sale financial assets - Fair value gains / (loss)	13	0,00	290.505,54	0,00	0,00	290.505,54
Other (specify)		0,00	0,00	0,00	(1.200,00)	(1.200,00)
Other comprehensive income		**0,00**	**290.505,54**	**0,00**	**(1.200,00)**	**289.305,54**
Net profit / (loss)		0,00	0,00	0,00	1.530.346,67	1.530.346,67
Total recognised income / (expense) for the year		**0,00**	**290.505,54**	**0,00**	**1.529.146,67**	**1.819.652,21**
Other movements in other reserves	14	0,00	0,00	254.423,78	(254.423,78)	**0,00**
Dividend	26	0,00	0,00	0,00	(997.618,69)	(997.618,69)
Other		0,00	0,00	0,00	(509.431,08)	(509.431,08)
		0,00	**0,00**	**254.423,78**	**(1.761.473,55)**	**(1.507.049,77)**
		0,00	**290.505,54**	**254.423,78**	**(232.326,88)**	**312.602,44**
Balance at 31 December 2011		**2.304.150,00**	**(1.407.598,05)**	**1.455.065,00**	**14.656.879,12**	**17.008.496,08**

Consolidated Cash Flow Statement

	Note	2011	2010
Profit for the Period		**1.530.346,67**	**3.354.151,49**
Adjustments for:			
Tax	24	571.814,87	2.102.741,14
Depreciation of property, plant & equipment	4	561.116,29	658.353,61
Amortisation of intangible assets	5	578.228,57	555.778,98
Fair value (gains)/ losses on other financial assets at fair value through P&L		76.279,28	0,00
Interest income	23	(12.700,20)	4.792,09
Interest expense	23	1.279.765,14	786.732,47
Other reserves		(997.618,69)	44.971,60
Service cost management scheme		0,00	820.630,99
Vacation bonus		1.457.995,36	1.097.972,06
Untaken leave		0,00	(13.174,37)
Increase / (decrease) in pension & other benefits		93.248,00	164.814,00
Increase / (decrease) in bonus		864.791,62	1.275.814,14
Increase / (decrease) in fiscal liability		598.816,57	399.551,62
Other (specify)		(220.125,54)	(997.618,68)
		6.381.957,94	**10.255.511,14**
(Increase) / decrease in trade and other receivables		2.462.965,38	(692.863,33)
Increase / (decrease) in payables		287.841,80	(1.826.230,26)
Increase / (decrease) in provisions		(3.144.989,19)	(5.051.021,14)
Changes in working capital		**(394.182,01)**	**(7.570.114,73)**
Net cash generated from / (used in) operating activities		**5.987.775,93**	**2.685.396,41**
Cash flows from operating activities			
Interest paid		(1.219.175,67)	(766.940,14)
Income tax paid		(1.030.630,10)	(2.058.425,60)
Net cash from operating activities		**3.737.970,16**	**(139.969,33)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(296.114,72)	(737.961,62)
Purchase of intangible assets	5	(201.226,85)	(1.383.225,91)
Interest received		12.700,20	(4.792,09)
Other increase in long term receivables		3.976,30	1.215.031,56
Net cash used in investing activities		**(480.665,07)**	**(910.948,06)**
Cash flows from financing activities			
Dividends paid to group shareholders		(1.991.364,52)	(1.207.811,79)
Proceeds from borrowings		2.806.241,58	2.071.928,78
Finance lease payments		0,00	(124.025,11)
Net cash used in financing activities		**814.877,06**	**740.091,88**
Net (decrease) / increase in cash & cash equivalents		**4.072.182,15**	**(310.825,51)**
Cash and cash equivalents at beginning of the period		7.456.010,60	7.766.836,11
Cash and cash equivalents at end of the period	10	**11.528.192,75**	**7.456.010,60**

NOTES TO THE FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. General Information

INTRASOFT INTERNATIONAL S.A. (referred to as the Parent Company or the Company), is a Luxembourg "Société Anonyme" incorporated on 2 October 1996. The accompanying consolidated financial statements present INTRASOFT INTERNATIONAL S.A and its subsidiaries (hereinafter "the Group").

The focus of the Group's activities is on the public sector market, assisting national and international governmental organisations to design and implement their policies, ICT application infrastructure and support services. The particular service lines are as follows:

- application development,
- content management and information networks,
- professional services,
- outsourcing and managed services and,
- innovation and solutions development.

The registered office of the Parent Company is in No. 2, rue Nicolas Bové, L – 1253, Luxembourg. The Parent Company established a registered Branch Office in Belgium. This Branch Office operates under the name of Intrasoft International S.A. Belgium Branch. During the fiscal year 2000, the Parent Company set up a new wholly owned subsidiary in Belgium, which is based in Brussels. This new company has taken over the activities of the Belgian branch which has been dissolved. The Board of Directors on 25 August 1999, decided to establish a registered Branch Office in Athens, Greece. During 2002, the Parent Company established a 99% held subsidiary in Greece with the name of Intrasoft SA. During the 2004 financial year, the Company established a registered Branch Office in Bucharest, Romania.

During the year 2011, the Company established two fully-owned subsidiaries, one in Bulgaria under the name Intrasoft International Bulgaria Ltd and one in United Kingdom under the name Intrasoft Information Technology UK Ltd.

The Group's holding company is Intracom S.A. Information Technology and Communication Services, whose ultimate shareholder is Intracom S.A. Holdings, which is listed on the Athens Stock Exchange.

The Company group included in the financial statements the following branches,
with other information as follows:

Entity Name	Country of incorporation	Direct % interest held	Consolidation method	1st un-audited fiscal year
Intrasoft International SA Greek Branch	Greece	100%	Direct	2010
Intrasoft International SA Romanian Branch	Romania	100%	Direct	2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of preparation of the Financial Statements:

a) Basis of Preparation

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union, and all the amounts are depicted in Euro, the functional currency of the Company. The financial statements have been prepared under the historical cost convention. There are no IFRSs that have been applied before their respective dates of application.

b) Regulatory Financial Statements

The accompanying consolidated financial statements have been based on the financial statements prepared in accordance with the local Commercial and Tax Law (of the respective countries), appropriately adjusted and reclassified by certain out-of-book memorandum adjustments for purposes of conformity with the IFRSs.

c) Approval of the Financial Statements

The Board of Directors of the Parent Company approved the Group financial statements for the year ended 31 December 2011 on 26 March 2012.

d) Significant accounting judgments, estimates and assumptions

Estimates and judgments 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 preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates.

Judgments made by management in applying the accounting policies, other than those dealt with below, that could have a significant effect on the amounts recognised in the financial statements are:

- classifying leases as operating / finance leases,
- capitalization of software development costs and,
- revenue recognition

The key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

- Income taxes: The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the aggregate provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues

- based on estimates of whether additional taxes will be due. 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.

- Revenue recognition: The Group uses the percentage-of-completion method in accounting for its fixed price contracts to deliver certain services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

e) New accounting standards, amendments to existing standards and interpretations

Specific new standards, amendments of standards and interpretations have been published, which are mandatory for accounting periods beginning during the present year or later periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

Standards and Interpretations effective for 2011

IAS 24 (Revised) "Related Party Disclosures"
This amendment attempts to reduce 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. This revision does not affect the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"
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 does not affect the Group's financial statements.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"
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 Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

IFRS 3 "Business Combinations"
The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"
The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"
The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"
The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 "Interim Financial Reporting"
The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.
IFRIC 13 "Customer Loyalty Programmes"
The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

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

IFRS 13 "Fair Value Measurement" (Effective for annual periods beginning on or after 1 January 2013)
IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 "Stripping costs in the production phase of a surface mine" (Effective for annual periods beginning on or after 1 January 2013)
This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)
This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)
The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)
The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013)
This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2013)
The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)
This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

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

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"
IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"
IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"
IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

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

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"
IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

3. Significant Accounting Policies

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

The consolidated financial statements of the Group include the accounts of the Company and its subsidiaries, entities over which the Parent Company has control. Control is presumed to exist when the Company through direct or indirect ownership retains the majority of voting interest or otherwise has the power to control the Board of the investee company. Subsidiaries are consolidated from the date on which effective control is transferred to the Company and cease to be consolidated from the date in which control ceases to exist.

All inter-company balances and transactions are eliminated in the consolidated financial statements. Where necessary, the accounting policies for the subsidiaries have been revised to ensure consistency with those policies adopted by the Parent Company.

Consolidation

(a) Business combinations and subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operational policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair valueof non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(b) Associates

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

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in associates in its stand alone financial statements at cost less impairment.

Segment reporting

The segments are determined on the basis of the internal reporting received by the Group's Management and presented in the financial statements on the same basis as that used for internal reporting purposes.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the functional measurement currency and the presentation currency of the parent Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities measured at their fair value, are reported as part of the fair value and consequently are recognised where also the fair value gain or loss.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

3. All resulting exchange differences are recognised as a separate component of equity and transferred to the income statement when these operations are sold.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of the balance sheet. Exchange differences arising are recognized in equity.

Investment Property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields. Investment property is measured at cost less depreciation. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in profit or loss.

The Company classifies all land and buildings rented to subsidiaries as investment property in its stand alone financial statements.

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

Property, plant and equipment

The property, plant and equipment (except land & buildings), is stated at historical cost less accumulated depreciation and any impairment loss. Historical 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 Group and the cost of the item can be measured reliably. The repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method by equal annual charges over the estimated useful life of the asset, as follows:

Buildings	33-34	years
Machinery-technical installations and other mechanical equipment	10	years
Vehicles	5-7	years
Telecommunications equipment & installations	5-10	years
Furniture, fittings & equipment	5-10	years

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

An asset's cost and accumulated depreciation are written down on its disposal or retirement when no future economic benefits are expected from its continuing use. Gains and losses on disposals are recognised as gains or losses in the income statement for the year the asset is disposed or written down.

The finance charges are recognised in the income statement during the year in which they are incurred.

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Leases

(a) Finance leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are 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 Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the longer of the useful life of the asset or the lease term.

(b) Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership 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.

Goodwill

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognized.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets". The Group has performed impairment tests, at a Group level, on cash-generating units to which goodwill has been allocated, and no impairment loss has resulted.

Intangible assets

Intangible assets include:

a) Computer software: Acquired computer software licences are measured at cost less amortisation and any impairment loss. Amortisation is calculated using the straight-line method over the estimated useful life of the assets, which is 3 to 8 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group (internally – generated software) are recognised as part of intangible assets. Such costs include the cost of materials the direct labour and an appropriate portion of relevant overheadsInternally – generated software is amortised over its estimated useful life which is 5 to 10 years.

b) Customer relationships: concern assets recognised on the acquisition of the customer list SAP of LAVISOFT SA in the year 2009 (amortised over a period of 5 years).

Impairment of Non-financial assets

Goodwill and other intangible 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. An impairment loss is recognised as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arms' length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial assets

(i) Classification

The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reviews the classification at each reporting date.

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

This category includes financial assets acquired principally for the purpose of selling in the sort-term or assets that have been classified in this category by Management. Derivatives are classified as held for trading. Assets in this category are classified as current assets if held for trading or expected to be disposed of within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables 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.

Loans and receivables are carried at amortised cost using the effective interest method.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and which the Group has the positive intent and ability to hold until maturity. Over the year the Group had no investments of 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.

(ii) Recognition and Measurement

Purchases and sales of investments are recognised on trade date, which is the date on which the Group 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 Group 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. Impairment losses recognised in the income statement are not reversed through profit or loss.

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 financial assets traded in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group 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. In circumstances where fair value cannot be measured reliably it is carried at cost.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in the balance sheet of the parent company), assets measured at amortised cost based on the effective interest rate method (non-current receivables) and available for sale investments.

The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.

For the purposes of impairment testing of the other financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognised in profit or loss.

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 also evidence that the assets 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 loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

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 Group 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.

Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.
The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in the income statement. Any subsequent increase in fair value will be recognised in the income statement, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

Share capital

The share capital includes the ordinary shares of the Company. Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. 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.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included as reserve in equity attributable to the Company's equity holders.

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

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

Current income tax

Current income tax is computed based on the separate financial statements of each of the entities and branches included in the consolidated financial statements, in accordance with the tax rules in force and other tax jurisdictions in which foreign subsidiaries and branches operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost 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 consolidated 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 and 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 provided on temporary differences arising on investments in subsidiaries, and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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 Group 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 Group 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 Group discloses information about the contingent liability.

(c) Share-based plans

The Group operates one equity-settled, share-based compensation plan. The equity instrument is of the parent company INTRACOM HOLDINGS S.A. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The amounts received, less the transaction costs, are recognised in share capital (nominal value) and in share premium account. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Provisions

Provisions are recognised when:

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

(a) Warranties

The Group recognises 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 Group 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 Group recognises a provision with an immediate charge to the income statement for loss-making construction contracts or 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 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 Group. Revenue is recognised as follows:

(a) Sales of services

Sales of services are recognised 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 recognised in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognised only to the extent of costs incurred that are possibly recoverable.

Revenue from fixed price contracts are recognised, as long as the contract outcome can be estimated reliably, on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

(b) Interest

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

(c) Dividends

Dividends are recognised when the right to receive payment is established.

Dividend distribution

Dividend distribution relating to ordinary shares is recognised as a liability in the period in which it is approved by the General Meeting of Shareholders.

Rounding

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

4. Plant and Equipment

	Buildings	Plant & Machinery	Tel. equipment	Furniture and fixtures	Assets under construction	Total
Balance at 1 January 2010	**434.199,30**	**3.916.466,33**	**66.235,17**	**459.303,71**	**0,00**	**4.876.204,51**
Additions	23.582,00	540.424,17	0,00	46.751,10	259.035,89	**869.793,16**
Reclassifications	0,00	(775.431,99)	0,00	1.185,22	0,00	**(774.246,77)**
Disposals	0,00	(5.480,19)	0,00	(13.898,95)	0,00	**(19.379,14)**
Balance at 31 December 2010	**457.781,30**	**3.675.978,32**	**66.235,17**	**493.341,08**	**259.035,89**	**4.952.371,76**
Accumulated Depreciation						
Balance at 1 January 2010	**361.520,84**	**2.906.125,94**	**57.640,09**	**375.166,43**	**0,00**	**3.700.453,30**
Depreciation charge	25.801,10	588.304,04	3.613,84	40.634,63	0,00	**658.353,61**
Reclassifications	0,00	(2.160,78)	0,00	(10.148,95)	0,00	**(12.309,73)**
Disposals	0,00	(650.350,74)	0,00	866,10	0,00	**(649.484,64)**
Balance at 31 December 2010	**387.321,94**	**2.841.918,46**	**61.253,93**	**406.518,21**	**0,00**	**3.697.012,54**
Net book amount at 31 December 2010	**70.459,36**	**834.059,86**	**4.981,24**	**86.822,87**	**259.035,89**	**1.255.359,22**
Balance at 1 January 2011	**457.781,30**	**3.675.978,32**	**66.235,17**	**493.341,08**	**259.035,89**	**4.952.371,76**
Additions	196.093,48	128.363,25	3.580,00	22.347,75		**350.384,48**
Reclassifications	0,00	(811.772,30)	(33.772,64)	33.772,64	(220.747,92)	**(1.032.520,22)**
Disposals	(101.397,05)	(30.086,41)	0,00	(47,45)	(38.287,97)	**(169.818,88)**
Balance at 31 December 2011	**552.477,73**	**2.962.482,86**	**36.042,53**	**549.414,02**	**0,00**	**4.100.417,14**
Accumulated Depreciation						
Balance at 1 January 2011	**387.321,94**	**2.841.918,46**	**61.253,93**	**406.518,21**	**0,00**	**3.697.012,54**
Depreciation charge	44.009,68	475.273,99	4.947,60	36.885,02	0,00	**561.116,29**
Disposals	(95.866,74)	(19.682,38)	0,00	0,00	0,00	**(115.549,12)**
Reclassifications		(811.772,30)	(35.019,41)	35.019,41	0,00	**(811.772,30)**
Balance at 31 December 2011	**335.464,88**	**2.485.737,77**	**31.182,12**	**478.422,64**	**0,00**	**3.330.807,41**
Net book amount at 31 December 2011	**217.012,85**	**476.745,09**	**4.860,41**	**70.991,38**	**0,00**	**769.609,73**

5. Intangible Assets

Intangible Fixed Assets (FA) are analysed as follows:

	Development Costs	Trademarks and licences	Software	Customer relationship & other	Total
Balance at 1 January 2010	**10.333,00**	**8.200,66**	**1.134.622,73**	**1.705.000,00**	**2.858.156,39**
Additions	0,00	0,00	245.028,24	2.484,00	**247.512,24**
Disposals	0,00	0,00	(4.535,86)	0,00	**(4.535,86)**
Reclassifications	0,00	0,00	(6.046,60)	0,00	**(6.046,60)**
Balance at 31 December 2010	**10.333,00**	**8.200,66**	**1.369.068,51**	**1.707.484,00**	**3.095.086,17**
Accumulated Depreciation					
Balance at 1 January 2010	**10.333,00**	**8.200,66**	**711.671,93**	**341.000,00**	**1.071.205,59**
Depreciation charge	0,00	0,00	214.282,18	341.496,80	**555.778,98**
Disposals	0,00	0,00	(4.535,86)	0,00	**(4.535,86)**
Reclassifications	0,00	0,00	(5.387,27)	0,00	**(5.387,27)**
Balance at 31 December 2010	**10.333,00**	**8.200,66**	**916.030,98**	**682.496,80**	**1.617.061,44**
Net book amount at 31 December 2010	**0,00**	**0,00**	**453.037,53**	**1.024.987,20**	**1.478.024,73**
Balance at 1 January 2011	**10.333,00**	**8.200,66**	**1.369.068,51**	**1.707.484,00**	**3.095.086,17**
Additions	0,00	0,00	201.226,85	0,00	**201.226,85**
Reclassifications	(10.333,00)	9.190,40	1.142,60	220.747,92	**220.747,92**
Balance at 31 December 2011	**0,00**	**17.391,06**	**1.571.437,96**	**1.928.231,92**	**3.517.060,94**
Accumulated Depreciation					
Balance at 1 January 2011	**10.333,00**	**8.200,66**	**916.030,98**	**682.496,80**	**1.617.061,44**
Depreciation charge	0,00	0,00	236.731,77	341.496,80	**578.228,57**
Reclassifications	(10.333,00)	9.190,40	1.142,60	0,00	**(0,00)**
Balance at 31 December 2011	**0,00**	**17.391,06**	**1.153.905,35**	**1.023.993,60**	**2.195.290,01**
Net book amount at 31 December 2011	**0,00**	**0,00**	**417.532,61**	**904.238,32**	**1.321.770,93**

6. Investment in subsidiaries

The Company group included in the financial statements the following entities, with the related direct percentages interests held and other information as follows:

Entity Name	Country of incorporation	Direct % interest held	Indirect % interest held	Consolidation method	1st un-audited fiscal year
Intrasoft International SA	Belgium	99,99%		Direct	2004
Intrasoft SA	Greece	99,00%	1,00%	Direct	2007
Intrasoft International Bulgaria Ltd	Bulgaria	100,00%		Direct	2011
Intrasoft Information Technology UK Ltd	United Kingdom	100,00%		Direct	2011

The Financial assets are analyzed as follows:

	2011	2010
Intrasoft International SA Belgium	4.059.738,00	4.059.738,00
Intrasoft SA Greece	90.000,00	90.000,00
Intrasoft International Bulgaria Ltd	46.016,98	
Intrasoft Information Technology UK Ltd	0,00	
	4.195.754,98	**4.149.738,00**

During the year 2011, the Company established two fully-owned subsidiaries, one in Bulgaria under the name Intrasoft International Bulgaria Ltd and one in United Kingdom under the name Intrasoft Information Technology UK Ltd.

The above Subsidiaries that were established during the year 2011 were consolidated in the Group Financial statements for the year ended 31.12.11. These companies did not have important activity in the year 2011 and for this reason did not influence the comparative elements of the previous year.

7. Available for Sale Financial Assets

Financial Assets Available for Sale comprise of 1.008.985 shares of Hellas On Line, a company listed in Athens Stock Exchange, acquired in 2009 at initial value of 2,13 EUR per stock at the time of recognition, plus 3.008,79 EUR of purchase expenses and an additional 201.797 shares of Hellas On Line acquired in 2011 at initial value of 1,15 EUR per stock at the time of recognition.

Closing value of the share on the stock market has been used for the fair value adjustment.

	2011	2010
Balance at the beginning of period	**454.043,25**	**1.230.961,70**
Additions	232.066,55	0,00
Fair value adjustments (Note 13)	(308.345,83)	(776.918,45)
Balance at the end of period	**377.763,97**	**454.043,25**
Non-current portion	377.763,97	454.043,25
	377.763,97	**454.043,25**

Listed securities	2011	2010
- Equity securities		
1.210.782 shares of Hellas On Line	377.763,97	454.043,25
	377.763,97	**454.043,25**

Available-for-sale FA are denominated in the following currencies:	2011	2010
Euro	377.763,97	454.043,25
	377.763,97	**454.043,25**

8. Trade and Other Receivables

Trade and Other Receivables are analysed as follows:

	2011	2010
Trade receivables	15.143.120,23	14.633.645,08
Less: provision for impairment of receivables	(789.519,04)	(488.449,65)
Trade receivables - net	**14.353.601,19**	**14.145.195,43**
Receivables from related parties (note 28)	2.068.650,89	1.435.711,53
Advances to suppliers	19.499,81	182.465,73
Prepaid expenses	373.897,04	833.842,00
Accrued income	18.793.093,83	22.392.633,44
Other receivables	2.719.145,95	1.804.982,26
Total	**38.327.888,71**	**40.794.830,39**
Non-current portion	46.550,66	50.526,96
Current portion	38.281.338,05	40.744.303,43
	38.327.888,71	**40.794.830,39**

Trade receivables are non-interest bearing and are generally on 90 to 120 days' terms. The other classes within trade and other receivables do not contain impaired assets. The Group does not obtain any collateral as security.

For terms and conditions relating to related party receivables, refer to note 27.

Accrued Income represents the difference between revenue invoiced and revenue recognised.

The movement of provision for impairment of trade receivables is analyzed as follows:

	Individually impaired
Balance at 1 January 2010	512.702,78
Additional provision for the period	4.184,50
Unused amounts reversed	(28.437,63)
Balance at 31 December 2010	**488.449,65**
Additional provision for the period	301.069,39
Unused amounts reversed	0,00
Balance at 31 December 2011	**789.519,04**

There is no collective impairment of trade receivables.

The ageing analysis of the trade receivables are analyzed as follows:

	2011	2010
Total	**14.353.601,19**	**14.145.195,43**
Not past due and not impaired at the balance sheet date	11.305.226,33	12.461.571,93
Not impaired at the balance sheet date but past due in the following periods:		
90-180 days	1.301.044,96	240.721,88
180-270 days	1.747.329,90	1.442.901,62
	3.048.374,86	**1.683.623,50**
	14.353.601,19	**14.145.195,43**

9. Deferred Tax

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

	31/12/2011	31/12/2010
Deferred tax assets	-1.030.920,63	-950.724,26
Deferred tax liabilities	2.215,44	562.340,90
	-1.028.705,19	**-388.383,36**

The gross amounts are as follows:

	31/12/2011	31/12/2010
Deferred tax assets		
To be recovered after more than 12 months	-1.030.920,63	-950.724,26
To be recovered within 12 months	0,00	0,00
	-1.030.920,63	**-950.724,26**
Deferred tax liabilities		
To be settled after more than 12 months	2.215,44	509.431,08
To be settled within 12 months	0,00	52.909,82
	2.215,44	**562.340,90**

The gross movement on the deferred income tax account is as follows:

	31/12/2011	31/12/2010
Balance at the beginning of the year	(388.383,36)	(299.787,35)
Charged / (Credited) to the income statement	(640.321,83)	(88.596,01)
Balance at the end of the year	(1.028.705,19)	(388.383,36)

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

Deferred tax assets	Trade name & customer relationships	Provisions / Impairment losses	Tax losses - Other	Total
Balance at the beginning of the year	(362.711,58)	(30.473,46)	(557.539,22)	(950.724,26)
Charged / (Credited) to the income statement	150.921,61	(44.977,15)	(186.140,83)	(80.196,37)
Balance at the end of the year	**(211.789,97)**	**(75.450,61)**	**(743.680,05)**	**(1.030.920,63)**
Deferred tax liabilities				
Balance at the beginning of the year	0,00	562.340,90	0,00	562.340,90
Charged / (Credited) to the income statement	2.215,44	-562.340,90	0,00	(560.125,46)
Balance at the end of the year	**2.215,44**	**0,00**	**0,00**	**2.215,44**

10. Cash and Cash Equivalents

	2011	2010
Cash at Bank and in Hand	11.528.192,75	7.456.010,60
Total	**11.528.192,75**	**7.456.010,60**

All cash and cash equivalents are denominated in Euros. The interest rate depends on the duration of the sight deposit and varies from 0% to 1,30% per annum.

11. Assets held for Sale and Discontinued Operations

There are no assets held for sale and discontinued operations in the Consolidated Financial Statements of years 2010 and 2011.

12. Share Capital and Reserves

Share Capital

Total Share capital is composed of 92.166 ordinary shares with a par value of EUR 25 per share, of which INTRACOM S.A. Information Technology and Communication Services holds 99.76%. All shares are fully paid.

13. Fair Value Reserves

Available for Sale financial Assets reserve:
Amounts to 1.407.598,05 EUR, created due to the overall decrease of HOL shares from 2,13 (at date of first purchase) and 1,15 (at date of second purchase) to 0,31 EUR (at 31/12/2011).

	Available-for-sale financial assets	Total
Balance at 1 January 2010	**(921.185,14)**	**(921.185,14)**
Revaluation:		
Gross (Note 7)	(776.918,45)	**(776.918,45)**
Balance at 31 December 2010	**(1.698.103,59)**	**(1.698.103,59)**
Revaluation:		
Gross (Note 7)	(308.345,83)	**(308.345,83)**
Less: tax	598.851,37	**598.851,37**
Balance at 31 December 2011	**(1.407.598,05)**	**(1.407.598,05)**

14. Reserves

Legal Reserve: The Group is required by Luxemburg law to appropriate annually, to a legal reserve, an amount equal to 5% of its statutory net profit until the aggregate reserve reaches 10% of the subscribed share capital. Such a reserve is not available for distribution. The cap of 10% of the subscribed capital has been reached and therefore the Legal Reserve amounts 230.965,00€.

Wealth tax reserve: In accordance with paragraph 8a of the Luxemburg Tax Law (October 16, 1934), the Group is entitled to reduce the net worth tax due for the year by an amount which cannot exceed the corporate income tax due for the year. In order for the Group to obtain the benefits of the above tax provision, the Group must set up a restricted reserve equal to five times the amount of the net worth tax credited. This reserve has to be maintained for a period of 5 years following the year in which it was created. In the case of a distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

As at 31 December, 2011, the restricted portion of “other reserves” was as follows:

	Reduction in Net Worth Tax	Restricted Reserve
Already allocated to reserves		
From 2006 Profits	29.200	146.000
From 2007 Profits	36.000	180.000
From 2008 Profits	45.820	229.100
From 2009 Profits	59.900	299.500
From 2010 Profits	73.900	369.500
		1.224.100
To be allocated to reserves		
From 2011 Profits	87.905	439.525

In 2011, the net worth tax of the Company was reduced by an amount of Euro 87.905. Upon the approval of this by the Annual General Meeting of the Shareholders, an amount of Euro 439.525 will be allocated to restricted reserves in 2012. This corresponds to 5 times the amount of the 2011 net worth tax. The amount of €146.000 corresponding to 2006 profits will be transferred to Profits brought forward as per Luxemburgish Law within 2012.

In 2010, the net worth tax of the Company was reduced by an amount of EUR 73,900. Following approval of this by the Annual General Meeting of the Shareholders, an amount of EUR 369,500 has been allocated to restricted reserves in 2011. This corresponds to 5 times the amount of the 2010 net worth tax. The amount of €181.000 corresponding to 2005 profits has been transferred to Profits brought forward as per Luxemburgish Law within 2011.

Employee equity benefits reserve: During the year 2007 the Company granted 220 share options to management and to selected employees of the Company under a share-based compensation plan which has the characteristics of both an equity-settled share-based payment transaction and cash settled share-based transaction, i.e. a compensation plan with a choice of settlement by the employees that includes a liability component and an equity component. The equity-settled portion of the grant is measured at the grant date fair value of the equity instrument issued, while liability component (cash-settled portion of the grant) is re-measured until the settlement date for any subsequent changes in the value of the liability. The equity component is not re-measured for any subsequent changes in the value of the equity instrument.

Under the scheme the options had a three year vesting period with only service conditions and were exercisable in three years time from the grant date. During the year under review, all options were exercised and the stocks were bought back at the amount of 1.430.000 EUR. The 220 shares were booked at the books of Luxembourg as Own Stocks for an amount of 330.000 EUR. The Company recognized a total expense of EUR 183.102,59 (Note 25) for year 2010.

15. Borrowings

15.1 Short term Borrowings

2011	2010
18,000,000	15,193,758.42

The effective interest rate which approximates the nominal interest rate applicable to the above borrowings varies from 5.34% to 7.54% depending on the specific terms and conditions of the relevant loan agreements. Average effective rare was 6.02%.

The Group has aggregate credit lines for working capital financing purposes of Euro 22.500.000 and issuances of letters of guarantees of Euro 10,996,352.

All above lines are reviewed on an annual basis and are guaranteed by INTRACOM SA Holdings. There are no covenants for the above loans.

15.2 Obligations under Finance leases

The Group has no finance lease agreements relating to equipment used in the software production process.

16. Retirement Benefit Obligation

According to Greek Labour Law, employees are entitled to indemnity on dismissal and retirement, the amount of which varies depending on the years of services, salary level and the way the employee leaves his or her employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirements is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice, these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees are set against the related provision. An independent actuary (Manolis Valavanis - Member of the Hellenic Actuarial Society and of the American Academy of Actuaries) calculated the Group›s liability for retirement indemnities.

The movement of the net liability as presented in the balance sheet and the basic assumptions used in the actuarial study as at 31 December 2011 and 2010 are as follows:

	2011	2010
Balance sheet obligations for:		
Pension benefits	1.096.392,00	1.003.144,00
Total	**1.096.392,00**	**1.003.144,00**
Income statement charge for (Note 25)		
Pension benefits	93.248,00	164.814,00
Total	**93.248,00**	**164.814,00**

The amounts recognised in the income statement are as follows:

	2011	2010
Current service cost	161.506,00	172.742,00
Interest cost	50.157,20	41.916,50
Net actuarial (gains) / losses recognised in the period	(118.415,20)	(49.844,50)
Total included in employee benefit expense (Note 25)	**93.248,00**	**164.814,00**

Total Charge allocated as follows:

	2011	2010
Cost of sales	84.855,68	149.980,74
Selling and marketing costs	3.729,92	6.592,56
Administrative expenses	4.662,40	8.240,70
	93.248,00	**164.814,00**

Movement in the liability recognised in the balance sheet

	2011	2010
Balance at the beginning of period	1.003.144,00	838.330,00
Total expense included in employee benefit expense	93.248,00	164.814,00
Balance at the end of period	**1.096.392,00**	**1.003.144,00**

The Principle Actuarial Assumptions Used for Accounting Purposes are:

	Group		**Company**	
	2011	**2010**	**2011**	**2010**
Discount Rate	5,00%	5,00%	5,00%	5,00%
Future Salary Increases	4,00%	4,00%	4,00%	4,00%

17. Provisions

Long-term Provisions

	2011	2010
Fiscal Liability Provisions	996.847,62	1.299.119,47
Total	**996.847,62**	**1.299.119,47**

Short-term Provisions

	2011	2010
Provisions for bonuses to employees and executives	855.791,08	923.247,03
Vacation bonus of employees (Belgium)	1.332.549,03	1.139.778,00
Provisions for leave pay	39.009,92	85.438,79
Total	**2.227.350,03**	**2.148.463,82**

The movements of the above provisions are analyzed as follows:

	Provision for leave pay	Provision for bonus to personnel	Provision for management Share option scheme	Provision for vacation bonus	Fiscal Liability Provisions	Total
At 1 January 2010	**98.613,16**	**1.176.675,91**	**1.291.869,01**	**1.079.807,44**	**1.270.844,47**	**4.917.809,99**
Additional provisions	0,00	1.275.814,14	820.630,99	1.097.972,06	399.551,62	**3.593.968,81**
Unused amounts reversed	(13.174,37)	0,00	0,00	0,00	0,00	**(13.174,37)**
Used During year	0,00	(1.529.243,02)	(2.112.500,00)	(1.038.001,50)	(371.276,62)	**(5.051.021,14)**
At 31 December 2010	**85.438,79**	**923.247,03**	**0,00**	**1.139.778,00**	**1.299.119,47**	**3.447.583,29**
At 1 January 2011	**85.438,79**	**923.247,03**	**0,00**	**1.139.778,00**	**1.299.119,47**	**3.447.583,29**
Charged/(credit) to the income statement	0,00	864.791,62	0,00	1.457.995,36	598.816,57	**2.921.603,55**
Additional provisions	0,00	29.881,54	0,00	0,00	146.172,25	**176.053,79**
Unused amounts reversed	(46.428,87)	0,00	0,00	0,00	(1.047.260,67)	**(1.093.689,54)**
Used During year	0,00	(962.129,11)	0,00	(1.265.224,33)	0,00	**(2.227.353,44)**
At 31 December 2011	**39.009,92**	**855.791,08**	**0,00**	**1.332.549,03**	**996.847,62**	**3.224.197,65**

18. Trade and Other Payables

Trade and Other Payables are analyzed below:

	2011	2010
Trade payables	3.870.520,03	5.119.529,20
Amounts due to related parties (Note 28)	480.726,57	2.640.118,59
Accrued Expenses	2.103.805,01	2.689.673,25
Social security and other taxes	1.530.130,90	1.808.483,73
Advances from customers	3.828.226,79	920.035,47
Deferred revenue	566.590,68	765.486,61
Other payables	168.190,44	247.796,82
Total	**12.548.190,42**	**14.191.123,67**

Trade payables are non-interest bearing and are normally settled within 90 days. Amounts due to related parties are also non-interest bearing and are normally settled within 6 months. For terms and conditions relating to related parties, refer to note 27.

19. Sales

An analysis of the Company›s revenue is as follows:

	2011	2010
Sales of services	85.654.873,27	89.804.181,64
Total	**85.654.873,27**	**89.804.181,64**

EXPENSES BY NATURE AND FUNCTION

20. Function

The allocation of expenses to cost of sales, selling and marketing costs and administrative expenses is as follows:

	Note	2011	2010
Employee benefit expense	25	38.410.699,67	39.745.563,63
Depreciation of property, plant and equipment:			
- Owned Assets	4	561.116,29	542.565,85
- Leased Assets	4	0,00	115.787,76
Amortisation of intangible assets	5	578.228,57	555.778,98
Impairment charge for bad and doubtful debts	8	301.069,39	4.184,50
Subcontractors		35.905.223,71	33.389.277,63
Operating lease rentals:			
- Property		981.966,56	2.870.792,24
- Machinery		1.885.652,57	1.656.846,12
- Office equipment		0,00	29.145,80
Transportation / Travel expenses		2.277.662,90	2.370.999,88
Telecommunication cost		601.461,39	598.517,96
Other Admin Expenses		899.815,38	187.500,00
Other		519.525,87	1.759.375,70
Total		**82.922.422,30**	**83.826.336,05**

	2011	2010
Allocation of total expenses by function:		
Cost of sales	76.372.059,95	76.795.460,99
Selling and marketing costs	2.918.733,25	2.914.703,35
Administrative expenses	3.631.629,10	4.116.171,71
	82.922.422,30	**83.826.336,05**
Allocation of depreciation of PPE by function:		
Cost of sales	493.782,34	577.585,22
Selling and marketing costs	22.444,65	20.872,44
Administrative expenses	44.889,30	59.895,95
	561.116,29	**658.353,61**
Allocation of amortisation of intangible assets by function:		
Cost of sales	508.841,14	490.898,21
Selling and marketing costs	23.129,14	17.901,09
Administrative expenses	46.258,29	46.979,68
	578.228,57	**555.778,98**
Allocation of employee benefit expense by function:		
Cost of sales	33.639.722,75	35.357.549,08
Selling and marketing costs	2.452.940,55	2.305.575,64
Administrative expenses	2.318.036,37	2.082.438,91
	38.410.699,67	**39.745.563,63**

21. Other Income

The other Income of the reported periods is analyzed as follows:

	2011	2010
Rental income	-	225,00
Insurance reimbursement	1.428,53	2.935,21
Voiture de Service & Extraordinary	4.049,85	335.493,68
Other Income	708.059,70	176.431,38
Total	**713.538,08**	**515.085,27**

22. Other Gains / (Losses) net

The Other Gains / (Losses) net of the reported periods are analyzed as follows:

	2011	2010
Net foreign exchange gains / (losses)	(7.609,65)	(63.670,00)
Profit / (loss) on disposal of property, plan and equipment	(6.175,30)	0,00
Other (various)	(62.977,62)	(180.843,67)
Total	**(76.762,57)**	**(244.513,67)**

23. Finance Costs – Net

The finance income and finance costs of the reported periods are analysed as follows:

	2011	2010
Interest expense:		
- Bank borrowings	(1.061.883,29)	(526.201,88)
- Finance leases	(85.757,68)	(19.189,32)
- Letters of guarantee	(90.390,27)	(102.194,68)
- Other	(41.733,90)	(139.146,59)
	(1.279.765,14)	**(786.732,47)**
Finance income		
- Interest income on short-term bank deposits	12.462,33	6.695,93
- Other (Client Credit Interests)	237,87	(11.488,02)
	12.700,20	**(4.792,09)**
Total	**(1.267.064,94)**	**(791.524,56)**

24. Income Tax Expense

According to the tax laws in the respective jurisdictions of the Parent Company and its subsidiaries, the statutory income tax rates applicable to Group were as follows:

	2011	2010	2009
	%	%	%
Luxembourg	28,80	28,59	29,63
Greece	20,00	24,00	25,00
Belgium	33,99	33,99	33,99
Romania	16,00	16,00	16,00

Tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Pending the outcome of these future tax audits, the Company, based on previous years' tax audits and past interpretations of the tax laws, believes they have provided adequate provisions for the unaudited tax years to date.

The deferred income taxes relate to the temporary differences between the book values and the tax bases of assets and liabilities and are calculated using the applicable statutory income tax rate.

	2011	2010
Current tax	(1.212.136,70)	(2.191.337,15)
Deferred tax (Note 9)	640.321,83	88.596,01
Total	**(571.814,87)**	**(2.102.741,14)**

The tax on the Group's financial result before tax differs from the theoretical amount that would have arisen if using the applicable tax rate of the Group as follows:

	2011	2010
Profit Before Tax	**2.102.161,54**	**5.456.892,63**
Tax calculated at tax rates applicable on profits	(917.461,53)	(1.688.625,97)
Income not subject to tax	0,00	8.816,20
Impact of Tax non deductible expenses	(20.852,13)	(206.841,27)
Utilisation of previously unrecognised tax losses	0,00	48.691,06
Tax losses of the period	(951.274,20)	(753,91)
Other taxes	1.317.772,99	(264.027,25)
Tax Charge	**(571.814,87)**	**(2.102.741,14)**

25. Employee Benefit Expenses

Staff costs are analyzed as follows:

	2011	2010
Number of employees	710	751

	2011	2010
Wages and salaries	31.004.268,28	31.523.972,83
Social security costs	6.510.763,72	6.554.448,74
Share options granted to directors and employees	0,00	183.102,59
Pension costs - defined benefit plans	93.248,00	164.814,00
Other post employment benefits	802.419,67	1.319.225,47
Total	**38.410.699,67**	**39.745.563,63**

26. Commitments

As at the balance sheet date the Group has the following commitments:

Operating leases commitments – where the company is the lessee:

Amounts in euro	**31/12/2011**	**31/12/2010**
Not later than 1 year	2.325.556,22	2.323.827,67
Later than 1 year and not later than 5 years	4.569.031,57	3.028.901,32
Later than 5 years	0,00	150.569,50
	6.894.587,79	**5.503.298,49**

Dividends

The General Assembly approved in the year 2011 distribution of dividend from the profits of 2011 the amount of € 1.000.000,00.

For the year ended 31 December 2011, the Board of Directors has proposed not to distribute any dividend. This is subject to approval by the General assembly, which will be held on 5 June, 2012.

27. Contingent liabilities / assets

Bank Guarantees

The Group at 31 December 2011 and 31 December 2010 had the following outstanding bank guarantees:

	2011	2010
Guarantees for advance payments	410.475,92	411.273,92
Guarantees for good performance	6.213.852,66	6.066.644,06
Guarantees for participation in contests	640.476,28	29.470,00
Other (overdraft coverage)	1.100.000,00	500.000,00
	8.364.804,86	**7.007.387,98**

28. Related Parties

The transactions and the balances with related parties during the year ended 31 December 2011 were as follows:

Related Companies	Receivables	Sales of services
Intracom S.A. IT Services	1.096.775,09	2.217.911,37
Intracom S.A. Telecom Solutions	13.857,58	21.444,45
Intrakat S.A.	425.854,38	10.607,59
Intracom Defence S.A.	14.883,00	14.300,00
Intracom IT Services Denmark AS	175.000,00	-
Data Bank SA	130.000,00	-
Hellas Online S.A.	212.280,84	172.605,84
Total	**2.068.650,89**	**2.436.869,25**

Related Companies	Payables	Purchases of services	Office rents	Purchases of goods
Intracom Holdings S.A.	418.267,81	680.815,38	67.069,76	-
Intracom S.A. IT Services	6.460,05	131.772,33	252.189,51	1.320,62
Intracom S.A. Telecom Solutions	1.328,40	1.080,00	-	3.580,00
In Maint S.A.	2.797,00	21.357,07	-	11.732,00
Intracom IT Services Denmark AS	-	42.002,00	-	-
Hellas Online S.A.	51.466,97	94.164,86	-	-
Intrarom S.A.	406,34	52.001,37	127.090,64	-
Total	**480.726,57**	**1.023.193,01**	**446.349,91**	**16.632,62**

The transactions and the balances with related parties during the year ended 31 December 2010 were as follows:

Related Companies		Receivables	Sales of services
Intracom S.A. IT Services	EUR	856.576,40	953.293,73
Intracom S.A. Telecom Solutions	EUR	64.448,69	46.099,75
Intrakat S.A.	EUR	453.530,44	16.432,42
Intracom Defence S.A.	EUR	21.156,00	21.448,48
Intracom IT Services Denmark AS	EUR	40.000,00	
Total	**EUR**	**1.435.711,53**	**1.037.274,38**

Related Companies		Payables	Purchases of services	Office rents	Purchases of Goods
Intracom Holdings S.A.	EUR	699.997,67	780.500,72	65.586,96	0,00
Intracom S.A. IT Services	EUR	1.707.604,13	331.329,18	162.852,36	36.305,40
Intracom S.A. IT Services	RON	122.474,84	488.565,82	0,00	0,00
Intracom IT Services Denmark AS	EUR	0,00	114.470,34	0,00	0,00
Intracom S.A. Telecom Solutions	EUR	98.046,97	74.084,00	0,00	3.395,94
In Maint S.A.	EUR	11.750,04	0,00	0,00	23.582,00
Hellas Online S.A.	EUR	40.745,15	67.522,39	0,00	0,00
Intrarom S.A.	RON	228.770,07	995.059,83	546.157,12	0,00
Total	EUR	2.558.143,96	1.367.906,63	228.439,32	63.283,34
Total	RON	351.244,91	1.483.625,65	546.157,12	0,00
Total	**EUR**	**2.640.118,59**	**1.714.159,82**	**355.903,17**	**63.283,34**

All transactions with related parties are based on normal terms and conditions as applicable to parties in an arm's length transaction. There are no loans or advances outstanding or guarantees issued for their benefit

29. Segmentation and Estimates

Market risk

Interest rate risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time.

The Group's exposure to market risk for changes in interest rates relates to the long and short-term borrowings. The Group did not hedge against its interest rate risk in the years ended 31 December 2011 and 2010 since Management assessed that any change in the current, relatively low interest rates, in conjunction with the low borrowing levels, would allow the Group the chance to keep funding costs at a low level.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interests rates with all other variables held constant, of the Group's profits before tax. There is no impact on the Group's equity.

	Increase / Decrease in basis points (%)	Effect on profit before tax (€)
2011		
	-1,00%	(175.000)
	-2,00%	(350.000)
	1,00%	175.000
	2,00%	350.000
2010		
	-1,00%	(142.287)
	-2,00%	(284.575)
	1,00%	142.287
	2,00%	284.575

Foreign exchange risk

The Group provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Group did not use derivative financial instruments in the years

ended 31 December 2011 and 2010 in order to reduce its exposure to foreign currency exchange risk.

Credit risk

The Company is not exposed to credit risk concentration, including risk of default, because of the fact that it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. As a result of this, the credit risk that the Group faces is not significant.

Fair Value

The carrying amounts of cash and cash equivalents, short-term receivables and short-term liabilities in the balance sheet approximate their fair values due to their short-term nature.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company through the Group Treasury has access to funding through the committed credit lines available at the Group level.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2011 and 31 December 2010 based on contractual undiscounted payments.

Year ended 31st of December 2011	**On demand**	**Less than 3 Months**	**3 to 12 months**	**1 to 5 years**	**Total**
Interest bearing loans and borrowings	18.000.000	-	-	-	18.000.000
Trade payables	-	3.870.520	-	-	3.870.520
Related Parties	-	480.727	-	-	480.727
Other Financial Liabilities	-	-	-	-	0
	18.000.000	**4.351.247**	**0**	**0**	**22.351.247**

Year ended 31st of December 2010	**On demand**	**Less than 3 Months**	**3 to 12 months**	**1 to 5 years**	**Total**
Interest bearing loans and borrowings	15.193.758				15.193.758
Trade payables	-	5.122.374	-	-	5.122.374
Related Parties	-	1.924.268	715.851	-	2.640.119
Other Financial Liabilities	-	-	-	-	0
	15.193.758	**7.046.642**	**715.851**	**0**	**22.956.251**

30. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue trading as a going concern in order to provide returns for it shareholders and benefits for other stakeholders and, to maintain an optimal capital structure so as to reduce the cost of capital, as well as a strong credit rating and healthy capital ratios in order to support the day-to-day running of the business.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt

	2011	2010
Total Borrowings	18.000.000	15.193.758
Trade and other payables	12.548.190	14.191.124
Less cash and cash equivalents	(11.528.193)	(7.456.011)
Net Debt	**19.019.998**	**21.928.872**
Equity	17.008.496	16.695.894
Total capital	**17.008.496**	**16.695.894**
Capital and net debt	36.028.494	38.624.766
Gearing Ratio	**53%**	**57%**

31. Post Balance Sheet events

On January 02 2012, the Company absorbed its Parent Company INTRACOM S.A. INFORMATION TECHNOLOGY & COMMUNICATION SERVICES with the distinctive title "INTRACOM IT SERVICES", with registered office in Peania Attica Greece. The cross-border merger was implemented in application of the provisions of the Directive 2005/56/EC of the European Parliament and the Council of 26/10/2005.

As a result, as of January 02 2012, date of publication in the National Gazette of Luxembourg of the resolution approving the cross-border merger, the absorbing Company "INTRASOFT INTERNATIONAL SA", substitutes without further formalities in all rights, obligations, claims and legal relationships the absorbed Company "INTRACOM IT SERVICES" which is deemed as ipso jure wound up, while its legal entity disappears without the need to be subject to liquidation, such transfer being equivalent to a full succession.

INTRASOFT INTERNATIONAL

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