LYKOS

GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

for the year from January 1st to December 31st 2011

According to article 4, Law 3556/2007

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A) STATEMENTS BY THE REPRESENTATIVES OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4, PAR. 2 , LAW 3556/2007

The members of the Board of Directors:
1) Nikolaos Lykos, President of the Board of Directors
2) Panagiotis Spyropoulos, Managing Director
3) Ilias Karantzalis, Member of the Board of Directors

in the above capacity, especially assigned by the Board of Directors of the Société Anonyme under the title «INFORM P. LYKOS S.A.», declare and certify that to the best of our knowledge:

(a) the annual, separate and consolidated, financial statements for the year 1/1/2011-31/12/2011, which were prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of «INFORM P. LYKOS S.A.», as well as of the consolidated companies as a total.

(b) the annual management report of the Board of Directors presents in a true and fair view the development, the performance and the financial position of «INFORM P. LYKOS S.A.», as well as the companies consolidated as a total, including the description of the main risks and uncertainties they face.

Koropi Attica, March 28, 2012

The designees

President of the Board of Directors	Managing Director	Member of the Board of Directors
Nikolaos Lykos I.D. No AB 241783	Panagiotis Spyropoulos I.D. No AI 579288	Elias Karantzalis I.D. No K 358862

B) ANNUAL REPORT OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS MANAGEMENT REPORT TO THE GENERAL MEETING OF SHAREHOLDERS AND CORPORATE GOVERNANCE STATEMENT

Dear Shareholders,

The Board of Directors of INFORM P. LYKOS S.A. hereby presents its Report on the Annual Separate and Consolidated Financial Statements for the year ended as at December 31st, 2011.

The Separate and Consolidated Financial Statements have been prepared according to the International Financial Reporting Standards.

A. PRESENTATION OF THE MOST SIGNIFICANT EVENTS WITHIN THE YEAR 2011

The year 2011 has been another challenging year for the Group. Stagnation of Greek market, resulting from the austerity measures and unstable economic environment in the Romania market have adversely affected the performance of both - the parent company and its subsidiary, operating in Romania. In contrast, counterbalancing the negative performance in Greece and Romania, the positive performance of Austria Card balanced the loss of the first two companies, resulting in maintaining marginal profitability of the Group, despite the unfavorable economic environment.

In order to offset the above, the Group Management designed and implemented the major plan regarding reorganization of all its companies operations so that the Group could adapt the sizes of its operating expenses to the current market conditions. The cost of the aforementioned plan implementation stood at € 3,5 million, equally burdening the income statement of 2011. The significant reduction in operating costs, achieved under this plan, makes the Group particularly competitive in these difficult economic times, giving it the opportunity to increase its market share in markets where it operates, providing high level of products and services at competitive prices.

Furthermore, within 2011, the Group focused on improving cash flows, achieving € 10,8 million free cash flows from operating activities. The Management focus on this aspect provides the Group with investment opportunities, both regarding new technologies and new markets, thus enhancing its prospects and contributing to further strengthening its position in Central and Eastern Europe.

In June 2011, Inform P. Lykos S.A. acquired 15% of the share capital of the already owned subsidiary Austria Card. The percentage was held by Central Bank of Austria. The transaction took place under an agreement to exercise the right of buying and selling, which was established during the acquisition of 85% of the share capital of that company in 2007. The valuation of the company was conducted by the firm KPMG, which was appointed by both parties. The value of the company was measured at the same level as that, valued at the acquisition of 85% in 2007. The total price for the acquisition of 15% of the shares amounted to € 9,9 million. After this transaction, Inform Lykos now owns 100% of the share capital of Austria Card, which holds a leading position in sales and personalization of banking cards in the broader Central and Eastern Europe, thus ensuring the Group's strong position in these markets.

Finally, in December 2011, Inform P. Lykos S.A. announced the sale of its participation of 30% in each of the companies @rrow Up NV and Technovisie BVBA, based in Belgium, to the main shareholders of both companies. The sale was carried out through LPS S.A., the subsidiary of Inform Lykos, which held these participations, with cash amounting to € 153.680 for @rrow Up NV and € 400.000 for Technovisie BVBA, the amounts equal to the prices for the acquisition of those participations in the past. The effect of the termination of the consolidation of the two affiliates (net equity method) is nonessential. The sale of these participations was decided, as the activities of the specialization and the special expertise in smart cards and loyalty programs of the companies @rrow Up NV and Technovisie BVBA are now covered internally by the companies of the Group, Austria Card GmbH and LPS S.A.

B. EARNINGS OF GROUP AND COMPANY

The sales of the Group for 2011 amounted to € 102,8 mil. versus € 113,8 mil. in 2010, decreased by 9,7%, as compared to 2010. Earnings before taxes, interest, depreciation and amortization (EBITDA) decreased by 48,6%, standing at € 7,7 mil. versus € 15,1 mil. in 2010. The Group earnings before taxes stood at € 0,7 mil. versus € 3,6 mil. in 2010, decreased by 79,6%.

It is to be noted that the Group income statement was burdened by € 3,5 mil., arising from the implementation of the plan on restructuring of all Group companies operations, to facilitate the Group adapt the sizes of its operating expenses to the current market conditions. As mentioned above, the substantial reduction in operating costs, achieved under this plan, makes the Group particularly competitive in this difficult economic time, giving it the opportunity to increase its market share in markets where it operates.

In particular, as far as the results per geographical segment are concerned:
In Greece, sales of the parent company INFORM P. LYKOS S.A. for 2011 presented a decrease of 13%, as compared to 2010, and stood at € 27,7 mil. versus € 31,8 million in 2010. This decrease is mainly due to pay freeze and cuts in the public sector projects. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for 2011, burdened with restructuring costs of approximately € 2,0 million, amounted to losses of € 2,4 million, the same as in 2010. Finally, earnings before taxes in 2011 amounted to losses of € 4,6 million, compared to € 3,3 million in 2010. It is to be noted that the income statement for 2010 had benefited from dividends from the subsidiary of Austria Card GmbH, amounting to € 1,7 mil.

In Austria, the sales of the subsidiary Austria Card GmbH in 2011 stood at € 58,7 mil. versus € 64,4 mil. in 2010, decreased by 8,7% as compared to 2010. This decrease is due to massive renewal of Austrian bank cards, held in 2010, which occurs periodically, therefore, due to this event, the earnings for the year 2011 are not comparable to those for the year 2010. As a result, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for 2011 decreased by 42.3% and stood at € 9,7 million compared to € 16,8 million in 2010. Finally, earnings before taxes in 2011 amounted to € 6,9 million, compared to € 13,2 million in 2010, presenting a decrease of 47.5% versus 2010. It is to be noted that the income statement for 2011 has been burdened with the restructuring costs of € 1,2 million.

In Romania, sales of the subsidiary INFORM LYKOS SA decreased by 7.1% compared to 2010 in presentation currency euro, and amounted to € 21,6 million compared to € 23,3 million in 2010. The decrease was primarily due to the difficult economic conditions, prevailing in the Romanian market. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of 2011 decreased by 35.5%, compared to 2010 and amounted to € 0,2 million versus € 0,3 million in 2010. Finally, earnings before taxes for 2011 recorded a loss of € 1,5 million, compared to € 1,6 million in 2010. It is to be noted that the income statement for 2011 has been burdened with the restructuring costs of € 0,3 million.

Throughout the year 2011, the Group focused on creating free cash flows, achieving € 10,8 million in free cash flows from operating activities. Therefore, bank debt decreased by € 9,1 million compared to the end of 2010. Cash available amounted to € 12,9 million versus € 24,3 million in 2010, decreased by € 11,4 million, of which an amount of € 9,9 million was used for the acquisition of 15% additional participating interest in subsidiary Austria Card GmbH, which the Group now owns by 100%.

Financial ratios of the Group

According to the above figures, the financial ratios of the Group in 2011 compared to 2010 are the following:

- The margin of Earnings Before Interest, Taxes, Depreciation and Amortization stood at 7,5% in 2011 versus 13,3%, reduced by 5,8 basis points.

- The margin of earnings before interest and taxes stood at 2% in 2011 versus 7,1%, reduced by 5,1 basis points.

- The margin of earnings before taxes stood at 0,7% in 2011 versus 3,2%, reduced by 2,5 basis points.

- The performance ratio of equity stood at -0,6% in 2011 versus 1,2% in 2010, reduced by 1,8 basis points.

- The performance ratio of assets stood at -0,3% in 2011 versus 0,7% in 2010, reduced by 1 basis point.

- The ratio of total liabilities to Equity stood at 0,8 in 2011 versus 0,9, in 2010 reduced by 0,1 basis points.

- The ratio of Bank Debt to Equity, stood at 0,4 in 2011 versus 0,5 in 2010 reduced by 0,1 basis points.

- The ratio of General Liquidity stood at 1,75 in 2011 versus 2,09 in 2010 reduced by 0,34 basis points.

C. SOURCES AND USE OF CAPITAL

During 2011, the total investments of the Group, excluding acquisitions, stood at € 2,6 mil. versus 1,8 mil. in 2010, mainly due to investments in modern mechanical equipment of € 1,3 mil. , software of € 0,5 mil. for the purposes of supporting productive process, buildings and other equipment of € 0,8 mil.

In June 2011, the Group acquired through its subsidiary company Sagime GmbH a participating interest of 15% in the share capital of its already existing subsidiary Austria Card. The price for the acquisition of 15% amounted to € 9,9 mil.

The Group's bank debt amounted to € 32,8 mil. in 2011 versus € 41,9 mil. in 2010, reduced by € 9,1 mil. The Group's bank debt for 2011 is categorized as bond loan of an amount of € 26,7 mil. and short term bank loan of an amount of € 6,1 mil.

D. RISK MANAGEMENT

The Group uses financial instruments for commercial, financing and investment purposes. The use of financial instruments by the Group substantially affects the financial position, profitability and cash flows.

The main risks arising from the financial instruments of the Group are, basically, the following:

- Market risk (exchange rate risk and interest rate risk)
- Credit risk
- Liquidity risk

Market risk

Regarding this risk, arising from the general market conditions, the Group has reduced exposure to the particular risk, given geographic dissemination with isomeric distribution of sales between Greece, Austria, Romania and other countries with significant exposure to the markets of Central and Eastern Europe. A significant part of these sales is directed to the financial sector and mainly - banking. The current negative economic conditions make the markets, in which we operate, more sensitive. However, the products we offer to our customers in both private and public sector are considered essential for their daily operation and growth. Furthermore, by achieving significant reductions in its operating expenses, the Group is particularly competitive and can offer high level products and services at competitive prices.

Regarding the risks arising from the volatility of interest rates and exchange rates:

Exchange rate risk
The main part of economic transactions of the Group companies (Greece, Austria, and Romania) is denominated in the currency of the main economic environment, where each company operates in (operation currency). In Romania, part of the obligations of the company is denominated in RON.
An exposure to exchange rate fluctuations exists regarding the value of the Group's investments in Romania, only at the time of consolidation of financial statements and their transformation from the operation currency RON in the presentation currency Euro.

Interest rate risk
All bank debt of the Group is connected with fluctuating interest-rates, maintaining however the option to convert into stable interest-rates, in case the market conditions require it. Based on the sizes of the Group as at 31/12/2011, under a hypothetical increase or reduction of Euribor of +/- 1,3 %, the earnings of Group would be influenced negatively or positively, respectively, by an amount of about € 393 thousands.
The company does not use financial derivatives. As in the previous year, other financial assets and other financial liabilities are not significantly influenced by prices of interest-rates.

Credit risk

The Group has established and applied procedures of credit control, aiming at minimisation of bad debt. Sales are directed mainly in big public and private organizations with evaluated historic credit abilities. In case indications of bad debts appear, the appropriate impairment losses are recorded.

Liquidity risk

The Group manages its liquidity needs through careful follow-up of debts, long-term financing obligations and payments. Liquidity needs are monitored on a daily basis and planning of payments – on weekly and monthly basis. Special attention is paid to management of reserves, receivables and liabilities in order to achieve the highest possible liquidity for the Group.

The central financial department of the company, responsible for risk management, operates following certain rules approved by the Board of Directors.
The Board of Directors via commissioned executives:
(a) establishes and applies procedures and regulations that allow identification of risks, connected to activities, procedures and systems of operation of the Company (mainly credit risk, market risk and operational risk).
(b) determines the acceptable level of risk.
(c) ensures that the Group maintains the required capital adequacy and appropriately manages the risks arising from its operation.

E. SIGNIFICANT INTERCOMPANY TRANSACTIONS

In thousands Euros
31/12/2011

Parent		**Sales of products or services**	**Purchase of products or services**	**Income from dividends**	**Receivables**	**Liabilities**
- from/to subsidiaries						
	Lykos Paperless Solutions S.A.		348			190
	Inform Lykos S.A. (Romania)	467	854		1.182	100
	Austria Card GmbH	251	2.846	0	284	114
- from/to related						
	Arrow Up S.A		0			0
	Total	**718**	**4.048**	**0**	**1.466**	**404**

The following shall be mentioned regarding the above:
The sales of the parent company to: (a) «Inform Lykos S.A. (Romania)» concern mainly printing items and data processing products and organization and management support services, (b) «Austria Card GmbH» concern printing items.
The purchases of parent company from: (a) «Lykos Paperless Solutions S.A.» concern processing products (c) «Inform Lykos S.A. (Romania)» concern mainly forms and printing items (d) «Austria Card GmbH» concern cards.

F. DIVIDENDS

The closing price of the stock of INFORM P. LYKOS S.A. as at 31/12/2011 stood at € 0,669, which is 37% lower than the respective closing price as at 31.12.2010. The highest price of the year for the company's stock stood at € 1,25 (9/2/2011) and the lowest - at € 0,64 (19/12/2011). The Volume Weighted Average Price stood at € 0,89.

The Board of Directors of the Company decided to propose to the 30th General Meeting of Shareholders, non-distribution of dividends due to the losses arising within the current year for the parent company.

G. SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

On 16/1/2012, Inform P. Lykos S.A. announced signing a collaboration agreement with the company Uniprint S.A. on promoting products and services of the former in the market of Northern Greece, Epirus and Thessaly. Specifically, from 16.01.2012, Uniprint will operate exclusively in the sale of Inform Lykos products in the administrative geographical regions of Eastern Macedonia and Thrace, Central Macedonia, Western Macedonia, Epirus and Thessaly. Furthermore, Uniprint will transfer its headquarters to Inform Lykos premises in Sindos.

H. PROSPECTS FOR 2012

The year 2012 is expected to be another challenging year for the Group, which is called to respond to difficult economic conditions, prevailing mainly in Greek and Romanian market, while, at the same time, identifying and quickly exploiting the new growth opportunities, arising in other markets in Central and Eastern Europe. As far as these markets are concerned, the Group holds a strong position, while it is demanded to investigate and assess any new development opportunities, arising in a broader domain.

In Greece, difficult financial conditions and sharp drop in demand for products and services by the public sector, coupled with austerity measures and increasing uncertainty of consumers and businesses, are expected to lead to further contraction in economic activity in the market. Within this extremely difficult and adverse financial environment, INFORM P. LYKOS S.A. is called to exploit the new market conditions, identifying and making quick use of arising opportunities, in order to increase its market share, by

- using its comparative advantages, supremacy in modern technologies and provision of products and services of high quality that offer added value to the customers,
- providing high level products and services, following a substantial decrease in operating costs, achieved within the frame of the major reorganization plan regarding all its operations.

In the Romanian market, which has been facing recession since 2010, INFORM LYKOS ROMANIA is required to exploit the new market conditions, both in Romania and in neighboring countries by,

- raising its efforts to increase market shares, by exploiting the significant investments of previous years, expanding the range of products and services offered to customers in the areas of forms management, production of secured forms, production of pre-paid cards and the Business Process Outsourcing, offering services of printing and posting account statements, electronic presentation of accounts and printing management for Banks, Telecommunications, Public Sector and Manufacturing / Commercial companies,
- focusing, at the same time, on further reduction of its operating cost and creation of positive cash flows.

In Austria, given the current market conditions, the prospects for 2012 are optimistic, therefore, Austria Card, which holds a leading position in sales and personalization of banking cards in the broader Central and Eastern Europe, is called to make the best use of the arising opportunities by,

- establishing new card manufacture and personalization centers in the broader area of Central and Eastern Europe in order to increase the market shares it holds in the broader areas and gaining new customers,
- examining penetrating new markets, with new products and services and creation of hew personalization centers.

Finally, at the overall level, the Group will examine potential chances of strategic co-operations with companies holding a significant position in the same sector where the Group operates, in order to reinforce its strategic advantage in the sectors of research and technology and create additional synergies and economies of scale, aiming at a further improvement of its position in the broader region of Central and Eastern Europe.

I. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 PAR. 7 AND 8, LAW 3556/2007

(a) Share capital structure

The Company's share capital as at December 31st 2011, stood at € 12.758.591,88 divided in 20.578.374 common nominal shares of nominal value 0,62 euro each.
According to the shareholders registry as at December 31st, 2011, the share capital structure of the company was the following:

Shareholder	Number of shares	Percentage %
Nikolaos Lykos	10.807.968	52,52%
Olga Lykos	1.937.856	9,42%
Other shareholders (<5%)	7.832.550	38,06%
Total	**20.578.374**	**100,00%**

All (100%) shares of the Company are common, nominal and undivided and there are no special categories of shares. Rights and obligations related to the shares are those set by Law 2190/1920.

According to the shareholders registry as at March 28th, 2012, the share capital structure of the company was the following:

Shareholder	Number of shares	Percentage %
Nikolaos Lykos	10.807.968	52,52%
Olga Lykos	1.937.856	9,42%
Other shareholders (<5%)	7.832.550	38,06%
Total	**20.578.374**	**100,00%**

Finally, the main rights and obligations arising from shares, according to the Company's Memorandum of Association and Law 2190/1920, are the following:

1. Each share, offers a right to the distribution of the company's earnings and the result of liquidation of the company's assets, in case of termination, by the rate of paid capital of the share divided by total paid share capital.
2. In every case of share capital increase, not paid (a) by contribution of items or (b) by bonds issue bearing rights to convert in shares or (c) by Stock Option Plan for acquiring shares, according to paragraph 13 of article 13 of Law 2190/1920, a right of preference is offered to the total new capital or bond loan in favor of the existing shareholders at the time of share issue, proportional to their participation to the current share capital.
3. After an inquiry of any shareholder, the Board of Directors is obliged to offer to the General Meeting all the required information about the company's affairs to the extent necessary for the real evaluation of the issues raised.
4. After an inquiry of shareholders, representing one twentieth (1/20) of paid share capital (a) the Board of Directors is obliged to call for a special General Meeting, (b) the Board of Directors is obliged to include additional issues in the schedule of the General Meeting, (c) the President of the Meeting is obliged to postpone only once the decisions of the General Meeting, regular or not, for all or certain matters, (d) the Board of Directors is obliged to announce at the General Meeting of shareholders the amounts which over the last two years have been paid for any reason by the Company to the members of the Board of Directors or the managers or other employees and also every other benefit to these individuals or every existing contract of the company with them of any kind, (e) the Board of Directors is obliged to offer the General Meeting information about the course of business matters and the financial position of the company, (f) the decision on a matter in the General Meeting is taken by nominal vote. Shareholders representing one twentieth (1/20) of paid share capital have the right to ask for audit of the company by the local court of the domicile of the company in case there are indications of illegal actions or against the company's Memorandum of Association or decisions of the General Meeting.
5. After an inquiry of shareholders, representing one fifth (1 / 5) of paid share capital, the Board of Directors is obliged to provide to the General Meeting information on the company course of development and its property status. Furthermore, the shareholders of the Company, representing one fifth (1 / 5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management.
6. In the above cases 3, 4 and 5, the requiring shareholders ought to prove that they own the shares offering the above (3, 4 and 5) rights.
7. Shareholders who wish to participate and vote at the General Meeting of shareholders, ought to maintain their shares deposited.
8. Responsibility of shareholders is limited to their contribution, which is the nominal capital of their shares.

(b) Limitation on share transfer

b.1. There are no limitations according to the Company's Memorandum of Association on the transfer of its shares.
b.2. According to article 4 of Law 3016/2002, as effective, the independent not executive members of the B.o.D. of the Company cannot at the same time own company's shares higher than 0,5% of the share capital.

(c) Significant direct or indirect participations according to P.D. 51/1992

As at March 28th 2012, Mr Nıkolaos Lykos and Mrs Olga Lykos owned a percentage of 52,52% and 9,42% respectively of the Company's share capital.
The company is not aware of any other shareholders, who own directly or indirectly a percentage higher than 5% of the share capital of INFORM P. LYKOS S.A.
It is mentioned that, as at March 28th 2012, INFORM P. LYKOS S.A. did not participate in the share capital of any other company listed in the Athens Stock Exchange.

(d) Shareholders possessing special control rights

There are no company shares offering special control rights.

(e) Limitation in voting rights – Time schedule of exercising such rights

There are no limitations on voting rights.
1. According to the Company's Memorandum of association the ownership of a share offers voting rights.
2. The General Meeting is in quorum and meets validly over the agenda, when shareholders representing at least 20% (1/5) of paid share capital are present or represented. If no quorum is achieved, the General Meeting gathers again in twenty (20) days from the date of the

postponed Meeting, as long as it is called at least ten (10) days before and is considered in quorum deciding validly over the initial agenda, whatever part of paid share capital is represented.
The decisions of General Meeting by the above regular quorum are taken by absolute majority of the votes represented.
Especially, decisions concerning change of the nationality of the Company, change of the Company's objective, increase of shareholders obligations, share capital increase not referred in the Memorandum of association, according to article 5 par. 2 and 3 of it, unless imposed by Law or paid by capitalization of reserves, decrease of share capital, unless it is done according to article 16 par. 6 of Law 2190/1920, change in the procedure of earnings distribution, merger, split, transformation, revival, exceed duration or termination of the company, offer or renewal of the B.o.D. authority for share capital increase according to article 5 par. 2 of Memorandum of association, and in any other case the Law and Memorandum of association defines that for the decision by the General Meeting extra quorum is required, the Meeting is considered in quorum and meets validly when shareholders representing two thirds (2/3) of the paid share capital are present. If no such quorum is achieved, the General Meeting gathers again, and is considered in quorum meeting validly in order to decide over the initial agenda, when at least half (1/2) of the paid share capital is represented. In case again no quorum is achieved, General Meeting gathers again by the same procedure as described above and is considered in quorum meeting validly in order to decide for the issues of the initial agenda, if at least one fifth (1/5) of paid share capital is represented.
Decisions of General Meeting which require the above special quorum are taken by majority of two thirds (2/3) of votes represented in it.
3. Under the provisions of CL 2190/1920, in the General Meeting is entitled to participate a person, registered as a shareholder in the records of the organization, where are kept records of the securities (shares) of the Company (i.e. Dematerialized Securities System, operated by "Hellenic Exchanges S.A."). The proof of shareholder status is relevant to the presentation of written certification of that institution or, alternatively, by direct electronic connection with the Company's records of that institution. The status of the shareholder must exist as at the beginning of the fifth (5th) day before the day of the General Meeting (record date) and the relevant written confirmation or electronic certification of the shareholder status must reach the Company no later than as at the third (3rd) day before the meeting of the General Meeting. Participation in the repeated General Meeting is regulated under the same conditions as above, provided for in paragraph 4, article 28a, CL 2190/1920. Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission. The exercise of these rights (participation and rights) does not require commitment of shares or of any other similar process, which limits the ability to sell and transfer the shares during the interval between the record date and the date of the General Meeting.
Twenty-four (24) hours prior to each General Meeting, there shall be displayed, at a a conspicuous place in the Company quarters, a table registering the names of those holding the voting rights vote with any potential indication of their representatives and the number of shares and votes each of them holds, as well as the addresses of shareholders and representatives.
Any objection against that registration table is announced at the beginning and before the Meeting discusses the agenda.

(f) Agreements between shareholders for limitations on transfer of shares or exercise of voting rights

The Company is not aware of any such agreements for limitations on transfer of shares or exercise of voting rights.

(g) Rules of placement / replacement of members of the B.o.D. and adjustment of memorandum of Association when different from those under provisions of Law 2190/1920

Under provisions of Law 2190/1920 and articles 19, 21 and 22 of the Company's Memorandum of Association:
1. The Board of Directors consists of five to nine (5 to 9) members elected by the General Meeting of shareholders.
The term of service of the Board of Directors is three (3) years, which can be extended automatically until the first after expiration General Meeting, but in any case no longer than four years.
The members of the Board of Directors at expiration can be elected again without any limitation and are freely recalled.
In case a member dies or resigns or loses for any reason the ability to participate in the Board of Directors, then the remaining members of the Board, provided they are at least (3), elect a substitute member until the expiry of the Board. This election of new members of the Board of Directors requires the approval of the first General Meeting that follows.
The Director, elected in order to replace another director, sustains his/her capacity until the expiration of the Board.
The BoD members elect the President and Vice President of the Board of Directors.
When the President is absent and cannot perform his/her duties, he/she is replaced by the Vice President, while the latter can be replaced following a decision of the Board of Directors by the Managing Director. The Managing Director can be at the same time an executive member of the Board of Directors and, especially, the President of the BoD.
The Board gathers and consist a body right after election by the General Meeting. At this meeting the President, Vice President and Managing Director are elected.
The President, Vice President and Managing Director can be elected again without limitations.
2. There are no rules, adjusting the company's Memorandum of Association other than those under the provisions of Law 2190/1920.

(h) Authority of the B.o.D. for issue of new shares / acquisition of own shares according to article 16 of Law 2190/1920
1. During the first five years from the establishment of the company, the Board of Directors can decide by a majority of two thirds (2/3) of total members, to increase share capital partly or totally by issuing new shares. The amount of these increases cannot exceed the initial share capital. The above decision of the Board of Directors is subject to publicity requirements of article 7b of Law 2190/1920. The above authority of the Board of Directors, can be renewed by General Meeting, for a period not exceeding five years each time and is effective after the expiration of the five years period. This decision of the General Meeting of the shareholders is subject to publicity requirements of article 7b of Law 2190/1920.
The above authority has not been assigned to the Board of Directors by the General Meeting.
As an exception, in case the Company's reserves exceed 25% (1/4) of the paid share capital, then the increase of share capital is always subject to the approval of the General Meeting.

2. Under the same terms as those recorded in par. 1 above, the Board of Directors can decide on the issue of bond loan by issuing convertible bonds into shares.
As mentioned above in par 1., the above authority, has not been assigned to the Board of Directors by the General Meeting.

3. According to par. 13 of the article 13 of Law 2190/1920, as effective after Law 3604/2007, the Board of Directors, within the last month of the fiscal year, can increase the company's share capital, without modifying the Memorandum of Association, by issuing new shares in order to apply an approved by the General Meeting Stock Option Plan for the purchase of company shares.
There is no Stock Option Plan.

4. The company is forbidden to acquire own shares, except for the cases and conditions approved by the provisions of the legislation effective.
The General Meeting of the Company's shareholders, at May 23, 2011, approved the ability of the Company to acquire own shares according to article 16 of Law 2190/1920 within a period of twelve months, at a price from 0,50 to 5 euro, for the purposes of their remaining with the company personnel or its associates personnel.
No such ability has been implemented by the company.

i) Significant agreements of the company effective / modified / terminated in case of change in the control over the company after a public offering.

There are no significant agreements effective, modified or terminated in case of change in the control over the company.

(j) Agreements for compensation of members of the B.o.D. or employees in case of resignation / firing without reason or termination of service / employment because of public offering.

There are no agreements of compensation of members of the B.o.D. or employees for any reason.

Koropi, March 28th, 2012

Nikolaos Lykos
President of the Board of Directors

CORPORATE GOVERNANCE STATEMENT

General

Corporate Governance pertains to a total of principles, on which basis there is facilitated sufficient organization, operation, management and control of an entity, at a long term objective of maximizing its value and safeguarding the legitimate interests of all those connected with it.

In Greece, the corporate governance framework has been developed mainly through adoption of binding regulations, such as Law 3016/2002, which requires the participation of non-executive and independent non-executive members of the BoD of Greek listed companies, establishment and operation of internal control department and adoption of internal regulations procedures. In addition, a variety of other acts were incorporated in the Greek legal framework of European company law directives, thus creating new corporate governance rules, such as the Law 3693/2008, which requires the establishment of audit committees, and significant disclosures obligations with regard to ownership and governance of a company, Law 3884/2010 relating to rights of shareholders and additional corporate disclosure obligations to shareholders under preparation of the General Meeting and the Law 3873/2010, which incorporated into Greek legislation EU Directive 2006/46 / EC of the European Union on annual and consolidated accounts of certain types of entities. Finally, in Greece, as in most other countries, the Law on public limited companies (Law 2190/1920, which amended several provisions of the above) contains their basic governance regulations.

Voluntary Compliance of the Company with the Corporate Governance Code

Our company fully complies with the requirements and provisions of the aforementioned legislative texts which constitute the minimum content of any Corporate Governance Code of and constitute (the aforementioned provisions) an informal code.

The Company has decided to voluntarily adopt the Corporate Governance Code of Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter "The Code"). This Code is posted on SEV website, at the following electronic address: http://www.sev.org.gr. Therefore, any reference to the corporate Governance Code implies the Corporate Governance Code of Hellenic Federation of Enterprises (SEV) for Listed Companies.

Deviation from the Corporate Governance Code and explanations

The Company states that it faithfully and strictly implements the provisions of the Greek legislation (Law 2190/1920, Law 3016/2002 and Law 3693/2008) which form the minimum requirements to be met by any Corporate Governance Code applied by companies, whose shares are traded on a regulated market.
These minimum requirements are incorporated in this Corporate Governance Code (SEV) to which the Company is subject; however, this Code contains a number of additional (beyond the minimum requirements) specific practices and principles. In connection with such additional practices and principles, there are effective, at present, some deviations (including the cases of non-implementation), which are briefly analyzed and explained. Reference to non-application of certain provisions is also made in the Corporate Governance Code (SEV) concerning companies, not belonging to FTSE-20 and FTSE-40.

On case basis, the company diverges from or does not apply as a total several provisions of the Code recorded in the current document in *italics.*

- Regarding the role and authority of the Board of Directors:

a) the Board of Directors has not proceeded to establishment of a separate committee occupied with the nominations for election to the Board and preparing proposals to the Board regarding the remuneration of executive directors and key executives since the company's policy in relation to such fees is fixed and formed. *A. II (1.2)*

- Regarding the size and composition of the Board of Directors:

a) the Board of Directors does not consist of seven (7) to fifteen (15) members, but of five (5) to nine (9) members. The specific number of members covers the company needs as to proper and effective corporate governance and the size and organization of the Company do not justify a Board with such a number of members*. A. II (2.1)*

- Regarding the role and profile of the Chairman of the Board of Directors:

a) the BoD does not appoint an independent vice-chairman from among its independent board members in order to facilitate the proper operation of the Board and the achievement of the Company objectives. Reference to non-implementation regarding the companies not belonging to FTSE-20 and FTSE-40 is included in the Corporate Governance Code of SEV *A. III (3.3)*

- Regarding nomination of the Board of Directors members:

a) the Company does not consider it necessary to establish the BoD members nomination committee
A.*V (5.4, 5.5, 5.6, 5.7, 5.8)*

- Regarding the functioning of the Board of Directors:

a) there is no particular operating regulation of the BoD, since the provisions of the effective Interior Regulations of the Company are assessed as sufficient regarding the organization and functioning of the BoD *A.VI (6.1)*
b) at the beginning of every calendar year, the BoD does not adopt a calendar of meetings and a 12-month agenda to ensure that it properly, fully and timely fulfils its responsibilities, since the Company considers that the functioning of BoD is sufficiently covered by the provisions of the effective Interior Regulations. Moreover, the BoD meetings can be easily held, due to objective reasons, when imposed by the Company needs or legislation without and programmed activities *A.VI (6.1)*
c) there are no provisions for the BoD being assisted by a competent, suitably qualified and experienced company secretary, since there is effective the required structure facilitating correct recording of the BoD meetings and the required good information flows between the board members *A.VI (6.2, 6.3)*
d) there is no obligation for ensuring that an induction programme is established for new board members and that continuing professional development programmes are available to other board members, since all the relative issues pertaining to the fees are clearly defined by the effective Interior Regulations and any potential deviation is discussed in front of all the BoD members *A.VI (6.5)*
e) there is no provision for existence of a program of regular briefings on business developments, and changes in the risk profile of the company and professional training, since there are nominated as BoD members the executives who have competence and experience in organizational – managerial duties *A.VI (6.6)*
f) there is no special provision for sufficient resources to BoD committees to undertake their duties and employ outsource consultants. However, all the requests from any department regarding recruitment of external consultants are examined by the Management and approved on case basis in compliance with the company needs *A.VI (6.9,6.10)*

- Regarding BoD evaluation:

a) Apart from BoD evaluations through the Management Report, by the Annual General Meeting, the Board will monitor and review the implementation of its decisions on an annual basis. Moreover, there is already under discussion the implementation of evaluation system of the Board and its committees. *A.VII (7.1 & 7.2).*

- Regarding Internal Control System:

In compliance with the provisions of the Law 3016/2002, in case in the Company BoD there do not anticipate in the capacity of members the representatives of shareholders minority, there is mandatory the existence of independent members, therefore there are made provisions by the Audit Committee for participation in the BoD of two (2) independent members *BI (1.4)*

The Internal Audit Department is accountable to the Audit Committee of the BoD that was reestablished following the Extraordinary General Meeting as at 23/11/2010. The basic responsibilities of the Audit Committee are those recorded in the provisions of the Law 3693/2008 and international practices without the existence of special operating regulations *B.I (1.7).*

- Regarding the level and structure of remuneration:

The remuneration of the Chairman of the Board and CEO and members of the Board, executive and non for their participation in Board meetings and committees thereof, are approved by the General Meeting, always in compliance with the effective Interior Regulations of the Company. *C.I (1.4).*

Executive board members' contracts do not provide that the board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses. *C.I (1.3).*

- Regarding the General Meeting of the Shareholders:

a) Under the convocation and holding of the Annual General Meeting 2011, the Company will comply with all provisions of the Law 3884/2010 and hence the corresponding provisions of the Code, except those listed above on the election of members of the Board. *Δ.II (1.1).*
b) Regarding the implementation of specific practices of e-voting or voting by mail, the application is temporarily suspended, due to pending issuance of the relevant ministerial decisions, as provided in Law 3884/2010.*Δ.II (1.2).*

Corporate Governance Practices in Addition to Those Defined in the Legislation or the Code

Within the framework of implementing a structured and efficient system of corporate governance, the Company has implemented certain corporate governance practices some of which are those provided by the relevant laws (Law 2190/1920, 3016/2002 and 3693/2008). Specifically, the Company applies the following additional corporate governance practices:

α) The company keeps updated and approved by the Board, Operating Regulations, which include clear references to corporate governance, the role and function of the Board, the General Meeting and other matters relating to the proper management of the Company. In summary, the areas covered by the Regulations in question are as follows:

1. INTRODUCTION
    - 1.1. GENERAL
    - 1.2. STRUCTURE AND CONTENT
2. GENERAL DATA AND INFORMATION ON « INFORM – P. LYKOS S.A. »
    - 2.1. GENERAL INFORMATION
    - 2.2. COMPANY MANAGEMENT – ADMINISTRATION
    - 2.3. COMPANY PERSONNEL
    - 2.4. AUDIT OF FINANCIAL STATEMENTS
3. ORGANIZATIONAL CHART – STRUCTURE OF THE COMPANY
    - 3.1. ORGANIZATIONAL STRUCTURE OF THE COMPANY
4. CORPORATE GOVERNANCE
    - 4.1. PRINCIPLES OF CORPORATE GOVERNANCE
    - 4.2. FUNCTIONING OF THE BOARD OF DIRECTORS
    - 4.3. INTERNAL CONTROL SYSTEM
    - 4.4. CORPORATE ANNOUNCEMENTS AND SHAREHOLDERS SERVICES
5. OPERATION AND PROCEDURAL REGULATIONS OF THE COMPANY
    - 5.1. ETHICS CODE OF THE COMPANY
    - 5.2. ADMINISTRATIVE SERVICES
    - 5.3. EXTERNAL AUDIT SERVICES
    - 5.4. FINANCIAL SERVICES
    - 5.5. IT
    - 5.6. PERSONNEL
    - 5.7. SALES SERVICES
    - 5.8. INVOICING & DISTRIBUTION

a) The spirit of the Operation Regulations promotes compliance with laws and internal company policies to avoid risks and other legal consequences for the Company and each member of the staff, including the members of the Management.
The main objectives of the Regulations are as follows:
i. Prevention of delinquent behaviour
ii. Compliance with the policies to reduce the risks around the reputation and public image of the Group
iii. On-going education of staff regarding the dangers posed by acts of corruption, fraud, misuse of personal data, deterioration of economic conditions, leakage of confidential information, etc.

iv. Identification of deviations relating to compliance issues, their investigation and making proposals and taking corrective actions or measures that are required.
b) Due to the nature and the objective of the Company, it has developed policies and procedures under ISO, obtaining the relative certifications.

Main Characteristics of Internal Control and Risk Management System regarding the Preparation of Financial Statements and Financial Reports

The Internal Control and Risk Management System of the Company regarding the preparation of financial statements and financial reports includes the control procedures and mechanisms at various levels of the Organization as described below:

a) Control systems at corporate level

Recognition, assessment, measurement and management of risks:

The size and complexity of the Group's operations requires a complex system for identifying and managing risks that apply to all subsidiaries of the Group.

Recognition and assessment of risks are primarily carried out under the stage of preparation of strategic planning and annual business plan. The examined issues vary depending on market conditions and industry and include political developments in the markets (where the Group operates or which are important sources of raw materials), changes in technology, macroeconomic indices and competitive environment.

Planning and monitoring / Budget:

The company development is monitored through a detailed budget per activity sector and specific market. Given the nature of the Group's operations, the development of the financial results depends largely on external factors clearly influenced by the overall economic slowdown and uncertainty surrounding the Greek and the global market. In this context, the Group has already taken the appropriate steps to respond to new circumstances and exploit new market conditions. For all these reasons, the budget is adjusted periodically, taking these changes into account. The management monitors the development of financial sizes of the Group through regular reports, comparisons to budget and meetings of the management team.

Sufficiency of Internal Control System:

The Management has designed and performs ongoing supervisory activities, which are incorporated into the operation of the Company and which ensure that the Internal Control System maintains its effectiveness over time. The Company carries out regular individual assessments of the adequacy of Internal Control System, carried out primarily by the Internal Control Services.

The Company has an independent Internal Control Service, which among other things ensures that the identification procedures and risk management systems implemented by management are sufficient to ensure effective functioning of the Internal Control System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Control System. The preparation of the Plan (or Manual) of Control Service is based on the risk assessment carried out for these purposes as well as the issues identified by the Management and the Audit Committee. The Plan (or Manual) shall be submitted for approval to the Audit Committee. The risk assessment process is conducted annually and takes into account the risk assessment carried out under the responsibility of the Board within the framework of risk management of the Company.

The sufficiency of the Internal Control System is monitored on a regular basis by the Audit Committee through quarterly reports submitted to it by the Internal Audit Service.

Reports of the Management and Internal Audit Service provide an assessment of major risks and effectiveness of Internal Control System to manage them. Any weaknesses identified are disclosed through reports, including the impact they had or may have as well as the Management actions to correct them.

To ensure the independence of the statutory audit of financial statements of the Company, the Board follows the particular policy and procedure for formulating recommendations to the General Meeting to appoint a statutory auditor. Indicatively, this policy provides, inter alia, the choice of an auditor of a prestigious internationally recognized firm, while maintaining his/her independence.

Roles and responsibilities of the BoD:

The role, the authority and the relative responsibilities of the BoD are described in the Internal Regulations of the Company approved by the BoD.

Prevention and control of financial fraud:

In the context of risk management, the areas, considered as those of high risk for financial fraud, are monitored under appropriate monitoring systems and accordingly increased control systems. Indicatively, there is mentioned the existence of detailed organizational structure, operating regulations and detailed procedures and approval limits. Also, in addition to the control mechanisms applicable by every department, all the company's operations are subject to audits by the Internal Audit Service, whose results are presented through the Audit Committee to the Board of Directors.

Internal Operation Regulations:

The Company, as mentioned above, has established the relevant Internal Operation Regulations, which are approved by the Board of Directors. Within the framework of the Regulations, there are also defined the authorities and the responsibilities of the key working positions, thereby promoting an adequate segregation of responsibilities within the Company.

b) Control systems in IT systems

The Company has developed an adequate framework to monitor and control information systems, defined by different control mechanisms, policies and procedures, sufficiently defined by the approved Internal Operation Regulations and the Internal Audit Manual. Also, there is projected a specific procedure safeguarding against any problems in the systems through a program of the Business Continuity (including off-site storage of crucial items of the Company to recover its functionality in a direct course of time). Finally, there have been set specific (Access Rights to various information systems for all the employees depending on the position and the role they occupy, while also maintaining the entry log in the systems of the Company.

c) Control systems regarding the preparation of financial statements and financial reports

As part of procedures for preparation of financial statements of the Company, there are effective specific control systems, which are associated with the use of tools and methodologies based on commonly accepted international practices. The main areas in which the control systems, relating to the preparation of financial reports and financial statements of the Company, operate are as follows:

Organization – Allocation of Duties

- Allocation of duties both in upper management of the company and in the middle and inferior officers ensures the strengthening of the effectiveness of internal control system, while maintaining the required segregation of duties.
- Proper staffing of financial services with the individuals who possess the requisite technical knowledge and experience regarding the responsibilities entrusted to them.

Accounting monitoring and preparation of financial statements procedures

- Existence of uniform policies and the way of monitoring of accounting departments disclosed to the Group's subsidiaries, including definitions, accounting principles used by the Company and its subsidiaries, instructions for the preparation of financial statements and financial reporting, consolidation etc.
- Automated audits and verifications carried out between different information systems, when there is required specific approval of accounting treatment of non-recurring transactions.

Asset safeguarding procedures

- Existence of control procedures for fixed assets, inventories, cash equivalents and other assets of the company, such as, indicatively, physical security of the cash or warehouses and inventories, and a comparison of the measured quantities with those of accounting books and records.
- Schedule of monthly physical inventories to confirm the balances of physical inventories and accounting books and records and existence of analytical manual for conduct of physical inventories.

Approval limits of transactions

- Existence of Chart of Authorities, depicting the assigned authorities to various executives of the company to carry out specific transactions or transactions (eg payments, receipts, legal acts, etc.).

General Meeting and Rights of the Shareholders

The role, responsibilities, meetings, quorum at regular and extraordinary meetings, majority of the participants, the Chairmanship, the agenda and the overall functioning of the General Meeting of shareholders are described in the Articles of Association of the Company, as updated under the provisions of Law 2190/1920, as effective following the amendments (following the incorporation of the Law 3884/2010 on minority interest).

a. Functioning of the General meeting and its basic authorities

The General Meeting is the supreme body of the Company and is entitled to decide on any corporate matter and other issues submitted to it. Specifically, the General Meeting has exclusive authority to decide on:

a) Change in national capacity of the company.

b) Change in the company objective.

c) Increase in shareholders' obligations.

d) Share Capital increase apart from cases under Article 5, par. 2 and 3 hereof or imposed by legal provisions or made under capitalization of reserves.

e) Share Capital decrease.

f) Change in the way of distribution of profit.

g) Mergers, division, modification, revival, extension of its term of duration or liquidation of the company.

h) Provision or renewal of authority granted to the Board of Directors regarding Share Capital increase.

i) Issue of bond loan, providing bond conversion option to shares or participating interest in profit.

The decisions of the General Meeting are mandatory for shareholders who are absent or disagree.
The General Meeting is always convened by the Board of Directors and is held regularly at the Company headquarters at least once every year, in the first half of the year after the end of the corporate year. The General Meeting may be held in the territory of the municipality where the headquarters of the Athens Stock Exchange are located.
The Board of Directors may convene an extraordinary meeting of the shareholders, if deemed appropriate or if requested by shareholders legally and according to the Articles of Association representing the required percentage.
The General Meeting, apart from repetitive Meetings treated as such, is convened twenty (20) days before the date projected for the meeting. It shall be clarified that non-working days are also counted. The day of publication of the invitation and the date of the meeting are not counted.
The invitation of shareholders to the General Meeting shall include the date, time and location of the general meeting, issues on the agenda, shareholders that are entitled to participate and precise instructions on how shareholders will be able to attend the meeting and to exercise their rights in person or by proxy, or possibly remotely. Invitation to convene the General Meeting is not required in cases when present or represented shareholders represent the entire share capital and none of them objects to realization and decision making.
The General Meeting is in quorum and convenes validly on the items on the agenda when there are present or represented shareholders representing at least one-fifth (1 / 5) of the paid-up capital.
If such a quorum fails to be formed, the General Meeting shall meet again within twenty (20) days from the date of the invitation for meeting cancellation at least the ten (10) days before. At the repetitive meeting on the issues of the initial Meeting agenda, there must be a quorum whatever part of the paid-up share capital is represented at it.
The decisions of the General Meeting are made by an absolute majority of votes represented therein.

As an exception, for decisions regarding:
a) change of the national capacity of the Company,
b) change of the Company's headquarters,
c) change in the Company's objective or scope of operations,
d) conversion of the Company's shares to nominal shares,
e) increase in the shareholders' obligations,
f) share capital increase (except those imposed by laws or provisions made by capitalization of reserves), share capital decrease, except those in accordance with paragraph 6 of Article 16 of Law 2190/20,
g) issue of bond loan within the provisions of Articles 3a and 3b of the Law 2190/1920 as currently effective,
η) change in the distribution of profits,
h) merger, division, conversion, revival of the Company,
i) extension or reduction in the Company's term of operation,
j) the Company's liquidation,
k) in any other case when the legislation defines that making several decision by the General Meeting requires the quorum under this paragraph, the Meeting is in quorum and convenes validly on the issues on the agenda when there are present or represented the shareholders representing two-thirds (2 / 3) of the paid up share capital.
The General Meeting is provisionally chaired by the Chairman of the Board of Directors or, if he is incapacitated, the legal deputy, and there is appointed a Secretary as one of the shareholders or their representatives present, till there ratified by the General Meeting the list of shareholders entitled to participate in the meeting and the statutory chairman is elected. The chairing body comprises the Chairman and the Secretary, the latter acting as a teller.
The discussions and decisions of the General Meeting are limited to the issues on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board of Directors to the Meeting and any suggestions of auditors or shareholders representing one twentieth (1 / 20) of the issued share capital. The discussions and decisions of the General Meeting are recorded in a special book (book of minutes) and the minutes are signed by the Chairman and the Secretary of the Meeting. At the beginning of the minutes, there is recorded the list of the shareholders present or represented at the General Meeting.
At the request of a shareholder, the President of the Meeting shall record in the minutes of the opinion of the shareholder requesting it.
If at the General Meeting there is present only one (1) shareholder, there is mandatory the presence of a notary, who endorses the minutes of the meeting.

Rights of shareholders and way of their exercise

a. Participation and voting right

The shareholders exercise their rights in relation to the Company's management, only at the General Meeting and in accordance with the provisions of the law and the Articles of Association. Each share entitles the holder to one vote at the General Meeting, except for those provided for in Article 16 of law 2190/1920, as amended.
The General Meeting shall be participated by those presented as shareholders, registered in the records of DSS kept by "Greek Exchanges SA" (HELEX), which holds securities (shares) of the Company. Proof of membership is conducted under the presentation of the relevant written acknowledgment of that body or alternatively, under online Company connection with the relevant authority. The shareholder capacity must exist on the record date, ie in the beginning of the fifth (5th) day before the day of the General Meeting and the relevant certificate or the electronic certification of the shareholder status should reach the Company not later than on the third (3rd) day before the date of the General Meeting.

Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission.

It is to be noted that the exercise of those rights (participating and voting) does not require the commitment of shares of the beneficiary or keeping a similar procedure, which limits the ability to sell and transfer them in the interval between the record date and the date the General Meeting.

A shareholder participates in the General Meeting and votes either in person or through representative (proxy).
Every shareholder may appoint up to three (3) representatives. Legal entities participate in the General Meeting as representatives up to three (3) natural persons. However, if a shareholder holds shares of the Company, which appear in more than one securities account, this restriction does not prevent the shareholder from appointing different representatives for the shares held in each account in relation to the General Meeting. The representative, acting on behalf of more shareholders, may vote differently for every shareholder. The representative of a shareholder must notify the Company prior to the General Meeting, of every specific event, which may be useful to shareholders for assessment of the risk of representative serving other interests that those of the principal shareholder. Within the meaning of this paragraph, there may arise conflict of interests, particularly when the representative:

a) is a shareholder who has control of the Company or other legal person or entity controlled by that shareholder,
b) is a member of the Board of Directors or the overall management of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company
c) is an employee or statutory auditor of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company
d) a spouse or first degree relative to one of the individuals mentioned in the above cases (a) to (c).

The appointment and dismissal of the shareholder representative is made in writing and is notified to the Company in the same way at least three (3) days before the date of the General Meeting.

b. Other shareholders' rights

Ten (10) days before the Regular General Meeting, every shareholder may take from the Company copies of annual financial statements and Board of Directors and Auditor's Reports. These documents must be timely submitted by the Board in Company office.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of shareholders, announcing the date of the meeting, which should not be more than forty-five (45) days from the date of submission of the request to the Chairman of the Board of Directors. The request contains the subject on the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the date of submission of the request, the meeting can be convened by the requesting shareholders, following a decision of the First Instance Court of the registered office of the Company area, issued in the process of injunctive measures. This decision specifies the place and time of the meeting and the agenda.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to include in the agenda of the General Meeting, which has been convened, additional issues, if the request is received by the Board of Directors fifteen (15) days before the General Meeting.
Additional issues shall be published or disclosed under the responsibility of the Board, within Article 26 of the Law 2190/1920, seven (7) days before the General Meeting. If these issues are not published, the applicants are entitled to ask shareholders to postpone the General Meeting in accordance with paragraph 3 of Article 39 of the Law 2190/1920 and to proceed to publication themselves, as defined in the preceding paragraph, at the expense of the Company.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board makes available to shareholders, as stipulated in Article 27 paragraph 3 of the Law 2190/1920, six (6) days before the date of the General Meeting, the draft resolutions on items included in the original or the revised agenda, if the request is received by the Board seven (7) days before the date of the General Meeting.
At a request of any shareholder submitted to the Company five (5) full days before the General Meeting, the Board shall provide the General Meeting with the required specific information about the affairs of the Company, provided that they are useful for appraisal of the issues on the agenda.
At a request of a shareholder or shareholders representing one twentieth (1 / 20) of the issued share capital, the Chairmen of the Meeting is obliged to postpone decision making by the General Meeting, Annual or Extraordinary, for all or some issues, defining the dates the meeting is to be continued, as specified in the request of shareholders, but not more than thirty (30) days from the date of postponement. The following after postponement General Meeting is a continuation of the previous one and does not require repetition of the formalities of publication of invitation to the shareholders, while new shareholders that meet the requirements of Article 27 paragraph 2 and 28 of the Law 2190/1920 can participate.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, which must be submitted to the Company five (5) calendar days before the Annual General Meeting, the Board is obliged to announce at the General Meeting the amounts paid over the last two years for any reason by the Company to every member of the Board Directors or Company executives and any payment made to such persons for any reason or the effective agreement between them and the Company. In all these cases the Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920.
At a request of shareholders representing one-fifth (1 / 5) of the paid up share capital, submitted to the Bank within the period mentioned in the previous paragraph, the Board of Directors shall provide to the General Meeting the information on the course of corporate affairs and property position of the Company. The Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920, provided these Board members have received the relevant information in a sufficient manner.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, decision on any matter on the agenda the General Meeting can be made by roll call.
Shareholders of the Company, representing one twentieth (1 / 20) of the issued share capital have the right to require conduct of audit of the Company from the First Instance Court of the area where the Company is established, under the procedure of voluntary jurisdiction. An audit

is imposed on suspicion of actions which violate provisions of the laws or the Articles of Association or the decisions of the General Meeting. Shareholders of the Company, representing one fifth (1 / 5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management. This provision does not apply when the minority, requesting audit, is represented in the Board of Directors of the Company.

Composition and Functioning of the Board of Directors, Supervisory Bodies and Committees of the Company

Board of Directors (BoD)

General

The elected Board of Directors consists of six (6) members, two of which (2) are executive members, two (2) members are non-executive and independent, and two (2) members are non-executive and independent. Their term of office is three years (3 years), expiring on 23/11/2013. In particular, the members of the Board of Directors for the year 2011 were as follows:

Num.	Name - Surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Nikolaos Lykos, father's name - Panagiotis	Chairman of the BoD – Executive member	23/05/2011	23/05/2014
2	Panagiotis Spyropoulos, father's name - Ioannis	Managing Director – Executive member	23/05/2011	23/05/2014
3	Georgios Triantafyllidis, father's name – Ioannis	Deputy Chairman of the BoD – Non-executive member	23/05/2011	23/05/2014
4	Ilias Karanzalis father's name - Georgios	Member of the BoD – Non-executive member	23/05/2011	23/05/2014
5	Sofia Lampropoulou, father's name - Vasileios	Member of the BoD – Independent Non-executive member	23/05/2011	23/05/2014
6	Eleftherios Chiliadakis father's name - Argiris	Member of the BoD – Independent Non-executive member	23/05/2011	23/05/2014

Within the year 2011:

-Mr. Nikolaos Lykos performed the duties of the Managing Director from 01/01/2011 to 15/11/2011.

-Mr. Panagiotis Spyropoulos performed the duties of Deputy Managing Director from 23/05/2011 to 15/11/2011.

-Mr. Pavlos Tryposkiadis, father's name – Konstantinos, performed the duties of Executive Vice Chairman and Deputy Managing Director.

BoD meetings

Num.	Name - Surname	Capacity	Number of meetings under the term of office	Number of meetings attended in person	Number of meeting attended through proxy
1	Nikolaos Lykos, father's name - Panagiotis	Chairman of the BoD – Executive member	81	81	-
2	Panagiotis Spyropoulos, father's name - Ioannis	Managing Director – Executive member	49	49	-
3	Georgios Triantafyllidis, father's name – Ioannis	Deputy Chairman of the BoD – Non-executive member	59	59	-
4	Ilias Karanzalis father's name - Georgios	Member of the BoD – Non-executive member	81	81	-
5	Sofia Lampropoulou, father's name - Vasileios	Member of the BoD – Independent Non-executive member	14	14	-
6	Eleftherios Chiliadakis father's name - Argiris	Member of the BoD – Independent Non-executive member	7	7	-
7	Pavlos Tryposkiadis, father's name - Konstantinos	Deputy Chairman & Managing Director - Executive member	17	17	-

The Board met eighty one times (81) times in 2011 and the meetings, at the legal quorum, were attended by the members in person.

The Board manages the Company as a collective body, taking decisions in accordance with the principles of Corporate Governance as outlined in the Company Operation Regulations, the legislation Inc., the securities laws, S.A. regulations provisions and provisions of the supervisory authorities. Members of the Board, obtain any relevant information in relation to the operation of the Company. They are to act in good faith, focusing on the interests of the Company and its Shareholders.

Roles and responsibilities of the Board of Directors

The Board is the supreme governing body of the Company and primarily sets the strategy and development policy, supervises and controls the management of the assets of the Company. The composition and capacities of members of the Board are established by Law and Articles of Association. The prime duty and responsibility of BoD members is the constant pursuit of enhancing long-term financial value of the Company and protection of the general corporate interests.

To achieve the corporate objectives and sound operation of the Company, the Board may delegate part of its authority, except those requiring collective action, and management, administration or management of the affairs and representation of the Company, to the Chairman of the Board, CEO, one or more members (executive and non-executive members), Directors or executives of the Company. Members of the Board and any third party entrusted with responsibilities, must promptly disclose to the other members of the Board their own interests, which may arise from transactions within the Company, and any other conflict of interests with those of the Company or its affiliated companies within the meaning of art. 42 (e), paragraph 5 of Law 2190/1920, arising in the course of their duties.

Election and electability of Board of Directors members
The Board is elected by the General Meeting (regular or extraordinary).
The Board members shall be persons fully able to perform their responsibility. Inability to perform the duties leads to inability to exercise company management and hence be a member of the Board of Directors of the company.
Board of Directors members exclude:

- Members of Parliament
- Prosecutors, judges, assistants of judges, magistrates, secretaries of the courts
- Civil servants
- Brokers, who cannot exercise delegation of limited company whose shares are listed

Withdrawal of Board of Directors Members
Members of the Board are freely withdrawn by the General Meeting. The withdrawal, even not stated explicitly, can arise indirectly following the General Meeting appointing the new Board of Directors before the end of its term of office. The withdrawal can be made by Regular or Extraordinary General Meeting.
In case of withdrawal, a Board member is not entitled to compensation as in the capacity of the Board member.
The withdrawal of Members shall not have any consequences in respect of termination the relationship of the members with the company, which is based on separate contract or salaried service. Therefore, if the withdrawal is accompanied by contingent termination of the labour contract, the non-elected consultants may demand compensation in accordance with the provisions of labour law.
The withdrawal of the Board automatically entails the withdrawal of the member or third persons, entrusted, under the Board decision, with total or partial management or representation of the company.

Resignation of Board of Directors members
Members of the Board of Directors of the Company may freely resign. The resignation is effective as soon as it is disclosed to the company. The disclosure to the company is made under written notification to the Chairman of the Board.

Replacement of Board of Directors members
Following establishment of a vacancy (due to resignation or death) on the Board, a successor shall be elected by the Board.
The election must be ratified by the first General Meeting of Shareholders, following the event.
If the election of a successor is not ratified by the General Meeting, then it elects another person for the vacant position, but the acts, conducted prior to the decision of the General Meeting, are regarded as valid.

Authority and responsibilities of the Board of Directors
The Board manages the company as a collective body, taking decisions in accordance with the provisions of Law 2190/20.
The Board of Directors is responsible for the company legal and practical representation. All members have one vote and all responsibility for decisions taken.
The responsibilities of the Board are defined by law or in the Articles of Association.
The Board is accountable to the General Meeting of the company shareholders and has the following authorities:

- Decisions on any transaction relating to the company's management, management of the company property and general pursuit of its objective.
- Making proposals for distribution of profits and keeping balances necessary for the operation and viability of the company's reserves.
- Approval of the balance sheet and income statement.
- Approval of six month and annual financial statements of the company.
- Preparation of the BoD Reporting for every fiscal year.
- Keeping private and confidential information concerning the company.
- Approval of the organisational chart of the company.
- Approval of Internal Operation Regulations and potential amendments.

- Appointment of internal auditor.
- Receiving periodic reports on internal audit.
- Strategic planning of the business policy of the company.
- Ensuring the long-term growth and profitability of the company.
- Enhancing the economic value and profitability of the company and shareholders.
- Keeping the Board Meetings minutes
- Authorization of the company's representation, issue, endorsement and reimbursement of the company or third persons checks.
- Approval of recruitment of senior executives and approval of any fixed term contracts.
- Comprehensive understanding of the Board of Directors members of the specific provisions adopted by the Capital Market Commission.
- Approval of important agreements relating to acquisitions and mergers.

Responsibilities - Duties of Board of Directors members
The foremost obligation and duty of members is the enhancing long-term financial value of the company and protection of general corporate interests.
Due to the increased dispersion of the share capital among the investment public, there is imposed protection of minority shareholders and making decisions that are free from any other motivation than the company interests.
The Board members must not only pursue short-term reinforcement of the market value of shares and shall not be pursuing interests contrary to those of the company.
Every Board member shall be liable to the company under managing the corporate affairs for any fault. He is also held responsible if the balance sheet contains false statements or omissions that conceal the true condition of the company.
Every Board member is obliged to strictly keep the confidential information regarding the company.
The members of the Board of Directors shall not be permitted to perform, on occasion or by profession, without the authorization of the General Meeting of shareholders of the company, either on their own behalf or on behalf of third parties, acts falling within the object of the company. When such an issue arises, an Extraordinary General Meeting shall be convened, which is authorised to provide the permission in question. In case of violation of this prohibition, the company is entitled to claim damages from the members who carried out the violation or to require the benefit be provided to it.
Members of the Board and any third party entrusted with responsibilities, must disclose to the other Board members their own interests that may arise from transactions within the company, and any other conflict of interests with those of the company or its affiliated companies (within the meaning of Article 42e, par. 5 of Law 2190/20) which arise in the course of their duties.
The Board of Directors annually prepares reports detailing the company's transactions with affiliates.

Meetings of the Board of Directors
The Board meets at regular intervals in accordance with the Articles of Association, and when required by extraordinary circumstances, at the headquarters of the company.
The Board of Directors shall meet at the headquarters of the company.
The Board is in quorum and convenes validly when there are present or represented one more than half the number of members.
A member of the Board may, following a written authorization that can be authenticated, simple or plain paper fax., validly represent only one member thereof. The representative appointed may not be a person, who is not a member of the Board.
Unless otherwise provided by law, the Board of Directors shall take its decisions by absolute majority of the members present or represented.
For following procedures are effective regarding the Board meetings:
• The meeting is convened by the Chairman of the Board through notifying the members at least two days before the meeting.
• The notice shall include clearly identified items on agenda, otherwise the decision taking is permitted, only if all members of the Board of Directors are present or represented at the meeting and none of them objects to taking of decisions.
• A quorum of the Board shall be deemed to be present.
• Discussions and decisions of the Board are recorded in a special registry.
• Copies of minutes of meetings of the Board, for which there is a requirement of registration in the Companies Register such as election of new Board members, composition of the body of the Board etc., are submitted to the Ministry of Commerce within twenty (20) days after the meeting, in compliance with the provisions of the law.

Remuneration of Board of Directors members
The fees paid to the Board members, which can be supplied partially or combined, are divided into the following categories:
• Fees on profits
• Fees for attending the Board meetings
• Fees for Directors' services
• Fees based on contractual rewards.
There are strictly prohibited loans to the company's Board members or relatives up to the third degree by blood or marriage or spouses as well as provision of credit in any way or provision of guarantees for third parties.
This prohibition applies to loans or credits granted by subsidiaries in which the company has participating interest. The company is designated as dependent on another company (principal), when the shares representing more than ½ of the outstanding capital, are owned by it (principal).

Fees on profits
The Executive Board members, subject to decision of the General Meeting, depending on the time of their participation in the management and representation of the company and the financial outcome of the company, are entitled to receive remuneration as a percentage of annual net profits of the company.
The calculation of fees on the profits of the year requires a decision of the Board while the right of a member of the Board of Directors to the fees is based upon specific approval thereof by the General Meeting. Non-approval by the Annual General Meeting of the above fees constitutes non-approval of annual financial statements.

Any fees awarded to members of the Board on the profits will be received from the balance of net profit remaining after the deductions of statutory reserve and first dividend equal to at least 6% of the issued share capital (Article 24, Law 2190/20).
The above fees are not subject to judicial limitation.

Fees for attending the Board meetings
The **Executive and Non Executive Board** members attending meetings of the Board are entitled to receive remuneration for their participation in Board meetings, provided that they are approved (in amount and payee) by the Annual General Meeting of the company. The payment of such fees is subject to a prior decision of the Board while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
The Regular General Meeting may approve these fees, only regarding the specific purpose.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.
These fees can be provided within the years when the company has no profits.

Fees for Directors' services
Executive Members
The Executive Members of the companies subject to the relative decision of the Annual General Meeting are entitled to fees for services for management and representation of the company.
The payment of such fees is subject to a prior decision of the Board, while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
The Regular General Meeting may approve these fees, only regarding the specific purpose.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.

Non-Executive Members
The Non-Executive Board members entrusted with specific responsibilities, within the meaning of the Law 3016/02, subject to the decision of the Annual General Meeting, are entitled to fees for the performance of those duties.
The fees will be commensurate with the time they devote to fulfil their duties and the amount will be predetermined by the decision of the Board. The right of non-executive members of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore, if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
The Regular General Meeting may approve these fees, only regarding the specific purpose.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.
All fees and compensations of non-executive directors are recorded in the Financial Statements of the company.

Fees based on contractual rewards
The executive members of the company may render the company additional to services apart from those rendered as directors.
The following conditions must be met regarding such fees:
- There shall be signed a special contract between the company and a member or members of the Board.
- Prior to signing the contract, there is required a consent of the General Meeting (regular or extraordinary) on the preparation of the particular contract. The essential terms of the contract (including remuneration / salary of the director) must be submitted to the approval of the General Meeting (in the usual quorum).
- The consent of the General Meeting shall not be opposed by shareholders representing at least 1 / 3 of the share capital represented at the General Meeting.

The remuneration of the Board Members for the year 2011 is recorded in note 40 to the annual financial report for the year 2011.

<u>Chairman of the Board</u>

The Chairman of the Board represents the Company in courts and every authority, leads and conducts meetings of the Board and acts as provided by law, the Articles of Association and Internal Operation regulations.

<u>CEO</u>

The CEO is the senior executive of the Company. The CEO presides over all the departments of the Company and directs their work. As part of operational planning, regulations and decisions of the board governing the operation of the Company, he takes all the necessary decisions, submits to the Board of Directors of the Company's proposals and recommendations needed to implement the objectives of the Company.
It should be noted that for administrative purposes, it has been chosen by the company's management that the person exercising the duties of the Chairman of the board is identical to that of CEO.

The brief biographies of the Board members are presented in the Attachment to this report.

<u>Audit Committee</u>

The Company has established the Audit Committee, appointed by the General Meeting of the shareholders. The Audit Committee consists of three (3) non-executive members who as at 31/12/2011 were as follows:

Num.	Name –Surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Elias Karantzalis father's name - Georgios	Member of the BoD – Non-executive member	23/05/2011	23/05/2014
2	Sofia Lampropoulou father's name - Vasileios	Member of the BoD – Independent Non-executive member	23/05/2011	23/05/2014
3	Eleftherios Chiliadakis father's name - Argiris	Member of the BoD – Independent Non-executive member	23/05/2011	23/05/2014

The Audit Committee held four (4) meetings in 2011, attended by all its members.

The Audit Committee has the following responsibilities:

- To supervise the financial monitoring procedures and the reliability of financial statements of the Company and to examine the main elements of financial statements that involve significant judgments and estimates in terms of the management.
- To monitor the effective operation of internal control and risk management systems of the company.
- To ensure the proper functioning of the Internal Audit Department of the Company.
- To monitor the progress of the statutory audit of financial statements.
- To supervise the issues related to existence and maintenance of objectivity and independence of the statutory auditor, and in particular with regard to potential additional non-audit services rendered by him/her.

It is noted that the responsibilities of the Audit Committee are going to be reassessed in the context of the preparation of the Corporate Governance Code our Company.

Information required by Article 10, paragraph 1 of Directive 2004/25/EC on takeover bids.

Disclosure of information required under Article 10 paragraph 1 of Directive 2004/25/EC on takeover bids is as follows,

• Share Capital Structure

On December 31, 2011, the Company's share capital amounted to € 12.758.591,88 euro divided into 20,578,374 ordinary shares of nominal value € 0,62 each

Shareholder	Number of shares	%
LYKOS NIKOLAOS PANAGIOTIS	10.807.968	52,52
LYKOU OLGA PANAGIOTIS	1.937.856	9,42
Shareholders < 5%	7.832.550	38,06
Total	**20.578.374**	**100**

The total (100%) of the Company's shares are common, registered and indivisible and there are no special categories of shares. The rights and obligations arising from the shares, are those provided by the Law 2190/1920.

- Restrictions on transfer of securities and agreements between shareholders

There are no restrictions on the right to transfer securities the Company is aware of.

- Significant agreements of the Company effective / amended / terminated in the event of a change in control of the Company following a takeover bid.
- There are no such agreements, which are effective, amended or terminated in the event of a change in control of the Company following a takeover bid.

- Securities providing special control rights

There are no shares of the Company providing special control rights.

- Significant direct or indirect equity of the Company is as follows:

On March 28, 2012, Mr. Nikolaos Lykos and Mrs. Olga Lykos held 52,52% and 9.42% respectively of the share capital of the Company. There are no other shareholders who hold directly or indirectly more than 5% of the share capital of INFORM P. Lykos SA the Company is aware of.
It is noted that on March 28, 2012, INFORM P. Lykos SA does not participate in the share capital of any company listed on the Stock Exchange.

- Restrictions on voting rights

There are no known restriction on voting rights (such as restrictions on voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems under which, in cooperation with the company, the financial rights attached to securities are distinguished by holding securities)

- Rules regarding appointment and replacement of Directors

There are no rules that differ from those under the provisions of the Law 2190/1920, as currently effective

- Specific authorities of the Board of Directors members

There are no special authorities of the Board of Directors members regarding issuance or repurchase of shares

The issues regarding information required under Article 10 paragraph 1 c, d, f of Directive 2004/25/EC as at 21 April 2004 on takeover bids and in particular significant direct or indirect equity, the holders of any securities with special control rights and a description of these rights and restrictions on voting rights are analytically presented in the unit "EXPLANATORY STATEMENT PURSUANT TO LAW NO 4.7-8 3556/2007" of the Report of the Board of Directors.

The current Corporate Governance Statement constitutes an integral and special part of the annual Management Report of the Board of Directors of the Company.

Attachment

Brief biographies of members of the Board of Directors and the Audit Committee

Nikolaos P. Lykos
BoD Chairman
Nikolaos Lykos, who developed Inform Lykos from a printing unit to a group of companies operating in the domain of Information Management and Business Communications Services, has been working in the company since 1980. He studied philosophy at the University of Essex and Business Administration at the University of Oxford (Templeton College). He is also a graduate of the British Institute of Graphic Arts, Harris Corporation School and Heidelberg School. He was President of the Association of International Business Forms Industries - IBFI.

Panagiotis I. Spyropoulos
Managing Director
Panagiotis Spyropoulos is a graduate of the Athens School of Economics. He holds multiannual experience of over twenty years as Chief Financial Officer and Chief Executive Officer in large ASE listed companies. Mr. Spyropoulos has been employed with the Group since the beginning of 2002.

Georgios Triantafyllidis
Deputy BoD Chairman
Georgios Triantafyllidis is a graduate of Athens University of Economics and Business. He has worked since 1977 as a sales executive in well known Greek and multinational companies in Greece and abroad in different sectors in markets B2C and B2B. He has been working in the company since 1987 and has served as CEO and Board member in subsidiaries of the Group.

Elias Karantzalis
Non-Executive Member
Elias Karantzalis was elected a member of the Board of Directors of Inform Lykos in 2003 and is responsible for supervision of internal audit procedures in accordance with Article 7 § 2 of law 3016/2002. He holds a degree of the Law Department of University of Athens and DEA Droit des Affaires et Droit Economique and DESS Banques et Finances of the Universite Paris I Pantheon - Sorbonne. He is a lawyer and has been a Legal Consultant since 1984.

Sofia Lambropoulou
Independent Non-Executive Member
Sofia Lambropoulou was elected a member of the Board of Directors of Inform Lykos in 2010. She holds a law degree of the University of Thessaloniki. She is a lawyer and has been working as Legal Consultant since 1998, specialising in commercial law and capital market law.

Lefteris Chiliadakis
Independent Non-Executive Member
Lefteris Chiliadakis has been an independent non-executive member of the Infrom Lykos since March 2006. He was born in 1946, studied economics at the University of Montreal, and holds a master's degree in Economics of York University in Toronto. He was a Director at CHASE MANHATTAN and CEO of HSBC in Greece from 1981 to 2003. Since early 2004, he has been a member of the Board of MARFIN FINANCIAL GROUP and CEO of the Group.

C) INDEPENDENT AUDITOR'S REPORT

To the Shareholders of INFORM P. LYKOS S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company INFORM P. LYKOS S.A. and its subsidiaries, which comprise separate and consolidated statement of financial position as at December 31, 2011, separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company INFORM P. LYKOS S.A. and its subsidiaries as at December 31, 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes the corporate governance statement that provides the information items defined in paragraph 3d, Article 43a of the Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned separate and consolidated financial statements, in the context of the requirements of Articles 43a, 108 and 37 of the Law 2190/1920.

Athens, March 29, 2012
Charted Accountant

Kyprianos Papagiannopoulos
SOEL Reg.No.14261

Grant Thornton
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Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

D) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 1/1 – 31/12/2011

Statement of Financial Position

The Statement of Financial Position of the Group and the Company for the year ended at 31/12/2011 and the respective comparative sizes of the previous year are the following:

		THE GROUP		THE COMPANY	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
Assets	**Note**				
Non- current assets					
Tangible fixed assets	6	81.484.005	83.819.486	35.329.772	36.330.684
Investment property	7	4.274.339	4.217.932	0	0
Intangible assets	8	2.973.311	4.117.503	1.058.043	1.374.521
Investments in subsidiaries	9	0	0	36.832.080	43.257.080
Investments in related companies	10	2.141	700.771	2.141	2.141
Goodwill	11	2.008.605	2.008.605	0	0
Deferred tax assets	12	1.437.818	779.709	1.343.174	684.934
Other long term assets	13	868.526	681.963	27.120	60.356
		93.048.744	**96.325.968**	**74.592.330**	**81.709.715**
Current assets					
Inventories	14	15.540.902	16.012.297	4.784.745	4.629.659
Customers and other receivables	15	12.109.856	23.710.045	6.837.112	13.376.321
Receivables from related companies	16	0	0	5.678.480	2.670.704
Other receivables	17	3.397.308	2.419.525	1.573.908	1.101.328
Cash and cash equivalents	18	12.915.366	24.320.569	1.273.616	2.650.457
		43.963.432	**66.462.437**	**20.147.861**	**24.428.470**
Non-current assets available for sale	19	372.175	49.763	0	0
Total assets		**137.384.351**	**162.838.167**	**94.740.191**	**106.138.185**
Equity and Liabilities					
Equity					
Share capital	20	12.758.592	12.758.592	12.758.592	12.758.592
Share premium	20	28.370.158	28.370.158	28.370.158	28.370.158
Reserves	21	17.998.940	19.151.818	6.420.339	7.859.245
Retained profits		17.414.275	19.747.221	5.572.094	8.988.302
Equity attributable to the shareholders of the parent		**76.541.965**	**80.027.788**	**53.121.183**	**57.976.297**
Minority interests		649.438	8.019.383	0	0
Total Equity		**77.191.403**	**88.047.171**	**53.121.183**	**57.976.297**
Liabilities					
Long term Liabilities					
Long term bank debt	22	26.740.493	33.555.698	26.740.493	30.234.155
Deferred tax liabilities	12	3.434.955	3.749.032	2.802.652	2.899.685
Staff leaving indemnities	23	4.911.298	5.628.347	1.177.024	1.805.483
Total Long term Liabilities		**35.086.746**	**42.933.077**	**30.720.169**	**34.939.323**
Short term Liabilities					
Suppliers and other related liabilities	24	8.675.432	7.205.669	3.900.921	3.060.517
Current tax liabilities	25	831.550	4.048.204	375.045	737.643
Short term bank debt	23	6.126.553	8.380.915	3.493.662	3.493.662
Other Short term liabilities	26	9.472.668	12.223.131	3.129.211	5.930.743
Total Short term Liabilities		**25.106.203**	**31.857.920**	**10.898.839**	**13.222.565**
Total Liabilities		**60.192.949**	**74.790.997**	**41.619.008**	**48.161.888**
Total Equity and Liabilities		**137.384.351**	**162.838.167**	**94.740.191**	**106.138.185**

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

Income statement

The Income Statement of the Group and the Company for the year 1/1 – 31/12/2011 and the respective comparative sizes of the previous year are the following:

		THE GROUP		THE COMPANY	
	Note	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Sales	**39**	**102.799.024**	**113.858.514**	**27.728.064**	**31.856.882**
Cost of sales	**27**	(69.947.363)	(72.397.078)	(23.122.277)	(25.349.318)
Gross profit		**32.851.661**	**41.461.436**	**4.605.787**	**6.507.564**
Other operating income	**28**	1.829.219	2.563.890	633.504	1.114.531
Selling expenses	**29**	(11.817.451)	(13.570.629)	(4.050.129)	(4.583.730)
Administrative expenses	**30**	(10.648.137)	(12.975.213)	(3.388.857)	(4.148.626)
Research and development expenses	**31**	(4.419.091)	(3.698.609)	0	0
Other operating expenses	**32**	(5.743.740)	(5.719.473)	(2.103.638)	(3.880.642)
Earnings before interest and taxes (EBIT)		**2.052.461**	**8.061.403**	**(4.303.333)**	**(4.990.903)**
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)		**7.754.747**	**15.100.179**	**(2.405.626)**	**(2.452.388)**
Financial income	**33**	380.638	577.873	670.560	734.568
Financial expenses	**34**	(1.552.958)	(1.855.853)	(991.750)	(744.937)
Income from subsidiaries & related companies	**35**	(141.552)	120.572	0	1.700.000
Loss from related companies	**11**	0	(3.289.502)	0	0
Earnings/ losses before taxes		**738.589**	**3.614.492**	**(4.624.523)**	**(3.301.272)**
Income tax	**36**	(1.205.708)	(2.524.331)	386.764	595.336
Earnings after taxes		**(467.119)**	**1.090.161**	**(4.237.759)**	**(2.705.936)**
Earnings after taxes attributable to:					
Shareholders of the parent	**37**	*(869.833)*	(398.749)	(4.237.759)	(2.705.936)
Non controlling interest	**37**	*402.714*	1.488.911	0	0
Earnings after taxes per share - basic (in Euro)	**37**	(0,0423)	(0,0194)	(0,2059)	(0,1315)

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

Statement of Comprehensive Income

The Statement of Comprehensive Income of the Group and the Company for the year 1/1 – 31/12/2011 and the respective comparative sizes of the previous year are the following:

		THE GROUP		THE COMPANY	
	Note	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Net earnings after taxes		**(467.119)**	**1.090.161**	**(4.237.759)**	**(2.705.936)**
Exchange rate differences from the translation of the financial statements of business operations abroad	**38**	(209.693)	(477.669)	-	-
Readjustment of self-owned tangible fixed assets value	**6**	385.229	(483.971)	-	-
Other Comprehensive Income after taxes		**175.536**	**(961.640)**	**0**	**0**
Total Comprehensive Income of the year		**(291.582)**	**128.521**	**(4.237.759)**	**(2.705.936)**

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

Statement of Cash Flows

Cash flows of the Group and the Company for the year 1/1 – 31/12/2011 and the respective comparative sizes of the previous year are the following:

Indirect method	THE GROUP		THE COMPANY	
Operating Activities	**1/1-31/12/2011**	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Profits / (losses) before taxes (continued activities)	738.589	3.614.492	(4.624.522)	(3.301.272)
Plus / less adjustments for:				
Depreciation / Amortization	5.702.286	7.038.776	1.897.707	2.538.515
Provisions	66.914	1.305.527	(41.936)	159.768
Other, non cash transactions	(191.048)	3.173.071	(73.711)	(501.502)
Results (income, expenses, profit and loss) of investing activity	(619.495)	1.921.701	(438.695)	837.652
Debit interest and similar expenses	2.134.385	1.677.545	991.748	744.938
Plus / less adjustments for changes in accounts related to working capital or operating activities:				
Decrease / (increase) of inventories	433.077	(913.979)	(155.086)	(1.037.309)
Decrease / (increase) of receivables	10.064.060	(382.287)	4.335.097	927.430
(Decrease) / increase of liabilities (excluding loans)	(1.327.238)	286.319	(117.797)	(2.262.588)
Less:				
Debit interest & related expenses paid	(1.410.450)	(1.204.230)	(955.420)	(761.091)
Taxes paid	(4.803.638)	(2.362.204)	(619.230)	(200.799)
Total inflows / (outflows) from operating activities (a)	**10.787.442**	**14.154.731**	**198.155**	**(2.856.258)**
Investing Activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	(9.946.837)	0	0	0
Proceeds from disposal of subsidiaries, associates, joint ventures and other investments	400.000	0	0	0
Purchase of tangible and intangible fixed assets	(2.639.860)	(1.925.974)	(1.265.013)	(578.700)
Proceeds from sales of tangible and intangible fixed assets	9.974	96.406	690.184	32.843
Cash of absorbed company	0	0	0	92.179
Interest income received	309.841	554.845	626.518	780.855
Dividends received	0	354.570	0	1.700.000
Financing of assets investment received	313.471	345.020	0	0
Total inflows / (outflows) from investing activities (b)	**(11.553.411)**	**(575.133)**	**51.689**	**2.027.177**
Financing Activities				
Share capital decrease	(1.050.000)			
Proceeds from issued / withdrawn loans	32.486	11.964.341	5.375.000	3.625.000
Loan settlements	(8.965.241)	(20.773.119)	(3.493.662)	(3.723.662)
Granted loans	0	0	(3.000.000)	(2.120.000)
Lease liabilities settlements	(148.456)	(174.291)	0	0
Dividends paid	(508.023)	(2.440.991)	(508.023)	(1.496.366)
Total inflows / (outflows) from financing activities (c)	**(10.639.234)**	**(11.424.060)**	**(1.626.685)**	**(3.715.028)**
Net increase (decrease) of cash and cash equivalents of the year (a)+(b)+(c)	**(11.405.203)**	**2.155.538**	**(1.376.841)**	**(4.544.109)**
Cash and cash equivalents at the beginning of the year	**24.320.569**	**22.165.031**	**2.650.457**	**7.194.566**
Cash and cash equivalents at the end of the year	**12.915.366**	**24.320.569**	**1.273.616**	**2.650.457**

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

Statement of changes in Equity

The statement of changes in equity of the Group is the following:

	THE GROUP							
	Equity allocated to shareholders of the parent						Non-controlling interest	Total
	Share Capital	Share Premium	Reserves	Own Shares	Retained Earnings	Total		
	Changes in Equity for the year 1/1 - 31/12/2010							
Balance as at January 1, 2010	**12.508.925**	**28.448.736**	**19.029.533**	**(399.702)**	**23.007.045**	**82.594.538**	**7.806.168**	**90.400.706**
Total comprehensive income of the year 1/1 - 31/12/2010	-	-	(632.037)	-	(702.891)	**(1.334.928)**	1.463.450	**128.521**
Dividend Distribution	-	-	-	-	(1.639.563)	**(1.639.563)**	(944.625)	**(2.584.189)**
Acquisition of interest in subsidiary	171.089	-	-	-	134.523	**305.612**	(305.612)	**0**
Disposal of own shares	-	-	-	399.702	(297.571)	**102.131**	-	**102.131**
Share capital increase	78.578	(78.578)	-	-	-	**0**	-	**0**
Formation of reserves	-	-	754.322	-	(754.322)	**0**	-	**0**
Total recognized profit /(loss) for the year	**249.667**	**(78.578)**	**122.285**	**399.702**	**(3.259.824)**	**(2.566.748)**	**213.213**	**(2.353.537)**
Balance as at December 31, 2010	**12.758.592**	**28.370.158**	**19.151.818**	**0**	**19.747.220**	**80.027.788**	**8.019.382**	**88.047.171**
	Changes in Equity for the year 1/1 - 31/12/2011							
Balance as at January 1, 2011	**12.758.592**	**28.370.158**	**19.151.818**	**0**	**19.747.221**	**80.027.788**	**8.019.383**	**88.047.171**
Total comprehensive income of the year 1/1 - 31/12/2011	-	-	286.029	-	(975.936)	**(689.907)**	398.324	**(291.582)**
Dividend Distribution	-	-	-	-	(617.351)	**(617.351)**	-	**(617.351)**
Disposal of reserves	-	-	(1.560.393)	-	1.560.393	**0**	-	**0**
Change of ownership rights in subsidiary "Austria Card GmbH"	-	-	-	-	(2.178.566)	**(2.178.566)**	(7.768.270)	**(9.946.837)**
Formation of reserves	-	-	121.487	-	(121.487)	**0**	-	**0**
Total recognized profit /(loss) for the year	**0**	**0**	**(1.152.877)**	**0**	**(2.332.949)**	**(3.485.826)**	**(7.369.946)**	**(10.855.772)**
Balance as at December 31, 2011	**12.758.592**	**28.370.158**	**17.998.940**	**0**	**17.414.275**	**76.541.965**	**649.438**	**77.191.403**

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

The statement of changes in equity of the Company is the following:

	THE COMPANY					
	Share Capital	**Share Premium**	**Reserves**	**Own Shares**	**Retained Earnings**	**Total**
	Changes in Equity for the year 1/1 - 31/12/2010					
Balance as at January 1, 2010	**12.508.925**	**28.448.736**	**7.104.924**	**(399.702)**	**14.371.795**	**62.034.678**
Total comprehensive income of the year 1/1 - 31/12/2010	-	-	-	-	(2.705.936)	**(2.705.936)**
Dividend Distribution	-	-	-	-	(1.639.563)	**(1.639.563)**
Absorption of subsidiary	171.089	-	-	-	13.898	**184.987**
Share capital increase	78.578	(78.578)	-	-	-	**0**
Formation of reserves	-	-	754.322	-	(754.322)	**0**
Disposal of own shares	-	-	-	399.702	(297.571)	**102.131**
Total recognized profit /(loss) for the year	**249.667**	**(78.578)**	**754.322**	**399.702**	**(5.383.494)**	**(4.058.381)**
Balance as at December 31, 2010	**12.758.592**	**28.370.158**	**7.859.246**	**0**	**8.988.301**	**57.976.297**
	Changes in Equity for the year 1/1 - 31/12/2011					
Balance as at January 1, 2011	**12.758.592**	**28.370.158**	**7.859.245**	**0**	**8.988.302**	**57.976.297**
Total comprehensive income of the year 1/1 - 31/12/2011	-	-	-	-	(4.237.759)	**(4.237.759)**
Dividend Distribution	-	-	-	-	(617.351)	**(617.351)**
Disposal of reserves	-	-	(1.560.393)	-	1.560.393	**0**
Formation of reserves	-	-	121.487	-	(121.487)	**0**
Total recognized profit /(loss) for the year	**0**	**0**	**(1.438.906)**	**0**	**(3.416.204)**	**(4.855.110)**
Balance as at December 31, 2011	**12.758.592**	**28.370.158**	**6.420.339**	**0**	**5.572.094**	**53.121.183**

Notes on p.p. 32 – 73 constitute an integral part of these annual financial statements.

Explanatory notes

1. General Information

The Group Inform P. Lykos S.A. (the Group) is a rapidly developing Group of companies that forms the market in the sector of graphic arts and software. Today, the Group is among the international leaders, shaping the evolution in the markets of printing, secured data processing, printed Computing, information and applications.

The domicile of the parent company Inform P. Lykos S.A. (the Company) is in Koropi Attica, 5th km. of Varis-Koropoiou Avenue.

The financial statements for the year 1/1– 31/12/2011 (including the comparative sizes for the year 1/1 - 31/12/2010) were approved by the Board of Directors on 28/3/2012 (No. 1319 Minutes of the Board of Directors meeting).

The companies of the Group, incorporated in the consolidated financial statements, the domicile, the activities, the Company participating interest and the consolidation method are presented below as follows:

Company	Domicile	Activities	Participating interest		Consolidation method	Type of relation
			31/12/11	31/12/10		
Inform P.Lykos S.A.	Greece	Computing services, data processing etc.	Parent	Parent	-	Parent
Lykos Paperless Solutions S.A.	Greece	Computing services, data processing etc.	99,91%	99,91%	Full	Direct
Terrane L.T.D.	Cyprus	Holding	100,00%	100,00%	Full	Direct
Inform Lykos (Romania) L.T.D.	Cyprus	Holding	97,34%	97,34%	Full	Indirect
Inform Lykos S.A.	Romania	Printing, services of printed computing etc.	97,34%	97,34%	Full	Indirect
Compaper Converting S.A.	Romania	Printing, services of printed computing etc.	94,85%	94,85%	Full	Indirect
Sagime Gmbh	Austria	Holding	100,00%	100,00%	Full	Direct
Austria Card GmbH	Austria	Production and development of secured smart cards	100,00%	85,00%	Full	Indirect
Austria Card Polska Sp.z.o.o.	Poland	Production and development of secured smart cards	100,00%	85,00%	Full	Indirect
Austria Card Akilii Kart STI	Turkey	Production and development of secured smart cards	99,96%	84,97%	Full	Indirect

Within the reporting period, in particular on 23/6/2011, the Group acquired an additional 15% participating interest in Austria Card GmbH, therefore, following this acquisition, it holds 100% of the subsidiary capital (see Note 9 below). Moreover, within the current year 1/1 – 31/12/2011, the Group disposed of two subsidiaries "Arrow Up SA» and "Technovisie BVBA" (see Note 10 below).

The number of personnel as at 31/12/2011 stands at 735 persons for the Group and 211 persons for the Company. In the comparative year 31/12/2010, it stood at 871 and 295 persons respectively.

2. Basis for preparation of annual financial statements

The accompanying separate and consolidated financial statements (hereinafter "financial statements") have been prepared by the Management based on historic cost principal, as modified following the adjustment of certain assets and liabilities at fair values and the going concern principle and are in accordance with the International Financial Reporting Standards (hereinafter «IFRS») and the International Accounting Standards (hereinafter «IAS»), as adopted by the European Union (according to the Regulation (EC) No. 1606/ 2002 of the European Parliament and the Council of the European Union at July 19th, 2002) and published by the International Accounting Standards Board (IASB), and also their interpretations, as published by the International Financial Reporting Interpretation Committee (I.F.R.I.C.) of the IASB. The period of application of every IAS/IFRS is set by the regulations published by the competent commission of the European Union.

The financial statements have been prepared in Euro, which is the presentation currency of the financial statements of the Group. All amounts are presented in Euro, unless otherwise stated.

The preparation of financial statements according to I.F.R.S. requires adoption of estimates, principles and assertions which affect the valuation of assets, liabilities, recognition of contingent liabilities as well as recording of income and expenses in the financial statements.

It also requires management estimations under the application of the Company accounting principles.

The current financial statements reflect the fair view of the financial position of the Company and the Group as at their preparation date.

3. Basic accounting principles

The main accounting principles adopted and followed under the preparation of the accompanying separate and consolidated financial statements according to I.F.R.S. are described below and have been consistently applied by the Group unless stated differently:

3.1. Basis of Consolidation

Subsidiaries: Subsidiaries are all entities managed and controlled by the Group. The existence of potential voting rights that are currently exercisable at the time of preparation of the financial statements is considered when assessing whether the parent company controls the subsidiaries. Subsidiaries are fully consolidated (full consolidation) by the date on which control over them is acquired and they are de-consolidated by the date on which control ceases.

Group uses the purchase method of accounting in order to account for the acquisition of subsidiaries. At the date of acquisition the Group recognizes separately from goodwill, the recognized assets acquired, the liabilities incurred and any non controlling participations to the merged subsidiary. The recognized assets and the liabilities incurred should satisfy the definitions of assets and liabilities in the *Framework of Preparation and Presentation of Financial Statements* at the date of acquisition, in order to fulfill the criteria of recognition by the purchase method. The Group measures the acquired recognized assets and the liabilities incurred at fair values at the date of acquisition. The amount paid in return for the acquisition is measured at fair value, which is estimated as the sum of fair value at the date of acquisition of the assets by the Group, the liabilities incurred if any to the previous owners and participation rights issued by the Group.

A cash element, receivable by or payable to a foreign operation, whose settlement has not been programmed or expected to be in the near future, consists, practically, a part of the net investment of the Group in this operation. Long term receivables or loans are included in such cash elements. These elements do not include trade receivables or payable accounts.

Inter-company transactions and balances including income, expenses and dividends between group companies are eliminated. Profit and loss from inter-company transactions recognized on assets like inventory and tangible assets are eliminated. Any inter-company losses are examined for indication of impairment which if this is the case is recorded in the consolidated financial statements.

The financial statements of the parent company and its subsidiaries, used for the preparation of consolidated financial statements, are prepared at the same date.

Consolidated financial statements are prepared based on uniform accounting policies for similar transactions and other events, under similar conditions. Accounting principles of subsidiaries are modified, if required, in order to be uniform to those adopted by the Group.

In its financial statements, the Company accounts for investments in subsidiaries at acquisition cost less potential impairment.

Associates: are all entities, over which the Group has significant influence but cannot be considered as subsidiaries or joint ventures. The Group has assumed that a shareholding of a range 20% and 50% of voting rights of a company indicates a significant influence over this entity. Investments in associates are initially recognized at acquisition cost and then recorded under equity method of accounting. At the end of every year, the cost is increased by the proportion of the investing company in the changes of net equity of the invested company and reduced by dividends received from the related company.

As far as the acquisition goodwill is concerned, it reduces the value of participation by charging the income statement, when its value is reduced.

The Group's share of its associates post-acquisition profits or losses is recognized in the income statement, while its share of post-acquisition movements in reserves is recognized in reserves. The cumulative changes are adjusted against the carrying amount of the investment in associates. When the Group's share of losses in an associate exceeds the value of the investment in the associate (including any other bad debt), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated, but considered as evidence of an impairment of the asset transferred. Associates accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2. Operating segments

Any substantial segment, whose earnings are regularly examined by the Management of the Group in order to make decisions for the allocation of resources and the evaluation of performance, is regarded as an operational segment.

Each segment is evaluated under various ratios, but mainly according to the earnings achieved.

The Group has not received from any specific client an income exceeding 10% of its total consolidated revenues.

The Group presents in a specific paragraph in the attached financial statements separate information on every operating segment, as well as information on geographic allocation of non-current assets and revenues of the Group.

3.3. Tangible assets

Land and buildings used for production, disposal of goods or services, or for cover of needs of administrative services of Company, are presented in the balance sheet at their readjusted values, less their accumulated depreciation and potential impairment. The management decides on readjustments of value of these assets at intervals, so that the balances in the Statement of Financial Position do not essentially differ from fair values as at reporting date.

When the carrying amount of buildings or land is increased by a re-adjustment, this increase will be recorded in the statement of comprehensive income and then accumulated to equity as a readjustment surplus. In case the accounting value of buildings or land is reduced in the future following a readjustment, this reduction will be recorded in the statement of comprehensive income up to the amount of the existing credit balance of readjustment surplus. Any excess of impairment loss over this surplus will be recorded in the income statement.

The remaining categories of tangible assets are presented at their acquisition cost, decreased by accumulated depreciation and potential impairment.

These values are presented deducted by (a) accumulated depreciation and (b) impairment of fixed assets. The acquisition cost of fixed assets includes all the directly attributable expenses for their acquisition.

Subsequent expenditure is added to the carrying amount of the tangible fixed assets or is recorded as a separate fixed asset only if it is probable that future economic benefits will flow to the company and their cost can be measured reliably. Repair and maintenance cost is carried in the results when incurred.

Depreciation of other fixed assets (except land which is not depreciated) is calculated using the straight-line method over their useful life as follows:

Buildings	20-50 years
Plant and machinery	3-20 years
Motor Vehicles	10 years
Other equipment	3-20 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at every date of balance sheet. When an asset's carrying amount is higher than its estimated recoverable amount, the difference (devaluation) is carried directly to the income statement as an expense.
The accounting value of tangible assets stops being recognized at the time of disposal or when no future benefits are expected from their use or disposal.
Whenever fixed assets are sold, the difference between the disposal proceeds and the carrying amount is carried as profit or loss in operating income. Repairs and maintenance expenditures are charged to the income statement during the financial period in which they incurred.

3.4. Intangible assets

Intangible assets include development costs and software licenses.

Software licenses are measured at acquisition cost less depreciation. Depreciation is calculated by the straight line method during their useful life which is calculated from 5 to 10 years.

Expenses of growth recognized as intangible assets, concern expenses created by the application of development programs, are related to planning and testing new or advanced products and are likely to offer future economic profits to the Group.

The remaining, except above, development expenses, such as research expenses, are recognized as expenses of the year. Development expenses which in previous economic years had been recorded as expenses cannot be recorded as intangible assets in following years.

Development expenses which have been capitalized are depreciated by the beginning of the commercial production of the product, based on the straight line method of depreciation at the period of expected benefits by the product. The depreciation period adopted by the Group does not exceed 5 years.

Development expenses of the company recognized as intangible assets concern:

- Products or productive process that is precisely determined and the expenses that correspond to them can be individualised and calculated reliably.
- The possibility of technical exploitation of product or process can be proved
- The company intends to produce and trade or use the product or the process
- The existence of a market for the product or the process can be proved or that these will be useful for the company in the case they are to be used instead of being sold.
- Sufficient resources exist, or their availability for the completion of program and the marketing or use of product or process can be proved. The developing expenses do not exceed the amount that is expected to be covered by the relative future profits (economically) after the abstraction of further developing expenses of relative cost of production and expenses of distribution and administration connected directly to the trade of product.

3.5. Investment property

Investment property owned by the Group includes land possessed mainly for increase of the value of its equity. This land is expected to generate cash flows for the Group mainly apart from the other assets owned by the Group.

Investment property is recorded only in the following cases: (a) it is possible that future economic benefits related to investment property will inflow at the entity and (b) the cost of investment property can be reliably valued.

Investment property is initially valued at cost. The transaction cost is included at the initial measurement. The cost of an acquired by purchase investment property includes the acquiring price and every directly attributable expense. The directly attributable expenses include, for example, professional remuneration for legal advice, tax on real estate transfer and other transaction costs.

After initial recognition, the Group evaluates the investment property by the method of fair value, under the condition that there is rebuttable evidence that the Group is in position to determine the fair value of investment property reliably on a constant basis.

Profit or loss caused by a change of fair value of investment property will be included at the income statement of the period it appears.

3.6. Goodwill

Every time the Group acquires another company, goodwill is recorded at the acquisition date as an asset. This goodwill is equal to the amount by which the consolidation cost exceeds the portion of the company, to the assets, liabilities and contingent liabilities of the acquired company.

Goodwill represents a payment of the buyer against future economic benefits from assets that cannot be evaluated and recognized independently.

After the initial recognition, the premium is evaluated at cost less accumulated losses caused by reduction of its value. The premium is not depreciated, but tested annually for impairment, if there are any events indicating a loss according to I.A.S. 36.

3.7. Financial instruments

A financial instrument is considered every contract generating a financial asset to one company and a financial obligation or participation to another one.
The Group classifies its financial instruments according to the nature of the contract and the purpose of acquiring them, in the following categories:

3.7.1. Financial assets at fair value through profit and loss

These are financial assets that satisfy any of the following conditions:

- Financial assets held for trading purpose (derivatives are included, except from those determined for hedging, those acquired or created in order to be sold or repurchased and finally those constituting a part of a portfolio of recognized financial instruments).
- At initial recording they are considered by the company as assets at fair value, through the income statement.

Financial assets at fair value through profit and loss are valued at fair value and profits or losses are recorded directly to the income statement.

The company's financial assets at fair value through profit and loss are included in the current assets of the Balance Sheet, in the item «Cash and cash equivalents».

Cash equivalents include short-term, easy liquidity investments, easily translated in cash and so close to their maturity that they present a very low risk of change in their value at the time of liquidation and time deposits.

3.7.2. Investments held to maturity

This category includes not derivative financial assets with fixed payments and a fixed maturity and which the Group has the intention and the ability to be held to maturity.

The Group does not hold and does not include in its financial statements any investments under this category.

3.7.3. Loans and receivables

This category includes non-derivative financial assets with fixed or predefined payments, not negotiable in active markets. This category (loans and receivables) does not include:

- Receivables not related to the transaction of cash or other financial assets.
- Prepayments for purchasing goods, tangible and intangible assets or services, since they are not supposed to offset with cash or other financial assets, but with inventory, tangible or intangible assets or services rendered.
- The amount of prepaid expenses that do not constitute contractual obligations for receiving or paying cash or other financial assets.
- Receivables not contractual, but imposed by the State.
- Receivables concerning tax, legislatively imposed by the State.
- any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables with fixed maturity are valued in deemed cost based on the method of real interest, while loans and receivables without fixed maturity are valued at cost. Income or expenses from valuation are recorded in the income statement.

Loans and receivables are classified as current assets, in the items «Trade and other receivables» and «Receivables from related companies», except with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets, in the figure «Other long term receivables».

3.7.4. Financial assets available for sale

This category includes non-derivative financial assets which are either allocated to this category, or do not belong to any other from the above categories.

Financial assets available for sale are valuated according to their fair value. Profit or loss from a financial asset available for sale is recorded to the comprehensive income, except for impairment losses and exchange rate differences, until the recognition of this asset is terminated. In this case, the accumulated profit or loss which had been previously recognized at the comprehensive income will be reclassified from equity to the income statement as an adjustment from the reclassification. Any impairment losses are recorded in the income statement.

Especially, the valuation of financial assets, whose fair value cannot be estimated reliably, is carried at cost.

The Group does not hold and does not include in its financial statement any assets under this category.

3.7.5. Financial liabilities

This category includes contractual liabilities regarding:

- Cash payment or other security to another entity
- Exchange of financial assets with another entity, with terms possibly unpleasant.
- A contract which will be settled with a security of the entity like: (a) a non derivative for which the company is obliged to give a variable number of own securities or (b)a derivative which will be settled in any other way except the exchange of a fixed amount of cash or other security with a fixed number of securities of the company.

Financial assets at initial recognition are valued at fair value plus (less) the directly attributable expenses of the transaction. Fair value is considered the net cash inflow from the issue of the asset or the fair value of the asset acquired at the creation of the liability.

Apart from certain exceptions (such as the case of financial liabilities through profit and loss), in which the financial liabilities of Group are not included, the financial liabilities are valued at cost using the actual interest-rate method.

Financial liabilities of the Group are included in the long-term liabilities of the Balance Sheet in the item «Long term bank debt» and in the short term liabilities of the Balance Sheet in the items «Trade and other payables», «Short term bank debt», «Liabilities to subsidiaries» and «Other short term liabilities».

3.8. Inventory

At the balance sheet date, inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any selling expenses. Cost of inventories does not include any financial expenses. Cost is estimated through the use of weighted average method.

3.9. Assets or group of assets or liabilities available for sale

Assets or group of assets or liabilities available for sale are recognized when the Group:

- Has the intention and ability to sell
- Has already issued a selling plan
- Can estimate a fair value for sale
- Can sell in a short period (a period of 1 or 2 years).

These assets or liabilities are valued at the lower price between the accounting and fair value deducted by the selling expenses while they stop being depreciated.

3.10. Share capital

External costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

3.11. Own shares

Own shares held by the company or its subsidiaries, are presented at acquisition cost (cost of purchase plus expenses) deducted from equity. When the own shares are sold, cancelled or allocated any income or loss is recorded directly in equity.

3.12. Income tax and deferred tax

The period's charge for income tax comprises current tax and deferred tax, the tax charges or tax credits that are associated with economic benefits accruing in the period, but those that have been or will be assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been recorded directly in equity, in which case it is, accordingly, recorded directly in equity.

Current income taxes include short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Current taxes are measured according to the tax rates and tax legislation in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of tax expense in the income statement.
Deferred income tax is estimated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.
Deferred tax is not recorded if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax legislation) that have been put into effect or are essentially in effect up until the balance sheet date. In the event when it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the financial statements date is used.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary differences can be utilized, will be available.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

3.13. Foreign currency translation differences

(a) Operation and presentation currency

The items of financial statements of the Group companies are measured based on the currency of economic environment, in which each company operates (operation currency). The financial statements are presented in Euro, which is the operation currency and the presentation currency of the parent company. The operation currency of subsidiaries is also Euro, apart from the subsidiaries in Romania where the operation currency is Romanian Ron.

At the consolidation of the above companies, whose operation currency differs from presentation currency, their earnings and financial position are translated in the presentation currency.

The earnings and financial position of these companies are translated in the presentation currency under the following procedures:

- assets and liabilities for each balance-sheet presented (including the comparable sizes), will be translated using closing exchange rates at the date of the balance-sheet.
- income and expenses for every income statement (including comparable sizes), are translated using the exchange rates which approaches the exchange rates of dates of transactions (for example average exchange rate of period) and
- any arising exchange rate differences will be recognized as an individual part of equity.

At the incorporation of earnings and financial position of foreign operations to the financial statements of the Group and especially at the stage of elimination entries, the difference derived by the offset of intercompany financial asset (or liability), due to currency fluctuations, is considered an exchange rate difference that continues to be recorded in the income statement or the comprehensive income statement (in the cases mentioned at the following paragraph) and accumulated as a distinct part of equity until the disposal of this foreign operation.

Exchange rate differences arising from cash, which constitutes a part of a Group's net investment in a foreign operation, will be initially recognized in the statement of comprehensive income of the consolidated financial statements and at the time of disposal of this investment they will be reclassified from equity to the income statement.

(b) Transactions and balances

The initial recognition in the operation currency of a transaction in foreign currency is applied by the use of the current exchange rate between the operation currency and the foreign currency at the date of transaction. The date of transaction is the date that the transaction meets for first time the conditions of recognition according to the IFRS.

At the date of balance-sheet:

- Cash in foreign currency, is translated by the closing exchange rate,
- Non cash items valued according to their historic cost in foreign currency, are translated by the exchange rate at the date of transaction and
- Non cash items valued at fair values in foreign currency are translated by the exchange rates that existed, when fair values were estimated.

The exchange rate differences, that arise at the application of the above are recognized in the income statements of the period in which they appear.

3.14. Impairment of assets

The assets that have infinitive useful life are not depreciated and are tested for impairment annually and when certain events indicate that the accounting value cannot be recovered. The assets under depreciation are tested for impairment when there are indications that their accounting value will not be recovered. The recovering amount is the highest amount among net selling price and the value because of use. The loss from the decrease of value of assets is recognized by the company, when the accounting value of these assets (or Casg Flow Generating Unit) is higher than their recoverable amount.

The amount of sale of an asset in an arm's length transaction between knowledgeable, willing parties is considered the net selling value, after the abstraction of any additional direct cost of distribution of the asset, while, value of use is the present value of the estimated future cash flows that are expected to inflow in the company from the use of the asset and from the disposal in the end of its estimated useful life.

3.15. Employee benefits

3.15.1. Short term benefits:

Short-term employee benefits include:

- Daily wages, salaries and social security contributions
- Short term compensated absences, such as annual paid leave and sick paid leave when the absences are expected to happen in the next 12 months, after the end of the year in which the employees offer the relevant service
- Profit appropriation and exceptional benefits paid in 12 months after the end of the year, in which the employees offer the relevant service.
- Non-monetary benefits (like medical care, residence, cars and free or subsided goods or services) for current employees.

Short-term employee benefits (except for termination of employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is recorded as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

3.15.2. Termination benefits

Termination benefits are payable, whenever a company is demonstrably committed to either:

- Terminate the employment of current employees before the normal retirement date
- Or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

These benefits are recognized as a liability and an expense only when the company is demonstrably committed to provide them. Benefits falling due more than 12 months after balance sheet date are discounted to present value. In the case of an offer that is made to encourage voluntary departure, the valuation of benefits for employment termination must be based on the number of employees that are expected to accept the offer.

When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted based on the yields of investment grade corporate or government bonds.
In the case of employment termination where there is an inability to assess the number of employees that will use such benefits, they are not accounting for but are disclosed as a contingent liability.

The basic date used as the date of the actuarial valuation of various sizes is 31/12/11.
The main actuarial assumptions used for the above accounting purposes are the following:

Average annual rhythm of long-term inflation raise	2,0% annually
Raise of salaries	2,0% annually (2% due to inflation from 2013 onwards)
Discount rate	6,0% annually (calculated by the method of Full Yield Curve)
Investment performance	Equal in all cases to the discounting rate
Assets for compensation of N.2112/20 according to IAS 19 as at 31/12/2010	Zero (0)
Compensation rate	Application of the provisions of the law 2112/20 without considering the upper limit of the salaries of the monthly salaries of the employees
General principle of calculation of actuarial sizes	The principle of going concern according to the context of IAS (see IAS 1. § 23)
Actuarial evaluation method	The Projected Unit Credit Method has been used (IAS 19)

3.15.3. Defined contribution plan

Based on defined contribution plan, the company's obligation (legal) is limited to the amount agreed to contribute to the organization (insurance fund) that manages social contributions and offers benefits (pension, medical care etc.).

The accrued cost of defined contribution plan is recorded as an expense in the appropriate period.

3.16. Grants

Government Grant is a financial aid provided by the State in a form of a fund transfer to a company, in return to its compliance by certain conditions regarding its operations. Government grants which cannot be evaluated because of their form, are not included to the above concept and the same applies to the transactions with the State which cannot be separated from the usual transactions of the company.

Grants regarding assets are Government grants with a basic condition that in order for a company to be entitled for it, must buy, construct or acquire by any other way, long lived assets. Additional terms can also be defined, regarding the kind or location of the assets, or the time period in which these have to be acquired or remain in the possession of the company.

Grants regarding income are Government grants not related to the acquisition of assets.

The Group recognizes Government grants which satisfy cumulative the following criteria: a) there is a concluded certainty that the company complies or is about to comply with the conditions of the grant and b) the amount of the grant has been received or is thought possible to be received. Grants are recorded at fair value and recognized systematically as income, based on the principle of relating grants to the respective costs which they finance.

Grants regarding assets are included in the long term liabilities as income of following years and systematically recognized as income during the useful life of the fixed asset.

3.17. Provisions and contingent liabilities or contingent assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.
Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

A loss of resources or any other event is considered possible, if the event is more likely to happen than not. When it is not possible that a current obligation exists, then this event is disclosed as a contingent liability, unless the possibility of loss of resources related to economic benefits is considered small.

Contingent assets usually arise from events not programmed or not expected, that create the possibility the entity will receive economic benefits. Contingent assets are not recorded in financial statements since this could cause the recognition of revenues that may never be realized. But in cases where income is considered practically certain, the related asset is not considered contingent and its recognition is correct.

3.18. Revenue and expense recognition

Revenues: comprise the fair value of sale of goods and services, net of value added tax, rebates and discounts. Sales within the Group are eliminated. The recognition of revenues is as follows:

- **Sale of goods:** Recognized when the Group delivers the goods to the customers, these are accepted by them and the collection of the receivable is fairly guaranteed.
- **Rendering services:** Revenue arising from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.
- **Interest**: Income from interest is recognized according to time and by using the real interest.
- **Dividends:** Dividends are recognized when the right to receive payment is established.

Expenses: Expenses are recognized in the income statement on an accrued basis.

3.19. Earnings per share

Basic earnings per share are computed by dividing net earnings to the weighted average of common stock in circulation during each year, except for the average common stocks acquired by the company as own shares.

3.20. Leases

Leases of fixed assets where all the risks and rewards related to the ownership of an asset have been transferred to the Group, are classified as finance leases. Leases where the lessee maintains all the risks and benefits from holding the asset (net of any motivations offered by the lessor) are recognized as operating lease payments and recorded in the income statement under straight line method during the leasing period.

3.21. Related party transactions

The entities over which the parent company is in control either by holding directly or indirectly over 50% of their share capital or by affecting their management and economic policy are considered as related parties. The members of the management of the companies of the Group are also considered as related parties, as well as their 1st degree relatives and companies controlled by them or substantially affected by then in taking business decisions.

All transactions between the company and related parties are carried out under the same economic terms as those with non-related parties at the same time.

3.22. Dividends

Distribution of dividends is recognized as a liability in the financial statements at the date the distribution is approved by the General Meeting of the shareholders.

3.23. Significant accounting estimates and judgments

The preparation of financial statements requires that management makes judgment, estimations and assumptions which affect the published assets and liabilities at the date of issue of financial statements. They also affect the disclosures of contingent claims and liabilities at the date the financial statements are issued and also the published amounts of income and expenses.

Estimations and judgments are based on past experience and other factors, including anticipations for future events which are considered reasonable under the circumstances, while re-evaluated constantly by the use of all available information. There is chance that the final outcome might be different from the estimations.

Estimations and assumptions regarding values or conditions which cannot be known with certainty at the time the financial statements are issued and present a significant risk to cause substantial adjustments in the accounting values of assets, liabilities, revenues and expenses regard:

- ***Impairment test in respect of goodwill, total participating interest or other assets***

The Group tests annually the existing goodwill for impairment and examines events or conditions that make impairment possible; such as, for example, a significant negative change in the business climate or a decision for the sale or disposal of a plant or an operating segment. The determination of impairment requires the valuation of the corresponding unit, which is evaluated by using the method of discounted cash flows. For the application of this methodology, the Group is based on a series of factors, which include the real operating earnings, future company plans, economic factors and also market data (statistical or not).

In case this analysis indicates the need for goodwill impairment, the computation of this impairment requires an estimation of fair value for each recognized fixed or other asset. In that case the approach of cash flows is used, as mentioned above, by independent valuators when considered necessary.

- ***Inventory***

Inventories are measured at the lower price between historical cost and net liquidation value. In order to estimate net liquidation value, management takes into account the most reliable proof available at the time the valuation takes place.

- ***Income tax***

The Group is subject to taxation, so a judgment is required in order to estimate the income tax provision. There is plenty of transactions and computations which make the final estimation of tax uncertain. The company recognizes liabilities from anticipated tax audits, according to estimations for the possibility that further tax might be imposed. In case the final outcome of the audit is different than the initial liability recorded, the difference will affect income tax and the provision for deferred tax of the year.

The estimation of deferred tax liabilities and deferred tax assets reflects the following tax obligations derived by the way the Group anticipates to restore or settle the accounting value of its assets and liabilities, at the end of the reporting period.

- **Useful life of depreciable assets**

The Group examines the useful lives of depreciable assets at every reporting period. At the end of the reporting period of the attached financial statements the management of the Group estimates that the useful lives of depreciated assets represent the expected utility of these assets.

- **Recoverability of receivables**

OBad debts are presented by the amounts considered possible to be received. Estimations for the recoverable amounts of the receivables are based on objective indications, economic situation of the counterparty and also the previous experience.

4. New Standards and Interpretations

The Group has adopted all new standards and interpretations, whose application has become mandatory for the fiscal years starting after January 1st, 2011. Paragraph 4.1 presents all standards applicable to the Group and adopted since the January 1st, 2011 and also all other standards that are mandatory since January 1st, 2011, but are not applicable to the Group operations. Paragraph 4.2 presents the standards, amendments to the standards and the interpretations to already existing standards that are either not effective yet, or have not been adopted by the European Union.

4.1. New standards, revised or amended standards mandatorily applied for the first time within the current year

- **Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Limited Exemption from Comparative Disclosures under IFRS 7 for IFRS First-time Adopters (Regulation EU 574/2010)**

The amendments refer to entities applying IFRS for the first time and the possibility of optional exemption from the restatement of comparative disclosures according to IFRS 7 regarding fair value measurements and liquidity risk in case these comparative periods end before the December 31st, 2009. These amendments had no significant effect on the financial statements of the Group.

- **Revised IAS 24. IAS 24: "Related Party Disclosures" (replacement) and amendment to IFRS 8 Operating segments (amendment) (Regulation EU 632/2010)**

The aim of changes introduced by revised IAS 24 is to simplify the definition of related party (removing at the same time certain internal inconsistencies) and to supply certain exemptions to entities connected to the State regarding the information should disclose concerning related party transactions. The application of revised IAS 24 had no significant effect on the financial statements of the Group.

- **IFRIC 19: «Extinguishing Financial Liabilities with Equity Instruments» and IFRS 1. First-time Adoption of International Financial Reporting Standards (amendment) (Regulation EU 662/2010)**

IFRIC19 considers the accounting treatment when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The application of the new interpretation had no effect on the financial statements of the Group.

- **IFRIC 14 (Amendment) "Minimum Funding Requirements Payments" (Regulation EU 633/2010)**

The amendment has been issued to raise the limitations that an entity had on the recognition of an asset deriving from voluntary prepaid contributions for minimum funding requirements. The amendment had no effect on the financial statements of the Group.

- **Amendment to IAS 32 "Financial Instruments: Presentation" - Classification of Rights as Equity (Regulation EU 1293/2009).**

The amendment revises the definition of financial liabilities as provided in IAS 23, with respect to classification of rights issues (rights, options or warrants) as equity. The amendments had no effect on the financial statements of the Group.

- **Annual improvements to International Accounting Standards 2010 (Regulation EU 149/2011)**

In 2010, the IASB issued annual improvements to IFRSs regarding 2011 - a series of adjustments to 11 standards (IFRS 1, IFRS 7, IFRS 3, IAS 1, IAS 34, IAS 32, IAS 39, IAS 21, IAS 27, IAS 28 and IAS. 31) and one Interpretation (IFRIC 13), which is part of the program for annual improvements to the Standards. This program of amendments is issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs and will not be part of a larger revision project. Most improvements are effective for annual periods beginning on or after 01/01/2011, and earlier application is permitted.

The most significant improvements pertain to the following standards:

IFRS 3 «Business Combinations»
The amendments provide additional definitions regarding: (a) contingent consideration agreements arising from business combinations with acquisition dates preceding the application of the IFRS 3 (2008), (b) measurement of non-controlling interest, and (c) accounting treatment for share based transactions that constitute part of a business combination, including the rewards based on values of shares, not replaced or voluntarily replaced.

IFRS 7 «Financial Instruments: Disclosures»
The amendments refer to multiple clarifications regarding financial instruments disclosures.

IAS 1 «Presentation of Financial Statements»
The amendment requires that the entities, preparing financial statements in compliance with IFRS, scan present the analysis of the components of other comprehensive income either in the statements of changes in equity, or in the notes.

IAS 27 «Consolidated and Separate Financial Statements»
The amendment specifies that the amendments to IAS 21, IAS 28 and IAS 31, arising from revised IAS 27 (2008) shall be applied in the future.

IAS 34 «Interim Financial Reports»
The amendment places greater emphasis on disclosure principles to be applied in connection with significant events and transactions, including changes regarding fair value measurement and the need to update the relevant information from the most recent annual report.

IFRIC 13 « Customer Loyalty Programmes»
IFRIC 13 addresses the meaning of "fair value" regarding measurement of loyalty award credits to customers who buy other goods or services.

The implementation of the aforementioned improvements had no significant effect on the current financial statements.

4.2. Standards, amendments to the standards and the interpretations to already existing standards that are not effective yet

New IFRSs or interpretations, issued by IASB but not adopted by the E.U., are as follows:

- **IFRS 9: «Financial Instruments»**

The IASB is planning to fully replace IAS 39 «Financial Instruments: Recognition and Measurement» by the end of 2011, that will be put in force for annual financial periods starting at 01/01/2013. IFRS 9 constitutes the first stage of the ongoing project for the replacement of IAS 39. The main stages of the project are as follows:
1st stage: Recognition and Measurement
2nd stage: Impairment method
3rd stage: Hedge accounting
Furthermore, an additional stage concerns issues related with derecognition.
IFRS 9 aims to reduce complexity in the accounting treatment of financial instruments by offering fewer categories of financial assets and a principle based on the approach for their classification. According to the new Standard, the entity classifies financial assets either at amortised cost or at fair value based on:
a) the entity's business model for managing financial assets,
b) the characteristics of the contractual terms of the financial asset give rise on specified dates to cash flows (if it has decided not to appoint the financial asset at fair value through profit and loss).
The division of all financial assets into two categories – amortized cost and fair value – means that only one impairment model will be required in the context of the new standard, thus reducing complexity.
The effect from the application of IFRS 9 is evaluated by the company as it is estimated that the business model that will be selected by the company for managing its financial assets will have an impact on its Equity and P&L.
The Standard is effective for annual periods starting on or after 01/01/2013 and has not been approved by the EU yet.

- **IAS 12 - (Amendment) «Income Tax» - Deferred tax Recovery of underlying assets**

IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. In cases related to investment property and when an asset is measured at fair value, under IAS 40, it can be difficult and subjective to assess whether recovery will be through use or through sale. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will be through future sale of the asset. The amendment is effective for annual periods beginning on or after 01/01/2012 and it will be examined whether its implementation will have an effect on the Group consolidated Financial Statements.

- **Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards» - Removal of Fixed Dates for First-time Adopters.**

The Amendment removes the fixed IFRS transition date (01 January 2004) and replaces it with actual IFRS transition date. At the same time, it removes derecognition requirement regarding the transactions that took place before the fixed transition date. The amendment is effective for annual periods beginning on or after 1 July 2011 and earlier application is permitted. The application of the Amendment will not affect the consolidated Financial Statements of the Group. The current Amendment has not been approved by the EU.

- **Amendment to IFRS 1 «First-time Adoption of International Financial Reporting Standards» - Severe Hyperinflation**

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011 and earlier application is permitted. The implementation of the amendment will not affect the Group consolidated Financial Statements. This amendment has not been approved by the European Union.

- **IFRS 7 «Financial Instruments: Disclosures» - Amendments concerning additional disclosures for transfer of financial assets»**

The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment is effective for annual periods beginning on or after 1 July 2011 and earlier application is permitted. The implementation of the amendment will not affect the Group consolidated Financial Statements. This amendment has not been approved by the European Union.

- **IFRS 10 «Consolidated financial statements»**

The current Standard supersedes IAS 27 «Consolidated and Separate Financial Statements» and SIC 12 «Consolidation — Special Purpose Entities». The new standard changes the definition of control for the purposes of determining which entities shall be consolidated in the consolidated financial statements of the parent. The standard provides additional guidance to assist under defining the control in cases, when it is difficult to estimate. Furthermore, the Group shall make several disclosures regarding the entities consolidated as subsidiaries as well as

non-consolidated entities with which there is share based relation. The standard is expected to lead to changes in the structure of conventional groups and in some cases, the effects may be significant.
The amendment is effective for annual periods beginning on or after 1 July 2011 and earlier application is permitted. The implementation of the amendment will not affect the Group consolidated Financial Statements. This amendment has not been approved by the European Union.

- **IFRS 11 «Joint Arrangements»**

The new standard IFRS 11 supersedes IAS 31 «Interests in Joint Ventures». Under the new principles, these arrangements are treated more according to the rights and obligations arising from such kind of arrangements rather than based on their legal form. The new standard removes the proportional consolidation for joint ventures as well as the terminology of IAS 31 for 'jointly controlled operations' or' jointly controlled assets ". Most ventures will involve "joint operations".
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is expected to affect the Group Financial Statements. This amendment has not been approved by the European Union.

- **IFRS 12 «Disclosure of Interests in Other Entities»**

The standard unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, associates and non-consolidated entities within a uniform disclosures standard. It also provides better transparency and will assist the investors to estimate the extent to which a reporting entity has participated in creation of special structures and risks to which it is exposed.
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is expected to affect the Group Financial Statements. This amendment has not been approved by the European Union.

- **IFRS 13 «Fair Value Measurement»**

The new standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements.
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is expected to affect the Group Financial Statements. This amendment has not been approved by the European Union.

- **IAS 27 (Amendment) «Separate Financial Statements»**

TThe standard refers to subsequent changes arising from the publication of new IFRS 10. IAS 27 will apply exclusively to separate financial statements, which requirements remain essentially unchanged.
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is expected to affect the Company Financial Statements. This amendment has not been approved by the European Union.

- **IAS 28 (Amendment) «Investments in Associates and Joint Ventures»**

The objective of this revised standard is to define the accounting principles to be applied following the changes arising from the publication of IFRS 11. The revised standard continues to define the ways of accounting monitoring under the equity method.
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is expected to affect the Group Financial Statements. This amendment has not been approved by the European Union.

- **IAS 19 (Amendment) «Employee Benefits»**

The amendment to the standard removes the option of recognition of profit and loss under «corridor» method. Moreover, changes from revaluation of assets and liabilities arising from a defined benefit plan will be presented in the statement of other comprehensive income. There will be also provided additional disclosures on defined benefit plans regarding the defined benefit plans characteristics and the risks to which the providers are exposed under their participation in the aforementioned plans.
The amendment is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The implementation of the amendment is not expected to affect the Group Financial Statements. This amendment has not been approved by the European Union.

- **IAS 1 (Amendment) «Presentation of Financial Statements»**

The amendments to IAS 1 require that the entities, preparing financial statements in compliance with IFRS, shall present the items in the statement of other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently to facilitate harmonization with US GAAP.
The amendment is effective for annual periods beginning on or after 1 July 2012 and earlier application is permitted. The implementation of the amendment is not expected to affect the Company Financial Statements. This amendment has not been approved by the European Union.

5. Risk management

5.1. Financial instruments

The Group uses financial instruments for commercial, financial and investing purpose. The use of these financial instruments by the Group substantially affects its financial position, profitability and cash flows.

5.2. Financial risk factors

The Group is exposed to certain financial risks such as the market risk (mainly exchange rate risk and interest rate risk), credit risk, liquidity risk, capital risk as well as risks arising from general economic recession and uncertainty that characterizes Greek and global market. The risk management program of the Group aims at limiting the negative effect on its financial results.

The above risks are analyzed as follows:

A. Market risk

Market risk is the risk that the fair value or the future cash flows of the Group's financial instruments is expected to present fluctuations because of changes in market prices.

(i) Exchange rate risk

Exchange rate risk refers to two types of risk exposure:

- ***Risk due to translation of financial statements of subsidiaries from operation currency to presentation currency***

The Group owns subsidiaries in Romania whose operation currency is Romanian RON and therefore, under incorporation of their earnings and financial position into the Group's consolidated financial statements (after eliminations and offsets) there are exchange rate differences recorded in the income statement or the statement of comprehensive income and equity of the Group. The items of this entity («Terrane Ltd.») are summarized below in Note 9 (basic economic sizes of subsidiaries). Based on the sizes as at 31/12/2011(and respectively as at 31/12/2010) , a hypothetical change in the exchange rate of Euro/RON of +/- 0,81% and +/- 1,34% for the years 2011 and 2010 would cause the following changes to Earnings before taxes and equity of the Group:

		Effects	
	Hypothetical exchange rates of Euro/RON	Earnings before taxes	Equity
31/12/2011	4,3197		
0,81%	4,3546	9.294	-164.518
-0,81%	4,2848	-9.445	167.198
31/12/2010	4,2848		
1,34%	4,3422	48.872	-234.807
-1,34%	4,2274	6.658	298.035

The company's exposure to the above exchange rate risk is different within the year, depending on the volume of transactions in foreign currency or currency fluctuation. Despite that, the above analysis, though approximate, is considered representative of the company's exposure to exchange rate risk.

- ***Assets valuation risk***

The Group owns as at 31/12/2011 financial assets and liabilities in foreign currency, whose size is considered insignificant and therefore the risk related to their volatility is insignificant.

(ii) Interest rate risk

The Group is subject to fluctuation risk of its future cash flows as a result of a change in interest rates because of the issue of bank loans by fluctuating interest rate (mainly related to Euribor - Euro Interbank Offered Rate). Furthermore the Group owns investments in interest bearing financial assets (sight deposits).

The Group does not use financial derivatives. As in the previous year, the remaining (except bank debt) financial assets and other financial liabilities are not significantly affected by interest rates.

The table below summarizes the exposure of the Group to interest rate risk as at 31/12/11 and 31/12/10.

THE GROUP

31/12/2011

(a) Financial assets

	Fluctuating interest	Interest free	Total
Trade and other receivables		16.375.690	**16.375.690**
Financial assets at fair value through profit and loss	12.915.366	0	**12.915.366**
Total (a)	**12.915.366**	**16.375.690**	**29.291.056**

(b) Financial liabilities

	Fluctuating interest	Interest free	Total
Suppliers and other liabilities		18.148.100	**18.148.100**
Long term bank debt	26.740.493		**26.740.493**
Short term bank debt	6.126.553		**6.126.553**
Total (b)	**32.867.046**	**18.148.100**	**51.015.146**
Exposure (a) - (b)	**-19.951.680**		

31/12/2010

(a) Financial assets

	Fluctuating interest	Interest free	Total
Trade and other receivables		26.811.533	**26.811.533**
Financial assets at fair value through profit and loss	24.320.569	0	**24.320.569**
Total (a)	**24.320.569**	**26.811.533**	**51.132.102**

(b) Financial liabilities

	Fluctuating interest	Interest free	Total
Suppliers and other liabilities		19.428.801	**19.428.801**
Long term bank debt	33.555.698		**33.555.698**
Short term bank debt	8.380.915		**8.380.915**
Total (b)	**41.936.613**	**19.428.801**	**61.365.414**
Exposure (a) - (b)	**-17.616.044**		

The following table presents sensitivity of income statement and equity under a reasonable change of interest-rates of a range of +/- 1,3 %.

	Effects 31/12/11	
Change	Earnings before taxes	Equity
-1,30%	393.044	314.435
1,30%	-393.044	-314.435

	Effects 31/12/10	
Change	Earnings before taxes	Equity
-1,30%	526.826	421.461
1,30%	-526.826	-421.461

The exposure of the Company to interest-rate risk differs within the year, depending on the volume of interest-bearing transactions and balances. Nevertheless, the above analysis, though approximate, is considered representative of the exposure of the Company to interest-rate risk.

Apart from the above, the Group is not significantly exposed to any risk that could cause the fair value or the future cash flows of the Group's financial assets to present fluctuations due to changes in other market prices.

B. Credit risk

The Group is exposed to credit risk, which is derived by the inability of the counterparty to pay its liabilities. Specifically, this risk focuses mainly to the risk of failure to collect the receivables.

The table below presents the maximum exposure of the Group to credit risk against its financial assets:

	31/12/2011	31/12/2010
Cash and cash equivalents	12.915.366	24.320.569
Trade and other receivables	12.109.856	23.710.045
Total	**25.025.222**	**48.030.614**

Cash equivalents concern short-term, easily liquidated investments that are easily convertible into cash and are so close to their maturity that they present negligible risk for changes of their valuation at the time of liquidation.

The balance of trade receivables equals the balance after impairment, without taking into consideration warranties or other credit upgrades.

The management of the Group considers that all non-impaired receivables are of high credit quality, also including past due receivables that are not impaired.

Below is presented the allocation of the Group and Company receivables into (a) Not due, (b) Past Due without high risk (c) Past Due with high risk and (d) Impaired.

31/12/2011	Not due	Past due without high risk	Past due with high risk	Impaired	Total
Trade and other receivables	11.055.515	1.054.341	390.750	-390.750	**12.109.856**
Total	**11.055.515**	**1.054.341**	**390.750**	**-390.750**	**12.109.856**

31/12/2010	Not due	Past due without high risk	Past due with high risk	Impaired	Total
Trade and other receivables	22.022.001	1.688.044	556.092	-556.092	**23.710.045**
Total	**22.022.001**	**1.688.044**	**556.092**	**-556.092**	**23.710.045**

It is to be noted that the main part of past due receivables without high risk concerns receivables from State Organizations.

There are no Group's assets under mortgage or other form of credit insurance.

Regarding other receivables, as well as the remaining financial assets, the Group is not exposed to significant credit risk.

C. Liquidity risk

Liquidity risk is the risk that the Group faces difficulty in paying its liabilities, which are related to financial liabilities.

The table below presents the expiration of financial liabilities and additional data regarding the possibility of liquidation of the financial assets of the Group and the Company. Liabilities include also the amount of interest recorded in the time periods presented.

31/12/2011	**THE GROUP**			
	Short term		**Long term**	
	Within 6 months	**6 to 12 months**	**From 1 to 5 years**	**More than 5 years**
Long term bank debt	0	0	9.740.493	17.000.000
Short Term bank debt	4.379.722	1.746.831	0	0
Trade liabilities	8.675.432	0	0	0
Total	**13.055.154**	**1.746.831**	**9.740.493**	**17.000.000**

31/12/2010	**THE GROUP**			
	Short term		**Long term**	
	Within 6 months	**6 to 12 months**	**From 1 to 5 years**	**More than 5 years**
Long term bank debt	0	0	9.055.698	24.500.000
Short Term bank debt	6.081.791	2.299.124	0	0
Trade liabilities	7.205.669	0	0	0
Total	**13.287.460**	**2.299.124**	**9.055.698**	**24.500.000**

(*) Suppliers' balances (not advances from clients or any third party)

D. Risks arising from general economic environment

According to the risk derived by the negative conditions συνθήκες mainly in the Greek market, the Group is not significantly exposed to this risk, due to the geographical diversification and isomeric allocation of its sales among Greece, Austria, Romania and Other Countries and by facing its main exposure to the markets of Central and Eastern Europe. A significant part of these sales is directed to the financial sector and mainly to banks. The current economic conditions make the markets where we operate more vulnerable. Nevertheless, the products we offer our customers of private and public organizations are necessary for their daily operations and their development. Furthermore, through reducing its operating expenses, the Group is particularly competitive and is in position to offer high level products and services at competitive prices.

5.3. Risk management policy

The Board of Directors (B.o.D.) is responsible for exposure of the Company to all risks and their monitoring on a regular basis. Furthermore, the Board of Directors is responsible for monitoring the capital adequacy of the Company and the Group.
The Board of Directors via commissioned executives of the General, Financial and Commercial Departments:
(a) establishes and applies processes and regulations that allow the identification of risks, connected to activities, processes and systems of operation of the Company (mainly credit risk, market risk and operational risk).
(b) determines the acceptable level of risk.
(c) ensures that the Group maintains the required capital adequacy and manages appropriately the risks arising from its operation.

In particular, in relation to the present risks, the basic principles of risk management for each risk, are the following:

Regarding market risk management, the General Department, in collaboration with the Financial Department, establishes the procedures and the policies essential for effective prevention and management of this risk. It also takes care of effective application of certain procedures and regulations, mainly:

- Monitors the capital adequacy against the financial liabilities of the Group.
- Monitors the policy of approaching and the methods of calculating the value of the liabilities and the adjustment of their value and provisions.
- In co-operation with special consultants evaluates the need for hedging tools and also the existence of alternative financing resources.
- Applies sensitivity analysis and stress testing programs.

Regarding credit risk management, the Board of Directors establishes the appropriate procedures and policies for effective prevention and management of credit risk.

The Board of Directors, collaborating with the General, Financial and Commercial Departments:

- Sets and applies credit control procedures aiming to the minimization of impairments and the direct cover of receivables by securities
- Separates receivables in: - past due and - impaired
- Tests the receivables constantly, separately or in groups and includes this information in the credit controls
- Estimates the amounts of required impairments of receivables
- Determines the policies and procedures of valuation and management of assurances if any
- Analyses receivables based on expiration
- assess the assurances offered to the Group
- Tests the integrity, reliability and precision of data sources used and also the procedure of update
- Evaluates, in collaboration with the Commercial Management, the credit ability of counterparties.

In order to reduce credit risk, the company takes into account the credit ability of the counterparty, the country risk, the economic sector in which operates and also quality and quantity features.

It shall be mentioned that, wholesale of the Group are directed mainly to credit rated customers. The Group's policy refers to collaborating only with reliable customers.

The Board of Directors, collaborating with the economic department, manages the liquidity needsı through the cautious monitoring of scheduled payments for long term liabilities and also cash outflows from daily operations. Liquidity needs are monitored in different time periods (daily, weekly, monthly).

The Group maintains cash and easily liquidated investments, in order to cover the liquidity needs for a period up to 30 days. The financing of long term needs is covered, further, by a sufficient number of credits and the ability to sell long term financial assets.

6. Tangible assets

The analysis of the accounting value of additions, disposals, acquisitions through business combination and depreciation of tangible assets is presented below as follows:

	THE GROUP				
	Land and Buildings	**Vehicles and mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross book value	81.456.471	61.456.166	15.327.264	859.471	159.099.372
Accumulated Depreciation	(27.725.853)	(26.774.791)	(12.576.296)	(559.718)	(67.636.658)
Accounting value at January 1st, 2010	**53.730.617**	**34.681.375**	**2.750.968**	**299.753**	**91.462.711**
Gross book value	80.547.025	59.719.718	12.697.028	591.018	153.554.789
Accumulated Depreciation	(27.659.590)	(31.216.108)	(10.299.890)	(559.718)	(69.735.306)
Accounting value at December 31st, 2010	**52.887.435**	**28.503.610**	**2.397.138**	**31.300**	**83.819.483**
Gross book value	82.039.968	58.581.181	12.968.425	1.382.079	154.971.653
Accumulated Depreciation	(29.403.988)	(32.684.257)	(10.839.682)	(559.718)	(73.487.645)
Accounting value at December 31st, 2011	**52.635.980**	**25.896.921**	**2.128.743**	**822.361**	**81.484.005**
Accounting value at January 1st, 2010	**53.730.617**	**34.681.375**	**2.750.968**	**299.753**	**91.462.711**
Additions	449.233	395.228	418.491	(2.608)	1.260.344
Acquisition of assets by subsidiary	0	0	0	0	0
Assets readjustments	(483.971)	0	5.141	(5.141)	(483.971)
Revaluation due to exchange rates	102.678	(146.107)	(5.635)	(27)	(49.091)
Disposals- decreases	0	(3.235.981)	(7.493)	0	(3.243.474)
Depreciation	(913.249)	(3.200.514)	(770.898)	0	(4.884.661)
Transfers	2.128	9.609	6.565	(260.677)	(242.375)
Accounting value at December 31st, 2010	**52.887.435**	**28.503.610**	**2.397.138**	**31.301**	**83.819.483**
Additions	362.201	536.217	472.781	791.200	2.162.399
Acquisition of assets by subsidiary	0	0	0	0	0
Assets readjustments	401.148	0	0	0	401.148
Revaluation due to exchange rates	(128.423)	(152.632)	(8.162)	(139)	(289.356)
Disposals- decreases	0	(482.404)	(50.564)	0	(532.968)
Depreciation	(884.999)	(2.507.724)	(684.038)	0	(4.076.761)
Transfers	(1.383)	(145)	1.589	0	63
Accounting value at December 31st, 2011	**52.635.980**	**25.896.921**	**2.128.743**	**822.361**	**81.484.005**

THE COMPANY

	Land and Buildings	Vehicles and mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross book value	34.837.325	26.781.520	4.498.875	31.300	66.149.020
Accumulated Depreciation	(14.401.177)	(8.719.734)	(3.713.961)	0	(26.834.872)
Accounting value at January 1st, 2010	**20.436.147**	**18.061.787**	**784.915**	**31.300**	**39.314.146**
Gross book value	35.948.218	24.346.902	4.730.820	31.300	65.057.240
Accumulated Depreciation	(14.698.890)	(10.096.667)	(3.930.999)	0	(28.726.556)
Accounting value at December 31st, 2010	**21.249.327**	**14.250.236**	**799.821**	**31.300**	**36.330.683**
Gross book value	36.925.682	23.871.786	4.795.062	822.361	66.414.891
Accumulated Depreciation	(15.975.252)	(11.009.725)	(4.100.141)	0	(31.085.118)
Accounting value at December 31st, 2011	**20.950.430**	**12.862.061**	**694.921**	**822.361**	**35.329.772**

Accounting value at January 1st, 2010	**20.436.147**	**18.061.786**	**784.914**	**31.300**	**39.314.146**
Additions	58.305	114.135	177.757	0	350.197
Acquisition of assets by subsidiary	0	0	0	0	0
Assets readjustments	0	0	0	0	0
Revaluation due to exchange rates	0	0	0	0	0
Disposals- decreases	0	(3.107.313)	0	0	(3.107.313)
Depreciation	(297.713)	(1.376.933)	(217.038)	0	(1.891.684)
Transfers	1.052.588	558.560	54.188	0	1.665.336
Accounting value at December 31st, 2010	**21.249.327**	**14.250.236**	**799.821**	**31.300**	**36.330.683**
Additions	0	150.757	107.472	791.061	1.049.290
Acquisition of assets by subsidiary	0	0	0	0	0
Assets readjustments	0	0	0	0	0
Revaluation due to exchange rates	0	0	0	0	0
Disposals- decreases	0	(625.728)	(44.819)	0	(670.547)
Depreciation	(297.515)	(913.058)	(169.142)	0	(1.379.715)
Transfers	(1.383)	(145)	1.589	0	61
Accounting value at December 31st, 2011	**20.950.430**	**12.862.061**	**694.921**	**822.361**	**35.329.772**

There are no encumbrances over the Group and the parent Company's tangible assets.

The Group applies at the valuation of land and buildings, the method of value readjustment (alternative method of IAS 16). By applying this method, land and buildings are presented in their fair value.

In the current year 2011, as in the previous year 2010, the value of land and buildings of the Group in Romania have been re-adjusted. The estimation of their fair value was based on the report of an independent valuator Ing. Frunza Felicia, Expert Valuator ANEVAR (National Association of Valuators in Romania), who has recognized professional skills and experience of land valuation in the region of the Group's land. The arising valuation re-adjustment difference, standing at € 401.148, was recognized in other comprehensive income of the Group.

The remaining real estate of the Group (land and buildings) has not been revaluated since the change of their fair value was considered immaterial.

7. Investment property

The Group's investment property pertains to land plots in Romania, owned mainly for the purpose of capital value increase. The parent company has no investment property.

The changes in investment property during the year 2011 and the respective year 2010 are presented below as follows:

	THE GROUP Land
Accounting value at January 1st 2010	**4.717.024**
Additions	0
Value readjustment based on independent valuator report	0
Readjustment of value due to exchange rates	(62.310)
Fair value adjustments	(436.782)
Accounting value at December 31st 2010	**4.217.932**
Readjustment of value due to exchange rates	(34.078)
Fair value adjustments	90.485
Accounting value at December 31st 2011	**4.274.339**

After initial recognition, the Group evaluates the investment property under fair value method.
Investment property is expected to generate cash flows to the Group, apart from the other assets owned by the Group. It refers to part of land, which can be sold separately from the land owned by the Group for production purposes.
In the reporting year 2011, the value of land and buildings of the Group in Romania have been re-adjusted. The estimation of their fair value was based on the report of an independent valuator Ing. Frunza Felicia, Expert Valuator ANEVAR (National Association of Valuators in Romania), who has recognized professional skills and experience of land valuation in the region of the Group's land.
The Group estimates that fair value, on which basis the Group investment property was measured, reflects the market conditions as at the Statement of Financial Position reporting date.

8. Intangible assets

Intangible assets refer to software (Licenses, upgrades etc.) and development expenses.
The analysis of the accounting value of additions, disposals, acquisitions through business combination and depreciation of intangible assets is presented below:

	THE GROUP		
	Software	**Development expenses**	**Total**
Gross book value	19.530.753	1.616.236	**21.146.989**
Accumulated amortization	(14.333.011)	(1.117.221)	**(15.450.232)**
Accounting value at January 1st 2010	**5.197.742**	**499.015**	**5.696.756**
Gross book value	19.997.515	1.638.585	**21.636.100**
Accumulated amortization	(16.100.402)	(1.418.195)	**(17.518.597)**
Accounting value at December 31st 2010	**3.897.113**	**220.390**	**4.117.503**
Gross book value	20.456.499	1.660.934	**22.117.433**
Accumulated amortization	(17.424.950)	(1.719.169)	**(19.144.119)**
Accounting value at December 31st 2011	**3.031.549**	**(58.235)**	**2.973.311**

	Software	**Development expenses**	**Total**
Accounting value at January 1st 2010	**5.197.742**	**499.015**	**5.696.756**
Additions	563.638	22.349	**585.987**
Readjustments of value due to exchange rates	(10.257)	0	**(10.257)**
Disposals- decreases	(1.073)	0	**(1.073)**
Amortization	(1.853.143)	(300.974)	**(2.154.117)**
Transfers from absorption of subsidiary	207	0	**207**
Accounting value at December 31st 2010	**3.897.114**	**220.390**	**4.117.503**
Additions	473.357	22.349	**495.706**
Readjustments of value due to exchange rates	(3.678)	0	**(3.678)**
Disposals- decreases	(10.695)	0	**(10.695)**
Amortization	(1.324.548)	(300.974)	**(1.625.522)**
Transfers from absorption of subsidiary	0	0	**0**
Accounting value at December 31st 2011	**3.031.549**	**(58.235)**	**2.973.311**

	THE COMPANY		
	Software	**Development expenses**	**Total**
Gross book value	5.729.011	1.616.236	**7.345.247**
Accumulated amortization	(4.351.844)	(1.117.221)	**(5.469.065)**
Accounting value at January 1st 2010	**1.377.168**	**499.015**	**1.876.183**
Gross book value	5.851.836	1.638.585	**7.490.421**
Accumulated amortization	(4.697.705)	(1.418.195)	**(6.115.900)**
Accounting value at December 31st 2010	**1.154.132**	**220.390**	**1.374.521**
Gross book value	6.031.002	1.660.934	**7.691.936**
Accumulated amortization	(4.914.723)	(1.719.169)	**(6.633.892)**
Accounting value at December 31st 2011	**1.116.280**	**(58.235)**	**1.058.043**

	Software	**Development expenses**	**Total**
Accounting value at January 1st 2010	**1.377.168**	**499.015**	**1.876.183**
Additions	112.387	22.349	**134.736**
Readjustments of value due to exchange rates	0	0	**0**
Disposals- decreases	0	0	0
Amortization	(345.861)	(300.974)	**(646.835)**
Transfers from absorption of subsidiary	10.439	0	**10.439**
Accounting value at December 31st 2010	**1.154.132**	**220.390**	**1.374.521**
Additions	186.546	22.349	208.895
Readjustments of value due to exchange rates	0	0	0
Disposals- decreases	(7.380)	0	(7.380)
Amortization	(217.018)	(300.974)	(517.992)
Transfers from absorption of subsidiary	0	0	0
Accounting value at December 31st 2011	**1.116.280**	**(58.235)**	**1.058.043**

9. Participating interest in subsidiaries

The item is analyzed in the Company separate financial statements as follows:

	31/12/11		**31/12/10**		**01/01/10**	
	Participating interest cost	**Participating interest percentage**	**Participating interest cost**	**Participating interest percentage**	**Participating interest cost**	**Participating interest percentage**
Ektypotiki Voreiou Ellados S.A.	0	0,00%	0	0,00%	1.980.936	85,89%
Lykos Paperless Solutions S.A.	2.487.157	99,91%	3.537.157	99,91%	3.537.157	99,91%
Terrane L.T.D. (parent company of: "Inform Lykos (Romania) L.T.D.", "Inform Lykos S.A.", "Compaper Converting S.A.")	15.352.500	100,00%	15.352.500	100,00%	15.352.500	100,00%
Sagime GmbH (parent company of: "Austria Card GmbH","Austria Card Polska Sp.z.o.o.","Austria Card Akilii Kart STI")	18.992.423	100,00%	24.367.423	100,00%	27.992.423	100,00%
Total	**36.832.080**		**43.257.080**		**48.863.015**	

Changes in participating interest are analyzed as follows:

01/01/2010	**48.863.015**
Merger of subsidiary	-1.980.935
Collecting part of reallocated receivables to Sagime GmbH	-3.625.000
31/12/2010	**43.257.080**
Share capital decrease of Lykos Paperless Solutions S.A. and equal cash return to the Company	-1.050.000
Collecting part of reallocated receivables to Sagime GmbH	-5.375.000
31/12/2011	**36.832.080**

It is to be noted that the share capital of the subsidiary Lykos Paperless Solutions S.A., under the implementation of as at 15/12/2011 decision of the Extraordinary General Meeting of the company in question, decreased by an amount of € 1.050.000 with equal cash return to Inform P. Lycos S.A.. This transaction did not have any effect on the subsidiary control percentage as well as on the income statement and net assets of the Group.
On 23/06/2011, the Group, through its subsidiary Sagime GmbH, acquired an additional 15% of the share capital of the already owned subsidiary Austria Card. The percentage was held by Central Bank of Austria. The transaction took place under an agreement to exercise the right of buying and selling, which was established during the acquisition of 85% of the share capital of that company as at 1/1/2008. After this transaction, the Group now owns 100% of the share capital of Austria Card.
The valuation of the company was conducted by the firm KPMG, which was appointed by both parties. The value of the company was measured at the same level as that, valued at the acquisition of 85% as at 1/1/2008. The total price for the acquisition of 15% of the shares amounted to € 9.946.837. Assets and liabilities, acquired by the Company, as well as the effect on its entity arising from the aforementioned transaction, are presented below as follows:

Net assets and liabilities	Accounting values at acquisition	Fair values at acquisition
Tangible assets	3.329.465	3.329.465
Intangible assets	238.210	238.210
Other non-current assets	93.866	93.866
Inventory	2.143.956	2.143.956
Trade and other receivables	3.050.026	3.050.026
Cash and cash equivalents	490.497	490.497
Long term liabilities	-575.209	-575.209
Deferred tax liabilities	-48.591	-48.591
Trade and other short term liabilities	-953.950	-953.950
Net assets/Liabilities	**7.768.270**	**7.768.270**
Acquisition price		9.946.837
Difference recorded directly in Equity		**-2.178.566**

The acquired percentage of 15% was incorporated into the financial statements on 30/6/2011 and its effect on the Group financial position and income statement was as follows:

	Incorporation effect	
	Amount in €	**Percentage over total**
Financial position		
Equity attributable to shareholders of the parent	-1.712.169	-2%
Non-controlling interest	-8.234.667	-93%
Income Statement		
Sales	4.526.370	4%
Gross profit	2.122.020	6%
Profit / (Loss) before taxes	674.973	91%
Net profit / (loss) after taxes	466.397	

The main economic sizes (before consolidation eliminations) of the above subsidiaries as incorporated in the financial statements of the Group are the following:

Company	Domicile	Assets	Liabilities	Sales	Profit/Losses	Percentage of Participating Interest
31/12/2010						
Ektypotiki Voreiou Ellados S.A.	Greece	0	0	33.477	4.908	85,89%
Lykos Paperless Solutions S.A.	Greece	4.052.645	303.950	600.186	225.881	99,91%
Group Terrane L.T.D. (incorporated companies: "Terrane L.T.D.", "Inform Lykos (Romania) L.T.D.", "Inform Lykos S.A.", "Compaper Converting S.A.")	Cyprus, Romania	33.630.107	12.081.093	23.296.146	-1.387.915	100%
Group Sagime Gmbh (incorporated companies: "Salnea GmbH","Austria Card GmbH","Austria Card Polska Sp.z.o.o.","Austria Card Akilii Kart STI")	Austria, Poland, Turkey	63.384.685	36.039.242	64.399.239	9.942.725	100%
		101.067.437	**48.424.285**	**88.329.048**	**8.785.599**	
31/12/2011						
Lykos Paperless Solutions S.A.	Greece	2.872.567	275.645	491.844	(101.774)	99,91%
Group Terrane L.T.D. (incorporated companies: "Terrane L.T.D.", "Inform Lykos (Romania) L.T.D.", "Inform Lykos S.A.", "Compaper Converting S.A.")	Cyprus, Romania	32.374.216	11.795.245	21.640.204	(1.204.149)	100%
Group Sagime Gmbh (incorporated companies: "Salnea GmbH","Austria Card GmbH","Austria Card Polska Sp.z.o.o.","Austria Card Akilii Kart STI")	Austria, Poland, Turkey	49.466.742	27.050.137	58.777.764	5.076.563	100%
		84.713.525	**39.121.027**	**80.909.812**	**3.770.640**	

10. Investment in related companies

The item in the separate financial statements of the Group company «Lykos Paperless Solutions S.A.» that owns these investments, is analyzed in the following table:

	31/12/11		**31/12/10**		**01/01/10**	
	Participating interest cost	**Participating interest percentage**	**Participating interest cost**	**Participating interest percentage**	**Participating interest cost**	**Participating interest percentage**
Arrow Up S.A.	0	0,00%	153.680	29,97%	153.680	29,97%
Technovisie BVBA	0	0,00%	400.000	29,97%	400.000	29,97%
Total	**0**		**553.680**		**553.680**	

The analysis of investments in related companies in the consolidation financial statements, under the Net Equity method, is as follows:

	THE GROUP	**THE COMPANY**
01/01/2009	**579.709**	**2.141**
Proportion of losses of period 1/1 - 31/12/2009 of "Arrow Up SA"	37.370	0
Proportion of profit of period 01/1 - 31/12/2009 of "Technovisie BVBA"	34.444	0
31/12/2009	**651.523**	**2.141**
Proportion of profit of period 1/1 - 31/12/2010 of "Arrow Up SA"	21.683	0
Dividends received by "Arrow Up SA"	-29.070	0
Proportion of profit of period 01/1 - 31/12/2010 of "Technovisie BVBA"	56.635	0
31/12/2010	**700.771**	**2.141**
Proportion of losses of period 1/1 - 31/12/2010 της "Arrow Up SA"	-13.207	0
Liquidation of participating interest disposal in associates "Arrow Up SA" and "Technovisie BVBA"	-553.679	0
Results of participating interest disposal in associates "Arrow Up SA" and "Technovisie BVBA"	-131.744	0
31/12/2011	**2.141**	**2.141**

As presented above, within the current year 1/1 – 31/12/2011 there was disposed the Group participating interest in two associates "Arrow Up SA" and "Technovisie BVBA". The effect of non-incorporation of two associates is insignificant (under 1% of the turnover and net Group assets).

11. Goodwill

The goodwill arising from acquisition of a subsidiary or related company represents the difference between the acquisition cost and the fair value of the Group's share of recognizable assets, liabilities and contingent liabilities of the subsidiary or the related company at the acquisition date. The goodwill is initially recorded as an asset at cost and later measured at cost reduced by any accumulated impairment loss. For the purpose of impairment tests, the goodwill is allocated at every separate unit creating cash flows for the Group, that are expected to benefit from the synergies of acquisition - merger.

Cash flow generating units, to which goodwill has been allocated, are tested for impairment annually or even more frequently, whenever indications of impairment arise. Implementing this principle, the Group performed as at 31/12/2011, an impairment test on the goodwill of book value of amount € 2.008.605 that has been recorded at the acquisition of «Inform Lykos S.A. (Romania)».

This impairment test included the comparison of the recoverable amount of this cash flow generating unit, (production unit of printed software products in Romania) towards its accounting value (net assets of this operation).
No goodwill impairment loss arose under this comparison.

The recoverable amount has been estimated equal to the value in use. This estimation includes provisions of cash flows arising from financial budget approved by the management and covers a five year period. Basic assumptions include budgeted market share and also the budgeted gross profit margin.

The values of the basic assumptions reflect the past experience and are in accordance with external sources of information. The budgeted market share and the gross profits are estimated according to the sizes of the previous year or the current year adjusted by the expected improvement of performance.

The average gross profit margin and the growth rate of the unit have been estimated as 18% and 1%, respectively.

In order to determine the discount rate of the units, the methodology used was the Weighted Average Cost of Capital (WACC) which was calculated as 12,30%, making use of the following assumptions:

- At the time of valuation, the basis rate considered was 5,60% risk free rate (Rf) (before tax)
- Beta (b) coefficient equal to 0,81.
- Average expected rate of return (Rm-Rf): 9,00%
- Cost of equity ((Re) = Rf+b*(Rm-Rf)): 12,90%
- Borrowing cost (Kd): 11,90% (before tax)
- Tax rate: 16%
- Calculation of WACC: (Rate of Equity * cost of equity Re) + (Rate of Borrowed * Borrowing cost kd *(1- tax rate) = 12,30%

The translation of present value from operation currency (Romanian Ron) to presentation currency (Euro) is applied, using the current exchange rate at the date of calculation of value in use.

Considering the above impairment, the analysis of goodwill recorded by the Group is the following:

Goodwill	Total	Units of goodwill allocation		
		Unit of production printed software products in Romania	Unit of production computing products in Greece (IPS S.A.)	Other Units
Accounting value as at January 1st 2010	**5.298.107**	**5.286.607**	**0**	**11.500**
Gross accounting value	6.026.042	5.286.607	727.935	11.500
Accumulated impairment loss	-4.017.437	-3.289.502	-727.935	0
Accounting value as at December 31st 2010	**2.008.605**	**1.997.105**	**0**	**11.500**
Gross accounting value	6.026.042	5.286.607	727.935	11.500
Accumulated impairment loss	-4.017.437	-3.289.502	-727.935	0
Accounting value as at December 31st 2011	**2.008.605**	**1.997.105**	**0**	**11.500**

12. Deferred tax assets - liabilities

Most of the amount of deferred tax assets is recoverable in more than 12 months, and most of the deferred tax liabilities are due in more than 12 months.

The deferred tax assets and liabilities of the Group have been valuated according to the tax rates that are expected to be effective in the period at which the receivable or liability will be settled, taking into account the tax rates set by law.

The deferred tax assets-liabilities were created as follows:

	THE GROUP				THE COMPANY			
	31/12/2011		31/12/2010		31/12/2011		31/12/2010	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current assets								
Self owned Tangible assets and investment property	234.126	5.521.615	234.126	5.263.105	75.745	4.216.665	75.745	4.001.365
Intangible assets	15.909	179.194	15.909	259.037	0	13.901	0	16.861
Investment in associates	211.101	392.731	211.101	392.731	211.101	392.731	211.101	392.731
Other non-current assets	376.145	3.935	(442.742)	5.973	678.449	0	0	0
Current assets								
Inventory	70.703	0	70.703	0	70.703	0	70.703	0
Receivables	72.686	31.428	73.972	32.680	93.584	31.428	92.864	32.680
Short-term liabilities								
Provisions	(174.963)	16.391	(6.459)	(23.149)	(78.797)	16.391	5.354	(23.149)
Third parties fees	0	(36.085)	0	2.003	0	(36.085)	0	2.003
Employee benefits	266.621	0	202.472	0	617.602		554.379	0
Finance leasing	(13.728)	13.801	(13.728)	13.801	(13.728)	13.801	(13.728)	13.801
Grants received	879.770	601.374	879.770	578.701	879.770	601.375	879.770	578.702
Exchange rate differences	2.215	71	2.215	82	2.215	71	2.215	82
Other short-term liabilities	0	0	(33.346)	0	0	0	0	0
Accounting estimation differences of deferred tax assets-liabilities	(1.310.389)	(1.723.468)	(1.310.389)	(1.723.468)	(1.233.916)	(1.616.016)	(1.233.916)	(1.616.016)
Deferred tax asset/liability of absorbed subsidiary	40.085	50.672	40.085	50.672	40.085	50.672	40.085	50.672
Other long term liabilities	0	80.508	0	350.323	0	0	0	0
Provision for non audited tax years	0	15.000	0	15.000	0	15.000	0	15.000
Adjustment of balances to the current tax rates	200	(613.001)	200	(613.001)	0	(565.045)	0	(565.045)
Tax on reserves	0	(332.235)	0	0	0	(332.235)	0	0
Tax on capital concentration	363	0	363	0	363	0	363	0
Offset of deferred tax assets and liabilities	766.975	(766.975)	855.457	(855.457)	0	0	0	0
Total	**1.437.819**	**3.434.957**	**779.709**	**3.749.032**	**1.343.174**	**2.802.652**	**684.934**	**2.899.685**

13. Other long-term assets

The item includes assets that are expected to be collected after the end of the following year. Long-term assets of the Group and the Company are analyzed below as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Guarantees issued	27.120	71.306	27.120	60.356
Receivables from State	615.186	610.657	0	0
Other receivables	226.220	0	0	0
Total long-term assets	**868.526**	**681.963**	**27.120**	**60.356**

The above values reflect at the same time their fair values.

14. Inventory

The Group and the Company inventory is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Raw materials	8.793.652	7.506.357	2.874.799	2.821.325
Finished-semi-finished products	5.343.458	7.177.215	886.854	1.029.146
Production in progress	642.086	575.938	331.993	187.528
Merchandise	739.453	697.768	668.877	538.181
Total	**15.518.649**	**15.957.277**	**4.762.523**	**4.576.180**
Prepayments for inventory purchase	22.253	55.020	22.222	53.480
	15.540.902	**16.012.297**	**4.784.745**	**4.629.659**

15. Customers and other receivables

The Group and the Company customers and other receivables are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Customers	11.948.656	23.592.802	6.776.187	13.479.114
Cheques receivable	551.949	673.335	402.005	349.576
Less: Impairment	(390.750)	(556.092)	(341.080)	(452.369)
Net trade receivables	**12.109.856**	**23.710.045**	**6.837.112**	**13.376.321**

The accounting value of the above receivables reflects their fair value.

All receivables of the Group have been tested for indications of potential impairment. Certain receivables have been impaired as shown in the analysis above, referring mainly to customers facing economic distress.

16. Receivables from related companies

Receivables from related companies concern receivables of the parent company from subsidiaries which at consolidation are eliminated along with the respective and equal liabilities of these incorporated companies. In particular, these receivables are analyzes as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Dividends receivable			374.850	374.850
Loan interest from the subsidiary SAGIME GmbH	0	0	183.630	175.854
Loan to the subsidiary in Romania	0	0	5.120.000	2.120.000
Total	**0**	**0**	**5.678.480**	**2.670.703**

17. Other receivables

The Group and the Company other receivables are analyzed as folows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Personnel prepayments and loans	60.799	20.747	55.519	19.047
Miscellaneous debtors - Prepayments to miscellaneous creditors	37.303	115.417	0	31.512
Receivables from Greek State	1.290.518	916.766	1.254.376	884.136
Receivables from Austrian State	1.032.166	610.657	0	0
Receivables from Romanian State	0	0	0	0
Purchases not received	233.797	76.464	233.797	76.464
Accruals	266.644	254.504	27.916	57.284
Other receivables	476.080	424.970	2.300	32.885
Total	**3.397.308**	**2.419.525**	**1.573.908**	**1.101.328**

The accounting value of the above receivables reflects their fair value.

18. Cash and cash equivalents

The Group and the Company cash and cash equivalents are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash at hand	48.958	45.445	37.814	34.107
Short term bank deposits	11.916.407	22.044.170	685.802	1.177.590
Time deposits in euro	950.000	2.230.952	550.000	1.438.760
Total	**12.915.366**	**24.320.569**	**1.273.616**	**2.650.457**

The actual weighted interest rate of bank deposits is:

	1/1-31/12/2011	**1/1-31/12/2010**
Time deposits in EURO in Greece	2,70%	4,00%
Time deposits in EURO in Austria	1,20%	1,00%
Time deposits in EURO in Romania	2,50%	4,00%

The Group deposits in euro with interest rates overnight Libor-Euribor. Interest rates in Greece are subject to 10% tax.

19. Non-current assets held for sale

The item of non-current assets held for sale of the Group as at 31/12/2011 and 31/12/2010, amounting to € 372.175 and € 49.763 respectively, pertains to the value of tangible fixed assets of the subsidiary «Compaper Converting S.A.» which the Group has intention and ability to sell, according to the relevant disposal plan. The Group estimates that this building will be sold in the following year 2012.

20. Share capital and share premium

The company's shares are traded in the Athens Stock Exchange and participate in the sector Business Support Services, DMK Index Participation.

Share premium of the Group and the Company arose from prior period issue of shares at a price higher than their nominal value.

Changes in the prior year item are analyzed as follows:

	Number of shares (items)	**Share capital (in €)**	**Share premium (in €)**	**Own shares (in €)**	**Total (in €)**
Balance as at 1/1/2010	**20.506.434**	**12.508.925**	**28.448.736**	**(399.702)**	**40.557.959**
Distribution of own shares	0	0	0	399.702	0
Share capital increase	71.940	249.667	(78.578)	0	0
Balance as at 31/12/2010	**20.578.374**	**12.758.592**	**28.370.158**	**0**	**41.128.750**
Distribution of own shares	0	0	0	0	0
Share capital increase	0	0	0	0	0
Balance as at 31/12/2011	**20.578.374**	**12.758.592**	**28.370.158**	**0**	**41.128.750**

21. Reserves

The Group's reserves include fair value reserves, legal reserve and tax exempted reserves and are analyzed as follows:

	THE GROUP			
	Legal reserve	Tax exempted reserve	Fair value reserve	Total
Balance as at 1 January 2010	**3.388.699**	**5.137.076**	**10.503.759**	**19.029.534**
Changes during the year	211.786	520.348	(609.849)	122.285
Balance as at 31 December 2010	**3.600.485**	**5.657.424**	**9.893.910**	**19.151.819**
Changes during the year	116.894	(1.399.981)	130.208	(1.152.879)
Balance as at 31 December 2011	**3.717.379**	**4.257.443**	**10.024.118**	**17.998.940**

	THE COMPANY			
	Legal reserve	Tax exempted reserve	Fair value reserve	Total
Balance as at 1 January 2010	**3.375.696**	**3.729.228**	**0**	**7.104.924**
Changes during the year	211.786	542.535	0	754.321
Balance as at 31 December 2010	**3.587.482**	**4.271.763**	**0**	**7.859.245**
Changes during the year	0	(1.438.907)	0	(1.438.907)
Balance as at 31 December 2011	**3.587.482**	**2.832.856**	**0**	**6.420.338**

Legal reserve is recorded according to the provisions of Greek Legislation (Law 2190/20 articles 44 and 45) by which an amount at least equal to 5% annual net (after taxes) earnings is compulsory to be recorded in the Legal Reserve until it reaches the one third of paid share capital. The legal reserve can be used for cover of loss after decision of the General Meeting of shareholders, and consequently it cannot be used for any other reason.

Tax exempted reserves are recorded according to the provisions of tax legislation from taxed, tax-free or specifically taxed earnings. The above reserves can be capitalized or distributed by decision of the General Meeting of shareholders, after the restrictions effective each time are taken into consideration.

Fair value reserves concern value readjustments of land and buildings owned by the Group (net of taxes). The above readjustments were made within the year 2011 in the context of application of methods of valuation of land and buildings as selected by the Group (see further the above note 6). A part of changes in fair value reserves is due to fluctuation of exchange rates (Euro/Romanian RON).

22. Bank debt

The Group and the Company bank debt is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long term bank debt	26.740.493	33.555.698	26.740.493	30.234.155
Short term bank debt	6.126.553	8.380.915	3.493.662	3.493.662
Total bank debt	**32.867.046**	**41.936.613**	**30.234.155**	**33.727.817**

The bank debt maturity is analyzed as follows:

	THE GROUP		THE COMPANY	
Maturity	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Up to 1 year	6.126.553	8.380.915	3.493.662	3.493.662
2 to 5 years	9.740.493	9.055.698	9.740.493	5.734.155
More than 5 years	17.000.000	24.500.000	17.000.000	24.500.000
Total	**32.867.046**	**41.936.613**	**30.234.155**	**33.727.817**

The actual weighted average interest rates of the Company's bank debt, at the date of the Statement of Financial Position are the following:

	31/12/2011	31/12/2010
Bank debt (short-term)	Euribor + 4,7%	Euribor + 3,5%
Bank debt (long-term)	Euribor + 0,8%	Euribor + 0,8%

The actual weighted average interest rates of the Group's bank debt, at the date of the Statement of Financial Position are the following:

	31/12/2011	31/12/2010
Bank debt (short-term)	Euribor + 4,7%	Euribor + 0,8%
Bank debt (long-term)	Euribor + 0,8%	Euribor + 0,8%
Bank debt (short-term)	Rubor + 3,5%	Rubor + 3,5%
Bank debt (long-term)	Rubor + 3,5%	Rubor + 3,5%

The major part of the long-term bank debt of the Company and the Group concerns bond loans issued by the Company. More specifically in order to finance the acquisition of the Austrian company "Austria Card GmbH " and by applying the decision of the General Meeting of shareholders from 26/6/2007, the Company proceeded as at 29/2/2008 to the issue of a common bond loan (not convertible) of amount € 35.000.000 by issuing 35.000.000 bonds of nominal value € 1,00 each. The duration of payment of the capital of the bond loan was set in ten years and the first instalment is payable in 24 months from the date of issue of the loan. The bond loan was used for the settlement of short-term banking loan of company that used for the needs of the above acquisition. The interest-rate comes up in six months euribor plus a margin (spread) of 0,80%.

According to the decision of the General Meeting of the shareholders, the company also issued at 15/5/2009 a common bond loan (not convertible) of amount 2.468.310 by issuing 2.468.310 bonds of nominal value of € 1 each. The payment duration of the principal of the bond loan was set at 5 years and first installment is payable at in 6 months from the date of loan issue. The bond loan was used in order to cover a part of (40%) of the investment program of the company of amount € 6.170.775 which has been included in the provisions of Law 3299/04. The bank debt rate comes up to six-month euribor plus margin (spread) 0,90.

23. Provision for employees end of service benefits

Provisions for employee end of service benefits are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Liabilities for:				
Pension benefits	4.911.299	5.628.347	1.177.024	1.805.483
Medical care benefits on retirement		-	-	-
Total	**4.911.299**	**5.628.347**	**1.177.024**	**1.805.483**
Analysis of expenses				
Cost of current employment	993.143	335.112	110.372	121.378
Financial cost	90.105	264.995	89.133	91.260
Depreciation of not recorded actuarial profit/(loss)	223.721	517.536	(244.929)	(29.467)
Effect of cutoff / offset / benefit of retirement	943.910	470.567	1.444.457	465.148
Total	**2.250.879**	**1.588.210**	**1.399.033**	**648.319**
Adjustment of liabilities through the income statement				
Benefits paid	(2.031.487)	(1.069.433)	(2.027.492)	(676.196)

24. Suppliers and other liabilities

The Group and the Company suppliers and other liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Suppliers	8.675.432	7.205.669	3.497.077	2.630.853
Liabilities to Group subsidiaries	0	0	403.844	429.664
Total	**8.675.432**	**7.205.669**	**3.900.921**	**3.060.517**

The above accounting values also reflect their fair values.

25. Current tax liabilities

The Group and the Company current tax liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Current income tax	5.281	1.751.112	0	0
Other tax liabilities	826.269	2.297.093	375.045	737.643
Total	**831.550**	**4.048.204**	**375.045**	**737.643**

The above accounting values also reflect their fair values.

26. Other short-term liabilities

The Group and the company other short-term liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Accrued personnel expenses	3.643.821	4.310.022	422.316	0
Accrued expenses	638.176	505.079	510.533	309.997
Accrued income	73.010	212.470	0	0
Social security	1.093.735	1.075.133	390.886	469.003
Dividends payable	22.194	42.546	17.775	38.091
Finance lease liabilities	0	133.384	0	0
Government grants for fixed assets	1.231.139	1.647.627	1.231.139	1.647.627
Customers prepayments	2.087.686	3.359.027	537.452	3.359.027
Other liabilities	682.908	937.842	19.110	107.000
Total	**9.472.668**	**12.223.131**	**3.129.211**	**5.930.743**

The above accounting values also reflect their fair values.

27. Cost of sales

Cost of sales of the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Employees Compensation & Expenses	16.203.622	17.672.224	4.865.401	6.019.286
Provision for staff retirement indemnities	0	209.728	0	207.573
Cost of inventory recognized as expenses	42.400.929	42.315.588	13.741.971	13.177.179
Third parties fees and expenses	2.285.472	2.467.892	1.516.237	2.168.635
Utilities	4.253.839	4.176.274	707.642	857.957
Asset maintenance expenses	480.501	736.474	480.501	736.474
Taxes – duties	197.245	218.297	55.198	43.266
Transpotation expenses	50.486	68.613	50.486	68.613
Direct consuming materials	461.975	611.677	461.975	611.677
Depreciation	3.057.145	3.499.788	1.090.626	1.150.255
Other expenses	556.149	420.523	152.240	308.404
Total	**69.947.363**	**72.397.078**	**23.122.277**	**25.349.318**

28. Other operating income

The Group and the Company other operating income is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Income from grants	445.212	372.071	3.677	12.303
Income from rentals	849	31.210	135.600	148.975
Income from prior years unused provisions for staff retirement indemnities	656	682.438	0	676.196
Income from use of provisions	122.802	177.088	600	0
Income of previous years	10.802	1.319	10.802	1.319
Extraordinary profit	442.759	442.333	442.759	264.706
Revaluation of investment property	365.625	0	0	0
Profit from sale of tangible assets	7.288	5.912	7.288	5.912
Exchange rate differences	83.053	170.741	1.826	2.124
Other income	350.173	680.777	30.952	2.995
Total	**1.829.219**	**2.563.890**	**633.504**	**1.114.531**

29. Selling expenses

The Group and the Company selling expenses are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Employees Compensation & Expenses	6.514.811	6.622.533	2.781.354	3.053.524
Provision for staff retirement indemnities	0	96.847	0	96.847
Third parties fees and expenses	432.739	117.355	71.826	62.359
Representation fees	461.837	509.078	0	0
Utilities	658.202	514.644	282.605	267.545
Taxes – duties	195.002	1.079.180	160.634	143.770
Transpotation expenses	2.619.724	2.922.539	405.237	434.336
Direct consuming materials	18.810	19.366	18.810	19.366
Depreciation of tangible assets	411.385	476.726	234.594	262.823
Other expenses	504.941	1.212.360	95.069	243.160
Total	**11.817.451**	**13.570.629**	**4.050.129**	**4.583.730**

30. Administrative expenses

Administrative expenses of the Group and the company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Employees Compensation & Expenses	4.859.927	5.938.151	1.562.845	1.985.448
Provision for staff retirement indemnities	0	54.411	0	54.411
Third parties fees and expenses	2.243.910	2.508.399	930.007	1.023.735
Other utilities	1.076.023	1.531.248	169.128	177.237
Taxes – duties	88.921	307.492	10.392	27.017
Transpotation expenses	39.428	48.416	39.428	48.416
Direct consuming materials	3.751	9.231	3.751	9.231
Depreciation	1.557.868	1.858.901	570.174	678.444
Other expenses	778.309	718.965	103.132	144.687
Total	**10.648.137**	**12.975.213**	**3.388.857**	**4.148.626**

31. Research and development expenses

Research and Development expenses of the Group are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Employees Compensation & Expenses	2.600.616	2.220.646	0	0
Provision for staff retirement indemnities	0	0		
Third parties fees and expenses	989.620	518.288	0	0
Other utilities	279.218	218.854	0	0
Taxes – duties	3.269	21.355	0	0
Depreciation	409.669	557.866	0	0
Other expenses	136.698	161.600	0	0
Total	**4.419.091**	**3.698.609**	**0**	**0**

32. Other operating expenses

Other operating expenses of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Provision for bad receivables	112.121	717.702	47.829	95.846
Provision for staff retirement indemnities	3.113.922	444.889	1.821.466	442.734
Exchange rate differences	197.820	245.878	4.209	2.996
Extraordinary expenses	254.202	222.830	35.930	23.247
Organization expenses	424.102	38.808	0	0
Extraordinary losses	595.077	2.944.069	12.670	2.853.576
Previous year expenses	180.781	15.248	179.221	15.248
Provision for fixed assets impairment	599.498			0
Revaluation of investments in real estate		444.553		
Depreciation of assets not included in operating cost	266.217	645.496	2.313	446.994
Total	**5.743.740**	**5.719.473**	**2.103.638**	**3.880.642**

33. Financial income

The Group and the Company financial income is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Interest income	233.480	380.941	26.202	121.399
Interest income from delayed customers	147.098	195.602	147.098	195.602
Interest income on granted loans	0	0	497.216	417.567
Discount from tax payments	60	1.329	45	0
Total	**380.638**	**577.873**	**670.560**	**734.568**

34. Financial expenses

The Group and the Company financial expenses are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Commissions of Letters of Guarantee	76.668	62.550	76.668	62.550
Interest & Other Bank Expenses	1.476.290	1.793.303	915.082	682.388
Total	**1.552.958**	**1.855.853**	**991.750**	**744.938**

35. Income from subsidiaries and related companies

Income from subsidiaries and related companies is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Dividends	0	29.070	0	1.700.000
Profit from sale of participation	0	0	0	0
Profit from related companies	(9.808)	91.502	0	0
Loss from related companies	(131.744)	0	0	0
Total	**(141.552)**	**120.572**	**0**	**1.700.000**

36. Income tax

The amount of tax recorded in the income statement is analyzed as follows:

	THE GROUP	
	31/12/2011	31/12/2010
Income tax		
Current Income Tax	1.579.605	1.938.796
Other taxes	36.275	36.275
Tax audit differencies	0	16.610
Social contribution tax of L. 3845/2010	0	202.673
Deferred tax for the year	(410.172)	329.976
Total	**1.205.708**	**2.524.331**

	THE COMPANY	
	31/12/2011	**31/12/2010**
Income tax		
Other taxes	36.275	36.275
Social contribution tax of L. 3845/2010	0	189.533
Deferred tax for the year	(423.040)	(821.144)
Total	**(386.764)**	**(595.336)**

The above item «Social contribution tax of L.3845/2010» of amount € 202.673 and € 189.533 included in the income tax recorded in the income statement of the year 2010 of the Group and the Company respectively, refers to an extra-ordinary and not repeatable contribution tax imposed upon all Greek companies of the Group according to the Law 3845/2010 (Measures for the application of the support mechanism of the Greek economy by the country-members of the Euro zone and the International Monetary Fund), which has been voted by the Greek Parliament as at 6/5/2010.

Income tax over the company's earnings is different from the theoretical amount computed under the weighted average tax rate, on its earnings.

The difference is as follows:

	THE GROUP	
	31/12/2011	**31/12/2010**
Profit / (loss) for the year before taxes	**738.589**	**3.614.492**
Income tax according to the current tax rates	360.480	903.623
Permanent tax differences – non-recognized tax sizes	808.953	1.381.759
Social contribution tax of L. 3845/2010	0	202.673
Other taxes	36.275	36.275
Tax audit differencies	0	0
Income tax of the year	**1.205.708**	**2.524.331**

	THE COMPANY	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**
Profit / (loss) for the year before taxes	**(4.624.523)**	**(3.301.272)**
Income tax according to the current tax rates	(924.905)	(792.305)
Permanent tax differences – non-recognized tax sizes	501.865	(28.838)
Social contribution tax of L. 3845/2010	0	189.533
Other taxes	36.275	36.275
Income tax of the year	**(386.765)**	**(595.335)**

37. Basic earnings/(losses) per share

Earnings per share are calculated by dividing the earnings belonging to the shareholders of the Group and the Company to the weighted average of shares during the year.

	THE GROUP		THE COMPANY	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Loss attributable to the shareholders of the parent	(869.833)	(398.749)	(4.237.759)	(2.705.936)
Weighted average of shares	20.578.374	20.575.615	20.578.374	20.575.615
Basic earnings per share (euro per share)	**(0,0423)**	**(0,0194)**	**(0,2059)**	**(0,1315)**

38. Exchange rate differences from translation of financial statements of foreign business operations

Exchange rate differences of amount € 209.693 and € 477.669 recorded in the statement of comprehensive income of the years 1/1 – 31/12/2011 and 1/1 – 31/12/2010, respectively, mainly concern exchange rate differences arising from translation of the financial statements of the Group's subsidiaries in Romania («Inform Lykos S.A.» and «Compaper Converting S.A.») from the operation currency (Romanian RON) to the presentation currency of the financial statements (Euro).

39. Segment reporting

An operating segment constitutes company component:
(a) that includes business activities by which can gain income and pay expenses
(b) whose operating earnings are evaluated by the management that makes business decisions in regular time periods, in order to decide for the allocation of company resources in the various segments and evaluate their return and
(c) for which separate financial information is available.

The allocation of earnings and consolidated assets and liabilities of the Group in operating segments is analyzed as follows:

Earnings per segment for the year 1/1/2011 - 31/12/2011 are the following:

	Products and services of printed computing	**Production and personalization of cards**	**Other sectors/not allocated**	**Total**
Sales per segment	**47.915.330**	**54.883.694**	**0**	**102.799.024**
Gross earnings	**8.090.274**	**24.761.387**	**0**	**32.851.661**
Operational profit	(2.807.225)	8.372.376	0	5.565.151
Financing cost	(934.525)	(237.795)	0	(1.172.320)
Financing cost (buyout-re-organization)	0	0	(3.512.690)	(3.512.690)
Losses from related companies	0	0	(141.552)	(141.552)
Profit/(loss) before taxes	**(3.741.750)**	**8.134.581**	**(3.654.242)**	**738.589**
Income tax	652.310	(1.858.018)	0	(1.205.708)
Net profit/(loss)	**(3.089.440)**	**6.276.563**	**(3.654.242)**	**(467.119)**

Earnings per segment for the year 1/1/2010 - 31/12/2010 are the following:

	Products and services of printed computing	**Production and personalization of cards**	**Other sectors/not allocated**	**Total**
Sales per segment	**53.221.790**	**60.636.724**	**0**	**113.858.514**
Gross margin	**10.457.425**	**31.004.012**	**0**	**41.461.437**
Operational profit	(4.719.367)	14.745.604	0	10.026.237
Financing cost	(871.648)	(406.333)	0	(1.277.981)
Financing cost (buyout-re-organization)	0	0	(1.964.834)	(1.964.834)
Losses from related companies	0	0	(3.168.930)	(3.168.930)
Profit/(loss) before taxes	**(5.591.015)**	**14.339.271**	**(5.133.764)**	**3.614.492**
Income tax	742.619	(3.266.950)	0	(2.524.331)
Net profit/(loss)	**(4.848.396)**	**11.072.321**	**(5.133.764)**	**1.090.161**

Allocation of consolidated items of assets and liabilities for 1/1/2011 - 31/12/2011 among operating segments is analyzed as follows:

	Products and services of printed computing	Production and personalization of cards	Total
Total assets	87.917.609	49.466.742	**137.384.351**
Total liabilities	33.142.812	27.050.137	**60.192.949**
Depreciations	3.153.178	2.549.108	**5.702.286**
Investment in fixed assets	1.646.876	1.011.229	**2.658.105**

Allocation of consolidated items of assets and liabilities for 1/1/2010 - 31/12/2010 among operating segments is analyzed as follows:

	Products and services of printed computing	Production and personalization of cards	Total
Total assets	99.453.482	63.384.685	**162.838.167**
Total liabilities	38.751.755	36.039.242	**74.790.997**
Depreciations	3.802.768	3.236.008	**7.038.776**
Investment in fixed assets	1.127.220	719.111	**1.846.331**

The Group's domicile is in Greece. The Group operates domestically and abroad (Romania, Austria etc.).

Sales, assets and investments of the Group per geographical segment are analyzed as follows:

1/1-31/12/2011

	Sales 1/1-31/12/11	Total assets 31/12/11	Investments in fixed assets 31/12/11
Greece	27.128.616	55.543.393	1.259.997
Romania	20.786.714	32.374.216	386.879
Austria	24.459.146	49.434.785	1.007.485
Eastern Europe	30.424.548	31.957	3.744
Total	**102.799.024**	**137.384.351**	**2.658.105**

1/1-31/12/2010

	Sales 1/1-31/12/10	Total assets 31/12/10	Investments in fixed assets 31/12/10
Greece	31.658.359	65.823.375	484.933
Romania	21.563.431	33.630.107	642.287
Austria	30.703.834	63.126.167	665.297
Eastern Europe	29.932.890	258.518	53.814
Total	**113.858.514**	**162.838.167**	**1.846.331**

40. Related parties transactions

The operational and investment activity of Group creates certain earnings, assets or liabilities that concern except others related companies or individuals persons. These transactions are realised in net commercial base and according to the laws of market. The Group did not participate in any transaction of uncommon nature or content which is essential for the Group, or the companies and the individuals connected closely with this, and does not aim to participate in such kind of transactions in the future.

The table below presents analytically all the intercompany transactions during the years 2011 and 2010 as well as the balances arising from these transactions as at 31/12/11 and 31/12/10 respectively:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	718.018	517.449
Total	**0**	**0**	**718.018**	**517.449**

Acquisition of goods or services

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	4.048.001	4.350.720
Related	26.259	162.107	8.286	124.637
Total	**26.259**	**162.107**	**4.056.287**	**4.475.357**

Granted loans

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	18.495.000	18.750.000
Total	**0**	**0**	**18.495.000**	**18.750.000**

Balances of receivables from sale of goods or services

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	1.182.135	235.040
Total	**0**	**0**	**1.182.135**	**235.040**

Balances of receivables from acquisition of goods or services

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	403.844	429.664
Related	0	117.983	0	120.700
Total	**0**	**117.983**	**403.844**	**550.364**

Income from dividends

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Subsidiaries	0	0	0	1.700.000
Total	**0**	**0**	**0**	**1.700.000**

Remuneration of key executives

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Key executives	653.375	631.492	653.375	631.492
Total	**653.375**	**631492**	**653.375**	**631.492**

Balances of receivables from key executives

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Key executives	0	0	0	0
Total	**0**	**0**	**0**	**0**

Balances of liabilities to key executives

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Key executives	0	0	0	0
Total	**0**	**0**	**0**	**0**

41. Unusual transactions

There is no case of assets, liabilities, equity, earnings or cash flows which are unusual due to nature, size or case.

42. Non-distribution of dividends proposal – dividends distributed

The Company Board of Directors is to propose to the 30th Regular General Meeting of the Shareholders for the year 2012 non-distribution of dividends due to losses arising in the current year

Regarding distribution of dividends for the year 2011, the Company Regular General Meeting, held on 23rd May 2011 decided on distribution of dividends totally amounting to € 617.351,22, i.e. € 0,030 per share. The above amount of dividends, under the provisions of Article 14, Law 3943/2011, was decreased by withholding tax of 21%.

43. Guarantees – encumbrances

The following guarantees and encumbrances have been issued:

Letters of guarantee	Value
Participation	299.993
Sound performance	2.110.166
Prepayment	1.232.668
Total	**3.642.828**

The Group and the parent Company foreign companies are not burdened with liens

44. Contingent liabilities

There are no judicial or legal claims that are expected to affect significantly the financial position of the company as at 31/12/2011.

The Company has not been tax inspected by tax authorities for the years from 2009 to 2010. Contingently arising taxes will not have a significant effect on the financial statements.

Regarding the year 2011, the company is under tax audit of Chartered Accountants under the provisions of Article 82, par. 5, Law 2238/1994. This audit is in progress and the relative tax compliance certificate is going to be issued after the publication of the financial statements for the year 2011. In case till the finalization of the tax audit there will arise additional tax liabilities, we estimate that they will not have a significant effect on the financial statements.

Regarding subsidiaries and related companies, they have not been tax inspected by tax authorities for the years, presented below, and therefore, their tax liabilities in respect of these years have not been finalized.

Group companies tax non-inspected years are as follows:

Company	Domicile	Tax non-inspected years
Inform P. Lykos S.A.	Greece	2009-2011
Lykos Paperless Solutons S.A.	Greece	2010-2011
Terrane Ltd	Cyprus	2004-2011
Inform Lykos (Romania)L.T.D	Cyprus	2003-2011
Inform Lykos S.A	Romania	2005-2011
Compaper Converting S.A	Romania	2001-2011
Sagime GmbH	Austria	2007-2011
Austria Card GmbH	Austria	2009-2011
Austria Card Polska Sp.z.o.o.	Poland	2010-2011
Austria Card Akilii Kart STI	Turkey	2010-2011

Apart from the aforementioned, there are no other cases of contingent liabilities or contingent receivables, which could significantly affect the Group or the Company financial position.

45. Reporting period subsequent events

As till the financial statements approval date, there have been no further events, apart from the aforementioned, that can have a significant effect in the Group financial position and operations.

E) INFORMATION UNDER ARTICLE 10, LAW 3401/2005

During the year 1/1 – 31/12/2011 the Company published, according to article 10 of Law 3401/2005, the following information items for the investors, which are presented at the company's web site (www.lykos.gr) and the web site of the Athens Stock Exchange (www.ase.gr). This information is included in the current annual financial statement in the table below.

Date	Announcement
30/11/2011	Announcement regarding comments on financial statements/reports
25/11/2011	Announcement of other significant events
15/11/2011	Notification of changes in composition of the Board of Directors
31/8/2011	Announcement regarding comments on financial statements/reports
30/6/2011	Announcement of business developments in the company
24/6/2011	In Inform Lykos 100% of Austria Card
31/5/2011	Financial results Q1 2011
26/5/2011	Notification of changes in composition of the Board of Directors
25/5/2011	Notification of cessation of dividend right/ payment
23/5/2011	Decisions of the General Meeting as at May 23rd, 2011
20/4/2011	Invitation to the Regular General Meeting
11/4/2011	Notification of changes in composition of the Board of Directors or key executives
31/3/2011	Announcement regarding comments on financial – accounting statements
30/3/2011	Notification of changes in composition of the Board of Directors or key executives
21/3/2011	Notification of changes in composition of the Board of Directors or key executives
15/3/2011	Notification of changes in composition of the Board of Directors or key executives
4/1/2011	Announcement

F) FIGURES AND INFORMATION FOR THE YEAR 1/1 - 31/12/2011

INFORM Π. ΛΥΚΟΣ Α.Ε.

INFORM P.LYKOS S.A.

S.A.REG. NO 13754/06/B/86/29
5th km VARIS-KOROPIOU AVE, KOROPOI

FINANCIAL FIGURES AND INFORMATION FOR THE YEAR FROM JANUARY 1 2011 TO DECEMBER 31, 2011

(Published according to the Law 2190/20 article 135 referring to companies which prepare annual financial statements consolidated and not, according to IFRS)"

The following figures and information which arise from the financial statements are intended to provide a general briefing about the financial position and results of INFORM P.LYKOS S.A. Group. Therefore the reader is recommended before proceeding to any kind of investment choice or other transaction with the company to refer to the company's web address where the financial statements and the auditor's report are presented.

COMPANY'S DATA

Competent Authority:	Ministry of Economy, Competitiveness and Shipping (Department of S.A. and Credit)
Web address:	www.lykos.gr
Composition of the Board of Directors:	Nikolaos Lykos, Panagiotis Spyropoulos, Georgios Triantafillidis, Elias Karantzalis, Sofia Labropoulou, Eleftherios Hiliadakis
Date of the bOard of Directors approval of the annual financial statements:	28th March, 2012
Statutory Auditor:	Kyprianos Papagiannopoulos (SOEL Reg.No.14261)
Audit firm:	Grant Thornton S.A. (SOEL Reg.No. 127)
Type pf Auditor's Report:	Unquialified opinoin

STATEMENT OF FINANCIAL POSITION (annual consolidated and non-consolidated)

Amounts in Euro

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
ASSETS				
Tangible fixed assets	81.484.005	83.819.486	35.329.772	36.330.684
Investment property	4.274.339	4.217.932	0	0
Intangible assets	2.973.311	4.117.503	1.058.043	1.374.521
Other non current assets	4.317.090	4.171.047	38.204.515	44.004.510
Inventories	15.540.902	16.012.297	4.784.745	4.629.659
Customers and other receivables	12.109.856	23.710.045	6.837.112	13.376.321
Other current assets	16.312.674	26.740.095	8.526.004	6.422.490
Non current assets available for sale	372.175	49.763	0	0
TOTAL ASSETS	**137.384.351**	**162.838.167**	**94.740.191**	**106.138.185**
EQUITY AND LIABILITIES				
Share capital	12.758.592	12.758.592	12.758.592	12.758.592
Reserves and Retained Earnings	63.783.373	67.269.196	40.362.591	45.217.705
Total shareholders equity (a)	76.541.965	80.027.788	53.121.183	57.976.297
Minority interests (b)	649.438	8.019.383	0	0
Total Equity (c)=(a)+(b)	**77.191.403**	**88.047.171**	**53.121.183**	**57.976.297**
Long term Loan Liabilities	26.740.493	33.555.698	26.740.493	30.234.155
Provisions / Other Long term Liabilities	8.346.253	9.377.379	3.979.676	4.705.168
Short term Loan Liabilities	6.126.553	8.380.915	3.493.662	3.493.662
Other Short term Liabilities	18.979.650	23.477.005	7.405.177	9.728.903
Total Liabilities (d)	**60.192.949**	**74.790.997**	**41.619.008**	**48.161.888**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**137.384.351**	**162.838.167**	**94.740.191**	**106.138.185**

ADDITIONAL DATA AND INFORMATION

1. The name, the country of the headquarters of every company, included in the consolidated financial statements, the tax unaudited years, as well as the participating interest, direct or indirect of the parent company and the incorporation method applied regarding every company, are as follows:

Company	Country	Participation Percentage %	Consolidation Method	Participation Relation	Tax Anaudited Years
INFORM P. LYKOS S.A.	Greece	Parent	-	Parent	2009-2011
Lykos Paperless Solutions S.A.	Greece	99,91%	Fully	Direct	2010-2011
Terrane L.T.D.	Cyprus	100,00%	Fully	Direct	2004-2011
Inform Lykos (Romania) L.T.D.	Cyprus	97,34%	Fully	Indirect	2003-2011
Inform Lykos S.A.	Romania	97,34%	Fully	Indirect	2005-2011
Compaper Converting S.A.	Romania	94,85%	Fully	Indirect	2001-2011
Sagime Gmbh	Austria	100,00%	Fully	Direct	2007-2010
Austria Card GmbH	Austria	100,00%	Fully	Indirect	2009-2011
Austria Card Polska Sp.z.o.o.	Poland	100,00%	Fully	Indirect	2010-2011
Austria Card Akilii Kart STI	Turkey	99,96%	Fully	Indirect	2010-2011

2. The item "Other comprehensive income after taxes" for the year 1/1 – 31/12/2011 that is included in the "Statement of Comprehensive Income " amounting to € (961.640) pertains to: (a) the amount of € (209.693) exchange differences from the conversion of the financial statements of business activities abroad (after taxes) and (b) the amount of € 385.229 from revaluation of owner-occupied land plots. The corresponding item for the year 1/1 – 31/12/2010 of € (961.640) pertains to (a) the amount of € (477.669) exchange differences from the conversion of the financial statements of business activities abroad (after taxes) and (b) the amount of € (483.971) from revaluation of owner-occupied land plots.
3. The financial statements of the company or the group are not included into the consolidated financial statements of any other company.
4. There are no pending judicial cases or other disputes under arbitration, which might affect materially the financial position or operation of the company or the whole group.
5. The cumulative provision for the tax unaudited years for the parent company is amounts to € 15.000. There was no any recorded significant provision, within the meaning of paragraphs 10, 11 and 14 of IAS 37
6. There was no case of change in the duration or end of the fiscal year or the incorporation method of the companies of the group. Also, there was no case of a company, which was not incorporated in the consolidated financial statements in the current year, whereas it had been incorporated in directly previous year, apart from two associates "Arrow Up SA" and "Technovisie BVBA". These participating interests (29,97% in each company) were disposed on 31/12/2011. The effect of two associates non-consolidation is non-essential (under 1% of turnover and 1% of net property of the Group).
7. The personnel number of the Group and theCompany is as follows:

	The Group		The company	
	31/12/11	31/12/10	31/12/11	31/12/10
Number of personnel	735	871	211	295

8. Investments in fixed assets during the current year 1/1/2011 - 31/12/2011, were amounted for the company and the Group in € 1.258 thus and € 2.658 thus respectively.
9. Earnings per share have been calculated according to the allocation of earnings upon the weighted average number of shares.
10. In the above financial statements, there have been applied the accounting principles, that were used under the preparation of the financial statements for the year 2010, adjusted with the revisions prescribed by IFRS apart from cases, mentioned in paragraph 4 ''New standers and interpretations'' of the Annual Financial Report of the year 2011
11. The financial statements as of 31/12/2011 for the Group and the Company, were approved by the Board of Directors of the company at March 28, 2012. Board of Directors members are: Nikolaos Lykos, Panagiotis Spyropoulos, Georgios Triantafillidis, Elias Karantzalis, Sofia Labropoulou, Eleftherios Hiliadakis.
12. Intercompany transactions between the Company, the Group and their associates as defined at IAS 24, during the year 1/1/2011 - 31/12/2011, are as follows:

	THE GROUP	THE COMPANY
a) Income	0	718.018
b) Expenses	26.259	4.056.287
c) Receivables	0	1.182.135
d) Liabilities	0	403.844
e)Transactions and fees of directors and members of the Management	653.375	653.375
f) Receivables frpm directors and members of the Mnagement	0	0
g) Liabiities to directors and members of the Management	0	0

13. On 23/06/2011, the Group, through its subsidiary Sagime GmbH, acquired an additional participating interest of 15% in the share capital of already existing subsidiary Austria Card GmbH. After this acquisition, the Group now holds 100% of the share capital of Austria Card. Following the change in the said property rights: a. minority interest decreased by € 8.234.667 (93% of the Group total minority interest) b. parent company owners equity decreased by € 1.712.169 (2% of the parent company owners total equity) c. turnover increased by € 4.526.370 (4% of the total) and d. earnings before tax increased by € 674.973 (91% of the total). Analytical information is presented in Explanatory Note 9 to the annual financial statements for the current year 2011.

PROFIT AND LOSS STATEMENT (annual consolidated and non-consolidated)

Amounts in Euro

	THE GROUP		THE COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Turnover	102.799.024	113.858.514	27.728.064	31.856.882
Gross profit / (loss)	32.851.661	41.461.436	4.605.787	6.507.564
Earnings/(losses) before taxes,financing and investing results	2.052.461	8.061.403	(4.303.333)	(4.990.903)
Earnings / (losses) before taxes	738.589	3.614.492	(4.624.523)	(3.301.272)
Earnings / (losses) after taxes	**(467.119)**	**1.090.161**	**(4.237.759)**	**(2.705.936)**
Distributed to:				
-Owners of the parent company	(869.833)	(398.749)	(4.237.759)	(2.705.936)
'-Minority interests	402.714	1.488.911	-	-
Basic earnings after taxes per share - (in euro)	(0,0423)	(0,0194)	(0,2059)	(0,1315)
Suggested dividend per share-(in euro)			0,0000	0,0300
Earnings / (losses) before taxes, financing, investing results and total depreciation / amortization	**7.754.747**	**15.100.179**	**(2.405.626)**	**(2.452.388)**

STATEMENT OF CONSOLIDATED INCOME (annual consolidated and non-consolidated)

Amounts in Euro

	THE GROUP		THE COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Earnings / (losses) after taxes (a)	(467.119)	1.090.161	(4.237.759)	(2.705.936)
Other total income after taxes (b)	175.536	(961.640)	0	0
Concentrative total income after taxes (a) + (b)	**(291.583)**	**128.521**	**(4.237.759)**	**(2.705.936)**
'-Owners of the parent company	(689.907)	(1.334.928)	(4.237.759)	(2.705.936)
'-Minority interests	398.324	1.463.450	0	0

STATEMENT OF CHANGES IN EQUITY (annual consolidated and non-consolidated)

Amounts in Euro

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Total equity at the beginning of the year (01.01.2011 and 01.01.2010 respectivly)	88.047.171	90.400.706	57.976.297	62.034.678
Total comprehensive income after taxes	(291.583)	128.521	(4.237.759)	(2.705.936)
Dividends distributed	(617.350)	(2.584.188)	(617.351)	(1.639.563)
Absorption of subsidiary company	0	0	0	184.987
Disposal of own shares	0	102.131	0	102.131
Change of ownership rights in subsidiary	(9.946.837)	0	0	0
Total equity at the end of the year (31.12.2011 and 31.12.2010 respectively)	**77.191.403**	**88.047.171**	**53.121.185**	**57.976.297**

STATEMENT OF CASH FLOWS (annual consolidated and non-consolidated)

Amounts in Euro

Indirect method	THE GROUP		THE COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Operating Activities				
Profits / (losses) before taxes (continued activities)	738.589	3.614.492	(4.624.523)	(3.301.272)
Plus / less adjustments for:				
Depreciation / Amortization	5.702.286	7.038.776	1.897.707	2.538.515
Provisions	66.914	1.305.527	(41.936)	159.768
Other, non cash transactions	(191.048)	3.173.071	(73.711)	(501.502)
Results (income, expenses, profit and loss) of investing activity	(619.495)	1.921.701	(438.695)	837.652
Debit interest and similar expences	2.134.385	1.677.545	991.748	744.938
Plus / less adjustments for changes in accounts related to working capital or operating activities:				
Decrease / (increase) of inventories	433.077	(913.979)	(155.086)	(1.037.309)
Decrease / (increase) of receivables	10.064.060	(382.287)	4.335.097	927.430
(Decrease) / increase of liabilities (excluding loans)	(1.327.238)	286.319	(117.797)	(2.262.588)
Less:				
Debit interest & related expenses paid	(1.410.450)	(1.204.230)	(955.420)	(761.091)
Taxes paid	(4.803.638)	(2.362.204)	(619.230)	(200.799)
Total inflows / (outflows) from operating activities (a)	**10.787.442**	**14.154.731**	**198.154**	**(2.856.258)**
Investing Activities				
Acquisition of subsidiaries, associates, joint ventures and other investements	(9.946.837)	0	0	0
Proceeds from disposal of subsidiaries, associates, joint ventures and other investements	400.000	0	0	0
Purchase of tangible and intangible fixed assets	(2.639.860)	(1.925.974)	(1.265.013)	(578.700)
Proceeds from sales of tangible and intangible fixed assets	9.974	96.406	690.184	32.843
Cash of absorbed company	0	0	0	92.179
Interest income received	309.841	554.845	626.518	780.855
Dividends received	0	354.570	0	1.700.000
Financing of assets investment received	313.471	345.020	0	0
Total inflows / (outflows) from investing activities (b)	**(11.553.411)**	**(575.133)**	**51.689**	**2.027.177**
Financing Activities				
Share capital decrease	(1.050.000)	0	0	0
Proceeds from issued / withdrawn loans	32.486	11.964.341	5.375.000	3.625.000
Loan settlements	(8.965.241)	(20.773.119)	(3.493.662)	(3.723.662)
Granted loans	0	0	(3.000.000)	(2.120.000)
Lease liabilities settlements	(148.456)	(174.291)	0	0
Dividends paid	(508.023)	(2.440.991)	(508.023)	(1.496.366)
Total inflows / (outflows) from financing activities (c)	**(10.639.234)**	**(11.424.060)**	**(1.626.685)**	**(3.715.028)**
Net increase (decrease) of cash and cash equivalents of the year (a)+(b)+(c)	**(11.405.203)**	**2.155.538**	**(1.376.842)**	**(4.544.109)**
Cash and cash equivalents at the beginning of the year	**24.320.569**	**22.165.031**	**2.650.457**	**7.194.566**
Cash and cash equivalents at the end of the year	**12.915.366**	**24.320.569**	**1.273.615**	**2.650.457**

KOROPI ATTIKIS, MARCH 28, 2012

PRESIDENT OF THE B.o.D	MANAGING DIRECTOR	FINANCIAL DIRECTOR	ACCOUNTING MANAGER
NIKOLAOS LYKOS I.D.no AB 241783	PANAGIOTIS SPYROPOULOS I.D.no AI 579288	ALEXANDRA ADAM I.D. no. AE 118025 REG. No. 27532- Ά CLASS	ANASTASIOS TATOS I.D. no. Σ 240679 REG. No. 9657- Ά CLASS

Koropi Attica March 28th, 2012

PRESIDENT OF THE BoD	MANAGING DIRECTOR
NIKOLAOS LYKOS ID No AB 241783	PANAGIOTIS SPYROPOULOS ID No AI 579288
FINANCIAL DIRECTOR	ACCOUNTING MANAGER
ALEXANDRA ADAM ID No AE 118025 Registr. No of E.C. Ά CLASS 27532	ANASTASIOS TATOS ID No Σ 240679 Registr. No of E.C. Ά CLASS 9657