ANNUAL FINANCIAL REPORT

for the period from

1 January to 31 December 2011

prepared in accordance with the International Financial Reporting Standards (IFRS)

Nea Ionia, 28 March 2012

CONTENTS

A. Audit Report prepared by Independent Certified Public Accountant

To the Shareholders of SINGULARLOGIC S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the attached separate and consolidated financial statements of "SINGULARLOGIC S.A.", which comprise the separate and the consolidated statement of financial position on 31 December 2011, the separate and consolidated comprehensive income statements, the statements of changes in equity and the cash flow statements for the fiscal year that ended on the above date, along with a summary of important accounting policies and methods and other explanatory notes.

Management responsibility for the separate and consolidated financial statements

Management is responsible for preparing and fairly presenting these separate and consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and in line with those internal checks and balances which Management considers necessary to make it possible to draw up the separate and consolidated financial statements free of material misstatements due to fraud or error.

Auditor's responsibility

It is our responsibility to express an opinion on these separate and consolidated financial statements on the basis of our audit. We performed our audit in accordance with the International Standards of Auditing. These Standards require that we comply with the code of conduct and that we plan and perform our audit so as to provide a fair assurance as to what extent the separate and consolidated financial statements are free of material misstatements.

The audit includes the performance of procedures for the collection of audit data with regard to the sums and disclosures included in the separate and consolidated financial statements. The procedures selected are at the auditor's discretion, including an assessment of the risk of material misstatements in the separate and consolidated financial statements whether due to fraud or error. When carrying out the risk assessment, the auditor examines the internal checks and balances on preparation and fair presentation of the company's separate and consolidated financial statements for the purpose of designing auditing procedures which are suitable under the circumstances, and not to express an opinion on the effectiveness of the company's internal checks and balances. The audit also includes an evaluation of the suitability of the accounting policies and methods applied and the fairness of the assessments made by Management, and an evaluation of the overall presentation of the separate and 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 attached separate and consolidated financial statements reasonably depict, in all material respects, the financial position of "SINGULARLOGIC S.A." and its subsidiaries on 31 December 2011, their financial performance and cash flows for the accounting period which ended on that date in line with the International Financial Reporting Standards as adopted by the European Union.

Matter of emphasis

We draw your attention to explanatory note 14.19 which indicates that, owing to non-compliance with specific clauses of existing bank liabilities and also to the contractual termination of short-term borrowings totalling €57 million which will be become due and payable within the next 12 months, the Group is at a phase of negotiations with credit institutions to redefine the terms of such borrowings. With respect to this fact, please note the uncertainty about the contingent liabilities that will arise for the Group from redefining the relevant borrowing terms. Moreover, explanatory note 15.4 makes reference to the fact that due to the contractual termination of borrowings, the Group's total short-term liabilities are in excess of the total current assets by approximately €14.6 million. This fact may eventually imply uncertainty about the problem-free continuing activities of the Group, which depend on the refinancing of its existing borrowings. As set out in note 15.4, Group Management has planned to take adequate steps to improve its financial position and ensure the smooth continuation of its business. Our opinion is not qualified in relation to this matter.

Reference to other Legal and Regulatory Issues

We have verified that the content of the Board's Management Report corresponds to and matches that of the attached separate and consolidated financial statements in the context of the provisions of Articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 28 March 2012
The Certified Public Accountant

Manolis Michalios
ICPA (GR) Reg. No. 25131

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B. Annual Report of the Board of Directors on the consolidated and separate Financial Statements on the year from 1 January 2011 to 31 December 2011

1. Review of Important Events

"SINGULARLOGIC S.A." prepared the financial statements on the second fiscal year and specifically the year from 01.01.11 to 31.12.2011. The comparative period is extended (over 12 months) and refers to the period 24.07.2009-31.12.2010.

On 31.12.2011, Company shareholders were:

1. "MARFIN INVESTMENT GROUP HOLDINGS S.A." by 63.20%
2. "TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD" by 22.50%
3. "GLOBAL EQUITY INVESTMENTS S.A." by 14.30%.

In the current year and specifically on 07.02.2011, the entire (100%) share capital of "TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD" was transferred to "MARFIN INVESTMENT GROUP HOLDINGS S.A.".

Bank loans

The Company has entered into a corporate bond agreement totalling €60,000,000 with EFG EUROBANK ERGASIAS S.A. and EUROBANK EFG CYPRUS LTD, initially for the repayment of a short-term loan taken out in August 2009 to finance the public offering for the acquisition of all shares of SingularLogic SA. Subsequently, MARGIN EGNATIA BANK became the bondholder by 25% with EFG EUROBANK ERGASIAS S.A. holding 75% of the bonds.

Specifically, the loan pertains to segment A for a maximum amount of €35,000,000 which is divided in tranche A bonds and to segment B for a maximum amount of €25,000,000 which is divided in tranche B bonds, which the Company is entitled to purchase and re-release.

On 31.12.2011 the balance of such loan amounted to €28,100,000 and €31,000,000 for the Company and the Group respectively. The balance of the corporate bond acquired from the absorbed company was €26,000,000. As a result, on 31.12.2011 the total of the Company's and the Group's corporate bonds stood at €54,100,000 and €57,000,000 respectively.

At the year-end, short-term liabilities appear higher than current assets by €14,637,859 and €21,247,879 for the Group and the Company due to the transfer of borrowings of €57,000,000 and €54,100,000 for the Group and the Company to be paid in 2012. Meanwhile, the liquidity risk has been raised given that certain financial ratios regulating the above bank liabilities have not been complied with, which resulted directly in increased spreads of such loans' interest rates.

Having regard to the foregoing and also the fact that the two current loans of the parent company expire and must be repaid in May and July 2012, while the contractual financial ratios are not complied with, the Group is at a stage of negotiating new long-term loan agreements with credit institutions to maintain its liquidity.

In view of the fluid situation in the Greek banking market, Management estimates that these negotiations will not have been completed before the end of April 2012.

Group structure

Company name	County of establishment	Type of participation	% holding	Consolidation Method on 31.12.2011
SINGULARLOGIC S.A.	Greece	Parent company		
PCS S.A.	Greece	Direct	50.50%	Full
SINGULARLOGIC INTEGRATOR S.A.	Greece	Direct	100.00%	Full
COMPUTER TEAM S.A.	Greece	Indirect	35.00%	Equity
INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity
SINGULARLOGIC BUSINESS SERVICES S.A.	Greece	Direct	100.00%	Full
LOGODATA S.A.	Greece	Direct	23.88%	Equity
METASOFT S.A.	Greece	Direct	68.80%	Full
METASOFT S.A.	Greece	Indirect	31.20%	Full
SINGULAR ROMANIA SRL	Romania	Direct	100.00%	Full
SINGULAR BULGARIA EOOD	Bulgaria	Direct	100.00%	Full
DPS LTD	Greece	Direct	94.40%	Not consolidated
TASIS CONSULTANTS S.A.	Greece	Direct	59.60%	Not consolidated
VELVET JOINT VENTURE	Greece	Direct	50.00%	Not consolidated
MODULAR S.A.	Greece	Direct	60.00%	Not consolidated
BUSINESS LOGIC S.A.	Greece	Direct	97.40%	Not consolidated
HELP DESK S.A.	Greece	Indirect	87.00%	Not consolidated
SYSTEM SOFT S.A.	Greece	Direct	62.00%	Full
SYSTEM SOFT S.A.	Greece	Indirect	34.00%	Full
SINGULARLOGIC CYPRUS LTD	Cyprus	Direct	77.00%	Full
G.I.T. HOLDING S.A.	Greece	Direct	100.00%	Full
G.I.T. CYPRUS	Cyprus	Indirect	100.00%	Full
DYNACOMP S.A.	Greece	Indirect	24.99%	Equity
INFO S.A.	Greece	Indirect	35.00%	Equity
CHERRY S.A.	Greece	Indirect	33.00%	Not consolidated
DSMS S.A.	Greece	Direct	93.34%	Full

On 08.12.2011 the deletion of “Automation Dynamics S.A.", which was put under liquidation by way of decision of the Shareholders General Meeting on 31.01.2010, was entered in the Companies Register by way of Decision No. EM-25578/11. Automation Dynamics S.A. was not consolidated on 31.12.2011.

2. Economic Review

The consolidated turnover of the period 01.01-31.12.2011 amounted to €58,879,531 while the Company’s turnover amounted to €48,349,986. If compared with the Group's respective amounts of €77,098,007 for the period 01.01-31.12.2010 and not with the comparable period which is extended (over 12 months), the turnover amounts of this year register a drop by 23.63%. If compared with the Company’s amounts of €60,846,421 for the period 01.01-31.12.2010, they have decreased by 20.54%.

The decrease in turnover reached 50% for the public sector and 20% for the private sector. It is mainly due to the harsh financial circumstances reigning in the Greek market which entailed a decrease in IT expenses.

The Consolidated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to €3,245,512. Accordingly, the Company's Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to €5,892,131.

Pre-tax results of the Group and the Company amounted to €(6,284,250) and €(2,049,957) respectively, while post-tax results stood at €(6,549,552) and €(2,201,400) for the Group and the Company. Implementing a customer-oriented approach to business monitoring, the Group classifies customers in three categories: Large Corporations, Small and Medium-sized Enterprises and Public Sector.

In 2011, the Group and the Company wrote off receivables of €2,098,466 and €2,043,380 respectively. The above write-offs were deemed reasonable given the current financial circumstances and the non-collectibility of the said receivables.

Below is given a breakdown of Group sales per business activity:

SALES PER BUSINESS ACTIVITY

	01/01/2011-31/12/2011	%
Large corporations	39,194,019	66.57
Small and medium-sized enterprises	15,161,394	25.75
Public sector	4,524,118	7.68
Total	**58,879,531**	**100.00**

The sales from Large Corporations accounted for the largest part of the total turnover, coming to 66.57%.

The table below sets out the breakdown of Group turnover per category for the period 01.01.2011-31.12.2011:

SALES BREAKDOWN PER CATEGORY

(Amounts in euro)	01/01/2011-31/12/2011	%
Sales of software licences	5,466,755	9.28
Software maintenance sales	18,928,439	32.15
Provision of services	27,153,812	46.12
Sales of Merchandises	7,330,525	12.45
Total	**58,879,531**	**100.00**

3. Risk Management

The Group is exposed to such risks as foreign exchange risk, the risk from technological developments, credit and interest rate risks.

(a) *Foreign exchange risk*

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable. Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.

(b) *Risk from Technological Developments*

The technological developments pertaining to the business of IT companies may affect their competitiveness, thus giving rise to the need for ongoing update and renewal. Certain important and necessary variations in the existing technology may eventually require major investments and a period of operating consolidation with the current activity.

In all events, it is noted that the Company uses its best efforts to be hedged at all times against the risk of diminished technological development in the following ways:

- By developing its products in widespread international platforms with an extensive lifecycle, which entail the respective investment in know-how on the part of the Company's clientele;
- By being an expert in adopting and adapting its product development to state-of-the-art operating systems and technologies;
- By taking part in European projects such as CTS, ESPRIT and ESSI, for the unique purpose of being updated and recognising the most innovative technologies and eventually incorporating them in its product development process.

(c) *Credit risk and liquidity risk*

The Group does not have any credit risk consolidation in terms of receivables since such risk is spread along a large number of customers. These receivables are monitored on an ongoing basis and in case an eventual risk is recognised, the adequate measures are taken.

Liquidity risk is kept at low levels by keeping sufficient cash assets and also adequate lines of credit with the collaborating banks.

(d) Risk of fair value changes due to change in interest rates.

Through the bank loans taken out, the Group is exposed to the cash flow risk due to changes in interest rates. Both short-term and long-term loans of the Group pertain to loans at a floating rate. The Group's policy is to hedge a significant part of this risk through interest rate swaps.

4. Outlook for 2012

2011 was another difficult year for the Greek IT market, which was obviously affected by the financial crisis in both the global and domestic markets. SingularLogic Group responded to this adverse economic climate by preparing and implementing a plan of development strategic actions which were doubled by the continuous efforts to cut down costs and enhance productivity, and thus allowed the Group to maintain positive operating profits (EBITDA), despite the curtailment in turnover.

The Galaxy technology and the corresponding business applications developed represent solutions and suggestions of the largest, for Greek reality, investment plan of new technologies development by SingularLogic. It was carried out for more than 3 years and more than 1 million man-hours were spent on it. Moreover, the applications in smart mobile telephony devices of the MoRE (Mobile Rich Enterprise) program are the first token of Cloud Computing services from among many others that will follow in 2012. Further, outsourcing services which target large, private corporations and aim at enhancing productivity and, thus, attaining an overall decrease in the acquisition cost and use of our customers' IT infrastructures and functions, will boost the turnover in 2012.

The foregoing together with the specific solutions-suggestions we have submitted for improving the public-sector functions are the pillars of the Group’s development for 2012.

In conjunction with the above development actions and taking into account that the estimates for the IT market for 2012 are bleak, the Group takes steps to reduce cost in terms of suppliers and subcontractors and also operating costs.

Nea Ionia, 28 March 2012

The Chairman	**The Chief Executive Officer**
Michail Kariotoglou	**Marika Lamprou**

C. Financial Statements

1 Income Statement

(Amounts in €)	Note	THE GROUP 31/12/2011	THE GROUP 24/07/2009-31/12/2010	THE COMPANY 31/12/2011	THE COMPANY 24/07/2009-31/12/2010
Sales	13	**58,879,531**	**125,481,385**	**48,349,986**	**38,771,900**
Cost of Goods Sold	14.24	(45,548,129)	(87,038,097)	(38,775,217)	(25,432,259)
Gross Profit		**13,331,402**	**38,443,288**	**9,574,769**	**13,339,641**
Other operating income	14.25	3,732,356	5,800,636	3,930,630	3,214,252
Selling expenses	14.24	(9,675,003)	(15,685,510)	(6,839,910)	(3,518,938)
Administrative expenses	14.24	(6,244,039)	(10,432,379)	(3,029,453)	(2,324,777)
Other operating expenses	14.25	(2,180,874)	(3,533,627)	(1,349,881)	(1,256,150)
Operating income		**(1,036,158)**	**14,592,408**	**2,286,157**	**9,454,028**
Financial income	14.26	240,947	801,076	77,168	106,011
Financial expenses	14.26	(3,992,820)	(5,805,192)	(3,448,392)	(4,296,360)
Other financial results	14.27	(1,530,522)	(1,102,664)	(964,891)	(203,646)
Profits /(Losses) from associates	14.5	34,304	(46,529)	-	-
Earnings / (losses) before tax		**(6,284,250)**	**8,439,099**	**(2,049,957)**	**5,060,033**
Income tax	14.28	(265,302)	(1,403,934)	(151,443)	(480,521)
Profits / (losses) net of tax		**(6,549,552)**	**7,035,164**	**(2,201,400)**	**4,579,513**
Period profit attributable to:					
Parent company owners		(6,746,131)	6,829,678	(2,201,400)	4,579,513
Minority interest		196,579	205,486	-	-
		(6,549,552)	**7,035,164**	**(2,201,400)**	**4,579,513**

Basic earnings per share attributable to parent company owners (denominated in € per share)	14.29	(0.7580)	0.7674	(0.2473)	0.5146
Diluted earnings per share attributable to parent company owners (denominated in € per share)	14.29	(0.7580)	0.7674	(0.2473)	0.5146

The accompanying notes form an integral part of the financial statements.

2 Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
(Amounts in €)	**31/12/2011**	**24/07/2009-31/12/2010**	**31/12/2011**	**24/07/2009-31/12/2010**
Earnings net of tax for the period	**(6,549,552)**	**7,035,164**	**(2,201,400)**	**4,579,513**
Other comprehensive income				
Cash flow hedges:				
- profit/ (losses) of the current period	541,117	388,117	541,117	303,691
FX differences of foreign operations conversion	(4,984)	(1,900)	-	-
Income taxes related to items of other comprehensive income	(108,223)	(66,359)	(108,223)	(67,420)
Other comprehensive income for the period net of tax	***427,909***	***319,859***	***432,894***	***236,272***
Consolidated comprehensive income for the period	**(6,121,643)**	**7,355,022**	**(1,768,507)**	**4,815,785**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(6,318,222)	7,149,536	(1,768,507)	4,815,785
Minority interest	196,579	205,486	-	-

The accompanying notes form an integral part of the financial statements.

3 Statement of financial position

(amounts in €)	Note	THE GROUP		THE COMPANY	
ASSETS		**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Non-current assets					
Tangible assets	14.1	1,594,240	1,932,090	1,025,620	1,061,666
Goodwill	14.3	54,293,293	54,293,293	51,636,150	51,636,150
Intangible assets	14.2	51,244,222	50,910,319	50,379,375	49,882,465
Investments in subsidiaries	14.4	0	0	10,575,846	10,404,865
Investments in affiliates (consolidated using the equity method)	14.5	1,413,074	1,378,770	249,981	249,981
Deferred tax assets	14.14	2,352,006	2,751,973	1,759,788	2,037,742
Financial assets available for sale	14.7	155,803	164,922	128,563	137,682
Other long-term receivables	14.6	643,395	650,430	942,594	948,462
		111,696,033	**112,081,799**	**116,697,917**	**116,359,014**
Current Assets					
Inventories	14.8	1,118,635	1,537,167	735,682	1,063,156
Customers and other trade receivables	14.9	40,388,493	47,312,620	34,525,315	40,489,955
Other receivables	14.10	4,099,866	4,475,537	1,029,281	903,950
Assets presented at fair value through P&L	14.12	8,595	10,507	3,418	-
Other current assets	14.11	20,347,802	25,048,316	15,330,255	18,474,637
Cash and cash equivalents	14.16	11,118,561	22,485,217	4,850,686	12,047,546
		77,081,951	**100,869,365**	**56,474,637**	**72,979,243**
Total assets		**188,777,985**	**212,951,164**	**173,172,555**	**189,338,257**
EQUITY & LIABILITIES					
Share Capital	14.17.1	8,900,000	8,900,000	8,900,000	8,900,000
Share Premium	14.17.1	70,547,001	70,547,001	70,547,001	70,547,001
Other reserves	14.17.2	106,020	91,410	0	0
Cash flow hedge reserves	14.17.2	754,652	321,758	669,166	236,272
Reorganisation Balance Sheet Reserves	14.17.2	(6,884)	(1,900)	0	0
Results carried forward		(168,679)	6,738,268	2,378,113	4,579,513
Equity attributed to parent company shareholders		**80,132,110**	**86,596,538**	**82,494,279**	**84,262,786**
Non-controlling interests		1,656,250	1,560,095	-	-
Total equity		**81,788,361**	**88,156,633**	**82,494,279**	**84,262,786**
Long-term liabilities					
Long-term loan liabilities	14.19	29,291	52,656,025	0	47,100,000
Deferred tax liabilities	14.14	11,820,479	12,342,065	10,581,021	10,948,940
Derivative financial instruments	14.13	0	850,955	0	850,955
Staff termination liabilities	14.18	3,420,044	3,147,210	2,374,738	2,199,492
Total long-term liabilities		**15,269,814**	**68,996,255**	**12,955,759**	**61,099,386**
Short-term liabilities					
Suppliers and other liabilities	14.21	11,635,975	16,523,192	8,849,053	13,695,192
Current tax liabilities	14.22	534,261	1,503,169	369,124	1,133,878
Short-term bank liabilities	14.19	59,572,090	14,993,605	55,435,715	14,015,000
Derivative financial instruments	14.13	309,838	0	309,838	0
Other short-term liabilities	14.23	18,902,732	21,647,898	12,045,559	14,418,786
Short-term provisions	14.20	764,914	1,130,413	713,229	713,229
Total short-term liabilities		**91,719,810**	**55,798,276**	**77,722,516**	**43,976,085**
Total Liabilities		**106,989,624**	**124,794,531**	**90,678,275**	**105,075,471**
Total equity and liabilities		**188,777,985**	**212,951,164**	**173,172,555**	**189,338,257**

The accompanying notes form an integral part of the financial statements.

4 Consolidated Statement of Changes in Equity

(amounts in €)	Note	Equity attributed to parent company shareholders								
		Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	FX difference from subsidiary's balance sheet conversion	Results carried forward	Total	Non-controlling interests	Total equity
Balance of Equity on 24.07.09		**-**	**-**		**-**	**-**	**-**	**-**		**-**
Share capital increase through payment in cash and conversion to premium on capital stock	14.17	8,900,000	70,630,400					79,530,400		79,530,400
Share capital increase expenses			(83,399)					(83,399)		(83,399)
From acquisition of SingularLogic S.A. Group								0	1,465,858	1,465,858
Profit distribution				91,410			(91,410)	0	(111,250)	(111,250)
Transactions with owners		**8,900,000**	**70,547,001**	**91,410**	**0**	**0**	**(91,410)**	**79,447,001**	**1,354,608**	**80,801,609**
Net results for the period 24.07.2009 - 31.12.2010 net of tax							6,829,678	6,829,678	205,486	7,035,164
Net results for the period (a)		***0***	***0***	***0***	***0***	***0***	***6,829,678***	***6,829,678***	***205,486***	***7,035,164***
Cash flow hedge reserves					388,117			388,117		388,117
Deferred asset from cash flow hedge					(66,359)			(66,359)		(66,359)
Foreign exchange differences						(1,900)		(1,900)		(1,900)
Other comprehensive income for the period (b)		***0***	***0***		***321,758***	***(1,900)***	***0***	***319,859***	***0***	***319,859***
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**321,758**	**(1,900)**	**6,829,678**	**7,149,535**	**205,486**	**7,355,022**
Balance of Equity on 31.12.2010		**8,900,000**	**70,547,001**	**91,410**	**321,758**	**(1,900)**	**6,738,268**	**86,596,538**	**1,560,095**	**88,156,633**

		Equity attributed to parent company shareholders								
(amounts in €)	**Note**	**Share Capital**	**Premium on capital stock**	**Other reserves**	**Cash flow hedge reserves**	**FX difference from subsidiary's balance sheet conversion**	**Results carried forward**	**Total**	**Non-controlling interests**	**Total equity**
Balance of Equity on 31.12.2010		**8,900,000**	**70,547,001**	**91,410**	**321,758**	**(1,900)**	**6,738,268**	**86,596,538**	**1,560,095**	**88,156,633**
Profit distribution				14,610			(14,610)	0	(64,306)	(64,306)
Increase/ (Decrease) in share of non-controlling interests in subsidiaries							(146,205)	(146,205)	(36,118)	(182,323)
Transactions with owners		**0**	**0**	**14,610**	**0**	**0**	**(160,815)**	**(146,205)**	**(100,424)**	**(246,629)**
Net results for the period 01.01 – 31.12.2011							(6,746,131)	(6,746,131)	196,579	(6,549,552)
Net results for the period (a)		***-***	***-***	***-***	***-***	***-***	***(6,746,131)***	***(6,746,131)***	***196,579***	***(6,549,552)***
Cash flow hedge reserves					541,117			541,117		541,117
Deferred asset from cash flow hedge					(108,223)			(108,223)		(108,223)
Foreign exchange differences						(4,984)		(4,984)		(4,984)
Other comprehensive income for the period (b)		***0***	***0***	***0***	***432,894***	***(4,984)***	***0***	***427,909***	***0***	***427,909***
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**432,894**	**(4,984)**	**(6,746,131)**	**(6,318,222)**	**196,579**	**(6,121,643)**
Balance of Equity on 31.12.2011		**8,900,000**	**70,547,001**	**106,020**	**754,652**	**(6,884)**	**(168,679)**	**80,132,111**	**1,656,250**	**81,788,361**

The accompanying notes form an integral part of the financial statements.

5 Statement of Changes in Equity of Parent Company

(amounts in €)	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	Other reserves	Results carried forward	Total equity
Balance of Equity on 24.07.09		**-**	**-**		**-**	**-**	**-**	**-**
Share capital increase through payment in cash and conversion to premium on capital stock	14.17	8,900,000	70,630,400					79,530,400
Share capital increase expenses			(83,399)					(83,399)
Transactions with owners		**8,900,000**	**70,547,001**		**0**	**0**	**0**	**79,447,001**
Net results for the period 24.07.2009 - 31.12.2010 net of tax							4,579,513	4,579,513
Net results for the period (a)							***4,579,513***	***4,579,513***
Cash flow hedge reserves					303,691			303,691
Deferred asset from cash flow hedge					(67,420)			(67,420)
Foreign exchange differences								0
Other comprehensive income for the period (b)		***0***	***0***		***236,272***	***0***	***0***	***236,272***
Consolidated comprehensive income for the period (a+b)		**0**	**0**		**236,272**	**0**	**4,579,513**	**4,815,785**
Balance of Equity on 31.12.2010		**8,900,000**	**70,547,001**		**236,272**	**0**	**4,579,513**	**84,262,786**

(amounts in €)	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	Other reserves	Results carried forward	Total equity
Balance of Equity on 31.12.2010		**8,900,000**	**70,547,001**	**0**	**236,272**	**0**	**4,579,513**	**84,262,786**
Transactions with owners		-	-	-	-	-	-	-
Net results for the period 01.01 – 31.12.2011							(2,201,400)	(2,201,400)
Net results for the period (a)		**-**	**-**	**-**	**-**	**-**	***(2,201,400)***	***(2,201,400)***
Cash flow hedge reserves					541,117			541,117
Deferred asset from cash flow hedge					(108,223)			(108,223)
Other comprehensive income for the period (b)		***0***	***0***	***0***	***432,894***	***0***	***0***	***432,894***
Consolidated comprehensive income for the period (a+b)		**0**	**0**	**0**	**432,894**	**0**	**(2,201,400)**	**(1,768,507)**
Balance of Equity on 31.12.2011		**8,900,000**	**70,547,001**	**0**	**669,166**	**0**	**2,378,113**	**82,494,279**

The accompanying notes form an integral part of the financial statements.

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31.12.2011	THE GROUP 24.07.2009 - 31.12.2010	THE COMPANY 31.12.2011	THE COMPANY 24.07.2009 - 31.12.2010
Cash flow from operating activities	14.30	**3,866,080**	**18,099,226**	**4,312,608**	**17,763,503**
Interest paid		(3,167,407)	(5,947,834)	(2,679,675)	(4,181,163)
Income tax paid		(1,104,149)	(2,000,244)	(930,565)	(63,727)
Net cash flow from operating activities		**(405,476)**	**10,151,149**	**702,369**	**13,518,613**
Cash flow from investing activities					
Purchases of tangible assets		(699,723)	(447,705)	(586,575)	(180,256)
Purchases of intangible assets	14.2	(3,652,679)	(6,622,464)	(3,554,866)	(2,263,504)
Gains on sale of tangible assets		5,279	56,817	5,279	0
Gains on sale of intangible assets		69,570	0	69,570	0
Purchases of financial assets		(1,744)	(1,112)	(1,744)	0
Derivatives settlement		(527,633)	(826,550)	(527,633)	(348,192)
Decrease of subsidiary’s share capital through return of cash		0	(8,798)	0	1,090,759
Participation in subsidiary’s share capital increase		0	0	0	(100,000)
Purchase of subsidiaries (less subsidiary's cash assets)			(134,216,045)		(134,216,045)
Proceeds from subsidiary’s share capital return		0	0	500,000	0
Sales of financial assets		1,350	0		
Interest collected		188,608	641,120	53,666	73,454
Dividends received		0	0	49,066	94,073
Subsidies received		1,970,666	1,711,241	1,951,658	584,394
Net cash flow from investing activities		**(2,646,306)**	**(139,713,495)**	**(2,041,579)**	**(135,265,317)**
Cash flow from financing activities					
Issue of ordinary shares (less share capital increase expenses)		0	79,447,001	0	79,447,001
Inflow/ (outflow) from changes in holdings in existing subsidiaries	14.4	(178,364)	0	(178,364)	0
Dividends paid to non-controlling interests		(84,302)	(87,553)	0	0
Proceeds from borrowings		7,897,770	135,614,355	7,640,000	119,598,804
Loan repayments		(15,946,019)	(98,320,786)	(13,319,285)	(86,483,804)
Capital payments to shareholders		(3,959)	0	0	0
Net cash flow from financing activities		**(8,314,874)**	**116,653,017**	**(5,857,649)**	**112,562,001**
Net (decrease) / increase in cash and cash equivalents		**(11,366,656)**	**(12,909,328)**	**(7,196,859)**	**(9,184,703)**
Cash and cash equivalents at start of period		**22,485,217**	**-**	**12,047,546**	**-**
Cash assets of acquired Group		**0**	**35,394,545**	**0**	**0**
Cash assets of absorbed company		**0**	**0**	**0**	**21,232,249**
Cash and cash equivalents at end of period		**11,118,561**	**22,485,217**	**4,850,686**	**12,047,546**

The accompanying notes form an integral part of the financial statements.

7 General Information

7.1 General Information on the Company

On 24.07.2009, "TOWER TECHNOLOGY HOLDINGS S.A." was set up in accordance with Decision No. EM-21014/24.07.2009 of the Prefecture of Athens with the notice of entry in the Companies Register published in Government Gazette Issue No. 9312/29.07.2009.

Pursuant to the decision dated 30.07.2009 of the General Meeting of shareholders, the Company was renamed into "MIG TECHNOLOGY HOLDINGS S.A.", which was validated on 4.8.2009 by decision No. EM-21523/09 of the Prefecture of Athens.

Based on the decision dated 11.05.2010 of the General Meeting of the Company's shareholders, the merger of the Company with the Company with corporate name "SINGULAR LOGIC S.A. - INFORMATION SYSTEMS AND APPLICATIONS" and trade name "SINGULARLOGIC S.A." was approved, through absorption of the latter according to the provisions of Article 78 and Articles 69-77a of Codified Law 2190/1920 and the provisions of Legislative Decree 1297/1972, as in force. Meanwhile, it was decided to change the Company's corporate name and trade name into "SINGULARLOGIC S.A. – INFORMATION SYSTEMS AND SOFTWARE TECHNOLOGY" and trade name "SINGULARLOGIC S.A.", hereinafter referred to as the Company. The absorption that took place on 16.06.2010 was validated by Decision No. EM-9195/10 of the Prefecture of Athens on 16.06.2010.

7.2 General information on the financial statements

The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. SingularLogic S.A. is the parent company of SingularLogic Group. The address of SingularLogic Group, where the Company keeps its registered office, is Al. Panagouli St. & Siniosoglou St., Nea Ionia and its URL address is www.singularlogic.eu.

The financial statements as at 31 December 2011 were approved to be published by the Board of Directors on 28.03.2012.

8 Business Activities

SingularLogic operates in the following sectors:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products
- Software production, development and support
- Services on the operation of customer IT systems, integrated solutions, and all types of applications in IT sector
- Trade of software, hardware and systems software.

The primary objective of SingularLogic is to meet in due time the needs of enterprises and organisations, offering them top quality and competitive integrated solutions.
As part of this strategy, SingularLogic provides a wide range of integrated IT solutions to public and private sector enterprises and organisations, which are based on the portfolio of software products designed and developed by SingularLogic as well as on software applications obtained through strategic partnerships with internationally reputed software firms such as SAP HELLAS S.A., MICROSOFT HELLAS S.A. and ORACLE HELLAS S.A.
SingularLogic has a strong distribution network covering the entire Greek territory and numbering more than 300 partners, thus ensuring the distribution and support of SingularLogic products even in the remotest regions of Greece. The distribution network aims at marketing and also at providing direct, continuous and quality support to the products provided by SingularLogic.
Currently, the Company provides advanced and integrated solutions for all modern enterprises, irrespective of their size and business. Its clientele consists of more than 20,000 small and medium-sized enterprises and more than 400 large and multinational corporations.

9 Basis of preparation of the financial statements

The consolidated financial statements of SINGULARLOGIC S.A. on 31 December 2011 have been prepared on the basis of the historical cost principle modified by adjusting specific assets and liabilities to current values, the going concern principle and are in line with the International Financial Reporting Standards (IFRS), as they have been issued by the International Accounting Standards Board, and their interpretations issued by the IASB's IFRIC.

9.1 Changes to accounting policies

The accounting policies used in the preparation of 2010 Financial Statements applied to these Financial Statements, following adaptation to the new Standards and the revisions required by IFRS for the accounting periods beginning on 1 January 2011 (see paragraphs 9.1.1 - 9.1.2).

9.1.1 Amendments to published standards

- **IFRIC 14 Prepayments of a minimum funding requirement**

The amendment was made to remove the restriction that an entity had on recognising an asset which arose from voluntary advances made to benefit plans in order to meet minimum funding requirements. This amendment does not have any effect on the Group's financial statements.

- **IAS 32 "Financial instruments: Presentation (amendment) – Classification of Rights Issues**

This amendment provides explanations about how certain rights should be classified. More specifically, 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 equity instruments. This amendment does not have any effect on the Group's financial statements.

- **Annual improvements to the IFRS - May 2010**

In 2010, the IASB issued the Annual Improvements to IFRS for 2011 – a series of adaptations of 11 Standards (IFRS 1, IFRS 7, IFRS 3, IAS 1, IAS 34, IAS 32, IAS 39, IAS 21, IAS 27, IAS 28 and IAS 31) and one Interpretation (IFRIC 13) – which is part of the program of Annual Improvements to the Standards. The IASB programme of annual improvements seeks to make the necessary, non-urgent adjustments to the IFRS which are not part of any large program of revisions. Most improvements are applicable to annual periods commencing on or after 01.01.2011 while prior adoption is permitted.

The most important of these improvements concern the following standards:

- **IFRS 3 "Business Combinations"**

These amendments provide additional clarifications on: (a) contingent consideration agreements arising from business combinations with acquisition dates prior to the application of IFRS 3 (2008); (b) measurement of non-controlling interest and (c) accounting for share-based payments which are part of a business combination, including share-based rewards which were not replaced or were voluntarily replaced.

- **IFRS 7 "Financial instruments: Disclosures"**

The amendments include numerous clarifications on the disclosures of financial instruments.

- **IAS 1 "Presentation of Financial Statements"**

The amendment clarifies that entities can present the analysis of items comprising other comprehensive income in the statement of changes in equity or in the notes.

- **IAS 27 "Consolidated and Separate Financial Statements"**

This amendment makes it clear that the amendments to IAS 21, IAS 28 and IAS 31 which derive from the revision to IAS 27 (2008) must be applied in the future.

- **IAS 34 "Interim Financial Reporting"**

This amendment places greater emphasis on the disclosure principles that must be applied in relation to important events and transactions including changes in measurements at fair value and the need to update the relevant information in the most recent annual report.

- **Amendment to IFRS 1: "First-time adoption of IFRS" – Abolition of derecognition of financial assets and liabilities**

This amendment applies to annual periods beginning on or after 01.07.2011 and earlier adoption is permitted. This amendment abolishes the use of a predetermined transition date (1 January 2004) and replaces it with the actual transition date to the IFRS. At the same time, it abolishes the requirements on derecognition of transactions which had taken place prior to the specified transition date. This amendment does not have any effect on the Group's financial statements.

- **IFRS 1 "First-time adoption (amendment) – Hyperinflationary Economies**

This amendment applies to annual accounting periods beginning on or after 1 July 2011. The amendment provides guidance on the re-application of IFRS after a period of cessation due to the fact that the functional currency of the entity was the currency of a hyperinflationary economy. Earlier application of the standard is permitted. This amendment does not have any effect on the Group's financial statements.

- **IAS 24 "Related Party Disclosures" (revision)**

This amendment attempts to reduce the transaction disclosures between government-related entities and to clarify the concept of related parties. More specifically it abolishes the obligation of government-related entities to disclose the details of all transactions with the public sector and other government-related entities, clarifies and simplifies the definition of related party and requires disclosure not only of relationships, transactions and balances between related parties but also commitments in both the separate and consolidated financial statements. This amendment does not have any effect on the Group's financial statements.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 examines how cases where the terms of a financial liability are subject to renegotiation and as a result the entity issues equity instruments to the creditor to pay off (extinguish) all or part of the financial liability are to be accounted for. These transactions are sometimes referred to as "debt for equity swaps" or share swap agreements and their frequency increases as the financial crisis continues. This Interpretation does not have any effect on the Group's financial statements.

9.1.2 Standards, amendments and interpretations to existing standards which have not yet been brought into effect or have not yet been adopted by the European Union

In addition, the IASB has issued the following new standards, amendments and interpretations which are not mandatory for the financial statements presented here and which had not been adopted by the EU up until the date on which these financial statements were published.

- **IFRS 9: Financial Instruments – Classification and Measurement**

It applies to annual accounting periods beginning on or after 1 January 2015. As issued, IFRS 9 reflects the first step in IASB project to replace IAS 39. Phase 1 of IFRS 9 will have a significant effect on: (i) the classification and measurement of financial assets; and (ii) a change in accounting for companies having designated financial liabilities by applying the option of Fair Value through profit or loss. In the phases to come, the IASB will deal with hedge accounting and the impairment of financial assets. This project is expected to be completed during the first half of 2012. The European Union has not yet adopted this standard. The Group is currently examining the effect of this standard on its financial statements.

- **IAS 12 "Income Taxes" (amendment) - Deferred Tax: Recovery of Underlying Assets**

This amendment applies to annual accounting periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure deferred tax relating to a fixed asset depending on whether the entity expects to recover the carrying amount of an asset through use or sale. In case of investment property and whenever a fixed asset is measured at fair value, the estimate of how to recover the value of the asset is difficult and subjective. According to this amendment, it is presumed that the future recovery of the carrying amount of such assets will take place through the future sale of the asset. This amendment has not yet been approved by the EU. The Group is currently examining the effect of this standard on its financial statements.

- **IFRS 7 "Financial instruments: Disclosures (Amendment) - Enhanced Derecognition Disclosure Requirements**

It applies to annual accounting periods beginning on or after 1 July 2011. This amendment requires additional disclosures about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The Group is currently examining the effect of this amendment on its financial statements.

- **IFRS 7 "Financial instruments: Disclosures (amendment) "Offsetting Financial Assets and Financial Liabilities"**

It applies to annual accounting periods beginning on or after 1 January 2013. The amendment introduces common disclosure requirements. These disclosures provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. The European Union has not yet adopted this amendment. The Group is currently examining the effect of this amendment on its financial statements.

- **IFRS 10 "Consolidated Financial Statements"**

The new standard applies to annual accounting periods beginning on or after 1 January 2013. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation-Special Purpose Entities". This new standard changes the definition of 'control' which is a defining factor in whether the entity must be included in the consolidated financial statements of its parent company. The standard offers additional guidance to help determine whether control exists, in cases where it is difficult to make this determination. In addition, the Group should make a series of disclosures about the companies included in the consolidation as subsidiaries and the companies not included in the consolidation in which it has a shareholding. The standard is expected to lead to changes in the structures of conventional groups and in some cases its effects may be significant. The European Union has not yet adopted this standard. The Group is currently examining the effect of this standard on its financial statements.

- **IFRS 11 "Joint Arrangements”**

The new standard applies to annual accounting periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The European Union has not yet adopted this standard. The new standard is not expected to affect the Group’s financial statements.

- **IFRS 12 “Disclosure of Interests in Other Entities”**

The new standard applies to annual accounting periods beginning on or after 1 January 2013. IFRS 12 includes all disclosures included in IAS 27 in the past and related to consolidated financial statements.
These disclosures pertain to the interest of an entity in subsidiaries, joint arrangements, associates and structured entities. The European Union has not yet adopted this standard.
The Group is currently examining the effect of this standard on its financial statements.

- **IFRS 13 “Fair Value Measurement”**

The new standard applies to annual accounting periods beginning on or after 1 January 2013. IFRS 13 sets out a single framework for measuring assets at fair value. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The European Union has not yet adopted this standard. The Group is currently examining the effect of this standard on its financial statements.

- **IAS 27 “Separate Financial Statements” (revision)**

This standard applies to annual accounting periods beginning on or after 1 January 2013. This standard concerns the changes that arise from the publication of new IFRS 10. IAS 27 will now treat solely the separate financial statements for which requirements remain practically invariable. Earlier application of the standard is permitted. The European Union has not yet adopted this amendment. The Group is currently examining the effect of this amendment on its financial statements.

- **IAS 28 "Investments in Associates and Joint Ventures" (revision)**

This standard applies to annual accounting periods beginning on or after 1 January 2013. This revised standard aims to define the accounting principles that must apply due to the changes arising from the publication of IFRS 11. The revised standard continues to specify the mechanisms of equity method of accounting. Earlier application of the standard is permitted. The European Union has not yet adopted this amendment. The Group is currently examining the effect of this amendment on its financial statements.

- **IAS 19 "Employee Benefits" (Amendment)**

This amendment applies to annual accounting periods beginning on or after 1 January 2013. The IASB issued a series of amendments to IAS 19. These amendments range from fundamental changes such as the abolition of the mechanism known as "corridor approach". Moreover changes resulting from a reassessment of the value of assets and liabilities deriving from defined-benefit plans must be presented in the statement of other comprehensive income. In addition, other disclosures are now required relating to defined-benefit plans concerning the characteristics of the defined-benefit plans and the risks to which operators are exposed by participating in such plans. Earlier application of the standard is permitted. The European Union has not yet adopted this amendment. The Group is currently examining the effect of this amendment on its financial statements.

- **IAS 1 "Presentation of Financial Statements" (amendment) - Presentation of Items of Other Comprehensive Income**

This amendment applies to annual accounting periods beginning on or after 1 July 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. The items that could be reclassified to Profit or Loss at a future point in time would be presented separately from other items which will never be reclassified. This amendment has not yet been adopted by the EU. The Group is currently examining the effect of this amendment on its financial statements.

- **IAS 32 "Financial instruments: Presentation (amendment) "Offsetting Financial Assets and Financial Liabilities"**

This amendment applies to annual accounting periods beginning on or after 1 January 2014. The amendment provides clarifications about certain requirements regarding the offsetting of financial assets and liabilities in the statement of financial position. The European Union has not yet adopted this amendment. The Group is currently examining the effect of this amendment on its financial statements.

- **IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine**

It applies to annual accounting periods beginning on or after 1 January 2013. This interpretation only applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine. Costs incurred in undertaking stripping activities are considered to create two possible benefits: a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (stripping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Earlier application is permitted. The European Union has not adopted yet this interpretation. This Interpretation will not affect the Group's financial statements.

10 Important accounting judgements, estimates and assumptions

Preparing the financial statements in line with the IFRS requires that Management make judgements and estimates and use assumptions which affect the published assets and liabilities, and that it disclose contingent assets and liabilities on the date of the financial statements and the published income and expenses for the reporting period. The actual results may differ from the estimated ones.

Estimates and judgements are continuously re-evaluated based both on past experience and other factors, including expectations about future events, which are considered reasonable based on the specific circumstances.

The business activity of the Company and the Group registers seasonality with turnover being increased in the last quarter of each year.

Judgments

The basic evaluations carried out by the Group Management (save the evaluations associated with estimates, outlined below) with the most significant impact on the amounts recognised in the financial statements mainly relate to the following:

- **Investment categorisation**

Management decides when an asset is acquired whether it will be categorised as held-to-maturity, held for trading, measured at fair value through profit or loss or available-for-sale. In the case of investments characterised as held-to-maturity, Management examines whether the criteria in IAS 39 are satisfied, and in particular to what extent the Group intends and has the ability to hold the assets to maturity. The Group classifies investments as held for trading if they have been acquired mainly for the purpose of generating short-term profit. Categorising investments as measured at fair value through P&L depends on the way in which Management monitors the return on those investments. When they are not classified as held for trading but there are available and reliable fair values and the changes in fair values are included in P&L in Management accounts, they are classified as measured at fair value through P&L. All other investments are categorised as available-for-sale.

- **Estimates and assumptions**

Specific amounts included or affecting the financial statements and the relevant disclosures are estimated via assumptions on values or conditions, which cannot be known with certainty in the period of financial statements compilation. An accounting estimate is considered significant when it is important for the view of the Company's financial situation and results and requires most difficult, subjective or complex Management judgments, mainly as a result of the need to make estimates about the impact of assumptions which are uncertain. The Group evaluates such estimates on a continuous basis, based on past results and experience, meetings with experts, market tendencies and other methods deemed reasonable under specific conditions, and also on forecasts as to possible future changes. As a result of the foregoing, the Group makes the following estimates:

- Estimates as regards the outcome of works contracts and the total budgeted contractual cost used in establishing the percentage of completion. Whenever it is not possible to determine reliably the outcome of a works contract, at the initial stage of works contracts, the Group estimates revenues to the extent that it is likely that the assumed contractual cost will be recovered while the cost is recognised in the expenses of the period in which it was assumed.
- The expenses attributed to the development of the Group's software programs as intangible assets are recognised in the financial statements only when it is likely that the future economic benefits arising from the intangible assets will accrue to the entity. When estimating the future economic benefits, the Group takes also into account the technical capability to complete the intangible asset and make it available for sale or use, the existence of a market for the product producing the intangible asset or, in case it will be internally used, the usefulness of the intangible assets as well as the capability to measure reliably the expenses attributable to the intangible asset during its development.

- **Assessment of impairment**

The Group tests annually the existing goodwill for any impairment and examines the events or conditions making possible such impairment, such as a considerable adverse change in the corporate climate or a decision on sale or disposal of a unit or an operating segment. To determine whether impairment applies or not requires the valuation of the respective unit which is carried out by using the cash flow discount method. When information is available, the market multiples method is applied in order to crosscheck the results that have been generated using the discounted cash flow method. When applying this methodology, the Group is based on a number of factors including actual operating results, future corporate plans and market data (statistical and non-statistical).

If such analysis shows the need for goodwill impairment, the measurement of impairment requires the estimate of fair value for every recognised tangible or intangible asset. In this case, the aforementioned cash flow approach is used and is carried out by independent assessors when deemed appropriate.

Moreover, other recognised intangible assets with definite useful life, which are subject to depreciation are tested annually in terms of impairment in case there are signs of impairment, by comparing the carrying amount with the sum of discounted cash flows that are expected to arise from the asset. Intangible assets with indefinite useful life are tested on an annual basis using a fair value method such as discounted cash flows.

- **Evaluation of effectiveness of hedging instruments**

The Group applies hedge accounting to mitigate the risk arising from changes in the interest rate of the corporate bond of €26 million that had been taken out in 2007. The results from the recognition of financial assets and liabilities are recognised accordingly as assets when their value is positive and as liabilities when their value is negative. The effectiveness of hedging is evaluated on an ongoing basis. The ratio of changes in the fair value of the hedged instrument, which are expected in relation to the accumulated changes in the fair value of the hedged instrument, is examined as regards future expected flows.

- **Income tax**

Group companies are subject to income tax imposed by various tax authorities. Significant estimates are needed when making income tax provisions. There are many transactions and calculations for which the final level of tax is uncertain during normal business operations. The Group recognises liabilities for expected tax audit issues, based on estimates about the amount of any additional taxes that may be due. When the final result from the taxes of these cases is other than the amount initially recognised in the financial statements, such differences have an impact on income tax and on provisions for deferred taxes for the period in which these amounts are finalised. As regards 2011, the company will be audited in tax terms according to decision No. POL 1159/2011.

- **Provisions**

Bad debt is shown as the amounts which may be recovered. Estimates about the amounts expected to be recovered are made after analysis and based on the Group's experience concerning the likelihood of customer bad debt. Once it is known that a specific account is at risk above the normal credit risk level (e.g. low credit rating for customer, disagreement over existence of receivable or level thereof, etc.) the account is analysed and a record is made of whether the conditions indicate that the receivable will not be collected.

- **Contingent events**

The Group is involved in court claims and compensations during its normal operation activities. Management judges that any settlements would not significantly influence the Group's financial status on 31 December 2011. However, determination of contingent liabilities relative to court disputes and claims is a complex procedure involving evaluations on probable consequences and interpretations of laws and regulations. Any changes in judgments or interpretations may eventually result in an increase or decrease in the Group's contingent liabilities in the future.

11 Summary of accounting policies

11.1 General

The significant accounting policies which have been used in the preparation of these consolidated financial statements are summed up below.

11.2 Consolidation and investments in associates

(a) Subsidiaries

Subsidiaries are all entities in which the Group is capable of controlling the financial and business policies. The Group believes it has and exercises control when it has a holding higher than half of voting rights.

When determining whether the Group controls the voting rights of another entity, the existence and any impact of potential voting rights that may be exercised or converted are considered.

The Group's consolidated financial statements include the financial statements of the parent company and also of the subsidiaries controlled by the Group using the full consolidation method.

Subsidiary companies are consolidated using the full consolidation method from the date on which the Group acquires control over them and cease to be consolidated from the date on which this control is no longer exercised.

Moreover, the subsidiaries acquired are subject to the application of the acquisition method. This includes the adjustment to fair value of all identifiable assets and liabilities, including the subsidiary's contingent liabilities on the acquisition date, regardless of whether these have been included in the subsidiary's financial statements prior to its acquisition. Upon initial recognition, the subsidiary's assets and liabilities are included in the consolidated Statement of Financial Position at the adjusted amounts which are also used as basis for their subsequent measurement in line with the Group's accounting policies. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination, which are neither defined nor recognised separately.

If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, the difference is directly recognised through profit or loss.

The subsidiaries' accounting principles have been amended, when necessary, to be consistent with those adopted by the Group.

Intra-company receivables and liabilities, intra-company transactions generating income and expenses as well as unrealised profits or losses among companies are crossed out.

(b) Associates

An associate is an entity over which the Group may exercise a significant influence but which does not qualify as subsidiaries or interests in joint ventures. Significant influence means the power to participate in the financial and operating policy decisions of the investee but not the control over such policies. Significant influence usually applies when the Group holds 20-50% of voting rights through shares ownership or other type of agreement.

Investments in associates are initially recognised at cost and, for consolidation purposes, the equity method is used. Goodwill is included in the investment's book value (cost) and is tested for impairment as part of the investment. When a Group entity holds transactions with a Group associate, any inter-company profits and losses are crossed out by the Group's interest in the relevant associate.

All subsequent changes in the share in the associate's equity are recognised in the book value of the Group's investment. Any changes arising from the profits or losses generated from the associate are posted to "(Losses)/Profits of Associates" in the Group's consolidated income statement. Upon consolidation, any changes directly recognised in the shareholder's equity of the associate and relating to the results, such as those arising from the accounting treatment of the associate's available-for-sale investments are recognised in the Group's consolidated shareholder's equity. Any changes directly recognised in shareholder's equity which are not related to results, such as dividend distribution or other transactions with the associate's shareholders are recorded to the carrying amount of the interest. No effect on the net results or equity is recognised in the context of these transactions. Nevertheless, when the Group's share of losses in an associate is equal to or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognise further losses unless the investor has assumed commitments or has made payments on behalf of the associate.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset acquired from the joint venture.

Compilation dates of associated companies' Financial Statements coincide with those of the parent company. The subsidiaries' accounting principles have been amended, when necessary, to ensure consistency with those adopted by the Group.

11.3 Conversion of items into foreign currency

The Group's consolidated financial statements are presented in Euro (€), which is the functional currency of the parent company.

Transactions in foreign currency are converted into the functional currency of each separate entity in the separate financial statements of the entities included in the consolidation, using the exchange rates in effect on the dates of transactions.
Transactions in foreign currencies are converted into Euro using the applicable exchange rates on the transaction dates. In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities, which are initially presented in a currency other than the Group's functional currency (none of which has a currency of a hyperinflationary economy), have been converted into Euro. Assets and liabilities have been converted into Euro at the applicable closing rates during the reporting period. Income and expenses have been converted into the Group's presentation currency using the average exchange rates during the reporting period. Any differences arising from this procedure have been transferred to the translation reserve of Financial Statements to equity.

11.4 Reporting per segment

To identify the operating segments, the Group normally uses the nature of the customer to whom a service or product is provided. Group Management evaluates the performance of each customer separately and cumulatively at the level of customer category. Management uses three categories of operating segments: Large corporations, small and medium-sized enterprises and public sector.

11.5 Recognition of income and expenses

Income: Income is recognised when it is likely that future economic benefits will accrue to the entity and these benefits can be reliably measured.
Income is measured at the fair value of the consideration collected and is net of value added tax, refunds, all manner of discounts and once intra-Group sales are restricted.
It is believed that the amount of income can be reliably measured when all sale-related contingent liabilities are settled.
Inter-company income within the Group is completely written-off. Income is recognised as follows:
- *Sales of goods:* Income from the sale of goods is recognised when the substantive risks and rewards of ownership of the goods have been transferred to the purchaser, usually upon dispatch of the goods.

- *Services:* Income from contracts at a predetermined price is recognised in line with the stage of completion of the transaction on the date of the Statement of Financial Position. According to the percentage-of-completion method, the income is generally recognised in line with the provision of services and performance to date as a percentage of all services that must be provided.
When the outcome of the services-related transaction cannot be reliably estimated, income is recognised solely to the extent that the recognised expenses are recoverable.

The amount of selling price relating to an agreement for services to be provided at a later stage is posted to a transitory account and is recognised in the income of the period in which services are provided. This income is included in the "Other Short-term Liabilities" account.

- *Income from interest:* Interest income is recognised on a time proportion basis using the effective interest rate method. When there is an indication of impairment of the receivables, the book value is reduced to the recoverable amount which is the present value of expected future cash flows discounted using the initial effective interest rate. Following this interest is recorded using the same interest rate based on the impaired (new book) value.
- *Dividends:* Dividends are recognised as income when the right to receive payment is established.

Expenses: Expenses are recognised through profit or loss on an accrued basis. Payments made for operating leases are presented through profit or loss as expenses during the time the leased property is used. Expenses from interest are recognised on an accrued basis.

11.6 Works Contracts

Works contracts concern the construction of assets or a group of associated assets (special software development projects) specifically for customers pursuant to the terms stipulated in the respective contracts and whose execution usually takes longer than one fiscal year.

The expenses associated with a construction contract are recognised when incurred.

In case it is not possible to measure reliably the outcome of a project construction contract and mainly in case the project is at an early stage:

- income is recognised to the extent the assumed contractual cost is likely to be recovered, and
- contractual cost is recognised in the expenses of the period in which they incurred.

Therefore, the income recognised for these contracts is such that profit from the specific project be nil.

When the outcome of a works contract can be reliably measured, the income and expenses arising from the contract are recognised throughout the contract as income and expenses respectively. The Group applies the percentage-of-completion method to determine the appropriate amount of income and expense that the Group will recognise in a specific time period.

The stage of completion is determined on the basis of the contractual cost incurred until the date of the Statement of Financial Position in relation to the total estimated construction cost of each project. When it is probable that the contract's total cost will exceed the total income, the expected loss is directly recognised in the income statement as an expense.

For the cost realised until the end of the period to be calculated, any expenses pertaining to contract-related future works shall be exempted and appear as work in progress. The total cost incurred and the profit/loss recognised for each contract is compared to the progressive invoicing till the end of the year.

When the incurred expenses plus the net profits (less losses) that have been recognised exceed progressive invoicing, the difference is posted as receivable from customers of works contracts in the "Other current assets" account. When progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognised, the balance is posted as liability to customers of works contracts in the "Other short-term liabilities" account.

11.7 Intangible assets

(a) Industrial property rights

Industrial property rights include the purchase of copyright for software sale and are measured at acquisition cost less depreciation and any impairment losses. Depreciation is recorded using the straight-line method over the useful life of the assets which is 5 years.

(b) Goodwill

Goodwill represents the difference between the acquisition cost and fair value of a share of the equity in a subsidiary/ affiliated company on the acquisition date. Goodwill arising from acquisitions of affiliated entities is recognised in the "Interests in affiliated entities" account. Goodwill is reviewed each year for impairment and recognised at cost less any impairment losses. Profits and losses from the sale of an enterprise include the book value of goodwill which corresponds to the enterprise sold.

(c) Software development expenses

Research expenses are recognised as expenses in the accounting period in which they arise. Any expenses relating to software development, which is likely to provide the company with future economic benefits, are recognised as intangible assets. Development expenses which had been posted as expenses in the income statement in previous accounting periods are not recorded as intangible assets in a subsequent accounting period if it is established that this particular software development will result in future economic benefits.
The development of programs acquired in a business combination is recognised at their fair value according to the cost the Group would incur to develop the product in-house.
Development expenses which have been capitalised are depreciated from the start of commercial production of the product based on the straight-line method of depreciation during the period that the product is expected to generate benefits. The useful life estimated by the Group stands at 8 years.

(d) Software

Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight-line method over the useful life of the assets which is 3.3 years.

When the book value of intangible assets exceeds the recoverable value the differences (impairment) are directly posted as expenses to the results.

(f) Trade name/ trademark

Trademarks are words, names, symbols or other means used in commerce to indicate the source of a product and distinguish it from the products of other manufacturers. A service mark qualifies and distinguishes the source of a service instead of a product. General marks are used to qualify merchandise or goods of a Group's members. Certification marks are used to certify the geographical origin or other characteristics of a good or service. Trademarks, trade names, service marks, general marks and certification marks may be legally secured by being registered to government bodies, their continuing commercial use or using other means. If legally secured through registration or other means, a trademark or other mark acquired in a business combination is an intangible asset meeting the contractual-legal criterion. The trade name in the Group's financial statements arose from the acquisition of SingularLogic S.A. Group.

Below is a summary of the policies applied to the useful life of the Group's intangible assets:

Recognised intangible asset	Effective term	Useful life
Trade name	Indefinite	
Purchased software	Definite	3.3 years, straight-line method
Proprietary software	Definite	8 years, straight-line method

11.8 Tangible assets

Tangible assets are measured at acquisition cost less accumulated depreciation and impairment. The cost of acquisition includes all directly payable expenses for acquiring assets.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is likely that the future financial benefits will accrue to the Group and the cost can be reliably measured. The cost of repair and maintenance works is recognised through profit or loss when the said works are carried out.

Depreciation of other tangible assets is calculated using the straight-line method over their useful life as follows:

Site arrangement	9 years
Machinery & equipment	3 – 5 years
Transportation equipment	6.5 years
Furniture and parts	3 – 5 years

Residual value and the useful life of tangible assets are subject to re-examination on each date of the Statement of Financial Position.

When the book value of tangible assets exceeds the recoverable amount, the differences (impairment) are posted as expenses through profit or loss.

11.9 Leases

11.9.1 Operating Leases

Leases where the risk and rights of ownership remain in effect with the lessor are posted as operating leases. Payments made with regard to operating leases are recognised through profit or loss for the period.

11.9.2 Finance Leases

Asset leases where the Company substantially retains all 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 asset and the present value of the minimum lease payments.

11.10 Impairment test of goodwill, intangible and tangible assets

Group goodwill, intangible and tangible assets are subject to impairment tests.

Save goodwill, all assets are subsequently reassessed in case the impairment loss that had been initially recognised is no longer applicable. Impairment losses are posted as expenses through profit or loss when they incur and may be reversed in a subsequent accounting period save impairment losses relating to goodwill.

11.11 Financial Assets

The Group's financial assets, apart from hedging instruments, include the following categories of assets:

- loans and receivables
- financial assets at fair value through profit or loss,
- financial assets available for sale, and
- held-to-maturity investments.

Financial assets are classified in different categories by Management based on the characteristics and the purpose for which the asset was acquired.

Financial assets are recognised by applying the accounting method of settlement date.

Impairment is assessed at least on each date on which financial statements are published or when there is objective evidence that a certain financial asset or group of financial assets has been impaired.

The Group specifies whether a purchase contract includes an embedded derivative in the agreement. The embedded derivative is separated from the host contract and is accounted for as a derivative when the analysis shows that the derivative-related economic characteristics and risks are not related to those of the host contract.

11.11.1 Held-to-maturity investments

On 31.12.11 the Group did not own held-to-maturity investments.

11.11.2 Financial Assets or Financial Liabilities at fair value through profit or loss

Financial assets or financial liabilities at fair value through profit or loss include financial assets classified as held for trading or specified by the Company as measured at fair value through profit or loss on initial recognition. Moreover, the derivative financial instruments that do not qualify for hedge accounting are classified as held for trading.

If a contract contains one or more embedded derivatives, the Group specifies the entire combined contract as a financial asset at fair value through profit or loss unless the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or the separation of the embedded derivative(s) from the contract is prohibited. Following the initial recognition, the financial assets included in this category are measured at fair value through profit or loss. Those financial assets initially recognised as financial assets at fair value through profit or loss cannot be reclassified in another category.

11.11.3 Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets from which the Group does not expect any short-term benefit and which do not meet the criteria to be classified in any other financial asset category. All the financial assets falling into this category are measured at fair value, only when such fair value can be reliably estimated, with changes in fair value recognised directly in equity after every tax impact is calculated.

When available-for-sale assets are sold or impaired, accumulated profits or losses which had been recognised in equity are recognised in the income statement.

In cases of impairment, the amount of accumulated losses which is transferred from equity and is recognised through profit or loss derives from the difference between acquisition cost (following deduction of principal repayments and depreciation) and the fair value less any loss from impairment previously recognised.

Impairment losses pertaining to equity instruments classified as available-for-sale assets, which had been recognised in the income statement, cannot be reversed. Losses deriving from the impairment of debt instruments, which were recognised in the consolidated financial statements for preceding periods, can be reversed through the income statement if the increase (reversal of impairment) in value relates to events that occurred after the impairment recognition in the income statement.

11.11.4 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 arise when the Group provides money, products or services directly to a debtor with no intention of trading the receivable. Each change in the value of loans and receivables is recognised in the income statement when they are eliminated or are subject to impairment as well as when they are depreciated.

Loans and receivables are included in the current assets apart from those maturing more than 12 months after the date of the Statement of Financial Position. These are classified as non-current assets. They are classified as trade and other receivables in the Statement of Financial Position and account for the largest part of the Group's financial assets.

11.12 Fair value

The fair value of quoted investments in an active market is substantiated by reference to quoted prices on the date of the Statement of Financial Position. If the market for an investment is not active, the Group specifies the fair value by using valuation techniques. The use of a valuation technique aims at determining the transaction price that would arise on the measurement date for an arm's-length transaction driven by standard business factors. The valuation techniques include the use of recent arm's-length transactions, reference to the current fair value of a substantially relevant instrument, discounted cash flow analysis and option pricing models.

11.13 Derivatives and Hedge Accounting

Derivative financial instruments such as forwards and interest rate swaps are used by the Group to manage the economic risks.

All derivative financial instruments are initially recognised at fair value on the settlement date and then measured at fair value. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Their fair value is determined by quoted prices in an active market or if a market for these instruments is not active, by using valuation techniques.

The method of recognising the resulting gain or loss depends on whether a derivative has been designated as a hedging instrument and, if so, the nature of the item being hedged.

Gains or losses from the change in the fair value of derivatives which are not designated as hedging instruments during the year are recorded in the income statement.

The Group applies hedge accounting where, at the inception of the hedging transaction and the subsequent use of derivative financial instruments, the Group may identify and document the relationship between hedged items and hedging instruments regarding risk management and strategy for undertaking hedge transactions. Moreover, hedge accounting is implemented only when the hedge relationship is expected to be highly effective and may be reliably measured and on an ongoing basis, for all covered reporting periods for which it had been designated, in offsetting changes in the fair value or cash flows attributed to the risk hedged.

The Group has cash flow hedging derivatives.

Cash flow hedges

In using cash flow hedges the entity attempts to cover risks generating volatility in cash flows due to an asset or liability or future transaction where this change affects the results for the period.

For a hedging relationship to qualify for recognition of hedge accounting, specific strict conditions should be met with respect to documentation, likelihood of occurrence, effectiveness of hedging and reliability of measurement.

During the current period the Group has recognised specific derivative financial instruments as hedging instruments for cash flow hedging relationships. These agreements have been entered into to mitigate the risk arising from changes in the interest rate of the corporate bond taken out in 2007.

The component of gain or loss of the hedging instrument documented as effective hedging is recognised in other comprehensive income, while the effective component of gain or loss of the hedging instrument will be recognised through profit or loss.

The amounts recognised in other comprehensive income are transferred to the income statement in the periods in which the hedged items affect the gain or loss such as the hedged financial income or financial expense or in a forecast sale or purchase.

If hedging of a forecast transaction results subsequently to the recognition of a financial asset or financial liability, the related gains or losses recognised in other comprehensive income will be reclassified through profit or loss in the same period(s) in which the asset acquired or the liability assumed affects results. If, however, an entity expects that all or a portion of a loss directly recognised in equity will not be recovered in one or more future periods, the entity will reclassify through profit or loss the amount not expected to be recovered.

When a cash flow hedging instrument expires or is sold, terminated or exercised without being replaced or when a hedged item no longer meets the criteria for hedge accounting, all cumulative gains or losses recognised in other comprehensive income at such time shall remain in equity and recognised when the expected transaction takes place. If the related transaction is not expected to take place, the amount is carried forward to results.

11.14 Inventories

Inventories include merchandise, consumables and non-distributed software licenses.

On the date of the Statement of Financial Position, inventories are recognised at the lower value between acquisition cost and net realisable value.

The net realisable value is the estimated selling price in the normal course of business less the estimated cost required to make the sale.

The cost is designated using the average weighted cost method.

The cost includes all expenses incurred to make inventories reach the current situation, which are directly attributable to the production process, and a part of production-related overheads, which is absorbed on the basis of normal operating capacity of manufacturing plants.

Financial cost is not taken into account.

11.15 Income tax accounting

11.15.1 Current income tax

The current tax asset/ liability includes those liabilities or receivables from tax authorities which are related to the current or previous reporting periods and have not been paid till the date of the Statement of Financial Position.

It is calculated according to the tax rates and tax laws applying to the accounting period to which they refer, based on the taxable profits for the period.

11.15.2 Deferred income tax

Deferred income tax is calculated using the liability method focusing on interim differences. This includes the comparison between the book value of receivables and payables in the consolidated financial statements and the respective tax bases.

Deferred tax assets are recognised to the extent that it is likely that they will be offset against future income tax.

Deferred tax liabilities are recognised for all taxable interim adjustments.

No deferred tax is recognised for the interim adjustments related to investments in subsidiaries and interests in joint ventures if the reversal of these interim adjustments can be controlled by the Company while it is expected that the interim adjustment will not be reversed in the future. No deferred tax is recognised on initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction does not affect the book profit or the taxable profit/loss.

Deferred tax assets and liabilities are calculated using the tax rates which are expected to apply in the period in which the asset or liability is settled taking into account the tax rates which have been enacted or substantively enacted by the date of the Statement of Financial Position.

Most changes to deferred tax assets or liabilities are recognised as tax expense-income through profit or loss. Only changes to deferred tax assets or liabilities which are related to a change in the value of the asset or liability which is recognised directly in equity are debited or credited directly in equity.

The Group recognises a deferred tax asset that had not been recognised in the past to the extent it is probable that a future taxable profit will enable the recovery of the deferred tax asset.

The deferred tax asset is re-examined on each date of the Statement of Financial Position and is reduced to the extent that it is no longer likely that an adequate taxable profit will be available to permit use of the beneficial part or all of the deferred tax asset.

11.16 Cash and cash equivalents

Cash and cash equivalents include cash in banks and the treasury and short-term, highly-liquid investments such as securities on money markets and bank deposits with a maturity date of 3 months or less. Money market securities are financial assets which are presented at fair value in the income statement.

11.17 Equity

The share capital is calculated based on the nominal value of shares which have been issued. Ordinary shares are posted as equity.

The share capital increase through payment in cash includes all premiums on capital stock at the initial share capital issue. All transaction costs related to issuing shares and any related resultant income tax benefit are deducted from the share capital increase.

The items of a financial instrument: a) generating a financial liability of the entity and b) providing the instrument holder with an option to convert it to an equity instrument of the entity are separately recognised as financial liabilities, financial assets or equity instruments.

Employee options are credited to the additional paid-up capital till the relevant options are exercised.

The foreign exchange differences arising from the conversion of subsidiaries' financial statements in the Group's functional currency are included in the translation reserve. Retained earnings include current and prior-period results as disclosed in the income statement.

11.18 Government subsidies

The Group receives government and European subsidies for its participation in specific research projects. Government subsidies are recognised at the time the amount of the subsidy is acquired. All subsidies related to expenses incurred are offset against research expenses.

11.19 Pension benefits and short-term employee benefits

11.19.1 Pension benefits

The Group has designated both defined benefit and defined contribution plans.

A defined benefit plan is a retirement plan which is not a defined contribution plan. Typically, defined contribution plans designate an amount of benefits which the employee will receive upon retirement, usually dependent on factors such as age, length of service and compensation.

The liability recognised in the Statement of Financial Position in relation to defined benefit plans is the current value of the defined benefit obligation on the date of the Statement of Financial Position less the fair value of the assets of the plan, calculating the adjustments in non-recognised actuarial gains or losses and expenses for prior service. The defined benefit obligation is calculated annually by independent actuaries based on the projected unit credit method. The current value of defined benefit obligations is designated by discounting the expected future cash outflows using a high yield corporate bond interest rate which is presented in the currency in which the benefits will be paid whose maturity terms are similar to the terms of the relevant pension obligation.

The cost of previous service is recognised directly in the income statement unless the changes in the retirement plans are optional for employees to remain in service for a specific period of time (benefit vesting date). In this case, the cost of previous service is depreciated using the straight-line method until the benefit vesting date.

A defined contribution plan is a retirement plan in which the Group pays defined contributions to an independent management body on a mandatory, contractual or optional basis. The undertaking has no legal or presumed obligation to pay further contributions in the case where the body does not have adequate assets to pay all employee benefits for the service provided in current or prior periods. Contributions paid in advance are recognised as assets to the extent that it is possible to rebate monies or reduce future payments.

11.19.2 Staff termination benefits

Staff termination benefits are paid when employment is terminated by the Group before the normal retirement date or when an employee agrees to voluntary retirement in return for such benefits.

The Group recognises these termination benefits when it is recognised as bound to either terminate employment in line with a detailed standard scheme without the likelihood of departure or by providing termination benefits as a result of an offer in order to promote voluntary retirement. When termination benefits are payable more than 12 months after the date of the Statement of Financial Position, they should be discounted at present value.

11.20 Financial liabilities

The Group's financial liabilities include bank loans, trade and other payables and finance leases. Financial liabilities are recognised when the Group has a holding in a financial instrument and are deleted when the Group is released from that liability or it is cancelled or matures.

Interest is recognised as an expense in the "Financial Expenses" account in the Income Statement.

Finance lease liabilities are measured at initial value less the capital of financial repayments.

Trade liabilities are initially recognised at their nominal value and then valued at depreciated cost less settlement payments.

Dividends to shareholders are included in the "Other short-term financial liabilities" account when dividends are approved by the General Meeting of Shareholders.

Profits and losses are recognised in the Income Statement when liabilities are deleted and when depreciation is recorded.

When an existing financial liability is exchanged for another liability of different type with the same lender but substantially different terms, or when the terms of an existing liability are substantially modified, such as an exchange or modification, this is accounted for as an extinguishment of the original financial liability and recognition of a new liability. Every difference in the respective book values is recognised through profit or loss.

11.21 Loans

Bank loans ensure long-term financing of the Group's operations. All loans are recognised at cost which is the fair value of the consideration received less the cost of issuing with respect to borrowing.

11.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has present legal or imputed liabilities as a result of past events; their settlement is possible through an outflow of resources and the exact liability amount may be estimated reliably. Provisions are reviewed on the date on which the Financial Statements are drafted and are adjusted in order to reflect the current value of the expense which is expected to be required to settle the liability. Restructuring provisions are identified only if there is a thorough restructuring plan and if Management has informed the affected parties on the plan's key points. When the impact on the value of money over time is significant, the amount of the provisions is the current value of the expenses expected to be required in order to settle the liability.

If it is not probable that an outflow of resources will be required in order to settle a liability for which a provision has already been raised, then it is reversed.

In cases where the outflow of economic resources due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognised in the financial statements.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the likelihood of a resource outflow incorporating economic benefits is remote. Possible inflows from economic benefits of the Group which do not meet the criteria of an asset are considered a contingent asset and are disclosed when the inflow of economic benefits is probable.

12 Group Structure

On 31.12.2011 the Group's financial statements were consolidated by applying the full consolidation method of accounting by MARFIN INVESTMENT GROUP Holdings S.A. In the financial statements the investments in subsidiaries and associates have been valued at impaired acquisition cost. In detail, the Group's structure and company consolidation method are broken down below.

Note	Company name	County of establishment	Type of participation	% of participation 31.12.11	Consolidation Method on 31.12.11	% of participation 31.12.10	Consolidation Method on 31.12.10
	SINGULARLOGIC S.A.	Greece	Parent company				
	PCS S.A.	Greece	Direct	50.50%	Full	50.50%	Full
	SINGULARLOGIC INTEGRATOR S.A.	Greece	Direct	100.00%	Full	100.00%	Full
	COMPUTER TEAM S.A.	Greece	Indirect	35.00%	Equity	35.00%	Equity
	INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity	34.00%	Equity
9	SINGULARLOGIC BUSINESS SERVICES S.A.	Greece	Direct	100.00%	Full	100.00%	Full
	LOGODATA S.A.	Greece	Direct	23.88%	Equity	23.88%	Equity
	METASOFT S.A.	Greece	Direct	68.80%	Full	68.80%	Full
7	METASOFT S.A.	Greece	Indirect	31.20%	Full	30.95%	Full
	SINGULAR ROMANIA SRL	Romania	Direct	100.00%	Full	100.00%	Full
	SINGULAR BULGARIA EOOD	Bulgaria	Direct	100.00%	Full	100.00%	Full
1	DPS LTD.	Greece	Direct	94.40%	Not consolidated	94.40%	Not consolidated
2	TASIS CONSULTANTS S.A.	Greece	Direct	59.60%	Not consolidated	59.60%	Not consolidated
3	VELVET JOINT VENTURE	Greece	Direct	50.00%	Not consolidated	50.00%	Not consolidated
4	MODULAR S.A.	Greece	Direct	60.00%	Not consolidated	60.00%	Not consolidated
5	BUSINESS LOGIC S.A.	Greece	Direct	97.40%	Not consolidated	97.40%	Not consolidated
5	HELP DESK S.A.	Greece	Indirect	87.00%	Not consolidated	87.00%	Not consolidated
6	AUTOMATION DYNAMICS A.E.	Greece	-	-	-	60.00%	Not consolidated
	SYSTEM SOFT S.A.	Greece	Direct	62.00%	Full	49.00%	Full
7	SYSTEM SOFT S.A.	Greece	Indirect	34.00%	Full	33.73%	Full
8	SINGULARLOGIC CYPRUS LTD	Cyprus	Direct	77.00%	Full	70.00%	Full
7	G.I.T. HOLDING S.A.	Greece	Direct	100.00%	Full	99.20%	Full

7	G.I.T. CYPRUS	Cyprus	Indirect	100.00%	Full	99.20%	Full
7	DYNACOMP S.A.	Greece	Indirect	24.99%	Equity	24.99%	Equity
7	INFO S.A.	Greece	Indirect	35.00%	Equity	34.72%	Equity
7	CHERRY S.A.	Greece	Indirect	33.00%	Not consolidated	32.74%	Not consolidated
8	DSMS S.A.	Greece	Direct	93.34%	Full	80.01%	Full

Notes:

1. DPS LTD has been inactive since 1995. SingularLogic does not exert any management influence over it. DPS Ltd. was not included in the consolidation on 31.12.11.
2. TASIS - CONSULTING S.A. was put into liquidation by decision of its General Meeting on 20.07.2005. Approval for this decision was granted by the Prefecture. SingularLogic exerts no management influence over it. The liquidation had not been completed by 31.12.11. TASIS–CONSULTING S.A. was not included in the consolidation on 31.12.11.
3. VELVET Joint Venture has been inactive since 1995. SingularLogic does not exert any management influence over it. VELVET joint venture was not included in the consolidation on 31.12.11.
4. Modular S.A. was put into liquidation by decision of its General Meeting on 30.06.2005. On 15.11.2005 approval for this decision was granted by the Prefecture. The liquidation had not been completed by 31.12.11. Modular S.A. was not included in the consolidation on 31.12.11.
5. Business Logic S.A. and its subsidiary "Helpdesk S.A." were put into liquidation by decision of their General Meetings on 30.06.2005. Approval for these decisions was granted by the Prefecture. SingularLogic exerts no management influence over these companies. The liquidation had not been completed by 31.12.11. These companies were not included in the consolidation on 31.12.2011.
6. Automation Dynamics S.A. was put into liquidation by decision of its General Meeting on 30.06.2005. On 30.09.2005 approval for this decision was granted by the Prefecture. On 08.12.2011 its deletion (Ref. No. EM-25578/11) was recorded in the Companies Register together with a decision of the shareholders General Meeting dated 31.01.2010.
7. The company raised its direct holding in its subsidiary "GIT HOLDINGS S.A." to 100% by returning the minority interest. GIT HOLDINGS, through its direct holding in G.I.T. CYPRUS LIMITED, currently has an indirect holding in DYNACOMP S.A., INFO S.A., METASOFT S.A., SYSTEMSOFT S.A. and CHERRY S.A. Due to the aforementioned return of minority interest, the indirect holding in METASOFT S.A. and SYSTEM SOFT S.A. gave rise to new stakes of 31.20% and 34% respectively. During 2011, the Company acquired an additional stake of 13% in the subsidiary "SYSTEMSOFT S.A." and, thus, on 31.12.2011 the direct holding stands at 62% and, overall, both direct and indirect holdings amount to 96%.

   CHERRY S.A. was put into liquidation by decision of its General Meeting on 13.07.2006. On 31.07.2006 approval for this decision was granted by the Prefecture. The liquidation had not been completed by 31.12.11. CHERRY S.A. was not included in the consolidation on 31.12.11.

8. In 2011, the Company acquired an additional stake of 13.32% in the subsidiary “DSMS S.A.” and 7% in the subsidiary “SINGULARLOGIC CYPRUS LTD” and, thus, on 31.12.2011 the new holdings amount to 93.34% and 77% respectively.
9. The Board of Directors of SINGULARLOGIC S.A. (absorbing entity) and the Board of Directors of SINGULARLOGIC BUSINESS SERVICES S.A. (absorbed entity) decided to proceed to a merger through absorption of the latter by the former in compliance with the provisions of Article 78 of Codified Law 2190/1920 and articles 1-5 of Law 2166/1993 with the transformation balance sheet dated 30.06.2011.

Relying on IAS 27, according to which a parent company loses control over a subsidiary where the subsidiary is subject to state, judicial, managerial or supervisory control, on 31.12.11 the Company did not include in the consolidation the companies in liquidation since control of those companies lies with their liquidators.

13 Segmental Reporting

Operating Segments:

The Group’s activities are:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products.
- Software production, development and support.
- IT - computing services.
- Software, hardware and systems software

The Group sales per category are analysed as follows:

Breakdown of sales per category	**31/12/2011**	**24/07/2009-31/12/2010**
Amounts in €		
Sales of software licences	5,466,755	13,320,688
Software maintenance sales	18,928,438	31,530,744
Sales of services	27,153,812	60,001,182
Sales of Merchandises	7,330,525	20,628,770
Total	**58,879,531**	**125,481,385**

The Company uses a customer-focused approach in monitoring its business activities, by placing its customers in three categories, which also constitute its business sectors:

- Large enterprises
- SMEs and
- the public sector.

Sales in each sector are cited in the table below and include more than one of the aforementioned activities. Group results per operating segment are broken down as follows:

01/01-31/12/2011

Amounts in euro	Large corporations	SMEs	State	Total
Revenue	39,194,019	15,161,394	4,524,118	**58,879,531**
Earnings before interest, taxes, depreciation and amortisation				**3,245,512**
Depreciation				**4,281,670**
Operating profit/ losses				**(1,036,158)**
Other non-allocated net income				(1,496,218)
Financial expenses				(3,751,874)
Earnings before tax				**(6,284,250)**
Income tax				(265,302)
Net profits/ losses				**(6,549,552)**

24/07/2009-31/12/2010

Amounts in euro	Large corporations	SMEs	State	Total
Revenue	76,319,806	30,626,715	18,534,864	**125,481,385**
Earnings before interest, taxes, depreciation and amortisation				**20,047,257**
Depreciation				**5,454,849**
Operating profit/ losses				**14,592,408**
Other non-allocated net income				(1,153,099)
Financial expenses				(5,004,116)
Earnings before tax				**8,439,099**
Income tax				(1,403,934)
Net profits				**7,035,164**

Consolidated assets and liabilities can be allocated to these operating segments as follows:

01/01-31/12/2011

Amounts in euro	Large corporations	SMEs	State	Total
Assets per sector	116,979,234	45,250,993	13,502,770	175,732,997
Non-allocated assets				13,044,988
Consolidated Assets				**188,777,985**
Liabilities per sector	31,544,676	12,202,404	3,641,163	47,388,243
Non-allocated liabilities				59,601,381
Consolidated liabilities				**106,989,624**

24/07/2009-31/12/2010

Amounts in euro	Large corporations	SMEs	State	Total
Assets per sector	114,407,235	45,910,989	27,784,695	188,102,919
Non-allocated assets				24,848,245
Consolidated Assets				**212,951,164**
Liabilities per sector	34,756,452	13,947,572	8,440,877	57,144,901
Non-allocated liabilities				67,649,630
Consolidated liabilities				**124,794,531**

Geographical information reporting:

The Group primarily operates in Greece where it has its registered office while also operating in the European Union, the latter accounting for 12% of its consolidated turnover.

01.01 - 31.12.2011	Greece	European countries	Other countries	Total
Income from clients	51,719,330	7,160,201	0	**58,879,531**
Non-current assets	108,813,703	374,520	0	**109,188,224**

24.07.2009 - 31.12.2010	Greece	European countries	Other countries	Total
Income from clients	113,441,186	10,602,353	1,437,846	**125,481,385**
Non-current assets	108,845,890	319,013		**109,164,903**

Non-current assets do not include Financial Assets or Deferred Tax Assets in accordance with the requirements of IFRS 8.

Customer concentration:

During the year, the amount of €7 million of the total income of SINGULARLOGIC Group originated from MIG Group and accounted for approximately 12.12% of sales. The income of these customers is included in the "Large Corporations" sector. Moreover, the Public Sector accounts for sales of 7.68% of the total consolidated turnover.

14 Notes to the Financial Statements

14.1 Tangible assets

On 31.12.2011, the tangible assets of the Group and the Company are broken down as follows:

THE GROUP

(amounts in €)	Buildings and facilities	Transportation equipment	Transportation equipment through leasing	Machinery	Furniture and other equipment	Total
Book value on 24 July 2009	-	-	-	-	-	-
Gross book value	1,808,983	76,553	111,099	2,694,101	5,766,795	**10,457,532**
Accumulated depreciation	(1,041,486)	(68,509)	(62,286)	(2,659,000)	(4,694,161)	**(8,525,442)**
Book value on 31.12.2010	**767,497**	**8,045**	**48,813**	**35,101**	**1,072,634**	**1,932,090**
Gross book value	1,808,983	76,553	111,099	664,891	5,327,887	**7,989,498**
Accumulated depreciation	(1,247,653)	(71,772)	(84,085)	(633,585)	(4,358,077)	**(6,395,258)**
Book value on 31.12.2011	**561,330**	**4,781**	**27,014**	**31,305**	**969,810**	**1,594,240**

(amounts in €)	Buildings and facilities	Transportation equipment	Transportation equipment through leasing	Machinery	Furniture and other equipment	Total
Book value on 24 July 2009	-	-	-	-	-	-
Additions from acquisition of SingularLogic Group on 3.8.2009	963,173	24,674	70,612	81,991	1,842,589	**2,983,039**
Additions	94,237	7,498	0	21,977	323,994	**447,705**
Acquisition cost of disposals/ revoked products	0	(1,377)	0	(447)	(2,211,727)	**(2,213,551)**
Depreciation of disposals/ revoked products	0	1,377	0	447	2,188,376	**2,190,200**
Depreciation	(289,912)	(24,107)	(21,799)	(68,867)	(1,070,620)	**(1,475,305)**
Net foreign exchange differences	0	(21)	0	0	22	**1**
Book value on 31.12.2010	**767,497**	**8,045**	**48,813**	**35,101**	**1,072,634**	**1,932,090**
Additions	0	0	0	12,648	687,074	**699,722**
Acquisition cost of disposals/ revoked products	0	0	0	(2,041,858)	(1,125,982)	**(3,167,841)**
Depreciation of disposals/ revoked products	0	0	0	2,041,768	1,120,963	**3,162,731**
Depreciation	(206,167)	(3,263)	(21,799)	(16,353)	(784,879)	**(1,032,462)**
Book value on 31.12.2011	**561,330**	**4,781**	**27,014**	**31,305**	**969,810**	**1,594,240**

THE COMPANY

(amounts in €)	Buildings and facilities	Transportation equipment	Machinery	Furniture and other equipment	Total
Book value on 24 July 2009	-	-	-	-	-
Gross book value	1,092,953	6,042	2,103,159	3,366,460	**6,568,614**
Accumulated depreciation	(637,604)	(4,486)	(2,093,384)	(2,771,475)	**(5,506,948)**
Book value on 31.12.2010	**455,350**	**1,556**	**9,776**	**594,985**	**1,061,666**
Gross book value	1,092,953	6,042	107,512	2,825,896	**4,032,469**
Accumulated depreciation	(768,846)	(4,797)	(100,227)	(2,132,913)	**(3,006,851)**
Book value on 31.12.2011	**324,107**	**1,245**	**7,284**	**692,983**	**1,025,619**

	Buildings and facilities	Transportation equipment	Machinery	Furniture and other equipment	Total
Book value on 24 July 2009	-	-	-	-	-
Additions from merger with SingularLogic SA on 16.06.2010	519,145	1,725	6,978	659,416	**1,187,263**
Additions	9,020		5,251	165,985	**180,256**
Depreciation	(72,815)	(169)	(2,453)	(230,415)	**(305,852)**
Book value on 31.12.2010	**455,350**	**1,556**	**9,775**	**594,985**	**1,061,666**
Additions	0	0	1,265	585,310	**586,575**
Acquisition cost of disposals/ revoked products	0	0	(1,996,913)	(1,125,874)	**(3,122,787)**
Depreciation of disposals/ revoked products	0	0	1,996,898	1,120,788	**3,117,685**
Depreciation	(131,242)	(311)	(3,741)	(482,293)	**(617,587)**
Book value on 31.12.2011	**324,107**	**1,245**	**7,284**	**692,983**	**1,025,619**

There are no mortgages or mortgage liens or other encumbrances registered in respect of the fixed assets.

Group's operating leases as a lessee:

The future rental fees from buildings' operating leases of the Group and the Company are broken down as follows:

THE GROUP

01/01-31/12/2011	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	1,769,874	7,487,195	447,719	**9,704,788**
Vehicles	951,080	2,853,239	-	**3,804,319**

THE COMPANY

01/01-31/12/2011	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	1,378,765	5,982,668	335,135	**7,696,569**
Vehicles	753,152	2,259,457	-	**3,012,609**

THE GROUP

24/07/2009-31/12/2010	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	1,763,224	7,002,967	-	**8,766,191**
Vehicles	528,712	394,497	-	**923,209**

THE COMPANY

24/07/2009-31/12/2010	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	1,368,110	6,021,168	-	**7,389,278**
Vehicles	490,249	360,132	-	**850,381**

The operating lease rental fees which were recognised as expenses during the period 01.01-31.12.2011 for all fixed assets of the Group and the Company amount to €3,715,608 (24.07.2009-31.12.2010: €3,151.160) and to

€2,920,028 (24.07.2009-31.12.2010: € 609,498) respectively. Buildings and vehicles leasing contracts have a 7-year and a 4-year term respectively.

14.2 Intangible assets

The largest part of the Group's intangible assets pertains to the recognised mark of the absorbed company "SingularLogic S.A." on software developed by Group companies and also on purchased software licenses. The book values of the above are broken down in the tables below.

THE GROUP

(amounts in €)	Software	Development	Commercial trademarks	Rights	Total
Book value on 24 July 2009	-	-	-	-	-
Gross book value	5,610,806	21,429,804	32,500,000	373,414	**59,914,024**
Accumulated depreciation	(5,180,629)	(3,456,652)	0	(366,425)	**(9,003,705)**
Book value on 31.12.2010	**430,177**	**17,973,152**	**32,500,000**	**6,989**	**50,910,319**
Gross book value	6,111,439	24,512,281	32,500,000	373,414	**63,497,134**
Accumulated depreciation	(5,801,582)	(6,077,915)	0	(373,414)	**(12,252,912)**
Book value on 31.12.2011	**309,856**	**18,434,364**	**32,500,000**	**0**	**51,244,222**

(amounts in €)	Software	Development	Commercial trademarks	Rights	Total
Book value on 24 July 2009	-	-	-	-	-
Additions at fair value from acquisition of SingularLogic Group on 3.8.2009	535,165	15,264,853	32,500,000	21,989	**48,322,007**
Additions	913,289	5,707,175	0	2,000	**6,622,464**
Acquisition cost of disposals	(54,610)	0	0	0	**(54,610)**
Depreciation	(963,668)	(2,998,876)		(17,000)	**(3,979,544)**
Net foreign exchange differences	1	0	0	0	**1**
Book value on 31.12.2010	**430,177**	**17,973,152**	**32,500,000**	**6,989**	**50,910,319**
Additions	570,202	3,082,477	0	0	**3,652,679**
Acquisition cost of disposals	(69,570)	0	0	0	**(69,570)**
Depreciation	(620,956)	(2,621,264)	0	(6,989)	**(3,249,208)**
Book value on 31.12.2011	**309,856**	**18,434,364**	**32,500,000**	**0**	**51,244,222**

THE COMPANY

(amounts in €)	Software	Development	Commercial trademarks	Rights	Total
Book value on 24 July 2009	-	-	-	-	-
Gross book value	3,576,605	19,799,443	32,500,000	140,062	**56,016,112**
Accumulated depreciation	(3,210,921)	(2,789,652)	-	(133,073)	**(6,133,646)**
Book value on 31.12.2010	**365,684**	**17,009,792**	**32,500,000**	**6,989**	**49,882,465**
Gross book value	3,979,425	22,881,920	32,500,000	140,062	**59,501,406**
Accumulated depreciation	(3,717,388)	(5,264,582)	-	(140,062)	**(9,122,032)**
Book value on 31.12.2011	**262,037**	**17,617,337**	**32,500,000**	**0**	**50,379,375**

	Software	Development	Commercial trademarks	Rights	Total
Book value on 24 July 2009	-	-	-	-	-
Additions at fair value from merger with SingularLogic S.A. on 16.06.2010	389,702	16,492,311	32,500,000	13,489	**49,395,502**
Additions	196,840	2,066,664			**2,263,504**
Acquisition cost of disposals	(54,610)				**(54,610)**
Decrease of depreciation					**0**
Depreciation	(166,248)	(1,549,182)		(6,500)	**(1,721,930)**
Book value on 31.12.2010	**365,684**	**17,009,792**	**32,500,000**	**6,989**	**49,882,465**
Additions	472,389	3,082,477	0	0	**3,554,866**
Acquisition cost of disposals	(69,570)	0	0	0	**(69,570)**
Depreciation	(506,467)	(2,474,930)	0	(6,989)	**(2,988,386)**
Book value on 31.12.2011	**262,037**	**17,617,337**	**32,500,000**	**0**	**50,379,375**

14.3 Goodwill

The goodwill of the Company and the Group was established in the financial statements upon acquisition of SingularLogic Group on 03.08.2009 and subsequent absorption of SingularLogic S.A. on 15.6.2010, by finalising the assessed fair value of the net assets acquired through the group's acquisition, which was completed in the third quarter of 2010.

14.3.1 Goodwill impairment test

Goodwill impairment was tested in the current year. The recoverable amount of a cash generating unit (CGU) was determined by using their value in use. Pre-tax forecast cash flows were used to calculate the value in use and were based on budgets and forecasts approved by Management which reflect past experience, forecasts of studies and other available information from external sources. Management uses assumptions they find reasonable and are based on the best possible information available and in effect on the reporting date of the Financial Statements.

The perpetuity growth rate used due to the uncertainties under the current economic circumstances and market conditions stands at 1.5% for all cash generating units of the Group while the interest rate used in the discount of pre-tax cash flows is equal to 12.6% for 2012 and to 8.9% for 2013 and thereafter.

The discount rate used is the pre-tax rate and reflects the risks specific to the respective operating segments and the economic environment of the main country of operations which has generated the highest goodwill.

The provisions for all cash generating units were adjusted to reflect the overall market decline which is expected to affect the company's cash flows too. The impairment test was carried out having regard to these last developments but did not generate any need to reduce the goodwill raised. Following the above developments, Management expects a lower growth rate with profit margins, however, being maintained for all CGUs due to the contained expenses and more rational utilisation of human resources. Apart from the aforementioned estimates for the calculation of value in use of the CGUS, Management is not aware of any other changes in circumstances which might affect its assumptions.

14.4 Investments in subsidiaries

In the financial statements, the investments in subsidiaries have been valued at acquisition cost. The reporting date of the subsidiaries' financial statements which was used in full consolidation does not vary from the reporting date of the parent company.

The investments in subsidiaries in the financial statements of the parent company are broken down below:

(amounts in €)	**31/12/2011**	**31/12/2010**
Balance at start of period	**10,404,865**	**-**
Acquisition of SingularLogic S.A. Group		145,398,185
Additions from acquisition of SingularLogic Group		(134,216,045)
Decrease/ refund of share capital	(7,383)	(1,090,759)
Increase / (Decrease) in investments	178,364	300,000
Stock Option to Employees of Subsidiaries		13,484
Balance at end of period	**10,575,846**	**10,404,865**

During the year, the Company acquired an additional stake of 13% in the subsidiary "System Soft S.A." in exchange for €78,364 and also 13.32% in the subsidiary "DSMS S.A." for the total consideration of €100,000. During the year, the wholly-owned subsidiary "SingularLogic Business Services" refunded the amount of €500k. The subsidiary's value in the parent company's financial statements amounted to €7,383 and, thus, the difference was recognised as an extraordinary income in the income statement (see Note 14.27 "Other Financial Results"). In addition, in the current year, the Company acquired an additional stake of 7% in the subsidiary "SingularLogic Cyprus LTD" for nil consideration. The company raised its direct holding in its subsidiary "GIT HOLDINGS S.A." to 100% by returning the minority interest by €3,959.

14.5 Investments in associates

On 31 December 2011, the investments in the Group's affiliated entities are as follows:

(amounts in €)	**31/12/2011**	**31/12/2010**
Balance at start of period	**1,378,771**	**-**
Additions from absorption of SingularLogic S.A.		1,425,300
Share of (losses)/profits	34,304	(46,529)
Balance at end of period	**1,413,074**	**1,378,770**

Company name	**Country of establishment**	**% holding**	**Acquisition cost**	**Accumulated Impairment**	**Profit / (loss) for the period**	**Balance**
COMPUTER TEAM S.A.	Greece	35.00%	1,069,026	28,507	(56,566)	1,040,967
INFOSUPPORT S.A.	Greece	34.00%	200,001	(200,001)		0
LOGODATA S.A.	Greece	34.00%	49,981	(49,981)		0
DYNACOMP S.A.	Cyprus	24.99%	415,000	(133,763)	90,869	372,107
Total			**1,734,007**	**(355,236)**	**34,304**	**1,413,074**

The reporting date of the associates' financial statements, which were used to implement the equity method of accounting, is the same with the date used by the parent company, save the associate "Dynacomp S.A.", with the 30th of June as closing date. The interests in Infosupport and Logodata with an acquisition cost of €249,981 in the Company's financial statements have been fully impaired in the consolidated Statement of Financial Position on 31.12.2011.

14.6 Other long-term receivables

On 31.12.2011, the other long-term receivables of the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Loans to affiliated entities	0	0	450,000	450,000
Guarantees granted	643,395	650,430	492,594	498,462
Total other long-term receivables	**643,395**	**650,430**	**942,594**	**948,462**

The Company has granted a loan to a Group subsidiary. Transactions with the subsidiary take place on an arm's length basis.

14.7 Financial assets available for sale

Available-for-sale financial assets include assets of unlisted companies operating in Greece are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Opening balance	**164,922**	**-**	**137,682**	**-**
Additions from acquisition of SingularLogic S.A. Group	-	196,286	-	-
Additions from absorption of SingularLogic S.A.	-	-	-	137,682
Additions in the period	1,744	-	1,744	-
Sales / Deletions				
- Sale of holding	-	(31,364)	-	-
Other transactions	(10,863)	-	(10,863)	-
Closing balance	**155,803**	**164,922**	**128,563**	**137,682**

14.8 Inventories

On 31.12.2011 the inventories for the Group and the Company are presented as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Merchandise	2,166,129	2,661,104	1,450,820	1,930,856
Consumables	79,455	75,574	0	0
End products	1,326	1,326	0	0
Total	**2,246,910**	**2,738,004**	**1,450,820**	**1,930,856**
Less: Provisions for merchandise	(1,128,275)	(1,200,837)	(715,139)	(867,701)

Total net realisable value	**1,118,635**	**1,537,167**	**735,682**	**1,063,156**

The amount of inventories recognised as an expense during the year and included in the Company's cost of goods sold is equal to €3,208,519 and €5,729,742 for the Company and the Group respectively. The Group has not pledged any inventories.

The provisions for the period are broken down as follows:

(amounts in €)	**Note**	**THE GROUP 31/12/2011**	**THE COMPANY 31/12/2011**
Opening balance		**(1,200,837)**	**(867,701)**
Additions	14.25	(160,000)	(80,000)
Reversal of provisions for devaluation		232,562	232,562
Closing balance		**(1,128,275)**	**(715,139)**

14.9 Customers and other trade receivables

On 31.12.2011, the receivables are broken down as follows:

	THE GROUP		**THE COMPANY**	
(amounts in €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Customers	58,554,468	65,569,312	47,265,920	53,380,652
Bills receivable	199,753	185,177	169,574	154,567
Cheques receivable	12,387,701	11,398,943	11,512,173	10,515,470
Less: Provisions for impairment	(30,753,428)	(29,840,812)	(24,422,352)	(23,560,734)
Net trade Receivables	**40,388,493**	**47,312,620**	**34,525,315**	**40,489,955**

The provisions for the period are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Opening balance		**29,840,812**	**-**	**23,560,734**	**-**
Additions from acquisition of SingularLogic S.A. Group		-	27,051,648	-	-
Additions from absorption of SingularLogic S.A.		-	-	-	21,853,761
Provision for period	14.25	1,453,710	2,317,715	986,387	960,933
Amounts carried forward		-	1,648,463	-	1,021,521
Collection of bad debts	14.25	(487,854)	(322,461)	(124,770)	(275,481)
Used provisions		-	(243,782)	-	-
Deletions		(53,240)	(610,770)	-	-
Closing balance		**30,753,428**	**29,840,812**	**24,422,352**	**23,560,734**

In the year the Company discounted non-impaired receivables of €9,041k at an annual discount rate of 5.4%. The discount cost of €1,019k was recognised in “Other Financial Results” and is deducted from Customers balance.

The fair value of the above short-term financial assets is not determined separately as their book value is considered as approaching their fair value while the Group has impaired long-term receivables.

Indications of impairment have been assessed for all of the Group's receivables. In addition, certain receivables which have not been impaired are overdue. The maturity of the above receivables is presented in the table below:

	THE GROUP		THE COMPANY	
Amounts in €	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Non-overdue and non-impaired	**27,600,321**	**17,828,857**	**24,370,990**	**15,174,898**
Overdue and non-impaired				
Less than 3 months	3,221,552	5,516,956	2,602,446	4,695,992
Between 3 and 6 months	3,324,058	6,949,944	2,565,337	5,915,358
Between 6 months and 1 year	2,361,221	8,203,934	2,178,550	6,982,542
More than 1 year	3,881,340	8,812,929	2,807,992	7,721,166
Total	**40,388,493**	**47,312,620**	**34,525,315**	**40,489,955**

14.10 Other receivables

On 31 December 2011, other receivables for the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Sundry debtors	4,035,244	4,042,056	2,891,666	2,945,846
Receivables from the Greek State	2,529,276	2,806,997	415,978	197,432
Other receivables	64,651	60,879	29,825	35,648
Receivables from affiliates	156,130	164,437	359,468	323,857
Receivables assigned to a factoring company	0	51,825	0	51,825
Less: provisions for bad debts	(2,685,436)	(2,650,656)	(2,667,656)	(2,650,656)
Net debtor receivables	**4,099,866**	**4,475,537**	**1,029,281**	**903,950**
Total	**4,099,866**	**4,475,537**	**1,029,281**	**903,950**

The provisions for the period are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Opening balance on 1 Jan 2011		**2,650,656**	**-**	**2,650,656**	**-**
Additions from acquisition of SingularLogic S.A. Group		-	2,309,108	-	-
Additions from absorption of SingularLogic S.A.		-	-	-	2,309,108
Provision for period	14.25	17,000	64,237	17,000	64,237
Amounts carried forward	14.25	17,780	277,311	-	277,311
Closing balance on 31 Dec 2011		**2,685,436**	**2,650,656**	**2,667,656**	**2,650,656**

14.11 Other current assets

On 31 December 2011, other current assets of the Group and the Company are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Prepaid expenses		5,452,127	6,208,515	5,041,435	5,573,329
Receivables from works contracts	14.15	13,903,024	18,114,200	9,434,774	12,245,287

Receivables from European subsidies	726,475	660,870	726,475	656,020
Non-current receivables from currently earned income	266,176	64,731	127,571	0
	20,347,802	**25,048,316**	**15,330,255**	**18,474,637**

Other current assets consist, in their majority, of receivables from works contracts. The details on works contracts are set out in paragraph 14.15 "Works Contracts". In addition, this account includes cost brought forward from maintenance services for which the income and the respective cost are recognised according to the duration of the said contracts.

14.12 Financial assets measured at fair value with changes recognised through profit or loss

The Company does not have any financial assets at fair value through profit or loss. On 31 December 2011, financial assets at fair value through profit or loss of the Group are broken down as follows:

		THE GROUP		**THE COMPANY**
(amounts in €)	**Note**	**31/12/2011**	**31/12/2010**	**31/12/2011**
Balance at start of period		**10,507**	**-**	**-**
Additions (+)				
- Fair values from acquisition of SingularLogic S.A. Group		-	25,643	-
Sales (-)		(1,436)		-
Profits/ (losses) from measurement at fair value	14.27	(11,340)	(14,663)	(7,445)
Other adjustments/ Deletions		10,863	(473)	10,863
End of period		**8,595**	**10,507**	**3,418**

Listed securities:	**31/12/2011**	**31/12/2010**	**31/12/2011**
Shares - Greece	8,103	10,015	3,418
Shares- Cyprus	492	492	
Total	**8,595**	**10,507**	**3,418**

Changes in the fair value of financial assets are included in “Other financial results”. The fair value of the above equity instruments is based on their current market price, in the market in which they are traded.

14.13 Derivative financial instruments

The Company has entered into Interest Rate Swaps with credit institutions. The above swaps were concluded to hedge the risk from the fluctuations of the interest rates of the corporate bond totalling €26 million, which the absorbed company "SingularLogic S.A.” took out in 2007.

On 31.12.2011 these swaps are broken down as follows:

INTEREST RATE SWAPS				
Counterparty Bank	**Value of swaps**	**Maturity**	**Interest rate swap**	
			Receives	**Pays**
MARFIN EGNATIA BANK	5,000,000	11/7/2012	Euribor 3 M	4.46%
MARFIN EGNATIA	5,000,000	11/7/2012	Euribor 3 M	4.07%

BANK				
MARFIN EGNATIA BANK	5,000,000	11/7/2012	Euribor 3 M	3.96%
	15,000,000			

The real values of derivative financial instruments are their marked to market values. For all swaps, the real values are confirmed by credit institutions with which the Group has entered into relevant agreements.

The fair value of the derivatives on 31.12.2011 is broken down as follows:

	31/12/2011		
		Fair value	
(Amounts in €)	**Nominal value of swaps**	**Assets**	**Liabilities**
Derivatives held for trading			
a. Interest rate swap with cap/floor option	15,000,000	0	309,838
Total interest rate derivatives which are not exchange traded	**15,000,000**	**0**	**309,838**

	31/12/2010		
		Fair value	
(Amounts in €)	**Nominal value of swaps**	**Assets**	**Liabilities**
Derivatives held for trading			
a. Interest rate swap with cap/floor option	21,650,000	0	850,955
Total interest rate derivatives which are not exchange traded	**21,650,000**	**0**	**850,955**

The derivative financial instruments are measured at their fair value and are presented under assets when their value is positive and under liabilities when their value is negative.

Company Management estimates that these derivatives meet the conditions for implementing hedge accounting. During the year the Company paid €527,633 from derivatives settlement. The net expense of €493,086 is included in the "Other Financial Results" account.

14.14 Deferred tax

A deferred tax asset is recognised for tax losses carried forward to the extent that it is probable that a relevant tax benefit will be realised through future taxable profits. On 31.12.11 the Group has not recognised any deferred asset for the deferred tax losses. The deferred tax assets/liabilities which arise from the interim tax adjustments are presented below:

	THE GROUP				**THE COMPANY**			
	31/12/2011		**31/12/2010**		**31/12/2011**		**31/12/2010**	
	Asset	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**
Non-current assets								
Intangible assets	21,741	7,695,413	28,147	7,944,918	21,741	7,596,685	21,741	7,817,541
Tangible assets	-	-	-	-	-	-	-	-
Current assets	-	-	-	-	-	-	-	-
Other current assets	-	3,615,551	1,546,711	4,127,220	-	2,714,820	1,546,711	3,111,871
Reserves								
Subsidies to fixed assets investments	-	269,516	-	29,927	-	269,516	-	19,528
Results carried forward	-	-	-	-	-	-	-	-
Long-term liabilities	-	-	-	-	-	-	-	-
Staff termination liabilities	675,936	-	620,363	-	474,948	-	439,898	-
Short-term liabilities	-	-	-	-	-	-	-	-
Other liabilities	1,654,329	240,000	556,753	240,000	1,263,099		29,392	-
Offsetting	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**2,352,006**	**11,820,479**	**2,751,973**	**12,342,065**	**1,759,788**	**10,581,021**	**2,037,742**	**10,948,940**

14.15 Works Contracts

The items regarding works contracts are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Project expenses incurred	7,671,924	14,256,990	5,467,305	6,703,560
Plus/(Less): Recognised profits/ (losses)	276,358	16,182,908	602,898	3,357,439
Total income from works contracts recognised in the period	**7,948,282**	**30,439,898**	**6,070,202**	**10,060,999**
Receivable from customers for contractual work	13,903,024	18,114,198	9,434,774	12,245,287
Payable to customers for contractual work	(109,793)	0	(84,009)	0
Total non-invoiced work	**13,793,231**	**18,114,198**	**9,350,765**	**12,245,287**
Advances	455,797	265,797	-	-
Non-executed remainder	**7,794,239**	**9,008,875**	**4,291,720**	**4,475,860**

The amounts pertaining to the advances received and the liability from works contracts are included in "Other short-term liabilities" in the Statement of Financial Position while receivables are included in "Other current assets".

In 2011, the Group and the Company wrote off receivables of €2,098,466 and €2,043,380 respectively. The above write-offs were deemed reasonable given the current financial circumstances and the non-collectibility of the said receivables.

Group Management assesses the profitability of works in progress on a monthly basis using detailed monitoring processes. The book values analysed above reflect the reasonable Management assessment about the result of each works contracts and the percentage of completion on the date of the Statement of Financial Position.

14.16 Cash and cash equivalents

The Group's and Company's cash and cash equivalents are analysed as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash in hand	20,588	60,055	7,901	5,304
Cash in bank	2,840,070	7,464,081	1,763,070	3,742,242
Short-term deposits	6,756,519	14,961,081	1,590,000	8,300,000
Blocked Deposits	1,501,384	0	1,489,715	0
Total cash and cash equivalents	**11,118,561**	**22,485,217**	**4,850,686**	**12,047,546**

The Group's and the Company's cash in banks includes an amount of €13,534 (2010: €371,968) attributed to those participating in programs subsidised by the European Union.

14.17 Equity

14.17.1 Share Capital

Company share capital stands at € 8,900,000 divided into 8,900,000 ordinary registered shares with a nominal value of €1.00

(amounts in €)	No. of shares	Nominal value	Ordinary Shares	Premium on capital stock	Total
24-July-09	-	-	-	-	-
Share capital increase through conversion of premium on capital stock	8,900,000	1,00	8,900,000	70,630,400	**79,530,400**
Share capital increase expenses				(83,399)	**(83,399)**
31 Dec 2010	**8,900,000**	**1,00**	**8,900,000**	**70,547,001**	**79,447,001**
31 Dec 2010	**8,900,000**	**1,00**	**8,900,000**	**70,547,001**	**79,447,001**
31 Dec 2011	**8,900,000**	**1,00**	**8,900,000**	**70,547,001**	**79,447,001**

14.17.2 Reserves

Group and Company other reserves are broken down as follows:

THE GROUP

(amounts in €)	Statutory Reserve	Financial instruments reserve	Other reserves	Total
24-July-09	-	-	-	-
Subsidiaries' profit distribution	91,410			**91,410**
Cash Flow Hedge		321,758		**321,758**
FX differences from conversion of foreign subsidiaries' financial statements			(1,900)	**(1,900)**
31 Dec 2010	**91,410**	**321,758**	**(1,900)**	**411,269**
31 Dec 2010	**91,410**	**321,758**	**(1,900)**	**411,269**
Subsidiaries' profit distribution	14,610			**14,610**
Cash Flow Hedge		432,894		**432,894**
FX differences from conversion of foreign subsidiaries' financial statements			(4,984)	**(4,984)**
31 Dec 2011	**106,020**	**754,652**	**(6,884)**	**853,787**

THE COMPANY

(amounts in €)	Statutory Reserve	Financial instruments reserve	Other reserves	Total
24-July-09	-	-	-	-
Profit distribution				**0**
Cash Flow Hedge		236,272		**236,272**
31 Dec 2010	**0**	**236,272**	**0**	**236,272**
31 Dec 2010	**0**	**236,272**	**0**	**236,272**

Profit distribution				0
Cash Flow Hedge		432,894		**432,894**
31 Dec 2011	**0**	**669,166**	**0**	**669,166**

14.18 Employee benefit liabilities

The amounts posted in the Income Statement and those recognised in the Statement of Financial Position are broken down as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.7.2009-31.12.2010**
Liabilities in the Statement of Financial Position for:				
Additions from merger with SingularLogic SA	-	-	-	2,451,256
Additions from acquisition of SINGULARLOGIC Group	-	3,446,061	-	-
Opening net liability	3,147,210	-	2,199,492	-
Total	**3,147,210**	**3,446,061**	**2,199,492**	**2,451,256**
Amounts in €				
Debit applied to results:				
Employer's contributions paid	(936,313)	(903,362)	(749,258)	(380,299)
Expense posted in income statement	1,209,146	604,511	926,419	128,534
Personnel transfer cost	-	-	(1,914)	-
Total	**272,834**	**(298,851)**	**175,247**	**(251,764)**
Total of closing net liability	**3,420,044**	**3,147,210**	**2,374,738**	**2,199,492**

The amounts entered in the Statement of Financial Position are shown below:

	THE GROUP		THE COMPANY	
Amounts in €	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.7.2009-31.12.2010**
Present value of financed liabilities – Additions from merger with SingularLogic S.A. on 16/06/2010	-	-	-	2,243,749
Present value of financed liabilities - Additions from Group acquisition on 3.8.2009	-	3,210,536	-	-
Present value of financed liabilities	2,953,942	-	2,086,509	-
Total	**2,953,942**	**3,210,536**	**2,086,509**	**2,243,749**
Non-recognised actuarial gains/ (losses)	466,102	(67,972)	288,230	(44,257)
	466,102	(67,972)	288,230	(44,257)
Liability in the Statement of Financial Position	**3,420,044**	**3,147,210**	**2,374,738**	**2,199,492**

The amounts recognised in the income statement are shown below:

	THE GROUP		THE COMPANY	
Amounts in €	**31.12.2011**	**24.7.2009 -**	**31.12.2011**	**24.7.2009-31.12.2010**

		31.12.2010		
Cost of current employment	374,667	489,383	272,054	108,216
Financial cost	172,600	264,394	123,300	83,288
Compensation paid	-	(903,362)	-	(380,299)
Effect of curtailment/ termination benefits	(266,869)	212,972	(220,107)	-
Net actuarial (gains)/ losses entered in the period	(7,564)	(362,238)	-	(62,971)
Total included in employee benefits	**272,834**	**(298,851)**	**175,247**	**(251,764)**

The major actuarial assumptions used for accounting purposes are as follows:

	31/12/2011	31/12/2010
Discount Rate	5.2%	5.5%
Future salary increases	4.5%	5.0%
Inflation	2.0%	2.5%

14.19 Borrowings

On 31.12.2011, the Group's and the Company's borrowings are broken down as follows:

	THE GROUP		COMPANY	
(amounts in €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term borrowing				
Corporate bonds	0	52,607,000	0	47,100,000
Liabilities under finance lease	29,291	49,025	0	0
Total long-term loans	**29,291**	**52,656,025**	**0**	**47,100,000**
Short-term loans				
Bank loans	2,548,356	8,469,873	1,335,715	7,515,000
Bonds payable in next year	57,000,000	6,500,000	54,100,000	6,500,000
Liabilities under finance lease	23,733	23,732	0	0
Total short-term loans	**59,572,090**	**14,993,605**	**55,435,715**	**14,015,000**
Total loans	**59,601,381**	**67,649,630**	**55,435,715**	**61,115,000**

The Group's borrowing mainly consists of 2 corporate bonds amounting to €31 million and €26 million respectively. The first corporate bond was obtained in July 2009 to finance the acquisition of SingularLogic S.A.'s shares while the second corporate bond was taken out in August 2007.

As regards the first corporate bond, bonds are divided in 2 tranches: Tranche A Bonds refer to 35,000,000 nominal bonds of the first Loan Tranche, with a total nominal value of €35,000,000 which were issued on a once-only basis. Tranche B Bonds refer to maximum twenty-five (25,000,000) nominal bonds of the second Loan Tranche, with the maximum total nominal value of €25,000,000, which are issued in part, in five (5) Separate Issues maximum which the Company may purchase and re-release.

To secure the receivables of credit institutions, a first-class pledge has been raised on 100% of the Company's 8,900,000 registered shares. Also, especially for tranche B bonds, a variable security on the Company's receivables (invoices) is raised by 108%.

The changes in the Company's and the Group's loans are as follows:

In 2011, the Company repaid an amount of €5,700,000 for the corporate bond granted by EFG EUROBANK ERGASIAS S.A. Of this, the amount of €2,000,000 concerned tranche A and the balance tranche B, through the acquisition of 5,700,000 bonds. Also, the Company obtained a loan of €6,200,000 for tranche B by re-releasing 6,200,000 bonds.

The Group repaid €8,307,000 for the same loan, of which the amount of €2,000,000 concerned tranche A and the balance concerned tranche B by acquiring 8,307,000 bonds, and obtained a loan of €6,200,000 for tranche B by re-releasing 6,200,000 bonds. On 31.12.2011, the balance of this particular loan stands at €28,100,000 for the Company and to €31,000,000 for the Group as opposed to €27,600,000 and €33,107,000 for the Company and the Group on 31.12.2010. The amounts of €28,100,000 and €31,000,000 for the Company and the Group pertain to short-term borrowing due to the obligatory payment in 2012.

The balance of the corporate bond of €26,000,000 acquired by the Company through absorption of SINGULARLOGIC S.A. remains invariable on 31.12.2011 and pertains to short-term borrowing due to the obligatory payment until 11.07.2012. On 31.12.2011, the total borrowing concerning the Corporate Bond amounted to €54,100,000 and €57,000,000 for the Company and the Group respectively in comparison with €53,600,000 and €59,107,000 for the Company and the Group on 31.12.2010.

On 31.12.2011 total short-term borrowing of the Company and the Group amounted to €55,435,715 and €59,572,090 respectively, including the corporate bonds of both Company and Group. On 31.12.2010 the respective amounts for the Company and the Group were €7,515,000 and €8,493,605 and the difference is mainly due to the transfer of the Corporate Bond amounts from long-term borrowing to short-term due to the aforementioned obligatory payment in 2012.

The above loan agreements stipulate the compliance with specific financial ratios for the Company such as a minimum ratio of net bank loans to EBITDA, maximum EBITDA to net financial cost and a minimum ratio of total borrowings to equity. Non-compliance with the above ratios on 31.12.2011 resulted directly in increased spreads of borrowing rates and may give rise to termination of the corporate bonds of €57 million. Therefore, the Group is at a stage of negotiating new long-term loan agreements with credit institutions to maintain its liquidity.

The maturity dates of all loans are as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Up to 1 year	59,572,090	14,993,605	55,435,715	14,015,000
Between 1 and 2 years	29,291	52,656,025	-	47,100,000
	59,601,381	**67,649,630**	**55,435,715**	**61,115,000**

The Group's liability under finance leases is broken down as follows:

	31/12/2011		31/12/2010	
	Future minimum lease payments	**Present value of future minimum lease payments**	**Future minimum lease payments**	**Present value of future minimum lease payments**

Up to 1 year	25,633	23,733	25,632	23,733
Between 1 and 5 years	47,106	29,291	72,738	49,025
Over 5 years	0	0	0	0
Total minimum future payments	**72,739**	**53,025**	**98,370**	**72,758**
Less: Interest expenses	(19,713)	0	(25,612)	0
Total present value of future minimum lease payments	**53,025**	**53,025**	**72,758**	**72,758**

The effective average borrowing rates on the date of the Statement of Financial Position are as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Bank loans (short-term)	4.75%	8%	4.70%	8%
Bank loans (long-term)	5.10%	4%	-	4%

14.20 Provisions

On 31 December 2011, the provisions and account transactions during the year are broken down as follows:

	THE GROUP		
(amounts in €)	**Tax liabilities**	**Other provisions**	**Total**
24-July-09	-	-	-
Additions from acquisition of SingularLogic Group	378,176	1,274,259	**1,652,435**
Additional provisions for the period	300,000	138,538	**438,538**
Provision for recognition of loss from construction contracts		36,735	**36,735**
Depreciation of loss from works contract		(408,474)	**(408,474)**
Transfers deducted from customers		(280,317)	**(280,317)**
Provisions for year used	(299,024)	(9,480)	**(308,504)**
31 Dec 2010	**379,151**	**751,261**	**1,130,413**
Used provisions of the year for depreciation of losses from works contract	-	(145,228)	**(145,228)**
Unused provisions of the year for depreciation of losses from works contract	-	(226,749)	**(226,749)**
Provision for recognition of loss from works contracts	-	6,478	**6,478**
31 Dec 2011	**379,151**	**385,762**	**764,914**

	THE COMPANY		
(amounts in €)	**Tax liabilities**	**Other provisions**	**Total**
24-July-09	-	-	-
Additions from merger with SingularLogic S.A.	329,151	664,394	**993,546**
Transfers deducted from other receivables		(280,317)	**(280,317)**
Provisions for year used			
31 Dec 2010	**329,151**	**384,078**	**713,229**
Additions	-	-	-
Used provisions	-	-	-
31 Dec 2011	**329,151**	**384,078**	**713,229**

The provision for loss from a subsidiary's works contract was depreciated by €372k during the year by the project's percentage of completion.

14.21 Suppliers and other liabilities

The Group's and the Company's supplier and other liability balances are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Suppliers	11,266,810	15,067,507	8,576,662	12,639,419
Bills payable	70,961	0	0	0
Cheques payable	298,204	1,455,684	272,391	1,055,773
Total	**11,635,975**	**16,523,192**	**8,849,053**	**13,695,192**

The above trade and other liabilities are considered short-term. Management believes that the book values recognised in the Statement of Financial Position are a reasonable approach to fair values.

14.22 Current tax liabilities

On 31.12.2011, the Group's and the Company's liabilities for income tax are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income tax	534,621	1,503,169	369,124	1,133,878
Total	**534,621**	**1,503,169**	**369,124**	**1,133,878**

14.23 Other short-term liabilities

On 31.12.2011, the Group's and the Company's other short-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Interest accrued	279,701	265,276	271,449	263,478
Insurance and pension fund dues	1,422,999	1,417,964	1,037,184	1,070,037
Dividends payable	20,581	47,098	0	0
Salaries and wages payable	149,443	0	149,443	0
Unearned and deferred income	5,724,392	6,492,391	5,269,884	5,663,561
Accrued expenses	6,084,458	7,380,577	2,779,494	2,907,545
Customer down payments	2,095,705	2,019,448	348,243	1,008,417
Other liabilities	289,016	697,730	114,071	668,177
Other tax liabilities	2,836,437	3,327,414	2,075,790	2,837,570
Total	**18,902,732**	**21,647,898**	**12,045,559**	**14,418,786**

Other short-term liabilities refer, by the largest part, to subcontractors costs and other accrued expenses for the Group's projects and also to income carried forward to other years from IT support and maintenance services the Group allocates according to their development in time and the period concerned by the said contracts.

14.24 Cost of goods sold – Administrative expenses – Selling expenses

The cost of goods sold, the administrative and selling expenses of the Group and the Company are broken down as follows:

THE GROUP	
1/1 - 31/12/2011	24/07/2009-31/12/2010

(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee benefits	21,545,435	3,363,032	6,249,341	**31,157,808**	32,296,289	5,244,244	9,820,401	**47,360,934**
Inventory cost recognised as expense	5,729,742			**5,729,742**	15,940,930			**15,940,930**
Third party fees and expenses	6,633,913	1,756,428	809,314	**9,199,655**	19,433,690	2,903,155	1,975,993	**24,312,838**
Charges for outside services	1,062,808	161,100	257,221	**1,481,129**	3,772,637	459,041	647,851	**4,879,529**
Repairs & maintenance	2,943,547	15,305	19,027	**2,977,879**	5,709,472	79,058	12,540	**5,801,070**
Operating leases rents	2,715,544	321,304	678,760	**3,715,608**	1,923,463	492,140	739,571	**3,155,174**
Taxes & duties	83,500	15,263	112,787	**211,550**	384,132	76,073	298,415	**758,620**
Advertising	61,403	33,964	499,382	**594,749**	222,281	32,877	707,778	**962,936**
Other expenses	977,831	322,919	816,629	**2,117,379**	3,226,804	412,423	889,878	**4,529,105**
Depreciation of fixed assets	3,794,405	254,724	232,541	**4,281,670**	4,128,399	733,367	593,083	**5,454,849**
Total	**45,548,129**	**6,244,039**	**9,675,003**	**61,467,170**	**87,038,097**	**10,432,378**	**15,685,510**	**113,155,985**

THE COMPANY

	1/1 - 31/12/2011				**24/07/2009-31/12/2010**			
(amounts in €)	**Cost of Goods Sold**	**Administrative expenses**	**Selling expenses**	**Total**	**Cost of Goods Sold**	**Administrative expenses**	**Selling expenses**	**Total**
Employee benefits	15,581,263	1,936,403	4,220,309	**21,737,976**	8,370,090	1,275,805	2,275,151	**11,921,046**
Inventory cost recognised as expense	3,208,519			**3,208,519**	2,810,016			**2,810,016**
Third party fees and expenses	9,897,748	583,021	574,664	**11,055,433**	7,150,354	367,265	327,544	**7,845,163**
Charges for outside services	908,323	87,553	186,841	**1,182,717**	1,308,336	124,455	222,212	**1,655,003**
Repairs & maintenance	2,767,326	6,918	16,188	**2,790,431**	2,182,041	996	2,597	**2,185,634**
Operating leases rents	2,233,411	184,197	502,420	**2,920,028**	400,528	57,777	151,193	**609,498**
Taxes & duties	69,969	9,344	70,157	**149,471**	38,690	5,458	19,572	**63,720**
Advertising	59,352	29,413	466,074	**554,838**	60,649	5,560	185,813	**252,022**
Other expenses	685,795	124,648	628,750	**1,439,193**	1,583,727	114,274	208,089	**1,906,090**
Depreciation of fixed assets	3,363,511	67,956	174,507	**3,605,974**	1,527,829	373,187	126,767	**2,027,783**
Total	**38,775,217**	**3,029,453**	**6,839,910**	**48,644,579**	**25,432,259**	**2,324,777**	**3,518,938**	**31,275,975**

14.25 Other operating income/expenses

		THE GROUP		**THE COMPANY**	
(amounts in €)		**31/12/2011**	**24/07/2009-31/12/2010**	**31/12/2011**	**24/07/2009-31/12/2010**
Miscellaneous operating income	**Note**				
Income from Subsidies		2,192,268	2,904,787	2,173,260	1,254,968
Income from rents		-	-	93,579	49,851
Other		405,542	946,447	1,318,633	1,190,477
Income from reversal of unused provisions		-	236,608	-	275,481
Income from used provisions for personnel		274,433	973,624	220,107	443,270
Income from used provisions for customers	14.9	487,854	329,635	124,770	-
Depreciation of raised provision from recognition of losses from works contract	14.20	371,977	408,474	-	-
Gains on sale of fixed assets		282	1,060	282	204
Total		**3,732,356**	**5,800,636**	**3,930,630**	**3,214,252**

(amounts in €)					
Miscellaneous operating costs					
Provision for bad debt	14.9 & 14.10	(1,470,710)	(2,253,478)	(1,003,387)	(1,025,170)
Provision for obsolete stocks	14.8	(160,000)		(80,000)	

Loss from sale/ destruction of fixed assets/ merchandise	(112)	(254,113)	(36)	-
Recognition of loss from works contract	(6,478)	(36,735)	-	-
Other	(401,379)	(829,477)	(124,262)	(137,155)
Compensation	(142,196)	(159,825)	(142,196)	(93,825)
Total	**(2,180,874)**	**(3,533,627)**	**(1,349,881)**	**(1,256,150)**

14.26 Financial income / expenses

(amounts in €)	Note	THE GROUP 31/12/2011	THE GROUP 24/07/2009-31/12/2010	THE COMPANY 31/12/2011	THE COMPANY 24/07/2009-31/12/2010
Interest income:					
- Banks		225,756	793,159	46,677	34,294
- Customers		15,190	7,917	15,099	4,456
- Loans granted		-	-	15,391	67,261
		240,947	**801,076**	**77,168**	**106,011**
(amounts in €)					
Interest charges:					
- Discount of staff termination liabilities	14.18	(172,600)	(264,394)	(123,300)	(83,288)
- Short-term bank loans		(189,467)	(1,852,175)	(158,243)	(1,746,009)
- Bank loans (bonds)		(2,679,144)	(2,475,681)	(2,438,296)	(1,872,647)
- Advances from sales to the State		(17,248)	(219,685)	-	-
- Guarantee letter commissions		(249,021)	(362,934)	(82,386)	(45,972)
- Factoring		(195,056)	(87,271)	(195,056)	(54,235)
- Financial leases		(5,897)	(5,897)	-	-
- Other bank expenses		(484,386)	(537,155)	(451,110)	(494,209)
		(3,992,820)	**(5,805,192)**	**(3,448,392)**	**(4,296,360)**

Financial income/ expenses comprise, by the largest part, interest income and charges from loans received and granted.

14.27 Other financial results

(amounts in €)	Note	THE GROUP 31/12/2011	THE GROUP 24/07/2009-31/12/2010	THE COMPANY 31/12/2011	THE COMPANY 24/07/2009-31/12/2010
Return on derivative financial instruments	14.13	(493,086)	(1,077,880)	(493,086)	(368,661)
Fair value profit/(losses) of other financial items through profit or loss	14.12	(11,340)	(14,663)	(7,445)	-
Income from dividends		7,874		70,305	104,525
Financial Cost of receivable discount	14.9	(1,019,162)		(1,019,162)	
Other financial results		(14,808)	(10,122)	484,498	60,489
Total		**(1,530,522)**	**(1,102,664)**	**(964,891)**	**(203,646)**

Other financial results include dividends received by the Group from interests in unlisted companies during the year, receivables discount cost, changes from measurement of financial assets at fair value through profit or loss as well as the income from the quarterly return on interest rate swaps during the year. As regards the company, other financial results include an amount of €492,617 deriving from return of a subsidiary's share capital, the value of which had been impaired in the financial statements.

14.28 Income tax

The amount of tax recognised in the income statement for the period is established as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2011	24/07/2009-31/12/2010	31/12/2011	24/07/2009-31/12/2010
Tax for the period	(495,144)	(1,554,610)	(349,631)	(512,252)
Provision for unaudited years	0	(300,000)	0	0
Tax audit adjustments	0	(297,687)	0	(39,269)
Extraordinary levy	0	(819,457)	0	(621,626)
Deferred tax	229,842	1,567,820	198,188	692,626
Total	**(265,302)**	**(1,403,934)**	**(151,443)**	**(480,521)**

Tax of Group's and Company's earnings before tax differs from the theoretical amount which would arise if the average weighted tax rate was used, as follows:

	31/12/2011	24/07/2009-31/12/2010	31/12/2011	24/07/2009-31/12/2010
(amounts in €)	THE GROUP		COMPANY	
Earnings Before Tax	(6,284,250)	9,723,813	(2,049,957)	5,060,033
Tax rate (25%)	20%	24%	20%	25%
Expected tax expense at the enacted tax rate	**(1,256,850)**	**2,333,715**	**(409,991)**	**1,265,008**
Offsetting due to prior-period accumulated losses	0	(3,036,089)	0	(974,968)
Tax-free income	(1,927)	(340,000)	0	0
Effect of different tax rates in other countries	0	(25,784)	0	0
Losses for which deferred tax asset was not recognised	1,195,649	861,599	203,832	0
Adjustment for tax-exempt income:	0	0	0	0
-income from dividends	(12,452)	4,687	(12,452)	47,594
Adjustment to tax for non-deductible expenses:	0	0	0	0
- Additional taxes & surcharges	0	476,314	0	0
- non deductible expenses	414,181	515,763	389,554	415,703
Tax audit adjustments	-	289,660	-	39,269
Extraordinary levy	0	819,457	0	621,626
Effect of changes in tax rate	(20,490)	0	(20,490)	0
Self-employed and liberal professions contribution	3,555	0	990	0
Tax adjustments of preceding financial years	(27,882)	0	0	0
Provisions for income tax	0	300,000	0	0
Effect of different tax rates of foreign subsidiaries	(28,482)	0	-	-
Debit of deferred tax due to change in tax rates	0	(795,387)	0	(933,712)
Incurred tax expense (net)	**265,302**	**1,403,934**	**151,443**	**480,521**

14.29 Earnings per share

Basic earnings / (losses) per share are calculated by dividing earnings / (losses) attributable to parent company owners by the weighted average number of ordinary shares during the period, less own ordinary shares purchased by the enterprise. Diluted earnings per share are calculated by readjusting the weighted average number of ordinary shares outstanding, which presupposes the conversion of all potential share certificates impairing the holding.

Only options as a category of potential share certificates are available and dilute earnings per share. To calculate the diluted earnings per share, a calculation is carried out to specify the number of shares that could have been acquired on the basis of the share's fair value (defined as the average annual price of Company shares) and in conjunction with the monetary value of subscription rights embedded in the options.

	THE GROUP		THE COMPANY	
(a) Basic earnings	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.07.2009 - 31.12.2010**
Net profit attributable to parent company owners	(6,746,131)	6,829,678	(2,201,400)	4,579,513
Average weighted number of ordinary shares	8,900,000	8,900,000	8,900,000	8,900,000
Basic earnings per share (€/share)	**(0.7580)**	**0.7674**	**(0.2473)**	**0.5146**

	GROUP	GROUP	COMPANY	COMPANY
(b) Diluted earnings	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.07.2009 - 31.12.2010**
Net profit attributable to parent company owners for the purpose of diluted earnings per share	(6,746,131)	6,829,678	(2.201.400)	4.579.513

Number of shares	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.07.2009 - 31.12.2010**
Weighted average number of ordinary shares to be issued which were used to calculate the basic earnings per share	8,900,000	8,900,000	8,900,000	8,900,000
Effect of impairment:				
– Stock options	-	-	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**8,900,000**	**8,900,000**	**8,900,000**	**8,900,000**
Diluted earnings per share (€/share)	**(0.7580)**	**0.7674**	**(0.2473)**	**0.5146**

When basic earnings are equal to diluted earnings, this means that the effect of potential share certificates (in the periods in which they might be available) does not reduce basic earnings per share.

14.30 Cash flow from operating activities

(Indirect method of presentation)

Adjustments in profit and loss in the Statement of Cash Flows are broken down as follows:

(amounts in €)	THE GROUP		THE COMPANY	
Cash flow from operating activities	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.07.2009 - 31.12.2010**
Profits for the period	**(6,549,552)**	**7,035,164**	**(2,201,400)**	**4,579,513**
Adjustments for:				
Tax	265,302	1,403,934	151,443	480,521
Depreciation on tangible assets	1,032,462	1,475,305	617,587	305,852
Depreciation on intangible assets	3,249,208	3,979,544	2,988,386	1,721,930
Provisions	2,011,855	2,450,037	1,355,441	1,025,170
Income from use of prior-period provisions	(1,134,264)	(1,948,342)	(344,877)	(718,751)
(Gains)/losses from destruction of tangible assets	36	254,113	36	0
(Gains)/losses from sale of tangible assets	(207)	(12,353)	(282)	(204)
(Gains) / losses from derivatives fair value	493,086	1,077,887	493,086	368,661
Fair value losses of other financial items at fair value through profit or loss	11,426	14,663	7,445	0
Results (income, expenses, profits, losses) from investing activity	0	0	(492,617)	0
Financial cost of receivables discount	1,019,162	0	1,019,162	0
Gains on sale of financial assets at fair value through P&L	(86)	0	0	0
Interest income	(240,947)	(801,076)	(77,168)	(106,011)
Interest charges	3,992,820	5,805,192	3,448,392	4,296,360
Income from dividends	(7,874)	0	(70,305)	(104,525)
Share of result from associates consolidated using the equity method	(34,304)	46,531	0	0
Other foreign exchange differences	14,808	35,488	8,120	(57,348)
	4,122,932	**20,816,086**	**6,902,449**	**11,791,168**
Change in working capital				
(Increase) / decrease in stocks	258,532	664,812	247,474	336,014
(Increase) / decrease in receivables	3,396,556	(4,522,164)	2,149,519	6,366,857
(Increase)/ decrease in other current assets accounts	4,321,198	8,744,872	2,753,731	(1,131,867)
Increase / (decrease) in liabilities	(8,233,138)	(7,604,380)	(7,740,566)	401,331
	(256,852)	**(2,716,861)**	**(2,589,841)**	**5,972,335**
Cash flow from operating activities	**3,866,080**	**18,099,226**	**4,312,608**	**17,763,503**

14.31 Transactions with related parties

Transactions with related parties take place on an arm's length basis. The Group companies did not take part in any transaction of unusual nature or content which was material to the Group or to the companies or persons closely connected to the Group, and have no intention of taking part in such transactions in the future.

No transaction includes special terms and conditions and no collateral was provided or received. Outstanding balances are usually settled in cash.

Transactions between the companies included in the Group's consolidated financial statements through the full consolidation method have been eliminated.

On 31 December 2011, the transactions and balances of transactions between the Group's related parties are broken down as follows:

amounts in euro	THE GROUP		THE COMPANY	
Sales of goods	**31 Dec 2011**	**24/07/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	103,096	41,804
Associates	39,494	212,124	39,494	30,063
Other related parties	255,143	3,034,624	246,798	743,231
Total	**294,637**	**3,246,748**	**389,387**	**815,098**
Purchases of goods	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	90,350	50,006
Associates	0	30,910	0	30,910
Other related parties	182,007	-	86,229	-
Total	**182,007**	**30,910**	**176,579**	**80,916**
Sales of services	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	831,002	564,472
Associates	1,021,972	1,405,157	1,021,972	704,915
Other related parties	6,882,854	12,154,777	6,508,809	3,248,587
Total	**7,904,826**	**13,559,935**	**8,361,784**	**4,517,974**
Purchase of Services	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	2,581,520	110,791
Associates	166,189	69,451	166,189	(18,589)
Other related parties	-	-	-	-
Total	**166,189**	**69,451**	**2,747,709**	**92,201**
Other income	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	1,022,989	758,779
Associates	100	368	100	130
Other related parties	-	86,928	-	77,668
Total	**100**	**87,296**	**1,023,089**	**836,577**
Other expenses	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	100,785	46,057
Associates	-	-	-	-
Other related parties	132,144	104,494	132,144	10,000

Total	**132,144**	**104,494**	**232,929**	**56,057**

Interest income from loans to related parties	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Subsidiaries	-	-	15,391	67,261
Total	**-**	**-**	**15,391**	**67,261**

Loans to related parties	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Subsidiaries	-	-	450,000	450,000
Total	**-**	**-**	**450,000**	**450,000**

Receivables	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	3,333,470	2,415,299
Associates	684,992	1,389,922	189,896	1,355,160
Other related parties	2,922,226	3,504,770	2,591,060	3,414,780
Total	**3,607,218**	**4,894,692**	**6,114,426**	**7,185,239**

Suppliers / Creditors	**31 Dec 2011**	**24/7/2009-31/12/2010**	**31 Dec 2011**	**24/07/2009-31/12/2010**
Parent company	-	-	-	-
Subsidiaries	-	-	199,909	792,571
Associates	81,653	9,662	81,653	9,531
Other related parties	455,118	94,334	289,156	4,428
Total	**536,771**	**103,996**	**570,718**	**806,530**

14.32 Transactions with Key Executives

Benefits to Management at the level of both Group and Company are broken down as follows:

	THE GROUP		**THE COMPANY**	
(amounts in €)	**31.12.2011**	**24.07.2009 - 31.12.2010**	**31.12.2011**	**24.07.2009 - 31.12.2010**
Salaries and social security expenses	919,375	1,381,911	663,283	352,762
BoD meeting fees	1,285,128	2,407,569	191,729	424,340
Staff termination compensation	165,500	0	165,500	0
Expense recognised in the year from stock option	0	66,887	0	0
Total	**2,370,002**	**3,856,367**	**1,020,512**	**777,102**

Key executives number 17 persons in the current year and numbered 14 in 2010.

On 31 December 2011, no loans had been granted to BoD members or other senior Group executives (and their families).

14.33 Number of staff employed

On 31 December 2011, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Salaried staff	728	750	490	512

14.34 Liens

There are no mortgages or mortgage liens or other encumbrances registered in respect of fixed assets to cover loans.

14.35 Contingent receivables - liabilities

The Company has contingent liabilities and receivables relating to banks, other guarantees and other issues arising in the context of its normal activities. These are shown in the following table:

	THE GROUP		THE COMPANY	
(amounts in €)	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Guarantees to ensure proper performance of contracts with customers	7,069,137	6,850,243	2,541,922	2,673,582
Guarantees to ensure proper payment of contracts with customers	49,205	93,258	49,205	93,258
Advance payment guarantees	7,216,856	9,572,862	1,458,099	1,357,094
Security for loans with banks (cheques, factored contracts and invoices)	30,774,900	35,509,857	27,083,707	31,333,968
Total	**45,110,098**	**52,026,221**	**31,132,933**	**35,457,902**

The Group recommends participation in various tenders pertaining to the assumption of projects and activities. In case such participation is successful, the projects may lead to the recognition of assets in the Company's future Financial Statements. No further disclosures are made since the approval procedure of participation in projects is still at the stage of evaluation by the authorities and is liable to change.

Certain legal claims have been raised against the Group during the year. Save the cases in which provisions are raised, Management believes that the claims of the litigants are not well-founded and that the likelihood of obligatory payment of compensation is remote.

The contingent liabilities are not analysed any further so as not to affect the Group's position in relation to these claims.

14.36 Open tax periods

The accounting periods which remain open for tax purposes for Group companies are:

CORPORATE NAME	UN-AUDITED TAX YEARS
SINGULARLOGIC S.A.	2008-2010
SINGULARLOGIC AE	2009-2011
PCS	2010-2011
SINGULARLOGIC BULGARIA	2002-2011

SINGULARLOGIC ROMANIA	2005-2011
METASOFT	2010-2011
SINGULARLOGIC BUSINESS SERVICES S.A.	2010-2011
SINGULARLOGIC INTEGRATOR S.A.	2007-2011
INFOSUPPORT	2010-2011
LOGODATA	2005-2011
COMPUTER TEAM	2010-2011
SYSTEM SOFT	2010-2011
SINGULARLOGIC CYPRUS LTD (DEMSTAR)	2006-2011
DSMS	2010-2011
GIT HOLDINGS S.A.	2010-2011
GIT (CYPRUS) LTD	2009-2011
INFO S.A.	2010-2011
DYNACOMP S.A.	2009-2011

The Company has not been audited for years 2010-2011 while the absorbed Company "SINGULARLOGIC SA" has been audited in tax terms up to 2007 (included).

As regards the fiscal year ended on 31.12.2011, the Company and its subsidiaries in Greece, whose annual financial statements are mandatorily audited by a Statutory Auditor in compliance with the provisions of Law 2190/1920, are obliged to obtain an "Annual Certificate" provided for in Article 82(5) of Law 2238/1994 which is issued following tax audit carried out by the same Statutory Auditor auditing the annual financial statements.

Upon completion of the tax audit, the Statutory Auditor issues for the company a "Tax Compliance Report" and thereafter the Statutory Auditor submits it electronically to the Ministry of Finance within ten days from the expiry date of the company's financial statements approval by the General Meeting of Shareholders.

Following completion of the audit by statutory auditors, the Ministry of Finance will select a specimen of companies to audit. These audits are carried out by the competent audit services and are completed within eighteen (18) months maximum from the deadline for submission of the Tax Compliance Report by the Statutory Auditors and audit firms. As for 2011, the tax audit is already carried out by Grant Thornton S.A.

Upon completion of the tax audit, Management of Group Companies does not expect any significant tax liabilities other save those already recorded and presented in the financial statements.

In relation to the open tax periods cited in the table above, there is a possibility that tax fines and surcharges could be imposed when they are examined and finalised. The Company does not expect that its results and cash flows will be considerably affected when the pending tax cases will be finalised. However, on 31.12.2011 provisions have been raised for unaudited tax years which amount to €329k and €379k for the Company and the Group respectively.

15 Risk Management Purposes and Policies

The Group is exposed to financial risks including exchange rate, interest rate, credit and liquidity risks. The Group's risk management plan seeks to limit the negative impacts on Group financial results arising from inability to predict how financial markets will perform and from fluctuations in costs and sales variables. The Group uses financial derivative instruments to hedge its exposure to specific risk categories.

The procedure followed is outlined below:

- assessment of risks relating to the Group's activities and functions;
- planning of the methodology and selection of adequate financial instruments for risk mitigation; and
- execution/application of the risk management procedure, in accordance with the procedure approved by Management.

The Group's financial instruments mainly consist of deposits with banks, corporate bonds and short-term bank loans, overdraft rights with banks, short-term, highly-liquid, exchange-traded financial instruments, trade debtors and creditors, loans to and from subsidiaries, investments in equities.

15.1 Foreign exchange risk

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable.

Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.

The financial assets and the respective liabilities in foreign currency are broken down as follows:

	31/12/2011				31/12/2010			
Amounts in € and foreign currency	**EUR**	**USD**	**GBP**	**Ron**	**EUR**	**USD**	**GBP**	**Ron**
Notional amounts								
Financial assets	185,598	230,638	6,137	2,640,661	169,604	217,098	6,137	2,190,078
Financial liabilities	(369,439)	(475,422)	(1,676)	(1,296,947)	(529,280)	(704,623)	(1,676)	(1,197,786)
Short-term exposure	**(183,842)**	**(244,783)**	**4,461**	**1,343,714**	**(359,676)**	**(487,525)**	**4,461**	**992,291**
Financial assets	-	-	-	-	-		-	-
Financial liabilities	-	-	-	-	-		-	-
Long-term exposure	**-**	**-**	**-**	**-**	**-**		**-**	**-**

The table below presents the changes in the operating result and equity in relation to the financial assets and financial liabilities if floating rates with US Dollar (USD), Romanian Leu (Ron) and British pound sterling (GBP) vary by 10%. Sensitivity analysis is based on the financial instruments in foreign currency held by the Group for each reporting period.

Sensitivity analysis to foreign exchange changes:

	31/12/2011					
Amounts in €	**USD**		**GBP**		**Ron**	
Profit for the period pre-tax	(18,918)	18,918	534	(534)	31,081	(31,081)
Equity	(18,918)	18,918	534	(534)	31,081	(31,081)

	31/12/2010					
Amounts in €	**USD**		**GBP**		**Ron**	
Profit for the period pre-tax	(36,486)	36,486	518	(518)	23,282	(23,282)
Equity	(36,486)	36,486	518	(518)	23,282	(23,282)

The Group's exposure to FX risk varies during the year depending on the volume of transactions in foreign currency. Yet, the above analysis is considered representative of the Group's FX exposure.

15.2 Interest rate risk sensitivity analysis

The Group is exposed to the variation risk of future cash flows due to change in the interest rates since it has issued corporate bonds and has obtained short-term loans at a floating rate. The Group's policy is to minimise its exposure to the interest rate cash flow risk as regards long-term financing. On 31 December 2011, the Group was exposed to variations of the interest rate market as regards bank loans, which are subject to variable interest rate (for more information, please see the note on bank loans). To hedge this risk, the Group has entered into interest rate swaps whereby it converts floating rate into fixed one. Of all long-term liabilities of €55,435,715, the amount of €15,000,000 has been hedged. Note that the interest rate swaps concern only the corporate bond of €26 million which was taken out by SingularLogic S.A. in July 2007.
The table below shows the sensitivity of operating results and equity to a reasonable change in the interest rate in the order of +/- 1% (2010: +/-1%). The interest rate changes are expected to be reasonable based on recent market conditions.

Group loans sensitivity analysis to interest rate changes:

	31/12/2011		31/12/2010	
Amounts in €				
Profit for the period pre-tax	596,014	(596,014)	676,496	(676,496)
Equity	596,014	(596,014)	676,496	(676,496)

The risk from the volatility of securities prices is deemed negligible for the Group's financial results.

15.3 Credit risk analysis

Group exposure to credit risk is limited to the financial assets (instruments) which on 31.12.2011 are broken down as follows:

Amounts in €	31.12.2011	31.12.2010
Financial asset categories		
Cash and cash equivalents	11,118,561	22,485,217
Trade and other receivables	58,391,383	69,902,357
Total	**69,509,944**	**92,387,574**

In relation to trade and other receivables, the Group is not exposed to highly important credit risks. Group receivables derive from a large, wide customer base. The Group constantly monitors its receivables individually or per group and includes that information in credit controls. Where available, external reports or analyses on customers are used. Group policy is to collaborate with reliable customers only.

On 31.12.2011 Group Management assesses that there is no substantial credit risk which is not already covered by provisions for bad debts. The credit risk for cash and cash equivalents is deemed negligible given that the Group collaborates with recognised financial institutions of high credit rating.

15.4 Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities and also the payments made daily. Liquidity requirements are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month. The funds for the long-term liquidity needs are additionally secured by an adequate amount of loans.

At the year-end, short-term liabilities appear higher than current assets by €14,637,859 and €21,247,879 for the Group and the Company due to transfer of borrowings to be paid in 2012 which amount to €57,000,000 and €54,100,000 for the Group and the Company respectively. Meanwhile, the liquidity risk has been raised given that certain financial ratios regulating the above bank liabilities have not been complied with, which resulted directly in increased spreads of such loans' interest rates.

Having regard to the foregoing and also the fact that the two existing loans of the parent company expire and must be repaid in May and July 2012, while the contractual financial ratios are not complied with, the Group is at a stage of negotiating new long-term loan agreements with credit institutions to maintain its liquidity. In view of the fluid situation in the Greek banking market, Management estimates that these negotiations will not have been completed before the end of April 2012.

The maturity of the Group's financial liabilities on 31 December 2011 is broken down as follows:

31/12/2011

	Short-term		**Long-term**	
Amounts in €	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Bonds payable next year	26,500,000	30,500,000	-	-
Finance lease obligations	11,867	11,867	29,291	-
Trade liabilities	5,697,975	5,938,000	-	-
Other short-term liabilities	10,027,947	9,409,047	-	-
Short-term borrowing	2,548,356	-	-	-
Derivative financial instruments	-	309,838	-	-
	44,786,144	**46,168,752**	**29,291**	**0**

31/12/2010

	Short-term		**Long-term**	
Amounts in €	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Long-term borrowing	3,250,000	3,250,000	52,607,000	-
Finance lease obligations	-	23,733	49,025	-
Trade liabilities	7,625,216	8,904,490	-	-
Other short-term liabilities	9,432,404	13,737,253	-	-
Short-term borrowing	4,234,936	4,234,936	-	-
Derivative financial instruments	-	-	850,955	-

	24,542,556	**30,150,412**	**53,506,980**	**0**

The above contractual maturity dates reflect the gross cash flows which may be different from the book values of liabilities on the date of the Statement of Financial Position.

15.5 Presentation of financial assets and liabilities per category

The financial assets and financial liabilities on the date of the financial statements may be categorised as follows:

	THE GROUP		**THE COMPANY**	
Amounts in €	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Non-current assets				
Loans and receivables	643,395	650,430	942,594	948,462
Available-for-sale financial assets	155,803	164,922	128,563	137,682
Total	**799,198**	**815,352**	**1,071,157**	**1,086,144**
Current assets				
Assets presented at fair value through P&L	8,595	10,507	3,418	0
Trade and other receivables	58,391,383	69,902,357	44,989,370	53,639,193
Cash and cash equivalents	11,118,561	22,485,217	4,850,686	12,047,546
Total	**69,518,539**	**92,398,081**	**49,843,474**	**65,686,739**
Long-term liabilities				
Borrowing	29,291	52,656,025	0	47,100,000
Derivative financial instruments	0	850,955	0	850,955
Total	**29,291**	**53,506,980**	**0**	**47,950,955**
Short-term liabilities				
Borrowing	59,572,090	14,993,605	55,435,715	14,015,000
Financial liabilities	11,635,975	16,523,192	8,849,053	13,695,192
Other financial liabilities	18,902,732	21,647,897	12,045,559	14,418,786
Derivative financial instruments	309,838	0	309,838	0
Total	**90,420,635**	**53,164,694**	**76,640,165**	**42,128,978**

15.6 Disclosures about IFRS 7 "Improvements to Financial Instruments: Disclosures»

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments per valuation technique:

Level 1: quoted prices on active markets for similar assets or liabilities. Level 2: valuation techniques for which all inputs having a significant effect on the recorded fair value are directly or indirectly observable. Level 3: techniques using inflows that have a significant effect on the recorded fair value and are not based on observable market data.

Below are set forth the financial assets and liabilities measured at fair value on 31 December 2011.

Amounts in €	**31/12/2011**	**Level 1**	**Level 2**	**Level 3**
Description				

Financial assets measured at fair value through profit or loss	8,595	8,595	-	-
Derivatives	309,838	-	309,838	-
Financial assets available for sale	155,803	-	155,803	-
Total	**474,236**	**8,595**	**465,641**	**0**

Amounts in €	31/12/2010	Level 1	Level 2	Level 3
Description				
Financial assets measured at fair value through profit or loss	10,507	10,507	-	-
Derivatives	850,955	-	850,955	-
Financial assets available for sale	164,922	-	164,922	-
Total	**1,026,384**	**10,507**	**1,015,877**	**0**

15.7 Capital management policies and procedures

Group capital management objectives are as follows:

- to ensure the Group's ability to continue its operations as a going concern, and
- to ensure satisfactory performance for the shareholders by invoicing products and services proportionately to the risk level.

The Group monitors capital based on the amount of shareholder's equity plus subordinated debts less cash and cash equivalents as presented in the Statement of Financial Position. Capital for the period is broken down as follows:

	31/12/2011	31/12/2010
Amounts in €		
Loans	59,572,090	67,649,630
Less: Cash and cash equivalents	(11,118,561)	(22,485,217)
Net borrowing	**48,453,529**	**45,164,413**
Total equity	81,788,361	88,156,633
Net Borrowing to Equity	**0.6**	**0.5**

16 Events after the reporting period

The merger of the wholly-owned subsidiary "SINGULARLOGIC BUSINESS SERVICES S.A." was completed in March 2012 by virtue of Articles 1-5 of Law 2166/93, through its absorption by SINGULARLOGIC S.A. on the basis of Decision No. EM-432/12 issued on 12.03.2012.

Nea Ionia, 28 March 2012

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
MICHAIL KARIOTOGLOU	MARIKA LAMPROU	NIKOLAOS KONTOPOULOS	APHRODITE PYRGIOTAKI
ID Card No. AB 287337	ID Card No. AE 069961	ID Card No. AB 001315	ID Card No. X046755, Licence No/ Greek ICPA, CLASS A 0004664