



**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
(AS ENDORSED BY THE EUROPEAN UNION)
FOR THE SIX MONTHS ENDED 30 JUNE 2011
(JANUARY 1, – JUNE 30, 2011)
OF NEUROSOFT SOFTWARE PRODUCTION
S.A. AND ITS SUBSIDIARIES**

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BOARD OF DIRECTORS' REPORT ON THE SEMI - ANNUAL FINANCIAL STATEMENTS OF NEUROSOFT S.A.

Regarding the consolidated Financial Statements for the first half of 2011

At its meeting of 16th of September 2011, the Board of the Company approved the unaudited condensed consolidated financial statements of NEUROSOFT SA for the period ending 30th of June 2011.

The Group results also include the results for the fully dependent subsidiaries Gaeknar, Rockberg, Kestrel and Neurosoft Romania. The Group's turnover for the first six months of 2011 amounted to 1.877.513 euro compared to 1.289.377 euro for the same period in 2010.

Losses on business before tax in 2011 amounted to 332.785 euro, compared with 1.902.400 euro of losses in the same period of 2010. The losses was mainly due to the crisis in the Greek banking sector and the long sales cycles in sport betting together with the fast changing sport betting landscape in Greece. There is a substantial decrease in the losses due to the restructuring programme that the company has undertaken.

In the first half of 2011 the company achieved the following basic objectives:

Neurosoft Factoring Unit

- (1) Piraeus Factoring went live successfully with Proxima+, departing from dynaFactors platform.
- (2) ABC Factors went live with Proxima+, migrating 16 year old data. Neurosoft processes with phase B of the project that is expected to finish at the end of the year
- (3) United Bulgarian Bank (UBB), a subsidiary of the National Bank of Greece (NBG) went also live with Proxima+. Proxima+ was parameterized for the Bulgarian environment.
- (4) Neurosoft won a highly competitive international RFP to install its core factoring system into ProBank, the latest factoring company in Greece. Proxima+ went live in ProBank, first semester of 2011.
- (5) Neurosoft completed the check scanning module for Proxima+ (named Aurora), which installed and went live at ABC Factors.
- (6) Neurosoft started and is nearing completion of its Risk Management module.

Neurosoft Business Intelligence Unit

- (1) As of June 2011, Neurosoft was selected to exclusively represent, distribute and implement Greenplum data warehousing technology and solutions in Greece. Greenplum was recently acquired by EMC and provides very large capacity (terabytes and petabytes) state-of-the-art solutions.

Neurosoft Sport Betting Unit

- 1) BOLT 2 going live at OPAP.
On March, BOLT 2 was successfully installed and configured at OPAP. The product has been fully integrated with OPAP's production systems (LOTOS/OS) through an API and runs on all available betting data. The agile architecture and sophisticated algorithms provide real – time, accurate and reliable liability measuring and monitoring. The upgraded functionality levels, the superior user-friendly interface and the tailor made views and reports of BOLT, support and maximize the effectiveness and efficiency of an operator's trading team.
- 2) A number of European and Asian WLA members have shown great interest in BOLT2, and a number of demos and leads have been generated during the first semester.

Neurosoft's net losses for the first six months of 2011 were 332.785 euro, compared with net losses of 1.902.400 euro for the same period in 2010. The losses was mainly due to the crisis in the Greek banking sector and the long sales cycles in sport betting together with the fast changing sport betting landscape in Greece.



NEUROSOFT SOFTWARE PRODUCTIONS S.A. AND ITS SUBSIDIARIES

Unaudited Interim Condensed Consolidated Financial Statements for the period ended June 30, 2010
(Amounts in Euro, unless otherwise stated)

All the unaudited condensed consolidated financial accounts will be available via the company's site www.neurosoft.gr

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01- 30.06.2011	01.01- 30.06.2010
		Unaudited	Unaudited
Revenues	3	1.877.513	1.289.377
Cost of services		(1.334.092)	(1.782.217)
Gross profit/ (loss)		543.421	(492.840)
Selling and distribution expenses		(312.022)	(566.753)
Administrative expenses		(532.844)	(810.648)
Other income		-	3.150
Financial income		1.599	11.555
Financial costs		(32.940)	(46.865)
Loss before income taxes		(332.785)	(1.902.400)
Income taxes	4	(51.105)	(46.415)
Net loss (A)		(383.890)	(1.948.815)
Other total comprehensive income after tax (B)		-	-
Total comprehensive losses after tax (A)+(B)		(383.890)	(1.948.815)
Loss attributable to:			
Equity holders of the parent		(375.202)	(1.939.707)
Non-controlling interests		(8.688)	(9.107)
		(383.890)	(1.948.815)
Total comprehensive income for the period attributable to:			
Equity holders of the parent		(375.202)	(1.939.707)
Non-controlling interests		(8.688)	(9.107)
		(383.890)	(1.948.815)
Losses per share (Basic)		(0,0150)	(0,9744)
Losses per share (Diluted)		(0,0150)	(0,9744)
Weighted Average Number of Shares (Basic and diluted)		25.000.000	2.000.000

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

INTERIM STATEMENT OF FINANCIAL POSITION

		<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>Notes</u>	<u>Unaudited</u>	<u>Audited</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	246,007	245,347
Intangible assets	5	975,114	1,078,007
Investments in associates accounted under the equity method		37,000	37,000
Other non-current assets		36,498	43,226
Deferred tax asset		341,557	396,036
Total Non-Current Assets		<u>1,636,177</u>	<u>1,799,616</u>
Current Assets			
Inventories		351,142	351,142
Trade accounts receivable		2,838,655	3,304,660
Prepayments and other receivables		971,739	776,547
Financial assets at fair value through profit and loss		4,795	3,325
Cash and cash equivalents	7	251,780	314,347
Total Current Assets		<u>4,418,111</u>	<u>4,750,021</u>
TOTAL ASSETS		<u>6,054,288</u>	<u>6,549,637</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital		8,750,000	8,750,000
Share premium		600,000	600,000
Other reserves		163,330	163,330
Retained earnings		(7,006,358)	(6,645,352)
		<u>2,506,972</u>	<u>2,867,978</u>
Minority interests		199,974	223,948
Total Equity		<u>2,706,946</u>	<u>3,091,926</u>
Non-Current Liabilities			
Long term finance lease obligations		9,273	15,854
Reserve for staff retirement indemnities		97,405	97,405
Deferred tax liability		29,631	33,005
Total Non-Current Liabilities		<u>136,309</u>	<u>146,264</u>
Current Liabilities			
Trade accounts payable		470,856	1,042,456
Short-term borrowings		1,546,361	1,526,548
Short-term portion of finance lease obligations		13,484	13,484
Income tax payable		101,494	132,341
Accrued and other current liabilities		1,078,838	596,619
Total Current Liabilities		<u>3,211,033</u>	<u>3,311,447</u>
Total Liabilities		<u>3,347,342</u>	<u>3,457,711</u>
TOTAL LIABILITIES AND EQUITY		<u>6,054,288</u>	<u>6,549,637</u>

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	<u>Attributable to equity holders of the parent company</u>					<u>Non-</u>	<u>Total Equity</u>
	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>controlling interest</u>	
Balance at 1 January 2010	8.750.000	600.000	163.330	(1.918.177)	7.595.153	273.678	7.868.831
Loss for the period	-	-	-	(1.939.707)	(1.939.707)	(9.107)	(1.948.815)
Other comprehensive income	-	-	-	2.958	2.958	-	2.958
Total comprehensive income	-	-	-	-	-	-	-
Balance at 30 June 2010	8.750.000	-	163.330	(3.854.926)	5.658.404	264.571	5.922.975
Balance at 1 January 2011	8.750.000	600.000	163.330	(6.645.352)	2.867.978	223.948	3.091.926
Loss for the period	-	-	-	(375.202)	(375.202)	(8.688)	(383.890)
Absorption of subsidiary	-	-	-	(1.089)	(1.089)	-	(1.089)
Total comprehensive income	-	-	-	-	-	-	-
Balance at 30 June 2011	8.750.000	600.000	163.330	(7.021.643)	2.491.687	215.260	2.706.947

INTERIM CASH FLOW STATEMENT

	01.01- 30.06.2011	01.01- 30.06.2010
Cash flows from Operating Activities		
Loss before income taxes	(332.785)	(1.902.400)
Adjustments for:		
Depreciation and amortisation	221.595	179.121
Provisions	-	44.172
Financial (income)/expenses	31.341	35.310
Decrease/(increase) in financial assets	-	10.153
Operating loss before working capital changes	(79.850)	(1.633.644)
(Increase)/Decrease in:		
Inventories	-	(9.468)
Trade accounts receivable and prepayments and other receivables	270.813	734.564
Other non current assets	6.727	(34.575)
Increase/(Decrease) in:		
Trade accounts payable	(571.600)	(568.113)
Accrued and other current liabilities	479.662	(224.810)
Interest paid	(32.940)	(25.440)
Tax paid	(30.847)	(70.578)
Net cash from/(used in) Operating Activities	41.964	(1.832.064)
Cash flows from Investing Activities		
Capital expenditure for property, plant and equipment	(43.191)	(77.485)
Purchase/development of intangible assets	(76.171)	(42.702)
Interest and related income received	1.599	11.555
Net cash used in Investing Activities	(117.763)	(108.632)
Cash flows from Financing Activities		
Net change in short-term borrowings	19.813	1.002.968
Net Change in finance leases	(6.581)	30.010
Net cash from Financing Activities	13.232	1.032.978
Net decrease in cash and cash equivalents	(62.567)	(907.717)
Cash and cash equivalents at the beginning of period	314.347	2.461.843
Cash and cash equivalents at the end of the period	251.780	1.554.125

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Notes to the Interim Condensed Financial Statements

1. CORPORATE INFORMATION

Neurosoft Software Production S.A (the Company) is a société anonyme Company incorporated and domiciled in Greece whose shares are publicly traded at the AIM MILANO multilateral trading facility.

Neurosoft is a Greek software company, which specialises in the design, development, customisation and maintenance of integrated software systems for its three core business areas: Sports Betting & Gaming Analytics, Business Intelligence and Core Factoring, as well as the provision of advanced information technology services in both the Greek and international markets

The Group's number of employees at June 30, 2011, amounted to 51 while that of the Company to 32. At December 31, 2010, the respective number of employees was 51.

Information on the Subsidiaries:

Kestrel Information Systems S.A.

On November 30, 2009, the Company acquired 70% of Kestrel Information Systems. Kestrel Information Systems is a Systems Integrator for Telecommunications solutions, operating in several countries of South-eastern Europe including Cyprus, Romania, Bulgaria, Serbia, Albania and, of course, Greece. Kestrel Information Systems is primarily operating on the sector of Fixed and Mobile Telecommunications Operators partnering with leading worldwide equipment and software vendors. The company is focusing on providing high quality design, implementation and support services to its Customers through its specialized and certified personnel. Kestrel Information Systems is constantly reviewing the international and local market trends attempting to expand its product and services portfolio.

Gaeknar Ventures Ltd

On October 7, 2008, the Company acquired 100% of the share capital of Gaeknar, a company incorporated under the laws of Cyprus. Gaeknar Ventures merged with Rockberg Holdings, as part of the Group's restructuring plan.

Neurosoft Romania

On June 23, 2008, Gaeknar and Mr. Paschalidis (currently a member of the Company's Board of Directors) established Neurosoft Romania, a software company which is based in Bucharest and is expected to service the market needs for Neurosoft's products in Eastern Europe. At 31 December 2009, Gaeknar holds 95% of the shares in Neurosoft Romania and Mr. Paschalidis holds the remaining 5%.

Rockberg Holdings Ltd

On February 2, 2009, the Company established Rockberg Holdings Ltd as a limited liability company under the laws of Cyprus. Rockberg owns the intellectual property rights related to the use and commercial exploitation of the website: www.betonews.com, which provides statistical analysis and historical data on soccer and basketball events.

On May 3rd, 2011, the merger between Gaeknar Ventures Limited and Rockberg Holdings Limited was approved by the Cypriot authorities.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Basis of Preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2011 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2010, which are available at www.neurosoft.gr.

Certain line items of the previous period/ year financial statements were reclassified in order to conform to the current period’s presentation.

These financial statements have been prepared under the historical cost convention except for the valuation of financial assets at fair value through profit or loss, at fair value.

The preparation of financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2010, except for the listed below, adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2011, which did not have any impact to the financial position of the Group:

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)**
- **IAS 32 Classification on Rights Issues (Amended)**
- **IAS 24 Related Party Disclosures (Revised)**
- **In May 2010 the IASB** issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording

Standards issued but not yet effective and not early adopted

- ***IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off-balance sheet activities (Amended)***

The amendment is effective for annual periods beginning on or after July 1, 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which 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 amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the European Union (“EU”). The Group does not expect that this amendment will have an impact on its financial position or performance; however additional disclosures may be required.

- **IFRS 9 Financial Instruments – Phase 1, classification and measurement**

The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS addresses classification and measurement of financial instruments. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)**

The amendment is effective for annual periods beginning on or after January 1, 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on its financial position or performance.
- **IFRS 10 Consolidated Financial Statements**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent. Examples of areas of significant judgment include evaluating de facto control, potential voting rights or whether a decision maker is acting as a principal or agent. IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements and replaces SIC 12 Consolidation — Special Purpose Entities. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today's accounting. That is, the entity will continue to recognize its relative share of assets, liabilities, revenues and expenses. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IFRS 12 Disclosures of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures also will be required such as disclosing the judgments made to determine control over another entity. IFRS 12 replaces the requirements previously included in IAS 27, IAS 31, and IAS 28 Investments in Associates. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.

- **IFRS 13 Fair Value Measurement**
The new standard is effective for annual periods beginning on or after January 1, 2013. The main reason of issuance of IFRS 13 is to reduce complexity and improve consistency in application when measuring fair value. It does not change when an entity is required to use fair value but, rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. IFRS 13 consolidates and clarifies the guidance on how to measure fair value and also to increase convergence with USGAAP which has also been amended by FAASB. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IAS 27 Separate Financial Statements (amended)**
This amendment is effective for annual periods beginning on or after January 1, 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 Separate Financial Statements requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Company is in the process of assessing the impact of this amendment on its financial position or performance.
- **IAS 28 Investments in Associates and Joint Ventures (amended)**
The Standard is effective for annual periods beginning on or after January 1, 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to prescribe the accounting for investments in associates and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IAS 19 Employee Benefits (amended)**
The amendment is effective for annual periods beginning on or after January 1, 2013. The amended IAS 19 proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the “corridor approach”). The result is greater balance sheet volatility for those entities currently applying the corridor approach. These amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. In addition, the revised standard requires immediate recognition of past service costs as a result of plan amendments (in the income statement) and requires termination benefits to be recognised only when the offer becomes legally binding and cannot be withdrawn. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IAS 1 Presentation of Financial Statements (amended)**
The amendment is effective for annual periods beginning on or after July 1, 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.

(b) Approval of Financial Statements:

The Board of Directors of Neurosoft S.A. approved the interim condensed consolidated financial statements for the period ended June 30, 2011, on September 16, 2011.

(c) Significant Accounting Judgements and Estimates:

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- (a) **Allowance for doubtful accounts receivables:** The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.
- (b) **Provision for income taxes:** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.
- (c) **Depreciation rates:** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.
- (d) **Impairment of property, plant and equipment:** Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.
- (e) **Deferred tax assets:** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

3. SEGMENT INFORMATION

The Group's primary segment reporting is categorised by business activity because the risks and profitability of the company is mainly affected by the type of the product and services offered. Each segment represents a different business area of activity: (i) Business Intelligence, (ii) Core Factoring, (iii) Sports Betting & Gaming Analytics and (iv) "Telecoms"

Business Intelligence: Business Intelligence is defined as the provision of "concepts, methods and tools to improve business decision making". In order to assist its clients with their business intelligence needs, Neurosoft develops, markets and supports an integrated line of statistical software products which enable its clients to effectively bring marketplace and enterprise data together to bear on their decision-making.

Core Factoring: In order to penetrate in the growing market of Factoring, Neurosoft has developed and introduced Proxima+, a powerful, flexible and scalable business factoring software solution, which aims to assist factoring companies meet their objectives in a cost-efficient and timely manner. The Company entered the core factoring business in 2004 with a client/server implementation called dynaFactor. Proxima+ was loosely based on dynaFactor and has incorporated many of the latest technological and business improvements available.

Sports Betting & Gaming Analytics: In order to serve the area of the Sports Betting Analytics, Neurosoft has developed a business intelligence solution, which provides liability monitoring capabilities to Betting Operators. Based on specially-designed technological architecture and complex algorithms, BOLT ensures the real time measurement of liability and visual analysis. The primary goal of the technology is to enable a betting operator to continually and accurately monitor liability in an effort to minimise payout and, by default, maximise revenues.

Telecommunications: The activities of the subsidiary Kestrel Information Systems, which concern the sale and service of telecommunication integrated equipment, is regarded as a different segment for the Group.

The following tables' present revenue information regarding the Group's operating segments for the six months ended 30 June 2011 and 2010, respectively:

Six months ended
30 June 2011

	<u>BI</u>	<u>Sports Betting and Gaming Analytics</u>	<u>Core Factoring</u>	<u>Telecoms</u>	<u>TOTAL</u>
Segment revenues	155,341	35,268	913,050	773,854	1,877,513
Loss before tax	(57,285)	(432,824)	186,163	(28,840)	(332,785)

Six months ended
30 June 2010

	<u>BI</u>	<u>Sports Betting and Gaming Analytics</u>	<u>Core Factoring</u>	<u>Telecoms</u>	<u>TOTAL</u>
Segment revenues	138,074	135,000	288,753	727,550	1,289,377
Loss before tax	(461,457)	(451,184)	(965,038)	(24,721)	(1,902,400)

4. INCOME TAX

The major components of income tax expense in the interim consolidated income statement are:

	June 30,	
	2011	2010
	Unaudited	
Current income tax	-	5,000
Deferred income tax	51,105	41,415
Income tax expense	51,105	46,415

5. INTANGIBLE ASSETS

Intangible assets comprise:

- a) the website www.betonews.gr , owned by the subsidiary Rockberg S.A.. Useful life was estimated by Management at 5 years.
- b) The development costs (payroll) of internally generated software. The costs meet the criteria of development costs described in IAS 38 "Intangible Assets". Useful life was estimated by Management at 3 years.
- c) The customer base which derived from the allocation of the provisional goodwill (acquisition of Kestrel)

Capital expenditure for intangible assets amounted to € 43,191 for the six months ended 30 June 2011 and to € 77,485 for the six months ended 30 June 2010.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for property, plant and equipment amounted to € 76,171 for the six months ended 30 June 2011 and to € 42,702 for the six months ended 30 June 2010.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the accompanying financial statements are analyzed as follows:

	June 30,	December 31,
	2011	2010
	Unaudited	Audited
Cash at bank and in hand	51,180	36,158
Short term deposits	200,600	278,189
TOTAL	251,780	314,347

8. COMMITMENTS AND CONTINGENCIES

Litigation and Claims: The Group is not currently involved in any legal proceedings.

Guarantees: Letters of guarantee are issued by the Group to various beneficiaries and as at June 30, 2011 and 2010, are analysed as follows:

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Good execution of agreements	384,740	276,191
Guarantee for rent	-	11,040
TOTAL	<u>384,740</u>	<u>287,231</u>

9. FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted market prices

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observable)

During the six-months period ended June 30, 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at June 30, 2011, the Group and the Company held the following financial instruments measured at fair value:

	<u>The Group</u>			
	<u>Fair value –30.06.2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Financial assets at fair value through statement of comprehensive income	-	4,795	-	4,795

10. RELATED PARTY TRANSACTIONS

Board of Directors fees amounted to € 25,354 for the six month period ended 30 June 2011 and to € 74,605 for the six month period ended 30 June 2010.

The Group's transactions and account balances with related companies are as follows:

<u>Related Party</u>	<u>Relation with Group</u>	<u>Period ending at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
VERTICAL SOLUTIONS S.A.	Associated	30.06.2010	-	-
		30.06.2011	-	-
KALENA	Associated	30.06.2010	-	-
		30.06.2011	-	-
IMIS HELLAS S.A.	Associated	30.06.2010	-	-
		30.06.2011	-	-
MANIOUDAKIS GEORGIOS	Shareholder	30.06.2010	-	-
		30.06.2011	-	23,883.30
	Total	30.06.2010	-	-
	Total	30.06.2011	-	-

<u>Related Party</u>	<u>Relation with Group</u>	<u>Period ending at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
EURODRIP ABEE	Associated	31.12.2010	-	-
		30.06.2011	-	-
VERTICAL SOLUTIONS S.A.	Associated	31.12.2010	-	6,000.00
		30.06.2011	-	-
MANIOUDAKIS GEORGIOS	Shareholder	31.12.2010	-	-
		30.06.2011	-	6,737.20
	Total	31.12.2010	-	-
	Total	30.06.2011	13,661	10,856

11. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 1/9/2011, the Board of Directors of the subsidiary Rockberg Holdings Limited, decided to suspend the activity of Neurosoft Romania for a three year period. The decision is part of the Group's restructuring programme.

12. DIVIDENDS PAID

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
	<u>Unaudited</u>	
Dividends on ordinary shares declared and paid during the six months period	-	-

Athens, September 16, 2011

The Chairman of the company's
Board of Directors

Mavroeides Aggelopoulos

The Chief Executive Officer and
President of the Board of Directors

Nikolaos Vassilonikolidakis

Head Accountant

Leonidas Dimitroulias