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 2012
(JANUARY 1, – JUNE 30, 2012)
OF NEUROSOFT SOFTWARE PRODUCTION S.A.
AND ITS SUBSIDIARIES

INDEX TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Regarding the consolidated Financial Statements for the first half of 2012

At its meeting of 26th of September 2012, the Board of the Company approved the unaudited condensed consolidated financial statements of NEUROSOFT SA for the period ending 30th of June 2012.

The Group results also include the results for the fully dependent subsidiaries, Rockberg and Kestrel. The Group's turnover for the first six months of 2012 amounted to 1.856.875 euro compared to 1.877.513 euro for the same period in 2011.

Profit on business before tax in 2012 amounted to 1.459 euro, compared with loss 332.785 euro in the same period of 2011. The group managed to maintain its turnover and through its restructuring and rationalisation program to turn positive.

In the first half of 2012 the company achieved the following basic objectives:

Neurosoft Factoring Unit

1) Piraeus Factoring went live successfully with its pledging receivables module under Proxima+, allowing the entire bank being connected to Proxima+. The technology allows through web services to have Proxima+ communicating with parts of the Bank's central system.
2) Millennium's bank installation of Proxima+ neared completion with a target go-live date, including migration, on 1 July 2012. The system replaces Millennium's current factoring system.
3) Neurosoft is under negotiations to install its system in various Balkan counties with the SaaS (Software as a Service) model, hosting the application and data on external Data Centers.

Neurosoft Business Intelligence Unit

4) Neurosoft is heavily involved in the design of the MIS system for the Ministry of Finance. The project involves the building a data warehouse and BI tools from tens of sources accounting to more than 1200 reports for the entire project, part of which will be implemented by Neurosoft.

Neurosoft Sport Betting Unit

5) As of June 2012, Neurosoft completed the successful deployment, installation and launch of the new version of BOLT at OPAP encompassing the latest state of the art technology tuned to OPAP's business needs.

   BOLT is based on a flexible and efficient technological architecture and complex and unique algorithms, providing real time, accurate liability assessment and monitoring and Visual analysis through its 2D and 3D graphical user interface with the addition of dependency and trends tools analysis (analytics) in the real-time BOLT, Dependency and Liability Analytics (DLA) and the construction of a historical database for the BOLT, BOLT History Repository (BOLT HR).
   The new version of BOLT went live at OPAP in June 2012, offering enhanced functionality, improved user-friendly interactive graphical user interface and faster access to critical information for on-the-spot decision making. The timing allowed to test the new features of BOT during Euro 2012 as OPAP launched it live-betting offering. Neurosoft worked very closely with OPAP's management and trading team to customize a wide range of features to adhere to the operator's needs. The tailor made features include custom views, screens and reporting functionality.
   Neurosoft's BOLT platform can fully support OPAP's current operational needs as well as future services which may come on board. BOLT's flexible structure provides OPAP with the competitive advantage of agility & expandability. Having OPAP to own a global licence, allows OPAP to use it in any geographical coverage.

6) Neurosoft completed the design of its new iPhone application for sport betting. The application will provide, sports-betting data such as odds, fixtures, live-scores, comparison and statistical data in real-time. The new application is based on its Qualytor sports betting information database and is schedule to be launched in the first half of October 2012.

Telecoms Unit

7) The support contract for Access and Transport equipment with Alcatel-Lucent has been successfully renewed for 2012 although at a reduced pricing. The continuing high quality of services provided in conjunction with the expertise gained, has aided Alcatel-Lucent in releasing more Purchase Orders for Access and Optical Installations towards Kestrel I.S. not only in Wind Hellas but also in OTE Group and Vodafone.
8) A new support contract has been signed with Ericsson involving Access equipment for Wind Hellas.
9) The implementation of HOL's expansion project for aggregating DSL subscriber traffic (BRAS) was completed in the first quarter complemented by the existing support contract.
10) A project for Forthnet is under implementation phase with 50% of the equipment already delivered.
11) Internal preparation has started for enlarging the Field Services business unit to offering installation services to Mobile Operators for 2G, 3G, LTE expansion/replacement projects. Discussions are underway with Nokia Siemens Networks and Ericsson targeting primarily Cosmote.

Neurosoft's net losses after tax for the first six months of 2012 were 64.118 euro, compared with net losses of 383.890 euro for the same period in 2011. Profit on business before tax in 2012 amounted to 1.459 euro, compared with loss 332.785 euro in the same period of 2011.

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01-30.06.2012 Unaudited	01.01-30.06.2011 Unaudited
Revenues	3	1.856.875	1.877.513
Cost of services		(1.271.528)	(1.334.092)
Gross profit		**585.347**	**543.421**
Selling and distribution expenses		(262.008)	(312.022)
Administrative expenses		(285.294)	(532.844)
Other income		6.890	1.599
Financial income		36	-
Financial costs		(43.511)	(32.940)
Profit (Loss) before income taxes		**1.459**	**(332.785)**
Income taxes	4	(65.577)	(51.105)
Net loss (A)		**(64.118)**	**(383.890)**
Other total comprehensive income after tax (B)		-	-
Total comprehensive losses after tax (A)+(B)		**(64.118)**	**(383.890)**
Loss attributable to:			
Equity holders of the parent		(63.099)	(375.202)
Non-controlling interests		(1.019)	(8.688)
		(64.118)	**(383.890)**
Losses per share (Basic)		(0,0025)	(0,0150)
Losses per share (Diluted)		(0,0025)	(0,0150)
Weighted Average Number of Shares (Basic and diluted)		25.000.000	25.000.000

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

INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2012 Unaudited	31.12.2011 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	173.427	197.506
Intangible assets	5	812.178	892.156
Investments in associates accounted under the equity method		37.000	37.000
Other non-current assets		35.118	37.349
Deferred tax asset		544.076	609.653
Total Non-Current Assets		**1.601.799**	**1.773.664**
Current Assets			
Inventories		344.670	372.670
Trade accounts receivable		1.660.810	1.762.191
Prepayments and other receivables		524.264	417.699
Financial assets at fair value through statement of comprehensive income		1.500	940
Cash and cash equivalents	7	291.073	264.284
Total Current Assets		**2.822.316**	**2.817.784**
TOTAL ASSETS		**4.424.114**	**4.591.449**
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	163.331
Retained earnings		(7.898.433)	(7.835.335)
		1.614.897	**1.677.996**
Minority interests		206.301	207.320
Total Equity		**1.821.198**	**1.885.316**
Non-Current Liabilities			
Long term finance lease obligations		-	1.652
Reserve for staff retirement indemnities		82.828	84.104
Deferred tax liability		-	-
Total Non-Current Liabilities		**82.828**	**85.757**
Current Liabilities			
Trade accounts payable		456.775	355.927
Short-term borrowings		1.156.822	1.182.098
Short-term portion of finance lease obligations		8.845	14.202
Income tax payable		56.130	86.644
Accrued and other current liabilities		841.515	981.505
Total Current Liabilities		**2.520.088**	**2.620.376**
Total Liabilities		**2.602.916**	**2.706.133**
TOTAL LIABILITIES AND EQUITY		**4.424.114**	**4.591.449**

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Attributable to equity holders of the parent company					Non-controlling interest	Total Equity
GROUP	Share capital	Share premium	Other reserves	Retained earnings	Total		
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)
Other comprehensive income	-	-	-	(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**
Balance at 1 January 2012	**8.750.000**	**600.000**	**163.331**	**(7.835.335)**	**1.677.996**	**207.320**	**1.885.316**
Loss for the period	-	-	-	(63.099)	(63.099)	(1.019)	(64.118)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2012	**8.750.000**	**600.000**	**163.331**	**(7.898.434)**	**1.614.897**	**206.301**	**1.821.198**

INTERIM CASH FLOW STATEMENT

	01.01-30.06.2012	01.01-30.06.2011
Cash flows from Operating Activities		
Loss before income taxes	1.459	(332.785)
Adjustments for:		
Depreciation and amortisation	130.741	221.595
Provisions	-	
Financial (income)/expenses	43.475	31.341
Decrease/(increase) in financial assets	-	
Operating loss before working capital changes	**175.676**	**(79.849)**
(Increase)/Decrease in:		
Inventories	-	
Trade accounts receivable and prepayments and other	(5.184)	270.813
Other non current assets	2.231	6.727
Increase/(Decrease) in:		
Trade accounts payable	100.848	(571.600)
Accrued and other current liabilities	(131.377)	479.662
Interest paid	(43.511)	(32.940)
Tax paid	(30.514)	(30.847)
Net cash from/(used in) Operating Activities	**68.169**	**41.964**
Cash flows from Investing Activities		
Capital expenditure for property, plant and equipment	(9.131)	(43.191)
Purchase/development of intangible assets	-	(76.171)
Interest and related income received	36	1.599
Net cash used in Investing Activities	**(9.095)**	**(117.763)**
Cash flows from Financing Activities		
Net change in short-term borrowings	(25.276)	19.813
Net Change in finance leases	(7.009)	(6.581)
Net cash from Financing Activities	**(32.285)**	**13.232**
Net decrease in cash and cash equivalents	**26.789**	**(62.567)**
Cash and cash equivalents at the beginning of period	**264.284**	**314.347**
Cash and cash equivalents at the end of the period	**291.073**	**251.780**

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, 2012, amounted to 46 while that of the Company to 22. At December 31, 2011, the respective number of employees was 48 and 24.

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 2012 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 2011, 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, 2011, except for the listed below, adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2012, which did not have any impact to the financial position of the Group:

- **IFRS 7** Financial Instruments: Disclosures (Amended) – Enhanced Derecognition Disclosure Requirements

Standards issued but not yet effective and not early adopted

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. 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 that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

- **IAS 12 Income Taxes (Amended) – Deferred Tax: Recovery of Underlying Assets**
  The amendment is effective for annual periods beginning on or after 1 January 2012, but has not yet been endorsed by the EU. This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IAS 19 Employee Benefits (Amended)**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IAS 27 Separate Financial Statements (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Company does not expect that this amendemend may have significant impact on the financial position or their performance.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendemend may have significant impact on the financial position or their performance.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 9 Financial Instruments – Classification and Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. 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. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. Early application is permitted. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for

consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. 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, compared with the requirements that were in IAS 27.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 1 January 2013. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 12 Disclosures of Involvement with Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**
  The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. This interpretation is not applicable to the Group and the Company.

- The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the project on the financial position or their performance.

  - **IAS 1 Financial Statement Presentation:** Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. In addition, the opening statement of financial position (known as the third balance sheet) must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. However, unlike the voluntary comparative information, the related notes are not required to accompany the third balance sheet.

- **IAS 16 Property, Plant and Equipment:** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

- **IAS 32 Financial Instruments: Presentation:** Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

- **IAS 34 Interim Financial Reporting:** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the guidance on the financial position or their 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, 2012, on September 26, 2012.

(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 2012 and 2011, respectively:

Six months ended 30 June 2012

	BI	Sports Betting and Gaming Analytics	Core Factoring	Telecoms	TOTAL
Segment revenues	10,000	463,600	370,698	1,012,577	**1,856,875**
Profit (Loss) before tax	(1,213)	19,164	(12,992)	(3,500)	**1,459**

Six months ended 30 June 2011

	BI	Sports Betting and Gaming Analytics	Core Factoring	Telecoms	TOTAL
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)**

4. INCOME TAX

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

	June 30, 2012	June 30, 2011
	Unaudited	
Current income tax	-	-
Deferred income tax	65.577	51.105
Income tax expense	**65.577**	**51.105**

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 € 0, 00 for the six months ended 30 June 2012 and to € 43,191 for the six months ended 30 June 2011.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for property, plant and equipment amounted to € 43, 191 for the six months ended 30 June 2012 and to € 76,171 for the six months ended 30 June 2011.

7. CASH AND CASH EQUIVALENTS

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

	June 30, 2012	December 31, 2011
	Unaudited	Audited
Cash at bank and in hand	191.540	138.039
Short term deposits	52.448	126.254
TOTAL	**243.988**	**264.284**

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, 2012 and 2011, are analysed as follows:

	June 30, 2012	June 30, 2011
Good execution of agreements	42,200	384,740
TOTAL	**42,200**	**384,740**

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, 2012, 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:

	The Group			
	Fair value -30.06.2012			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through statement of comprehensive income	-	1,500	-	**1,500**

10. RELATED PARTY TRANSACTIONS

Board of Directors fees amounted to € 3,000 for the six month period ended 30 June 2012 and to € 25,354 for the six month period ended 30 June 2011.

11. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no subsequent events that should be taken into account for the preparation of the Financial Statements for the period ended June 30, 2012.

12. DIVIDENDS PAID

	June 30,	
	2012	2011
	Unaudited	
Dividends on ordinary shares declared and paid during the six months period	-	-

Athens, September 26, 2012

The Chairman of the company's Board of Directors	The Chief Executive Officer and President of the Board of Directors	Head Accountant
Mavroeides Aggelopoulos	Nikolaos Vassilonikolidakis	Leonidas Dimitroulias