ANNUAL FINANCIAL REPORT

for the period from

1 January to 31 December 2012

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

Nea Ionia, 28 March 2013

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 2012, 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 2012, 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 13.19 which indicates that, owing to the contractual termination of short-term borrowings totalling €53.6 million on 31.12.2012 which may shortly become due and payable, the Group is at a phase of negotiations with credit institutions to refinance such borrowings. Moreover, explanatory note 14.4 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 €38.6 million. The above facts eventually imply material uncertainty about the problem-free continuing activities of the Group, which depend on the refinancing of its existing borrowings. Same explanatory note 14.4 sets out the actions taken by Group Management to deal with the above risks. Our opinion is not qualified in relation to these matters.

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 2013

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 2012 to 31 December 2012.

1 Review of Important Events

"SINGULARLOGIC S.A." prepared the financial statements on the third fiscal year and specifically the year from 01.01.2012 to 31.12.2012.

On 31.12.2012, 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%.

As of 07.02.2011, "MARFIN INVESTMENT GROUP HOLDINGS S.A." owns 100% of the share capital of "TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD".

1.1. 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, MARFIN EGNATIA BANK became the bondholder by 25% with EFG EUROBANK ERGASIAS S.A. holding 75% of 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 31.12.2012 the balance of such loan amounted to €27,628,000 for the Company and the Group, given the absorption of the subsidiary "SINGULARLOGIC INTEGRATOR S.A." by the parent company for which borrowings of €2,900,000 exist.

The balance of the corporate bond acquired by the Company from the absorbed company "Singularlogic S.A." on 16.06.2010 amounted to €26,000,000 and, therefore, on 31.12.2012 total corporate bonds of the Company and the Group amounted to €53,628,000.

Upon year-end, due to contractual termination of the above borrowings which may shortly become due and payable and have been classified as short-term, short-term liabilities appear higher than current assets by €38,572,250 and €39,189,516 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, the Company is at the final stage of negotiations with credit banks to refinance its corporate bonds and, thus, restore its liquidity ratios. The refinancing negotiations depend to a large extent on the normalisation of the banking sector in Cyprus and, therefore, have not been completed to date.

1.2. Group structure

Company name	County of establishment	Type of participation	% holding	Consolidation Method on 31.12.2012
SINGULARLOGIC S.A.	Greece	Parent company		
PCS S.A.	Greece	Direct	50.50%	Full
INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity
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	93.35%	Full
G.I.T. HOLDING S.A.	Greece	Direct	100.00%	Full
G.I.T. CYPRUS LTD	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

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 the parent company.

In addition, in October 2012, the parent company absorbed its wholly-owned subsidiary "Singularlogic Integrator S.A.”. The absorption was recognised in the transformation balance sheet dated 31.03.2012 according to the provisions of Codified Law 2190/20 in conjunction with the provisions of Law 2166/93.

In the last quarter of 2012, the company purchased an additional stake of 16.35% in the subsidiary “SINGULARLOGIC CYPRUS LTD” in exchange for €66,000.

On 1.10.2012 the interest of 35% in “Computer Team S.A.”, which the absorbed "SINGULARLOGIC INTEGRATOR S.A.” owned, was sold.

2. Economic Review

In 2012, amid harsh financial circumstances, SingularLogic completed its strategic re-planning and thorough operational restructuring, which lay the foundations for robust and sustainable development. Moreover, the Group was assigned the implementation of new important private and public projects (such as the National Criminal Records, as part of a joint venture with Unisystems, the Interlocutory Proceedings E-Services of the Athens Bar Association, SAP ERP software applications for PENTE-GALAXIAS and MARINOPOULOS Groups, the redesign, implementation and outsourcing of Vivartia

Group's IT systems) while it successfully carried out once again the collection, processing and transmission of results of both elections held in 2012. Making continuous investments in its product innovation, the company launched "SingularLogic Artius", a new application for small retailers, as well as "ORBI", an Internet innovative service for freelancers.

The accelerating crunch of the economy in conjunction with the political instability in the 1st half of 2012, which triggered again fears for Greece's exit from Euro, had a drastic effect on the Greek IT Technology market. Many investments in the private sector were cancelled while others were redefined on a smaller scale. In addition, the efforts made to restrain public expenditure to attain the budgetary objectives resulted in many public IT projects being frozen.

Under these difficult circumstances, in 2012 SingularLogic managed to contain the rate of sales drop to 5%.

Specifically, the consolidated turnover of 01.01-31.12.2012 amounted to €55,930,506, decreased by 5% compared to the turnover of €58,879,531 in 2011, while the Company's turnover amounted to €49,737,352, increased by 2.86% compared to the turnover of €48,349,986 in 2011, which resulted from the activity of the absorbed subsidiary "SINGULARLOGIC INTEGRATOR S.A." which operated on account of the parent company as of 01.04.2012.

It is worthwhile noting that in the last quarter of 2012 the Group's sales registered a positive change in comparison with the respective period in 2011, after a protracted period of negative growth rate, owing to the implementation of a more focused sales mechanism and also the improvement of the politico-economic climate. This reversal of the trend persisted in the first months of 2013 too, generating a sentiment of moderate optimism for the performance of 2013.

In the context of the Group's restructuring and extensive negative economic circumstances, the Company wrote off assets totalling €35.8 m, which mainly concern the impairment of intangible assets, and also receivables deemed non-recoverable, in order to be rationally recognised in the Statement of Financial Position.

Effect of impairment on Group results

Prior to the impairment of assets, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to €852k while losses after taxes and minority interest amounted to €7,383k.

The impairment of intangible assets concerns the brand name of the company by €16,659k and proprietary software products by €10,447k. In addition, receivables of €15,711k were written off since Management estimated they were not recoverable due to the harsh financial circumstances. Finally, the effect of the above transactions on the Group's net income after tax was limited by €7,036k due to the decrease in deferred tax liabilities.

	2012 results before impairment	**Impairment**	**2012 published results**
Turnover	**55,930,506**	**0**	**55,930,506**
Gross Profit	12,263,451	0	12,263,451
Other operating income/(expenses)	1,134,148	(15,710,916)	(14,576,768)
Other financial results	60,317	(27,105,947)	(27,045,630)
Earnings / (losses) before tax	(7,805,456)	(42,816,863)	(50,622,319)
Income tax	475,946	7,036,129	7,512,075
Earnings / (losses) after tax	(7,329,510)	(35,780,734)	(43,110,244)

Profits/ (losses) for the period attributed to parent company owners	**(7,383,001)**	**(35,780,734)**	**(43,163,735)**
Earnings/ Losses before Interest, Tax, Depreciation and Amortisation (EBITDA)	**851,861**	**(15,710,916)**	**(14,859,056)**

Following the above write-offs, Consolidated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to €(14,859,056). Accordingly, the Company's Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to €(13,693,501). Pre-tax results of the Group and the Company amounted to €(50,622,319) and €(49,055,732) respectively, while post-tax results stood at €(43,110,244) and €(41,684,000) for the Group and the Company.

The Group's operational restructuring was intensified and enabled SingularLogic to maintain positive operating profits (EBITDA: €852k) before write-offs and to redefine its fixed cost base at much lower levels, thus paving the way for a significant and sustainable recovery of profitability as of 2013.

Moreover, the Group's net cash flows remained positive, thus reflecting the optimum management of working capital.

Sales breakdown

Implementing a customer-oriented approach to business monitoring, the Group classifies customers in three categories:

- Large corporations
- SMEs
- State

Below is given a breakdown of Group sales per customer category:

SALES PER BUSINESS ACTIVITY

	01/01/2012-31/12/2012	**%**	**01/01/2011-31/12/2011**	**%**
Large corporations	34,797,995	62.22	39,194,019	66.57
Small and medium-sized enterprises	11,971,737	21.40	15,161,394	25.75
Public sector	9,160,774	16.38	4, 524,118	7.68
Total	**55,930,506**	**100.00**	**58,879,531**	**100.00**

The table below sets out the breakdown of Group sales per revenue category for the period 01.01.2012-31.12.2012:

SALES BREAKDOWN PER CATEGORY

(Amounts in euro)	**01/01/2012-31/12/2012**	**%**	**01/01/2011-31/12/2011**	**%**
Sales of software licences	3,629,200	6.49	5,466,755	9.28
Software maintenance sales	18,331,857	32.78	18,928,439	32.15
Provision of services	29,566,203	52.86	27,153,812	46.12

Sales of Merchandises	4,403,246	7.87	7,330,525	12.45
Total	**55,930,506**	**100.00**	**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 although it appears to be raised given that the ratios of corporate bonds are not complied with.

4. Major events occurring after the end of the fiscal year

In 2013, the Company sold its stake of 93.34% in the subsidiary “D.S.M.S. S.A.”.

In addition, in 2013, the company further increased its stake in the subsidiary “SINGULARLOGIC CYPRUS LTD”, which currently stands at 98.00%.

5. Outlook for 2013

The conditions in the IT market are expected to remain challenging in 2013 too. However, the improvement of business outlook in many private-sector segments and the gradual release of public IT projects are estimated to boost the IT Services sector. On the contrary, the software sector addressed to SMEs remains squeezed.

Management remains focused on cost ongoing optimisation and working capital management, aiming to maintain the competitiveness of Group products and services at high levels. The pillars of SingularLogic's development are: (a) penetration in new international markets and rapid growth of the existing subsidiaries in south-eastern Europe; and (b) increase in customer base in the domestic market, by further enhancing the current strong product portfolio, and expanding the targeted vertical markets and the distribution model of its services and products. Outsourcing services, which target major private enterprises and aim at cost reduction and optimisation of IT infrastructure usage, and Galaxy technology along with the business applications based on such technology are the key drivers of this development.

Nea Ionia, 28 March 2013

The Chairman	The Chief Executive Officer
Michail Kariotoglou	Marika Lamprou

C. Financial Statements

1 Income Statement

		THE GROUP		THE COMPANY	
(Amounts in €)	Note	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Sales	12	**55,930,506**	**58,879,531**	**49,737,352**	**48,349,986**
Cost of Goods Sold	13.24	(43,667,055)	(45,548,129)	(39,107,934)	(38,775,217)
Gross Profit		**12,263,451**	**13,331,402**	**10,629,418**	**9,574,769**
Other operating income	13.25	4,428,258	3,732,356	4,610,653	3,930,630
Selling expenses	13.24	(10,526,642)	(9,675,003)	(9,034,127)	(6,839,910)
Administrative expenses	13.24	(6,373,377)	(6,244,039)	(4,875,939)	(3,029,453)
Other operating expenses	13.25	(19,005,026)	(2,180,874)	(19,018,201)	(1,349,881)
Operating income		**(19,213,335)**	**(1,036,158)**	**(17,688,197)**	**2,286,157**
Financial income	13.26	135,572	240,947	65,414	77,168
Financial expenses	13.26	(4,529,720)	(3,992,820)	(4,329,123)	(3,448,392)
Other financial results	13.27	(27,045,630)	(1,530,522)	(27,103,826)	(964,891)
Profits /(Losses) from associates	13.5	30,794	34,304	-	-
Earnings / (losses) before tax		**(50,622,319)**	**(6,284,250)**	**(49,055,732)**	**(2,049,957)**
Income tax	13.28	7,512,075	(265,302)	7,371,732	(151,443)
Profits / (losses) net of tax		**(43,110,244)**	**(6,549,552)**	**(41,684,000)**	**(2,201,400)**
Period profit attributable to:					
Parent company owners		(43,163,735)	(6,746,131)	(41,684,000)	(2,201,400)
Non-controlling interests		53,491	196,579	-	-
		(43,110,244)	**(6,549,552)**	**(41,684,000)**	**(2,201,400)**

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

2 Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
(Amounts in €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Earnings net of tax for the period	**(43,110,244)**	**(6,549,552)**	**(41,684,000)**	**(2,201,400)**
Other comprehensive income				
Cash flow hedges:				
- profits/ (losses) of the current period	181,037	541,117	181,037	541,117
- reclassification through profit or loss for the period	(1,014,521)	-	(929,034)	
FX differences from foreign operations conversion	(8,354)	(4,984)	-	-
Income taxes related to items of other comprehensive income	78,832	(108,223)	78,832	(108,223)
Other comprehensive income for the period net of tax	***(763,006)***	***427,909***	***(669,166)***	***432,894***
Consolidated comprehensive income for the period	**(43,873,249)**	**(6,121,643)**	**(42,353,165)**	**(1,768,507)**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(43,926,741)	(6,318,222)	(42,353,165)	(1,768,507)
Non-controlling interests	53,491	196,579	-	-

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

SingularLogic

3 Statement of financial position

(amounts in €)	Note	THE GROUP		THE COMPANY	
ASSETS		**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Non-current assets					
Tangible assets	13.1	1,191,538	1,594,240	1,037,680	1,025,620
Goodwill	13.3	54,293,293	54,293,293	51,636,150	51,636,150
Intangible assets	13.2	23,889,764	51,244,222	23,197,297	50,379,375
Investments in subsidiaries	13.4	-	-	1,532,310	10,575,846
Investments in affiliates (consolidated using the equity method)	13.5	374,842	1,413,074	0	249,981
Deferred tax assets	13.14	2,298,366	2,352,006	2,263,624	1,759,788
Financial assets available for sale	13.7	154,059	155,803	154,059	128,563
Other long-term receivables	13.6	562,352	643,395	549,233	942,594
		82,764,215	**111,696,033**	**80,370,353**	**116,697,917**
Current Assets					
Inventories	13.8	1,024,420	1,118,635	913,293	735,682
Customers and other trade receivables	13.9	27,042,355	40,388,493	25,395,788	34,525,315
Other receivables	13.10	1,583,545	4,099,866	1,477,966	1,029,281
Financial assets presented at fair value through P&L	13.12	2,266,010	8,595	2,266,010	3,418
Other current assets	13.11	9,090,113	20,347,802	9,023,057	15,330,255
Cash and cash equivalents	13.16	7,537,573	11,118,561	5,766,495	4,850,686
		48,544,016	**77,081,951**	**44,842,609**	**56,474,637**
Total assets		**131,308,231**	**188,777,985**	**125,212,962**	**173,172,555**
EQUITY & LIABILITIES					
Share Capital	13.17.1	20,643,215	8,900,000	20,643,215	8,900,000
Share Premium	13.17.1	70,547,001	70,547,001	70,547,001	70,547,001
Other reserves	13.17.2	303,604	106,020	323,133	0
Cash flow hedge reserves	13.17.2	0	754,652	0	669,166
Reorganisation Balance Sheet Reserves	13.17.2	(15,238)	(6,884)	0	0
Results carried forward		(55,350,243)	(168,679)	(57,601,869)	2,378,113
Equity attributed to parent company shareholders		**36,128,339**	**80,132,110**	**33,911,480**	**82,494,279**
Non-controlling interests		476,312	1,656,250	-	-
Total equity		**36,604,652**	**81,788,361**	**33,911,480**	**82,494,279**
Long-term liabilities					
Long-term borrowings	13.19	51,075	29,291	0	0
Deferred tax liabilities	13.14	4,087,368	11,820,479	4,014,574	10,581,021
Staff termination liabilities	13.18	3,448,870	3,420,044	3,254,783	2,374,738
Total long-term liabilities		**7,587,314**	**15,269,814**	**7,269,357**	**12,955,759**
Short-term liabilities					
Suppliers and other liabilities	13.21	10,963,410	11,635,975	10,305,662	8,849,053
Current tax liabilities	13.22	77,856	534,261	0	369,124
Short-term bank liabilities	13.19	57,653,378	59,572,090	56,401,407	55,435,715
Derivative financial instruments	13.13	0	309,838	0	309,838
Other short-term liabilities	13.23	17,600,785	18,902,732	16,504,218	12,045,559
Short-term provisions	13.20	820,837	764,914	820,837	713,229
Total short-term liabilities		**87,116,266**	**91,719,810**	**84,032,124**	**77,722,516**
Total Liabilities		**94,703,579**	**106,989,624**	**91,301,482**	**90,678,275**
Total equity and liabilities		**131,308,231**	**188,777,985**	**125,212,962**	**173,172,555**

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

4 Consolidated Statement of Changes in Equity

(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
		Equity attributed to parent company shareholders								
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.

(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 31.12.2011		**8,900,000**	**70,547,001**	**106,020**	**754,652**	**(6,884)**	**(168,679)**	**80,132,110**	**1,656,250**	**81,788,361**
Share capital increase due to subsidiary's absorption	13, 17	11,743,215					(11.743.215)	0		0
Reserves from subsidiary's absorption				172,879			(172.879)	0		0
Profit distribution				24,705			(24,705)	0	(1,244,460)	(1,244,460)
Increase/ (Decrease) in share of non-controlling interests in subsidiaries							(77,032)	(77,032)	11,031	(66,000)
Transactions with owners		**11,743,215**	**0**	**197,584**	**0**	**0**	**(12,017,830)**	**(77,032)**	**(1,233,429)**	**(1,310,461)**
Net results for the period 01.01 – 31.12.2012							(43,163,735)	(43,163,735)	53,491	(43,110,244)
Net results for the period (a)		-	-	-	-	-	***(43,163,735)***	**(43,163,735)**	***53,491***	***(43,110,244)***
Cash flow hedge reserves					181,037			181,037		181,037
Reclassification through profit or loss for the period					(1,014,521)			(1.014.521)		(1.014.521)
Deferred asset from cash flow hedge					78,832			78,832		78,832
Foreign exchange differences						(8,354)		(8,354)		(8,354)
Other comprehensive income for the period (b)		***0***	***0***	***0***	***(754,652)***	***(8,354)***	***0***	***(763,006)***	***0***	***(763,006)***
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**(754,652)**	**(8,354)**	**(43,163,735)**	**(43,926,741)**	**53,491**	**(43,873,249)**
Balance of Equity on 31.12.2012		**20,643,215**	**70,547,001**	**303,604**	**0**	**(15,238)**	**(55,350,243)**	**36,128,339**	**476,312**	**36,604,652**

5 Statement of Changes in Equity of Parent Company

(amounts in €)	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	Results carried forward	Total equity
Balance of Equity on 31.12.2010		**8,900,000**	**70,547,001**	**0**	**236,272**	**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***	***432,894***
Consolidated comprehensive income for the period (a+b)		**0**	**0**	**0**	**432,894**	**(2,201,400)**	**(1,768,507)**
Balance of Equity on 31.12.2011		**8,900,000**	**70,547,001**	**0**	**669,166**	**2,378,113**	**82,494,279**

(amounts in €)	**Note**	**Share Capital**	**Premium on capital stock**	**Other reserves**	**Cash flow hedge reserves**	**Results carried forward**	**Total equity**
Balance of Equity on 31.12.2011		**8,900,000**	**70,547,001**		**669,166**	**2,378,113**	**82,494,279**
Share capital increase due to subsidiary's absorption	13.17	11,743,215	0			0	11,743,215
Amounts from subsidiaries' absorption		0		323,133		(18,295,982)	(17,972,849)
Transactions with owners		**11,743,215**	**0**	**323,133**	**0**	**(18,295,982)**	**(6,229,634)**
Net results for the period 24.07.2009 - 31.12.2010 net of tax						(41,684,000)	(41,684,000)
Net results for the period (a)						***(41,684,000)***	***(41,684,000)***
Cash flow hedge reserves					181,037		181,037
Reclassification through profit or loss for the period					(929,034)		(929,034)
Deferred asset from cash flow hedge					78,832		78,832
Foreign exchange differences							0
Other comprehensive income for the period (b)		***0***	***0***		***(669,166)***	***0***	***(669,166)***
Consolidated comprehensive income for the period (a+b)		**0**	**0**	**0**	**(669,166)**	**(41,684,000)**	**(42,353,165)**
Balance of Equity on 31.12.2012		**20,643,215**	**70,547,001**	**323,133**	**0**	**(57,601,869)**	**33,911,480**

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

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31.12.2012	THE GROUP 31.12.2011	THE COMPANY 31.12.2012	THE COMPANY 31.12.2011
Cash flow from operating activities	13.29	**7,495,225**	**3,866,080**	**8,941,588**	**4,312,608**
Interest paid		(3,552,819)	(3,167,407)	(3,382,136)	(2,679,675)
Income tax paid		(874,123)	(1,104,149)	(123,598)	(930,565)
Net cash flow from operating activities		**3,068,283**	**(405,476)**	**5,435,855**	**702,369**
Cash flow from investing activities					
Purchases of tangible assets	13.1	(524,240)	(699,723)	(409,173)	(586,575)
Purchases of intangible assets	13.2	(3,206,541)	(3,652,679)	(3,195,182)	(3,554,866)
Gains on sale of tangible assets		32,295	5,279	0	5,279
Gains on sale of intangible assets		7,944	69,570	58,781	69,570
Purchases of financial assets		(5,251,300)	(1,744)	(2,250,000)	(1,744)
Derivative financial instruments settlement		(337,858)	(527,633)	(337,858)	(527,633)
Sale of associates		250,000	0	250,000	0
Proceeds from subsidiary’s share capital return		0	0	0	500,000
Sales of financial assets		3,001,792	1,350	0	0
Interest collected		154,308	188,608	62,224	53,666
Dividends received		0	0	946,875	49,066
Subsidies received		2,107,480	1,970,666	2,107,480	1,951,658
Net cash flow from investing activities		**(3,766,120)**	**(2,646,306)**	**(2,766,853)**	**(2,041,579)**
Cash flow from financing activities					
Inflow/ (outflow) from changes in holdings in existing subsidiaries	13.4	(66,000)	(178,364)	(66,000)	(178,364)
Dividends paid to non-controlling interests		(918,750)	(84,302)	0	0
Proceeds from borrowings		2,084,907	7,897,770	2,049,000	7,640,000
Loan repayments		(3,983,308)	(15,946,019)	(3,983,308)	(13,319,285)
Capital payments to shareholders		0	(3,959)	0	0
Net cash flow from financing activities		**(2,883,151)**	**(8,314,874)**	**(2,000,308)**	**(5,857,649)**
Net (decrease) / increase in cash and cash equivalents		**(3,580,988)**	**(11,366,656)**	**668,694**	**(7,196,859)**
Cash and cash equivalents at start of period		**11,118,561**	**22,485,217**	**5,097,801**	**12,047,546**
Cash and cash equivalents at end of period		**7,537,573**	**11,118,561**	**5,766,495**	**4,850,686**

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 2012 were approved to be published by the Board of Directors on 28.03.2013.

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 40,000 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. dated 31 December 2012 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 IASB, and their interpretations issued by the IASB's IFRIC and approved by the European Union.

The accounting policies used in the preparation of 2011 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 2013 (see paragraphs 9.1.1 - 9.1.2).

9.1. Changes to accounting policies

9.1.1 New standards, interpretations, revisions and amendments to the existing standards which are in effect and have been adopted by the EU

The following amendments and interpretations of the IFRS were published by the International Accounting Standards Board (IASB) and their application is mandatory as of 01.01.2012 or thereafter. The most important standards and interpretations are listed below:

- **Amendments to IFRS 7 "Financial instruments: Disclosure requirements for transferring financial instruments (applicable to annual periods commencing on or after 01.07.2011)**

The purpose of this amendment is to permit users of Financial Statements to improve their understanding of financial asset transfer transactions and the possible impacts of any risks which may remain for the entity which has transferred financial assets. Moreover, this amendment requires additional disclosures in the case where a disproportionate amount of transfer transactions has taken place at the end of the reporting period. This amendment has an impact on the consolidated Financial Statements.

- **Amendment to IAS 12 "Deferred tax: Recovery of underlying assets" (applying to annual periods beginning on or after 01.01.2012)**

This amendment to IAS 12 "Income taxes" was issued in December 2010. This amendment provides useful guidelines for the cases of assets measured at fair value, in accordance with the requirements of IAS 40 "Investment Property", for property recovered through use or sale. The amendment applies to annual periods beginning on or after 01.01.2012. This amendment does not have any effect on the Group's financial statements.

- **Amendment to IFRS 1 "First-time adoption of International Financial Reporting Standards" – Severe hyperinflation and Removal of Fixed Dates for First-Time Adopters of IFRS (applying to annual periods beginning on or after 01.07.2011)**

The relevant amendments to IFRS 1 "First-time adoption of IFRS" were issued in December 2010. Such amendments replace references to fixed dates for first-time adopters of IFRS with the definition of "transition date to IFRS". It lays down the conditions with regard to how a company must present its Financial Statements in accordance with the IFRS after a period whereby the company was not able to comply with IFRS requirements because its operating currency had been subject to severe hyperinflation. The amendments have been in effect since 01.07.2001 while earlier application is permitted.

9.1.2. New standards, interpretations, revisions and amendments to the existing standards which are not yet in effect or have not been approved by the EU

The following new standards and revisions to standards, as well as the following interpretations for existing standards, have been published, but either they are not yet in effect or they have not been approved yet by the EU. More specifically:

- **Amendments to IAS 1 "Presentation of Financial Statements" - Presentation of Other Comprehensive Income (applicable to annual periods commencing on or after 01.07.2012)**

In June 2011 the IASB issued amendments to IAS 1 "Presentation of Financial Statements". These amendments refer to the way information about other comprehensive income is presented. The above amendments apply to annual periods beginning on or after 01.07.2012. The Group is currently considering the effect of this standard on its financial statements. This amendment was approved by the EU in June 2012.

- **IFRS 9 "Financial Instruments" (applicable to annual periods commencing on or after 01.01.2015)**

On 12.11.2009, the IASB issued a new standard, the revised IFRS 9 "Financial Instruments", which will gradually replace IAS 39 "Financial Instruments: Recognition and Measurement". It should be noted that in October 2010 the IASB issued additions with regard to the financial liabilities that an entity has chosen to measure at fair values. According to IFRS 9, all financial assets are initially measured at fair value plus specific transaction costs. Subsequent measurement of financial assets is either performed at amortised cost or at fair value, depending on the company's business model with regard to the management of its financial assets and the contractual cash flows of said asset. IFRS 9 does not allow reclassifications, except for the cases where the company's business model has changed, but even in that case, the company must reclassify all affected financial instruments in the future. According to the IFRS 9 principles, all equity investments should be measured at fair value. However, Management has an option to present in other comprehensive income realised and unrealised fair value earnings and losses on equity instruments that are not held for trading. The Group is currently considering the effect of this standard on its financial statements. This standard has not yet been adopted by the EU.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosures of Interests in other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (applicable to annual periods commencing on or after 01.01.2013)**

In May 2011, the IASB issued three new Standards: IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a consolidation model which identifies the concept of control as the basis for the consolidation of all manner of entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special purpose entities". IFRS 11 "Joint Arrangements" outlines the principles with regard to the financial reporting for entities that jointly control an arrangement. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-monetary Contributions by Venturers". IFRS 12 "Disclosures of Interests in other Entities" combines, enhances and replaces disclosure requirements for subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. As a consequence of these new standards, the IASB also issued the amended IAS 27, entitled IAS 27 "Separate Financial Statements", and the amended IAS 28, entitled IAS 28 "Investments in Associates and Joint Ventures". The new standards are applicable to annual periods commencing on or after

01.01.2014, with earlier application permitted. The Group is currently considering the effect of this standard on its financial statements. These Standards were approved by the EU in December 2012.

- **IFRS 13 "Fair Value Measurement" (applicable to annual periods commencing on or after 01.01.2013)**

In May 2011 the IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 defines fair value, sets out a single standard framework for measuring fair value, and required disclosures about fair value measurements. IFRS 13 is applicable in cases where other IFRSs require or allow fair value measurements. IFRS 13 does not introduce new requirements for measuring the fair value of an asset or liability. Moreover, it does not change what other standards stipulate with regard to which items are measured at fair value and does not mention how the changes in fair value are to be presented in the Financial Statements. The new standard is applicable to annual periods commencing on or after 01.01.2013, with earlier application permitted. The Group is currently considering the effect of this standard on its financial statements. The aforementioned Standard was approved by the EU in December 2012.

- **Amendments to IAS 19 "Employee Benefits" (applying to annual periods beginning on or after 01.01.2013)**

In June 2011 the IASB issued amendments to IAS 19 "Employee Benefits". These amendments aim at improving issues relating to recognition and disclosure requirements for defined benefit plans. The new amendments are applicable to annual periods commencing on or after 01.01.2013, with earlier application permitted. The Group is currently considering the effect of this standard on its financial statements. This amendment was approved by the EU in June 2012.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (applying to annual periods beginning on or after 01.01.2013)**

The IASB issued IFRIC 20 in October 2011. This interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. This Interpretation is applicable to annual periods commencing on or after 01.01.2013, with earlier application permitted. Said interpretation is not applicable to the Group's activities. This amendment was approved by the EU in December 2012.

- **Amendments to IAS 32 "Financial instruments: Presentation" – Offsetting financial assets and financial liabilities (applicable to annual periods commencing on or after 01.01.2014)**

In December 2011 the IASB issued amendments to IAS 32 "Financial Instruments: Presentation" in order to provide clarifications about the requirements of this standard in the case of offsetting. The amendments are applicable to annual periods commencing on or after 01.01.2014, with earlier application permitted. The Group does not believe this amendment will have any significant effect on its Financial Statements. This amendment was approved by the EU in December 2012.

* **Amendments to IFRS 7 “Disclosures” – Offsetting financial assets and financial liabilities (applicable to annual periods commencing on or after 01.01.2013)**

In December 2011 the IASB issued new disclosure requirements allowing users of Financial Statements to compare in the best possible manner the financial statements published in accordance with IFRS to those published in accordance with the US GAAP. The said amendments apply to annual periods beginning on or after 01.01.2013. The Group does not believe this amendment will have any significant effect on its Financial Statements. This amendment was approved by the EU in December 2012.

* **Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Government Loans (applicable to annual periods commencing on or after 01.01.2013)**

In March 2012 the IASB issued the amendment to IFRS 1, whereby first-time adopters of IFRS which had received government loans at a preferential interest rate, were relieved from full retrospective application of IFRS when accounting for these loans on transition. This Interpretation is not applicable to the Group’s activities. This amendment has not yet been adopted by the EU.

* **Annual Improvements to IFRS 2009-2011 Cycle (issued in May 2012 – the amendments are applicable to the annual accounting periods beginning on or after 01.01.2013)**

In May 2012, the IASB issued the “Annual Improvements to IFRSs 2009-2011 Cycle”, which incorporates a series of adjustments to 5 standards and forms part of the annual improvement project. The Group is currently considering the effect of this standard on its financial statements. These amendments have not yet been adopted by the EU.

* **Transition Guide: Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in other Entities (amendments to IFRS 10, IFRS 11 and IFRS 12) (applicable to annual periods commencing on or after 01.01.2013)**

In June 2012, the IASB issued this Guidance which clarifies the transitory provisions of IFRS 10. The amendments provide additional relief at the stage of transition to IFRS 10, IFRS 11 and IFRS 12 thus limiting the requirement to provide adjusted comparative information to the immediately preceding period only. In addition, as regards the disclosures about unconsolidated entities, the amendments remove the requirement to present comparative information about the periods prior to the first-time application of IFRS 12. The said amendments apply to annual periods beginning on or after 01.01.2013. The Group does not believe these amendments will have any significant effect on its Financial Statements. These amendments have not yet been adopted by the EU.

* **Investment entities (amendments to IFRS 10, IFRS 11 and IAS 27) (applicable to annual periods commencing on or after 01.01.2014)**

In October 2012 the IASB issued amendments to IFRS 10, IFRS 11 and IAS 27. These amendments are applicable to investment entities. The IASB has used the term ‘investment entities’ to refer to all entities engaged exclusively in investing capital to generate returns from the goodwill on capital, or revenues from investments or both. Investment entities must evaluate the return on investments at fair value. This category may include private venture capital firms, investment capital managers, private pension funds, public investment funds and other investment funds. By way of exception to the consolidation-related requirements in IFRS 10, the amendments state that investment entities must measure specific subsidiaries at fair value through profit or loss and must not include them in the consolidation but provide the necessary disclosures instead. These amendments are applicable to annual periods commencing on or after 01.01.2014, with earlier application permitted. The Group does not believe these amendments will have any significant effect on the Financial Statements. These amendments have not yet been adopted by the EU.

9.2. 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.

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 and 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 Position 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 and the intangible assets with indefinite useful life in terms of 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 discounted cash flow 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.

- **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 the provisions for deferred taxes for the period in which these amounts are finalised.

- **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. The Management judges that any settlements would not significantly influence the Group's financial status on 31 December 2012. 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.

10.Summary of accounting policies

10.1. General

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

10.2. 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 and 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 of 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.

10.3. 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 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.

10.4. 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.

10.5. 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.

10.6. 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 is 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.

10.7. 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 these 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 amount, the differences (impairment) are directly posted as expenses through profit or loss.

(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 years, straight-line method
Proprietary software	Definite	8 years, straight-line method

10.8. Tangible assets

Tangible assets are measured at acquisition cost less accumulated depreciation and any 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.

10.9. Leases

10.9.1. 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.

10.9.2. 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.

10.10. 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.

10.11. 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.

10.12. Held-to-maturity investments

On 31.12.2012 the Group did not own held-to-maturity investments.

10.13. 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.

10.13.1. 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 under 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.

10.13.2. 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.

10.14. Fair value

The fair value of 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.

10.15. 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.

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.

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 accumulated 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.

10.16. 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.

10.17. Income tax accounting

10.17.1. 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.

10.17.2. 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.

10.18. 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.

10.19. 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.

10.20. 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.

10.21. Pension benefits and short-term employee benefits

10.21.1. Pension benefits

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

A defined benefit plan is a pension 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.

10.21.2. 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.

10.22. 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.

10.23. 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.

10.24. 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.

11.Group Structure

On 31.12.2012 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 31.12.12	Consolidation Method on 31.12.12	% of participation 31.12.11	Consolidation Method on 31.12.11
	SINGULARLOGIC S.A.	Greece	Parent company				
	PCS S.A.	Greece	Direct	50.50%	Full	50.50%	Full
7	SINGULARLOGIC BUSINESS SERVICES S.A.	Greece	-	-	-	100.00%	Full
7	SINGULARLOGIC INTEGRATOR S.A.	Greece	-	-	-	100.00%	Full
9	COMPUTER TEAM S.A.	Greece	-	0.00%	Not consolidated	35.00%	Equity
	INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity	34.00%	Equity
	LOGODATA S.A.	Greece	Direct	23.88%	Equity	23.88%	Equity
	METASOFT S.A.	Greece	Direct	68.80%	Full	68.80%	Full
6	METASOFT S.A.	Greece	Indirect	31.20%	Full	31.20%	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
	SYSTEM SOFT S.A.	Greece	Direct	62.00%	Full	62.00%	Full

	SYSTEM SOFT S.A.	Greece	Indirect	34.00%	Full	34.00%	Full
8	SINGULARLOGIC CYPRUS LTD	Cyprus	Direct	93.35%	Full	77.00%	Full
	G.I.T. HOLDINGS S.A.	Greece	Direct	100.00%	Full	100.00%	Full
	G.I.T. CYPRUS	Cyprus	Indirect	100.00%	Full	100.00%	Full
	DYNACOMP S.A.	Greece	Indirect	24.99%	Equity	24.99%	Equity
	INFO S.A.	Greece	Indirect	35.00%	Equity	35.00%	Equity
6	CHERRY S.A.	Greece	Indirect	33.00%	Not consolidated	33.00%	Not consolidated
7	DSMS S.A.	Greece	Direct	93.34%	Full	93.34%	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 31.12.2012.
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 31.12.12. TASIS–CONSULTING S.A. was not included in the consolidation on 31.12.12.
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 31.12.2012.
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 31.12.12. Modular S.A. was not included in the consolidation on 31.12.12.
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 on these companies. The liquidation had not been completed by 31.12.2012. These companies were not included in the consolidation on 31.12.2012.
6. 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 31.12.12. CHERRY S.A. was not included in the consolidation on 31.12.2012.
7. The merger of the wholly-owned subsidiary “SINGULARLOGIC BUSINESS SERVICES S.A." was completed on 12 March 2012 by virtue of Articles 1-5 of Law 2166/93, through its absorption by the parent company by way of decision No. EM-4352/12. In addition, on 3.10.2012, the absorption of the wholly-owned subsidiary "SINGULARLOGIC INTEGRATOR S.A.” was completed in accordance with decision No. EM+24357/12. The absorption was recognised in the transformation balance sheet dated 31.03.2012 according to the provisions of Codified Law 2190/20 in conjunction with the provisions of Law 2166/93.
8. In the last quarter of 2012, the Company purchased an additional stake of 16.35% in the subsidiary “SINGULARLOGIC CYPRUS LTD” in exchange for €66,000.

9. On 1.10.2012 the interest of 35% in Computer Team S.A., which the absorbed "SINGULARLOGIC INTEGRATOR S.A." owned, was sold.

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 31.12.12 the Company did not include in the consolidation the companies in liquidation since control of those companies lies with their liquidators.

12.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	**31/12/2012**	**31/12/2011**
Amounts in €		
Sales of software licences	3,629,200	5,466,755
Software maintenance sales	18,331,857	18,928,438
Sales of services	29,566,203	27,153,812
Sales of Merchandises	4,403,246	7,330,525
Total	**55,930,506**	**58,879,531**

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:

01/01-31/12/2012				
Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Revenue	34,797,995	11,971,737	9,160,774	**55,930,506**
Earnings before interest, taxes, depreciation and amortisation				**(14,859,056)**
Depreciation				**4,354,279**
Operating profit/ losses				**(19,213,335)**

Other non-allocated net income				(27,014,836)
Financial expenses				(4,394,148)
Earnings before tax				**(50,622,319)**
Income tax				7,512,075
Net profits/ losses				**(43,110,244)**

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)**

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

01/01-31/12/2012

Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Assets per sector	74,512,837	25,635,043	19,615,937	119,763,817
Non-allocated assets				11,544,414
Consolidated Assets				**131,308,231**
Liabilities per sector	23,019,556	7,919,539	6,060,032	36,999,126
Non-allocated liabilities				57,704,453
Consolidated liabilities				**94,703,579**

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**

Geographical information reporting:

The Group primarily operates in Greece where it has its registered office while also operating in European countries, the latter accounting for 11% of its consolidated turnover.

01.01 - 31.12.2012	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	49,923,719	6,006,787	0	**55,930,506**
Non-current assets	79,833,860	477,930	0	**80,311,790**

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**

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 €8 million of the total income of SINGULARLOGIC Group originated from MIG Group and accounted for approximately 14.45% of sales. The income of these customers is included in the "Large Corporations" sector. Moreover, the Public Sector accounts for sales of 16.38% of the total consolidated turnover.

13.Notes to the Financial Statements

13.1. Tangible assets

On 31.12.2012, 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 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	**7,989,413**
Accumulated depreciation	(1,247,653)	(71,772)	(84,085)	(633,585)	(4,358,077)	**(6,395,172)**
Book value on 31.12.2011	**561,330**	**4,781**	**27,014**	**31,305**	**969,810**	**1,594,240**
Gross book value	1,938,219	76,553	142,694	676,401	5,536,020	**8,369,971**
Accumulated depreciation	(1,472,208)	(74,576	(74,699)	(647,647)	(4,909,218)	**(7,178,437)**
Book value on 31.12.2012	**466,010**	**1,977**	**67,994**	**28,755**	**626,802**	**1,191,538**

(amounts in €)	Buildings and facilities	Transportation equipment	Transportation equipment through leasing	Machinery	Furniture and other equipment	Total
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	**699,723**
Acquisition cost of disposals/ revoked products	0	0	0	(2,041,858)	(1,125,982)	**(3,167,840)**
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**
Additions	129,236	0	79,054	11,510	304,440	**524,240**
Acquisition cost of disposals/ revoked products	0	0	(47,459)	0	(96,308)	**(143,767)**
Depreciation of disposals/ revoked products	0	0	37,940	0	86,028	**123,968**
Depreciation	(224,555)	(2,804)	(28,554)	(14,062)	(637,169)	**(907,144)**
Book value on 31.12.2012	**466,010**	**1,977**	**67,994**	**28,755**	**626,802**	**1,191,538**

THE COMPANY

(amounts in €)	Buildings and facilities	Transportation equipment	Machinery	Furniture and other equipment	Total
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**	**1,025,620**
Gross book value	1,440,442	7,466	110,957	3,222,781	**4,781,646**
Accumulated depreciation	(974,618)	(5,343)	(104,109)	(2,659,897)	**(3,743,967)**
Book value on 31.12.2012	**465,823**	**2,123**	**6,848**	**562,884**	**1,037,680**

	Buildings and facilities	Transportation equipment	Machinery	Furniture and other equipment	Total
Book value on 31.12.2010	**455,350**	**1,556**	**9,775**	**594,985**	**1,061,666**
Additions	0	0	1,265	585,377	**586,642**
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**	**1,025,620**
Additions	129,236	0	365	279,572	**409,173**
Additions from absorption of subsidiaries	218,253	1,424	3,080	130,746	**353,502**
Acquisition cost of disposals/ revoked products	0	0	0	(13,500)	**(13,500)**
Depreciation of disposals/ revoked products	0	0	0	3,296	**3,296**
Depreciation	(205,772)	(546)	(3,882)	(530,213)	**(740,414)**
Book value on 31.12.2012	**465,823**	**2,123**	**6,848**	**562,884**	**1,037,680**

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

01/01-31/12/2012	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	989,891	767,295	44,291	**1,801,477**
Vehicles	565,447	494,699	-	**1,060,147**

THE COMPANY

01/01-31/12/2012	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	906,000	584,130	-	**1,490,130**
Vehicles	526,010	433,868	-	**959,878**

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 operating lease rental fees which were recognised as expenses during the period 01.01-31.12.2012 for all fixed assets of the Group and the Company amount to €3,134,394 (01.01-31.12.2011: €3,715,608) and to €2,810,870 (01.01-31.12.2011: € 2,920,028). Buildings and vehicles leasing contracts have a 2-year and a 4-year term respectively.

13.2. 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 €)	Note	Software	Development	Trade name	Rights	Total
Book value on 31.12.2010		**430,177**	**17,973,152**	**32,500,000**	**6,989**	**50,910,318**
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		**309,857**	**18,434,366**	**32,500,000**	**0**	**51,244,222**
Gross book value		6,614275	16,758,843	15,841,194	375,499	**39,589,810**
Accumulated depreciation		(6,241,582	(9,085,051)	0	(373,414)	**(15,700,046**
Book value on 31.12.2012		**372,693**	**7,673,792**	**15,841,194**	**2,085**	**23,889,764**

(amounts in €)		Software	Development	Trade name	Rights	Total
Book value on 31.12.2010		**430,177**	**17,973,152**	**32,500,000**	**6,989**	**50,910,318**
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**	**18,434,366**	**32,500,000**	**0**	**51,244,222**
Additions		510,754	2,693,703	0	2,085	**3,206,541**
Acquisition cost of disposals		(7,919)	0	0	0	**(7,919)**
Impairment losses recognised in the income statement	13.3.1	0	(10,447,141)	(16,658,806)	0	**(27,105,947)**
Depreciation		(440,000)	(3,007,136)	0	0	**(3,447,135)**
Book value on 31.12.2012		**372,692**	**7,673,792**	**15,841,194**	**2,085**	**23,889,764**

THE COMPANY

(amounts in €)	Note	Software	Development	Commercial trademarks	Rights	Total
Book value on 31.12.2010		**365,684**	**17,009,791**	**32,500,000**	**6,989**	**49,882,464**
Gross book value		3,979,425	22,881,920	32,500,000	140,062	**59,501,407**
Accumulated depreciation		(3,717,388)	(5,264,582)	0	(140,062)	**(9,122,032)**
Book value on 31.12.2011		**262,037**	**17,617,338**	**32,500,000**	**0**	**50,379,375**
Gross book value		4,463,872	15,128,482	15,841,194	140,062	**35,573,610**
Accumulated depreciation		(4,110,868)	(8,125,384)	0	(140,062)	**(12,376,314**

		Software	Development	Commercial trademarks	Rights	Total
Book value on 31.12.2012		**353,004**	**7,003,097**	**15,841,194**	**0**	**23,197,297**

		Software	Development	Commercial trademarks	Rights	Total
Book value on 31.12.2010		**365,684**	**17,009,791**	**32,500,000**	**6,989**	**49,882,464**
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**	**17,617,338**	**32,500,000**	**0**	**50,379,375**
Additions		501,479	2,693,703	0	0	**3,195,182**
Additions from acquisition of subsidiary		41,750	0	0	0	**41,750**
Acquisition cost of disposals		(58,781)	0	0	0	**(58,781)**
Impairment losses recognised in the income statement	13.3.1	0	(10,447,141)	(16,658,806)	0	**(27,105,947)**
Depreciation		(393,480)	(2,860,802)	0	0	**(3,254,282)**
Book value on 31.12.2012		**353,004**	**7,003,097**	**15,841,194**	**0**	**23,197,297**

13.3. Goodwill

The goodwill of the Company and the Group was established in the financial statements through 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.

13.3.1. Impairment of assets

Goodwill and non-depreciated assets with indefinite useful life are subject to annual impairment test including when some events indicate that their book value may not be recoverable. Depreciated assets are subject to impairment test of their value, when there are indications that their book value shall not be recovered.

Acknowledging and evaluating the current circumstances in the Greek economy and also assessing its medium-term developments, Group Management reviewed extensively its assumptions on the capability to recover the value of non-current assets. The non-current assets for which there were indications of impairment pertain to goodwill and intangible assets which have primarily arisen from the acquisition of SingularLogic Group.

The recoverable amount of goodwill related to the separate cash generating units has been determined according to the value in use, which was calculated by using the discounted cash flow method. The recoverable amount of non-current assets was determined on a separate basis, also according to the value in use, which was calculated by using the discounted cash flow method.

To determine the value in use, Management uses assumptions they find reasonable, which are based on the best possible information available and in effect on the reporting date of the Financial Statements.

13.3.2. Assumptions used to determine the value in use

As regards the goodwill impairment test, 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 13.4% for the first 5 years and to 8.8% on a perpetual basis.

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 calculations for determining the recoverable amount of cash generating units (CGU) were based on 5-year business plans approved by Management which, in their opinion, reflect past experience, forecasts of studies and other available information from external sources. The calculations for determining the recoverable amount of the proprietary software were based on an 8-year plan of projections, which incorporates the curves of useful life of each product based on the cycle of development, the forecast flows of each product and the pre-tax profit margin for each separate product, which depends on various factors, with the product lifecycle on the date its value in use is determined being the most important of all.

As regards the value in use of the trademark, which was determined based on the income that would arise from the royalties and accounts for the cost savings attained by the holder of the intangible asset in comparison with the provision of royalty, a percentage of 2% was used which reflects an average percentage applicable on an international scale to similar royalty agreements. The perpetuity growth rate used stands at 1% while the interest rate used in the pre-tax cash flow discount stands at 13.4% for the first 5 years and to 8.8% on a perpetual basis.

Management uses assumptions they find reasonable, which are based on the best possible information available and in effect on the reporting date of the Financial Statements.

The test conducted resulted in impairment of intangible assets since their recoverable amount was lower than their book value by €16,658,806 and €10,447,141 in terms of trademark and proprietary software accordingly. The impairment loss totalled €27,105,947 and is included in “Other financial results" in the Income Statement. The goodwill impairment test was based on the foregoing but there was no need to derecognise goodwill.

13.4. 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 €)	**31/12/2012**	**31/12/2011**

Balance at start of period	**Note**	**10,575,846**	**10,404,865**
Decrease/ refund of share capital		-	(7,383)
Increase / (Decrease) in investments		(8,067,605)	
Impairment of investments	13.27	(1,041,930)	
Increase of interest in Subsidiary		66,000	178,364
Balance at end of period		**1,532,310**	**10,575,846**

On 3.10.2012, the absorption of the wholly-owned subsidiary "Singularlogic Integrator S.A." by the parent company was completed by way of decision No. EM 24357/12. The absorption was recognised in the transformation balance sheet dated 31.03.2012 according to the provisions of Codified Law 2190/20 in conjunction with the provisions of Law 2166/93. The value of the interest amounted to €8,067,605.

In the last quarter of 2012, the Company purchased an additional stake of 16.35% in the subsidiary "SINGULARLOGIC CYPRUS LTD" in exchange for €66,000.

Finally, during the ending year, the Company impaired its interests in the subsidiaries "GIT HOLDINGS S.A." and "DSMS S.A." by €347,241.30 and €694,689.01 respectively. The total amount of impairment (€1,041,930) is included in the "Other Financial Results" account. Finally, on 27.02.2013, the Company sold its interest of 93.34% in the subsidiary "D.S.M.S. S.A.".

13.5. Investments in associates

On 31 December 2012, the investments in the Group's affiliated entities are as follows:

		THE GROUP		**THE COMPANY**	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Balance at start of period		**1,413,074**	**1,378,771**	**249,981**	**249,981**
Additions from absorption of subsidiaries				1,069,026	
Decrease from sale of affiliated entity		(1,069,026)		(1,069,026)	
Impairment of investments	13.27			(249,981)	
Share of (losses)/profits		30,794	34,304		
Balance at end of period		**374,842**	**1,413,074**	**0**	**249,981**

Company name	**Country of establishment**	**% holding**	**Acquisition cost**	**Accumulated Impairment**	**Profit / (losses) for the period**	**Balance**
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	-42,893	2,735	374,842
Total			**664,982**	**-292,875**	**2,735**	**374,842**

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 and the amount is included in the "Other Financial Results" account.

During the year, the company sold the associate "COMPUTER TEAM S.A." in which the absorbed "Singularlogic Integrator S.A." had a 35.00% interest. The selling price amounted to €250,000 and the loss from the sale stood at €(819,026) and is included in "Other Financial Results".

13.6. Other long-term receivables

On 31.12.2012, the other long-term receivables of the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Loans to affiliated entities	0	0	0	450.000
Guarantees granted	562,352	643,395	549,233	492,594
Total other long-term receivables	**562,352**	**643,395**	**549,233**	**942,594**

The loan of €450,000 granted by the parent company to "SINGULARLOGIC INTEGRATOR S.A." was eliminated on 31.12.2012 due to the latter's absorption by the parent.

13.7. Financial assets available for sale

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

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Opening balance	**155,803**	**164,922**	**128,563**	**137,682**
Additions from absorption of SingularLogic Integrator S.A.	-	-	27,240	-
Additions in the period	-	1,744	-	1,744
Sales / Deletions/ Impairment	(1,744)		(1,744)	
Other transactions	-	(10,863)	-	(10,863)
Closing balance	**154,059**	**155,803**	**154,059**	**128,563**

13.8. Inventories

On 31.12.2012 the inventories for the Group and the Company are presented as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Merchandise	1,998,742	2,166,129	1,868,320	1,450,820
Consumables	112,877	79,455	112,877	0
End products	1,326	1,326	1,326	0
Total	**2,112,945**	**2,246,910**	**1,982,523**	**1,450,820**
Less: Provisions for merchandise	(1,088,526)	(1,128,275)	(1,069,231)	(715,139)

Total net realisable value	**1,024,420**	**1,118,635**	**913,293**	**735,682**

The amount of inventories recognised as an expense during the year and included in the Company's cost of goods sold is equal to €3,011,502 and €4,385,488 for the Company and the Group respectively. The Group has not pledged any inventories.

The provisions for the period are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2012**
Opening balance	**(1,128,275)**	**(1,200,837)**	**(715,139)**	**(867,701)**
Additions from absorption of SingularLogic Integrator S.A.	-	-	(393,841)	
Additions		**(160,000)**		**(80,000)**
Reductions	39,749	**232,562**	**39,749**	**232,562**
Closing balance	**(1,088,526)**	**(1,128,275)**	**(1,069,231)**	**(715,139)**

The amount of reductions has affected the cost of inventories.

13.9. Customers & other trade receivables

On 31.12.2012, the receivables are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Customers	55,420,912	58,554,468	52,962,087	47,265,920
Bills receivable	293,483	199,753	263,119	169,574
Cheques receivable	10,307,325	12,387,701	10,618,515	11,512,173
Less: Provisions for impairment	(40,048,027)	(30,753,428)	(39,516,596)	(24,422,352)
Net trade receivables	**25,973,692**	**40,388,493**	**24,327,125**	**34,525,315**
Down payments to suppliers	1,068,663	-	1,068,663	-
Total	**27,042,355**	**40,388,493**	**25,395,788**	**34,525,315**

The provisions for the period are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Opening balance		**30,753,428**	**29,840,812**	**24,422,352**	**23,560,734**
Additions from absorption of subsidiaries		-	-	5,783,701	-
Provision for period	13.25	10,092,841	1,453,710	10,108,522	986,387
Collection of bad debts	13.25	(376,950)	(487,854)	(376,686)	(124,770)
Deletions		(421,292)	(53,240)	(421,292)	-
Closing balance		**40,048,027**	**30,753,428**	**39,516,596**	**24,422,352**

During the year, Management raised provisions equal to €10,109k and €10,093k for the Company and the Group respectively. An amount of €8,655k refers to impairment of assets decided by Management in addition to the provisions initially raised due to the harsh financial circumstances.

Indications of impairment have been assessed for all of the Group's receivables.

The maturity of the above receivables is presented in the table below:

	THE GROUP		THE COMPANY	
Amounts in €	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Non-overdue and non-impaired	**18,450,199**	**27,600,321**	**17,824,176**	**24,370,990**
Overdue and non-impaired				
Less than 3 months	3,141,148	3,221,552	2,638,247	2,602,446
Between 3 and 6 months	1,578,654	3,324,058	1,202,635	2,565,337
Between 6 months and 1 year	2,803,691	2,361,221	2,662,067	2,178,550
More than 1 year	0	3,881,340	0	2,807,992
Total	**25,973,692**	**40,388,493**	**24,327,125**	**34,525,315**

13.10. Other receivables

On 31 December 2012, other receivables for the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Sundry debtors	157,672	4,035,244	174,717	2,891,666
Receivables from the Greek State	1,163,340	2,529,276	1,015,391	415,978
Other receivables	86,944	64,651	22,286	29,825
Receivables from affiliates	72,550	156,130	164,305	359,468
Receivables assigned to a factoring company	211,974	0	211,974	0
Advances to staff	57,896	0	38,347	0
Less: provisions for bad debt	(166,832)	(2,685,436)	(149,052)	(2,667,656)
Net debtor receivables	**1,583,545**	**4,099,866**	**1,477,966**	**1,029,281**
Total	**1,583,545**	**4,099,866**	**1,477,966**	**1,029,281**

The provisions for the period are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Opening balance on 1 Jan 2012		**2,685,436**	**2,650,656**	**2,667,656**	**2,650,656**
Additions from absorption of SingularLogic Integrator S.A.		**-**	**-**	-	-
Provision for period	13.25	**126,785**	**17,000**	126,785	17,000
Amounts carried forward	13.25	**-**	**17,780**	-	-
Deletions		**(2,645,389)**	**-**	(2,645,389)	-
Closing balance on 31 Dec 2012		**166,832**	**2,685,436**	**149,052**	**2,667,656**

13.11. Other current assets

On 31 December 2012, other current assets of the Group and the Company are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Prepaid expenses		5,152,836	5,452,127	5,094,107	5,041,435
Receivables from works contracts	13.15	3,295,013	13,903,024	3,295,013	9,434,774

Receivables from European subsidies	627,824	726,475	627,824	726,475
Non-current receivables from currently earned income	14,440	266,176	6,112	127,571
	9,090,113	**20,347,802**	**9,023,057**	**15,330,255**

Other current assets consist, in their majority, of receivables from works contracts. The details on works contracts are set out in paragraph 13.15 "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.

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

On 31 December 2012, the Group's and the Company's financial assets at fair value through profit or loss are broken down as follows:

(amounts in €)	Note	THE GROUP 31/12/2012	THE GROUP 31/12/2011	THE COMPANY 31/12/2011	THE COMPANY 31/12/2011
Balance at start of period		**8,595**	**10,507**	**3,418**	**-**
Additions from absorption of subsidiary		-	-	9,418	-
Additions (+)		5,251,300	-	2,250,000	-
Sales (-)		(3,001,792)	(1,436)	-	-
Profits/ (losses) from measurement at fair value	13.27	7,907	(11,340)	3,174	(7,445)
Other adjustments/ Deletions		-	10,863	-	10,863
End of period		**2,266,010**	**8,595**	**2,266,010**	**3,418**

Equities and Mutual Funds	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Shares listed on Athens SE	16,010	8,103	16,010	3,418
Shares unlisted on Athens SE	-	492	-	-
Domestic mutual funds	**2,250,000**	-	2,250,000	-
Total	**2,266,010**	**8,595**	**2,266,010**	**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.

13.13. Derivative financial instruments

During the current year, there expired the interest rate swaps into which the company had entered with credit institutions to hedge the risk from fluctuations in the corporate bond interest rates totalling €26 million, which had been taken out by the absorbed company "SingularLogic S.A." in 2007.

The company applied hedge accounting to these derivatives because it believed that they meet the necessary conditions for such application. Upon expiry of the swaps, the value recognised in equity €(669,166) for the Company and €(754,652) for the Group was reclassified to equity through profit or loss (see "Other financial results") for the period.

During the year the Company paid €337,000 from derivatives settlement. The net expense of €250,000 is included in the "Other financial results" account.

13.14. 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 31.12.12 the Group has not recognised any deferred asset for the deferred tax losses.

On 31.12.12, the deferred tax on the profit and loss for the period has been calculated at a tax rate of 20%. In case the deferred tax was calculated with the new tax rate (26%), which was specified according to Law 4110/2013 in early 2013, the amount of €560,562 would be charged to the consolidated operating results.

The deferred tax assets/liabilities which arise from the interim tax adjustments are presented below:

	THE GROUP				THE COMPANY			
	31/12/2012		31/12/2011		31/12/2012		31/12/2011	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current assets								
Intangible assets	-	2,025,715	21,741	7,695,413	-	1,952,921	21,741	7,596,685
Tangible assets	-	-	-	-	-	-	-	-
Current assets	-	-	-	-	-	-	-	-
Other current assets	-	1,545,837	-	3,615,551	-	1,545,837	-	2,714,820
Reserves								
Subsidies to fixed assets investments	-	515,816	-	269,516	-	515,816	-	269,516
Results carried forward	-	-	-	-	-	-	-	-
Long-term liabilities	-	-	-	-	-	-	-	-
Staff termination liabilities	685,699	-	675,936	-	650,957	-	474,948	-
Short-term liabilities	-	-	-	-	-	-	-	-
Other liabilities	1,612,667	0	1,654,329	240,000	1,612,667	0	1,263,099	0
Total	**2,298,366**	**4,087,368**	**2,352,006**	**11,820,479**	**2,263,624**	**4,014,574**	**1,759,788**	**10,581,021**

13.15. Works Contracts

The items regarding works contracts are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Project expenses incurred	2,821,937	7,671,924	2,519,632	5,467,305
Plus/(Less): Recognised profits/ (losses)	539,605	276,358	477,875	602,898
Total income from works contracts recognised in the period	**3,361,542**	**7,948,282**	**2,997,508**	**6,070,202**
Receivable from customers for contractual work	3,295,013	13,903,024	3,295,013	9,434,774
Payable to customers for contractual work	(71,487)	(109,793)	(71,487)	(84,009)
Total non-invoiced work	**3,223,526**	**13,793,231**	**3,223,526**	**9,350,765**
Advances	1,044,920	455,797	1,044,920	-
Non-executed remainder	**4,418,918**	**7,794,239**	**4,418,918**	**4,291,720**

The amount pertaining to the advances received is included in “Suppliers and other liabilities” in the Statement of Financial Position. The amount of liability from works contracts is included in "Other short-term liabilities" in the Statement of Financial Position and receivables are included in "Other current assets".

Having regard to the difficult financial circumstances, the company wrote off receivables of €9,672,381 believing they are not recoverable owing to such circumstances.

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 estimate about the result of each works contract and the percentage of completion on the date of the Statement of Financial Position.

13.16. Cash and cash equivalents

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

	THE GROUP		THE COMPANY	
Amounts in €	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash in hand	19,429	20,588	9,065	7,901
Cash in bank	1,918,060	2,840,070	1,309,086	1,763,070
Short-term deposits	4,811,741	6,756,519	3,660,000	1,590,000
Blocked Deposits	788,344	1,501,384	788,344	1,489,715
Total cash and cash equivalents	**7,537,573**	**11,118,561**	**5,766,495**	**4,850,686**

The Group's and the Company's cash in banks includes an amount of €13,520 (2011: €13,534) attributed to those participating in programs subsidised by the European Union.

13.17. Equity

13.17.1. Share Capital

During the ending year the Company absorbed the subsidiary "Singularlogic Integrator S.A.". As a result, based on the provisions of Law 2166/1993, owing to the remaining difference of €11,743,215 between the value of holding €8,067,605 and the share capital of the absorbed company €19,810,820, shares of equal value were issued with a nominal value of €1.

(amounts in €)	No. of shares	Nominal value	Ordinary Shares	Premium on capital stock	Total
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**
Share capital increase due to subsidiary's absorption	**11,743,215**	**1.00**	**11,743,215**		**11,743,215**
31 Dec 2012	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**

13.17.2. Reserves

Group and Company other reserves are broken down as follows:

	THE GROUP			
(amounts in €)	Statutory Reserve	Financial instruments reserve	Other reserves	Total

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**
31 Dec 2011	**106,020**	**754,652**	**(6,884)**	**853,787**
Changes during the year	46,761		126,118	**172,879**
Transfers between reserves and results carried forward	24,705			**24,705**
Cash flow hedges				
- Profits/ (Losses) for the current period		181,037		**181,037**
- Reclassification to the profit and loss account		(1,014,521)		**(1,014,521)**
Income taxes related to items of other comprehensive income		78,832		**78,832**
FX differences from conversion of foreign subsidiaries' financial statements			(8,354)	**(8,354)**
31 Dec 2012	**177,486**	**0**	**110,880**	**288,366**

THE COMPANY

(amounts in €)	**Statutory Reserve**	**Financial instruments reserve**	**Other reserves**	**Total**
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**
31 Dec 2011	**0**	**669,166**	**0**	**669,166**
Amounts from subsidiaries' absorption	73,296	0	249,837	**323,133**
Cash flow hedging reserve		181,037		**181,037**
Reclassification through profit or loss for the period		(929,034)		**(929,034)**
Deferred asset from cash flow hedge		**78,832**		**78,832**
31 Dec 2012	**73,296**	**0**	**249,837**	**323,133**

13.18. Employee benefit liabilities

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

Staff termination liabilities

-	**ΟΜΙΛΟΣ**		**COMPANY**	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Long-term retirement liabilities	3,448,870	3,420,044	3,254,783	2,374,738
Short-term retirement liabilities				
Total				

The amounts recognised in the income statement are:

	ΟΜΙΛΟΣ		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
	Defined benefit plans	Defined benefit plans	Defined benefit plans	Defined benefit plans
Cost of current employment	341,619	374,667	318,523	272,054
Interest cost on benefit liability	153,605	172,600	144,060	123,300
Expected return on plan assets				
Recognition of past service cost				
Actuarial gains/ losses recognised during the year	(466,102)	(7,564)	(438,740)	
Settlement cost	2,079,403		2,049,795	
Losses/(profits) from curtailments and settlements		(266,869)		(218,194)
Expense recognised in the income statement	**2,108,525**	**272,834**	**2,073,638**	**177,161**

Realised return on plan assets

The amounts recognised in the balance sheet are:	ΟΜΙΛΟΣ		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	Defined benefit plans	Defined benefit plans	Defined benefit plans	Defined benefit plans
Present value of non-funded defined-benefit liabilities	1,645,464	2,953,942	1,546,246	2,086,509
Net actuarial gains or losses not recognised in the balance sheet	1,803,406	466,102	1,708,537	288,230
	3,448,870	**3,420,044**	**3,254,783**	**2,374,738**
Net liability for pensions in the balance sheet	**3,448,870**	**3,420,044**	**3,254,783**	**2,374,738**

Changes in present value of liability for defined benefit plans are as follows:	ΟΜΙΛΟΣ		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	Defined benefit plans	Defined benefit plans	Defined benefit plans	Defined benefit plans
Balance at start of period	**2,953,942**	**3,138,180**	**2,770,388**	**2,241,825**
Employment cost	341,619	374,667	318,523	272,054
Interest cost	153,605	172,600	144,060	123,300
Actuarial losses/ (gains)	(1,365,853)	(464,636)	(1,255,129)	(332,477)
Settlement cost	1,641,554		1,618,200	
Losses/(profits) from curtailments		669,444		531,065
Benefits paid	(2,079,403)	(936,313)	(2,049,795)	(749,258)
Balance at end of period	**1,645,464**	**2,953,942**	**1,546,246**	**2,086,509**

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

	31/12/2012	31/12/2011
Discount Rate	4.8%	5.2%
Future salary increases	4.0%	4.5%
Inflation	2.0%	2.0%

13.19. Borrowings

On 31.12.2012, the Group's and the Company's borrowings are broken down as follows:

(amounts in €)	THE GROUP 31/12/2012	THE GROUP 31/12/2011	COMPANY 31/12/2012	COMPANY 31/12/2011
Long-term borrowing				
Corporate bonds	0	0	0	0
Liabilities under finance lease	51,075	29,291	0	0
Total long-term loans	**51,075**	**29,291**	**0**	**0**
Short-term loans				
Bank loans	3,994,135	2,548,356	2,773,407	1,335,715
Bonds payable in next year	53,628,000	57,000,000	53,628,000	54,100,000
Liabilities under finance lease	31,243	23,733	0	0
Total short-term loans	**57,653,378**	**59,572,090**	**56,401,407**	**55,435,715**
Total loans	**57,704,453**	**59,601,381**	**56,401,407**	**55,435,715**

The Group's borrowing mainly consists of 2 corporate bonds amounting to €27,628,000 and €26,000,000 respectively. To secure the receivables of credit institutions, a first-class pledge has been raised on 100% of the Company's registered shares. Also, especially for tranche B bonds of €17,978,000, a variable security on the Company's receivables (invoices) is raised by 108%.

During the year, the company repaid the amount of €3,372,000 for a corporate bond granted by EFG EUROBANK ERGASIAS S.A.

On 31.12.2012, total short-term borrowings of the Company and the Group amounted to €56,401,407 and €57,641,461 respectively, including these two corporate bonds totalling €53,628,000 for the Company and the Group. Due to their contractual expiry during 2012, these corporate bonds are liable to termination and may immediately become due and payable.

Concurrently, 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 31.12.2012 resulted in an increase in the spreads of borrowing rates.

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 31/12/2012	THE GROUP 31/12/2011	THE COMPANY 31/12/2012	THE COMPANY 31/12/2011
Up to 1 year	57,653,378	59,572,090	56,401,407	55,435,715
Between 1 and 2 years	51,075	29,291	-	-
	57,704,453	**59,601,381**	**56,401,407**	**55,435,715**

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

	31/12/2012	31/12/2011

	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	33,143	31,243	25,633	23,733
Between 1 and 5 years	66,876	51,075	47,106	29,291
Over 5 years	0	0	0	0
Total minimum future payments	**100,019**	**82,318**	**72,739**	**53,025**
Less: Interest expenses	(17,701)	0	(19,713)	0
Total present value of future minimum lease payments	**82,318**	**82,318**	**53,025**	**53,025**

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

	THE GROUP		THE COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Bank loans (short-term)	6.06%	4.75%	5.93%	4.70%
Bank loans (long-term)	5.10%	5.10%	-	-

13.20. Provisions

On 31 December 2012, the provisions and account transactions during the year are broken down as follows:

	THE GROUP		
(amounts in €)	**Tax liabilities**	**Other provisions**	**Total**
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**
Additions	**-**	**55,923**	**55,923**
31 Dec 2012	**379,151**	**441,685**	**820,837**

	THE COMPANY		
(amounts in €)	**Tax liabilities**	**Other provisions**	**Total**
31 Dec 2010	**329,151**	**384,078**	**713,229**
31 Dec 2011	**329,151**	**384,078**	**713,229**
Additions from absorption of subsidiaries	50,000	1,684	**51,684**
Additions	-	55,923	**55,923**
31 Dec 2012	**379,151**	**441,685**	**820,837**

13.21. 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 €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Suppliers	9,484,314	11,266,810	8,967,161	8,576,662
Bills payable	75,089	70,961	0	0
Cheques payable	295,841	298,204	293,581	272,391
Customer down payments	1,108,165	0	1,044,920	0
Total	**10,963,410**	**11,635,975**	**10,305,662**	**8,849,053**

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.

13.22. Current tax liabilities

On 31.12.2012, the Group's and the Company's liabilities for income tax are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Income tax	77,856	534,621	0	369,124
Total	**77,856**	**534,621**	**0**	**369,124**

13.23. Other short-term liabilities

On 31.12.2012, the Group's and the Company's other short-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Interest accrued	985,273	279,701	975,633	271,449
Insurance and pension fund dues	1,236,678	1,422,999	1,110,286	1,037,184
Dividends payable	66,434	20,581	0	0
Salaries and wages payable	664,180	149,443	655,430	149,443
Unearned and deferred income	5,760,963	5,724,392	5,379,075	5,269,884
Accrued expenses	4,928,183	6,084,458	4,872,818	2,779,494
Customer down payments	0	2,095,705	0	348,243
Other liabilities	1,903,968	289,016	1,606,932	114,071
Other tax liabilities	2,055,105	2,836,437	1,904,045	2,075,790
Total	**17,600,785**	**18,902,732**	**16,504,218**	**12,045,559**

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. During the current year, a forecast works cost equal to €1,597,683 was reversed due to the write-off of works receivables owing to the harsh difficult circumstances and, thus, the inability to recover them.

13.24. 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 - 31/12/2012				1/1 - 31/12/2011			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee benefits	20,085,153	3,817,449	6,983,004	**30,885,605**	21,545,435	3,363,032	6,249,341	**31,157,808**
Inventory cost recognised as expense	4,385,488			**4,385,488**	5,729,742			**5,729,742**
Third party fees and expenses	8,116,495	1,366,308	1,737,416	**11,220,219**	6,633,913	1,756,428	809,314	**9,199,655**

Charges for outside services	912,588	208,645	179,421	**1,300,654**	1,062,808	161,100	257,221	**1,481,129**
Repairs & maintenance	2,843,845	24,023	18,974	**2,886,842**	2,943,547	15,305	19,027	**2,977,879**
Operating leases rents	2,344,522	293,891	495,981	**3,134,394**	2,715,544	321,304	678,760	**3,715,608**
Taxes & duties	162,376	80,352	189,072	**431,800**	83,500	15,263	112,787	**211,550**
Advertising	70,732	43,725	222,101	**336,558**	61,403	33,964	499,382	**594,749**
Other expenses	786,580	333,170	511,483	**1,631,233**	977,831	322,919	816,629	**2,117,379**
Depreciation of fixed assets	3,959,275	205,816	189,190	**4,354,281**	3,794,405	254,724	232,541	**4,281,670**
Total	**43,667,055**	**6,373,377**	**10,526,642**	**60,567,074**	**45,548,129**	**6,244,039**	**9,675,003**	**61,467,170**

	THE COMPANY							
	1/1 - 31/12/2012				1/1 - 31/12/2011			
(amounts in €)	**Cost of Goods Sold**	**Administrative expenses**	**Selling expenses**	**Total**	**Cost of Goods Sold**	**Administrative expenses**	**Selling expenses**	**Total**
Employee benefits	17,124,437	3,148,221	5,756,943	**26,029,601**	15,581,263	1,936,403	4,220,309	**21,737,976**
Inventory cost recognised as expense	3,011,502			**3,011,502**	3,208,519			**3,208,519**
Third party fees and expenses	8,719,469	930,761	1,733,984	**11,384,213**	9,897,748	583,021	574,664	**11,055,433**
Charges for outside services	837,851	181,199	156,925	**1,175,975**	908,323	87,553	186,841	**1,182,717**
Repairs & maintenance	2,818,333	21,422	16,835	**2,856,590**	2,767,326	6,918	16,188	**2,790,431**
Operating leases rents	2,163,505	213,361	433,303	**2,810,170**	2,233,411	184,197	502,420	**2,920,028**
Taxes & duties	62,582	73,866	171,173	**307,621**	69,969	9,344	70,157	**149,471**
Advertising	57,784	40,861	210,422	**309,067**	59,352	29,413	466,074	**554,838**
Other expenses	588,060	165,027	385,480	**1,138,566**	685,795	124,648	628,750	**1,439,193**
Depreciation of fixed assets	3,724,412	101,222	169,063	**3,994,697**	3,363,511	67,956	174,507	**3,605,974**
Total	**39,107,934**	**4,875,939**	**9,034,127**	**53,018,000**	**38,775,217**	**3,029,453**	**6,839,910**	**48,644,579**

13.25. Other operating income/expenses

		THE GROUP		THE COMPANY	
(amounts in €)		**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Miscellaneous operating income	**Note**				
Income from Subsidies		2,159,374	2,192,268	2,159,374	2,173,260
Income from rents			-	91,371	93,579
Other		383,627	405,542	526,880	1,318,633
Income from reversal of unused provisions		1,019,162	-	1,019,162	-
Income from used provisions for personnel		466,398	274,433	437,179	220,107
Income from used provisions for customers	13.9	376,950	487,854	376,686	124,770
Depreciation of raised provision from recognition of losses from works contract	13.20	-	371,977	-	-
Gains on sale of fixed assets		22,748	282	-	282
Total		**4,428,258**	**3,732,356**	**4,610,653**	**3,930,630**

(amounts in €)					
Miscellaneous operating costs					
Real estate and other taxes		(107,734)	-	(107,734)	-
Other fines & augmentation		(20,478)	-	(15,375)	-
Provision for bad debts	13.9 & 13.10	(18,333,613)	(1,470,710)	(18,365,928)	(1,003,387)
Provision for obsolete stocks	13.8	-	(160,000)	-	(80,000)
Loss from sale/ destruction of fixed assets/ merchandise		(10,224)	(112)	(10,223)	(36)
Recognition of loss from works contract		-	(6,478)	-	-
Other		(454,888)	(401,379)	(440,851)	(124,262)
Compensation		**(78,090)**	**(142,196)**	**(78,090)**	**(142,196)**
Total		**(19,005,026)**	**(2,180,874)**	**(19,018,201**	**(1,349,881)**

The Company has written off works receivables which had a total effect of €8,074,698 (receivable of €9,672,381 and proportionate cost of €1,597,683) considering these particular receivables non-collectible. Moreover, the Company raised new provisions for bad debts equal to €10,108,522 from which an amount of €8,655,380 refers to impairment in addition to the provisions initially raised and deemed necessary given the harsh financial circumstances. The provisions for bad debts were reduced by €1,395,848 from which the amount of €376,686 was reversed due to its collection.

13.26. Financial income / expenses

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Interest income:					
- Banks		134,861	225,756	61,722	46,677
- Customers		343	15,190	-	15,099
- Loans granted		-	-	3,691	15,391
- Other interest related income		369	-	-	-
		135,572	**240,947**	**65,414**	**77,168**
(amounts in €)					
Interest charges:					
- Discount of staff termination liabilities	13.18	(153,605)	(172,600)	(144,060)	(123,300)
- Short-term bank loans		(332,988)	(189,467)	(270,436)	(158,243)
- Bank loans (corporate bonds)		(2,883,812)	(2,679,144)	(2,834,789)	(2,438,296)
- Advances from sales to the State		-	(17,248)	-	-
- Guarantee letter commissions		(364,413)	(249,021)	(307,263)	(82,386)
- Factoring		(255,137)	(195,056)	(255,137)	(195,056)
- Finance leases		(5,897)	(5,897)	-	-
- Other bank expenses		(533,868)	(484,386)	(517,439)	(451,110)
		(4,529,720)	**(3,992,820)**	**(4,329,123)**	**(3,448,392)**

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

13.27. Other financial results

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Impairment provisions for loans and other investments		(27,107,691)	0	(28,399,603)	0
Return on derivative financial instruments	13.13		(493,086)		(493,086)
Cash flow hedging (realised part)		892,769	0	807,283	0
Fair value profit/(losses) of other financial items through profit or loss	13.12	7,907	(11,340)	3,174	(7,445)
Profits/ (losses) from sale of interest in subsidiary		(819,026)	0	(819,026)	0
Income from dividends		0	7,874	1,303,509	70,305

Financial cost of receivable discount	0	(1,019,162)	0	(1,019,162)
Foreign exchange gains/(losses)	(19,589)	(14,808)	837	(8,120)
Other financial results				492,617
Total	**(27,045,630)**	**(1,530,522)**	**(27,103,826)**	**(964,891)**

Other financial results include the effect of impairment of the company's intangible assets, which totals €27,105,947. Specifically, the amount of €16,658,806 refers to the impairment of brand name and the amount of €10,447,141 concerns the impairment of proprietary software products.

During this year, due to the expiry of the interest rate swaps, the amounts of €1,143,321 and €1,057,835 were reclassified from Equity to profit and loss of the year for the Group and the Company respectively. Negative return of €250,552 was recorded for the above interest rate swaps. The Company and the Group registered losses of €819,026 from the sale of the 35% interest held in Computer Team S.A. by the absorbed company "SingularLogic Integrator S.A.".

13.28. Income tax

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

	THE GROUP		**THE COMPANY**	
(amounts in €)	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Tax for the period	(88,564)	(495,144)	(7,353)	(349,631)
Self-employed and liberal professions contribution	0	0	(570)	0
Deferred tax	7,600,639	229,842	7,379,655	198,188
Total	**7,512,075**	**(265,302)**	**7,371,732**	**(151,443)**

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:

	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
(amounts in €)	**THE GROUP**		**COMPANY**	
Earnings Before Tax	(50,622,319)	(6,284,250)	(49,055,732)	(2,049,957)
Tax rate (20%)	20%	20%	20%	20%
Expected tax expense at the enacted tax rate	**(10,124,464)**	**(1,256,850)**	**(9,811,146)**	**(409,991)**
Offsetting due to prior-period accumulated losses	(11,848)	0	0	0
Tax-free income	0	(1,927)	0	0
Losses for which deferred tax asset was not recognised	(24,950)	1,195,649	7,269	203,832
Adjustment for tax-exempt income:				
-income from dividends	0	(12,452)	(252,500)	(12,452)
-Other	(432,491)	0	(415,393)	0
Adjustment to tax for non-deductible expenses:				
- Additional taxes & surcharges	0	0	0	0
- non deductible expenses	3,071,181	414,181	3,092,686	389,554

Effect of changes in tax rate		(20,490)	0	(20,490)
Self-employed and liberal professions contribution		3,555	0	990
Prior-period tax adjustments	16,639	(27,882)	7,353	0
Provisions for income tax		0	0	0
Effect of different tax rates of foreign subsidiaries	(6,143)	(28,482)	-	-
Incurred tax expense (net)	**(7,512,075)**	**265,302**	**(7,371,732)**	**151,443**

Pursuant to Law 4110/2013, as of 01.01.2013 the tax rate will rise to 26% from 20% that is in effect in the current year 2012.

13.29. 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	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Profits for the period	**(43,110,244)**	**(6,549,552)**	**(41,684,000)**	**(2,201,400)**
Adjustments for:				
Tax	(7,512,075)	265,302	(7,371,732)	151,443
Depreciation on tangible assets	907,144	1,032,462	740,414	617,587
Depreciation on intangible assets	3,447,135	3,249,208	3,254,282	2,988,386
Provisions	18,675,231	2,011,855	18,684,451	1,355,441
Income from use of prior-period provisions	(1,862,510)	(1,134,264)	(1,858,831)	(344,877)
Impairment provisions for loans and other investments	27,107,691	0	28,399,603	0
(Gains)/losses from destruction of tangible assets	0	36	0	36
(Gains)/losses from sale of tangible assets	(12,524)	(207)	10,200	(282)
Gains on sale of financial assets at fair value through P&L	(892,769)	0	(807,283)	0
(Gains) / losses from derivatives fair value	0	493,086	0	493,086
Fair value losses of other financial items at fair value through profit or loss	(7,907)	11,426	(3,174)	7,445
Results (income, expenses, profits, losses) from investing activity	819,026	0	819,026	(492,617)
Financial cost of receivables discount	0	1,019,162	0	1,019,162
Gains on sale of financial assets at fair value through P&L	0	(86)	0	0
Interest income	(135,572)	(240,947)	(65,414)	(77,168)
Interest charges	4,529,720	3,992,820	4,329,123	3,448,392
Income from dividends	0	(7,874)	(1,303,509)	(70,305)
Share of result from associates consolidated using the equity method	(30,794)	(34,304)	0	0
Other foreign exchange differences	19,589	14,808	(837)	8,120
	1,941,141	**4,122,932**	**3,142,320**	**6,902,449**
Change in working capital				
(Increase) / decrease in stocks	94,215	258,532	72,607	247,474
(Increase) / decrease in receivables	5,283,712	3,396,556	6,408,132	2,149,519

(Increase)/ decrease in other current assets accounts	1,557,469	4,321,198	1,867,755	2,753,731
Increase / (decrease) in liabilities	(1,381,312)	(8,233,138)	(2,549,225)	(7,740,566)
	5,554,084	**(256,852)**	**5,799,268**	**(2,589,841)**
Cash flow from operating activities	**7,495,225**	**3,866,080**	**8,941,588**	**4,312,608**

13.30. 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 2012, the transactions and balances of transactions between the Group's related parties are broken down as follows:

	GROUP		COMPANY	
amounts in euro				
Sales of goods				
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Parent company	-	-	-	-
Subsidiaries	-	-	139,522	103,096
Associates	131,273	39,494	131,273	39,494
Other related parties	143,838	255,143	57,849	246,798
Total	**275,111**	**294,637**	**328,644**	**389,387**
Purchases of goods				
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Parent company	-	-	-	-
Subsidiaries	-	-	136,009	90,350
Associates	-	-	-	-
Other related parties	-	182,007	-	86,229
Total	**0**	**182,007**	**136,009**	**176,579**
Sales of services				
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Parent company	-	-	-	-
Subsidiaries	-	-	662,349	831,002
Associates	809,617	1,021,972	809,617	1,021,972
Other related parties	7,006,321	6,882,854	6,751,259	6,508,809
Total	**7,815,938**	**7,904,826**	**8,223,225**	**8,361,784**

Purchase of Services

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Parent company	-	-	-	-
Subsidiaries	-	-	179,505	2,581,520
Associates	87,393	166,189	75,838	166,189
Other related parties	-	-	-	-
Total	**87,393**	**166,189**	**255,342**	**2,747,709**

Other income

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Parent company	-	-	-	-
Subsidiaries	-	-	507,276	1,022,989
Associates	30	100	30	100
Other related parties	128,421	0	128,421	-
Total	**128,451**	**100**	**635,727**	**1,023,089**

Other expenses

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Parent company	-	-	-	-
Subsidiaries	-	-	46,528	100,785
Associates	-	-	-	-
Other related parties	141,840	132,144	96,340	132,144
Total	**141,840**	**132,144**	**142,868**	**232,929**

Interest income from loans to related parties

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Subsidiaries	-	-	3,691	15,391
Total	**-**	**-**	**3,691**	**15,391**

Loans to Associates

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Subsidiaries	-	-	-	450,000
Total	**-**	**-**	**-**	**450,000**

Receivables

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Parent company	-	-	-	-
Subsidiaries	-	-	1,787,970	3,333,470
Associates	1,114,244	684,992	1,114,244	189,896
Other related parties	3,017,249	2,922,226	2,855,131	2,591,060
Total	**4,131,493**	**3,607,218**	**5,757,345**	**6,114,426**

Suppliers / Creditors

	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Parent company	-	-	-	-
Subsidiaries	-	-	2,177,108	199,909
Associates	15,569	81,653	15,569	81,653
Other related parties	276,840	455,118	90,858	289,156
Total	**292,409**	**536,771**	**2,283,535**	**570,718**

The above transactions include the transactions of the absorbed company "SingularLogic Integrator S.A." for the period from 01.04.2012 to 02.10.2012.

13.31. 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 €)	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Salaries and social security expenses	1,099,666	919,375	927,667	663,283
BoD meeting fees	860,308	1,285,128	462,424	191,729
Staff termination compensation	197,279	165,500	182,429	165,500
Other long-term benefits	40,110	0	23,900	0
Total	**2,197,363**	**2,370,002**	**1,596,421**	**1,020,512**

Key executives number 12 persons in the current year and numbered 17 in 2011.

On 31 December 2012, no loans had been granted to BoD members or other senior Group executives (and their families).

13.32. Number of staff employed

On 31 December 2012, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
Salaried staff	643	728	547	490

13.33. Liens

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

13.34. 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 €)	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Guarantees to ensure proper performance of contracts with customers	6,636,720	7,069,137	6,634,850	2,541,922
Guarantees to ensure proper payment of contracts with customers	15,000	49,205	15,000	49,205
Advance payment guarantees	6,946,495	7,216,856	6,946,495	1,458,099
Guarantees for participation in various tender procedures	3,039,205	0	3,039,205	0
Security for loans with banks (cheques, factored contracts and invoices)	28,378,571	30,774,900	28,333,198	27,083,707
Total	**45,015,991**	**45,110,098**	**44,968,748**	**31,132,933**

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.

13.35. 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	2009-2012
PCS	2010-2012
SINGULARLOGIC BULGARIA C.A. EOOD	2002-2012
SINGULARLOGIC ROMANIA C.A. SRL	2012
METASOFT	2010-2012
SINGULARLOGIC BUSINESS SERVICES S.A.(absorbed by SingularLogic on 12.03.2012)	2010-2011
SINGULARLOGIC INTEGRATOR S.A. (absorbed by SingularLogic on 03.10.2012)	2007-2011
INFOSUPPORT	2010-2012
LOGODATA	2005-2012
SYSTEM SOFT	2010-2012
SINGULARLOGIC CYPRUS LTD (DEMSTAR)	2006-2012
DSMS	2010-2012
GIT HOLDINGS S.A.	2010-2012
GIT (CYPRUS) LTD	2009-2012
INFO S.A.	2010-2012
DYNACOMP S.A.	2009-2012

The Company has not been audited for years 2010 and 2012 while the absorbed Company "SINGULARLOGIC SA" has been audited in tax terms up to 2007 (included).

For the period ended on 31.12.2011, the Company and its subsidiaries in Greece were audited on the basis of Decision No. POL. 1159/2011 and received a tax certificate ("Annual Certificate") by Grant Thornton S.A. as provided for in Article 82(5) of Law 2238/1994. As regards the fiscal year ended on 31.12.2012, 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. As for the period ended on 31.12.2012, the tax audit is already carried out by Grant Thornton S.A.

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.

Upon completion of the tax audit, Management of Group Companies does not expect any significant tax liabilities other than 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 once the pending tax cases will be finalised. However, on 31.12.2012 provisions have been raised for unaudited tax years which amount to €379,000 for the Company and the Group.

14.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.

14.1. 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:

	31/12/2012				31/12/2011			
Amounts in € and foreign currency	**EUR**	**USD**	**GBP**	**Ron**	**EUR**	**USD**	**GBP**	**Ron**
Notional amounts								
Financial assets	986,950	231,648	6,137	3,572,754	185,598	230,638	6,137	2,640,661
Financial liabilities	(653,993)	(331,099)	(1,676)	(1,782,208)	(369,439)	(475,422)	(1,676)	(1,296,947)
Short-term exposure	**332,958**	**(99,452)**	**4,461**	**1,790,546**	**(183,842)**	**(244,783)**	**4,461**	**1,343,714**
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:

Amounts in €	31/12/2012					
	USD		GBP		Ron	
Profit for the period pre-tax	(7,538)	7,538	547	(547)	40,287	(40,287)
Equity	(7,538)	7,538	547	(547)	40,287	(40,287)

Amounts in €	31/12/2011					
	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)

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.

14.2. 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 2012, 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).

The table below shows the sensitivity of operating results and equity to a reasonable change in the interest rate in the order of +/- 1% (2011: +/-1%). The interest rate changes are expected to be reasonable based on recent market conditions.

Group loans sensitivity analysis to interest rate changes:

Amounts in €	31/12/2012		31/12/2011	
Profit for the period pre-tax	577,040	(577,040)	596,014	(596,014)
Equity	577,040	(577,040)	596,014	(596,014)

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

14.3. Credit risk analysis

Group exposure to credit risk is limited to the financial assets (instruments) which on 31.12.2012 are broken down as follows:

Amounts in €	31.12.2012	31.12.2011
Financial asset categories		
Cash and cash equivalents	7,537,573	11,118,561
Trade and other receivables	31,920,913	58,391,383

Total	**39,458,486**	**69,509,944**

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 31.12.12 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.

14.4. 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 borrowings.

At the year-end, short-term liabilities appear higher than current assets by €38,572,250 and €39,189,516 for the Group and the Company because the two corporate bonds of €53,628,000 are recognised in short-term liabilities due to their contractual termination 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, Management is at a stage of negotiating new long-term loan agreements with credit institutions to maintain the Group's liquidity.

The maturity of the Group's financial liabilities on 31 December 2012 is broken down as follows:

	31/12/2012			
	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Amounts in €				
Bonds payable next year	53,628,000	-	-	-
Finance lease obligations	15,621	15,622	51,075	-
Trade liabilities	6,182,401	4,781,010	-	-
Other short-term liabilities	9,969,653	7,708,988	-	-
Short-term borrowing	3,994,135	-	-	-
Derivative financial instruments	-	-	-	-
	73,789,810	**12,505,620**	**51,075**	**0**

	31/12/2011			
	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Amounts in €				
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**

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.

14.5. 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 €	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Non-current assets				
Loans and receivables	562,352	643,395	549,233	942,594
Available-for-sale financial assets	154,059	155,803	154,059	128,563
Total	**716,411**	**799,198**	**703,292**	**1,071,157**
Current assets				
Assets presented at fair value through P&L	2,266,010	8,595	2,266,010	3,418
Trade and other receivables	31,920,913	58,391,383	30,168,767	44,989,370
Cash and cash equivalents	7,537,573	11,118,561	5,766,495	4,850,686
Total	**41,724,496**	**69,518,539**	**38,201,272**	**49,843,474**
Long-term liabilities				
Borrowing	51,075	29,291	0	0
Derivative financial instruments	0	0	0	0
Total	**51,075**	**29,291**	**0**	**0**
Short-term liabilities				
Borrowing	57,653,378	59,572,090	56,401,407	55,435,715
Financial liabilities	10,963,410	11,635,975	10,305,662	8,849,053
Other financial liabilities	17,600,785	18,902,732	16,504,218	12,045,559
Derivative financial instruments	0	309,838	0	309,838
Total	**86,217,573**	**90,420,635**	**83,211,287**	**76,640,165**

14.6. 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 2012.

Amounts in €	31/12/2012	Level 1	Level 2	Level 3
Description				
Financial assets measured at fair value through profit or loss	-	-	-	-
Shares	16,010	16,010		
Mutual funds	2,250,000	2,250,000		
Derivatives	-	-	-	-
Financial assets available for sale	154,059	-	154,059	-
Total	**2,420,069**	**2,266,010**	**154,059**	**0**

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**

14.7. 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:

Amounts in €	31/12/2012	31/12/2011
Loans	57,653,378	59,572,090
Less: Cash and cash equivalents	(7,537,573)	(11,118,561)
Net borrowing	**50,115,805**	**48,453,529**
Total equity	36,604,652	81,788,361
Net Borrowing to Equity	**1.4**	**0.6**

15. Events after the reporting period

The most important events after the reporting period are as follows:

- In 2013, the Company sold its interest of 93.34% in the subsidiary "D.S.M.S. S.A.".
- In addition, in 2013, the company further increased its stake in the subsidiary "SINGULARLOGIC CYPRUS LTD", which currently stands at 98.80%.
- In March 2013 following consultations, Eurogroup reached an agreement with the Cypriot authorities about the key points of a future macroeconomic adjustment plan to deal with the economic challenges facing the country. Note that the harsh economic circumstances and the instability reigning in Cyprus following the developments in March 2013 may have a negative impact on the business activity, financial position and operating results of the Singularlogic Group companies in Cyprus.

  In 2012, sales of SingularLogic Group in Cyprus stand at 1.5% of the consolidated turnover. The direct investments of SingularLogic Group in Cyprus refer to SingularLogic Cyprus S.A. with a book value of €(339,000) in the consolidated financial statements and an investment cost of €424,000 in the separate financial statements. The share of the consolidated turnover and total assets amounts to 1.61% and 1.05% respectively. Moreover, SingularLogic Group has an indirect holding in GIT CYPRUS S.A. through consolidation of GIT Holdings S.A. in which it has a 100% interest. The subsidiary has a 0.11% effect on the total assets of Singularlogic Group and nil effect on the Group's consolidated turnover.

  Further, the sight deposits of SingularLogic Group in Cyprus are below the guaranteed amount of €100,000 while the Group has no exposure to transferable securities (shares, bonds) or financial instruments of the banks in Cyprus.

  Following the foregoing, it is not expected that any developments in Cyprus will have any significant impact on the Group's functioning or results.

Nea Ionia, 28 March 2013

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