



Board of Directors of Neurosoft S.A. approves 2011 Financial Results

- Consolidated revenues in 2011 to € 2.91 million (€ 2.88 million in 2010)
- Gross profit (loss) in 2011 to € 0.47 million (€ (1.53) million in 2010)
- Net loss in 2011 to € (1.26) million (€ (4.78) million in 2010)
- Net Financial Position as of 31 December 2011 to € 1.89 million (€ 3.1 million as of 31 December 2010)

Athens, 4th of April 2012 - The Board of Directors of **Neurosoft S.A.** met today and approved the 2011 audited consolidated financial statements, including the results for its subsidiaries, Rockberg Holding Ltd, Kestrel Information Systems S.A.. Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has Integrae SIM as its Nominated Adviser.

"The Group's revenues showed a slight increase in 2011 despite the adverse economic environment in Greece and a generous decrease in costs which led to streamlined operations." declared Nikolaos Vasilonikolidakis, Chief Executive Officer of Neurosoft and added "This was in line with the anticipated results due to the brave measures we took in 2011, to rationalize our cost structure in order to be leanly structured. This will continue in 2012."

2011 Key Financial Results

Neurosoft's **consolidated revenues** for 2011 amounted to € 2.91 million compared to € 2.88 million in 2010. **Cost of sales for the group** in 2011 amounted to € 2.44 million compared to € 4.41 million for financial year 2010. Cost of sales decreased by 44.6% between the years 2010-2011. Neurosoft's payroll cost actually decreased by approximately 26.5% and as already planned it will further fall following the implementation of a move towards leaner operations.

Net loss in 2011 amounted to € (1.26) million compared to € (4.78) million of losses for financial year 2010.

Net financial debt as of 31 December 2011 for the Group amounts to € 0,93 million compared to € 1,24 million as of 31 December 2010.

Outlook

The Board of Directors has decided, to consistently continue its radical revised business plan which has proven to be efficient and will further restore profitability in the coming years.

In particular the outlook per business area is as follows

- in “Business intelligence area”, although the economic crisis has postponed, annulled or reduced significantly planned projects, Neurosoft managed to hold its revenues there and is predicted to increase in 2012.
- In the last two years, the global economic environment has negatively impacted demand for high-end products and services to sports betting operators where most of orders have been postponed. In 2011, there are positive results from R&D efforts which start slowly to register in sales. Neurosoft expects to expand its global business in 2012.
- In “Factoring area” Neurosoft having maintained its dominant position in the Greek market and continues to be aggressively engaged in international outreach activities aiming to establish itself as a regional player.
- in “Telecoms area” Neurosoft despite the slowdown in the domestic telecom market retained the turnover with positive EBITDA. The infrastructure installation business unit contributed further to the growth of the company undertaking projects in Greece and Italy.

Auditors’ opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and its subsidiaries as at December 31, 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Neurosoft is a leading business software provider supplying solutions that optimize business and operational processes with a view to maximize customer profitability. Neurosoft’s innovative integrated software systems in factoring, sports betting, business intelligence, liability management, transactional systems, and the implementation of mission critical applications have provided tools to financial institutions, stock exchanges, telecom companies and sports betting operators to increase operating efficiencies, act on well-depicted real-time risk and liability analysis, and increase revenues and bottom line capitalizing on sophisticated predictive analytics. Neurosoft was founded in 1994 and became the first company to be floated in the AIM Italia market of the Milan Stock Exchange in May 2009. Based in Athens, Neurosoft has a multinational presence in Romania, Albania, Serbia, Bulgaria and Cyprus.

On behalf of Neurosoft SA

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	01.01-31.12.2011	01.01-31.12.2010
Revenues	4	2.913.854	2.880.396
Cost of services	8	(2.443.774)	(4.412.416)
Gross profit/ (loss)		470.080	(1.532.020)
Selling and distribution expenses	8	(400.690)	(1.122.775)
Administrative expenses	8	(1.439.742)	(1.805.250)
Other income		36.506	1.020
Financial income	7	3.453	20.158
Financial costs	7	(142.198)	(93.940)
Loss before income taxes		(1.472.592)	(4.532.807)
Income taxes	9	212.294	(244.099)
Net loss (A)		(1.260.299)	(4.776.905)
Other total comprehensive income after tax (B)		-	-
Total comprehensive losses after tax (A)+(B)		-	-
Loss attributable to:		(1.260.299)	(4.776.905)
Equity holders of the parent		(1.243.670)	(4.727.175)
Non-controlling interests		(16.628)	(49.730)
		(1.260.299)	(4.776.905)

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

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011

	Note	31. 12. 2011	31. 12. 2010
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	197,506	245,347
Intangible assets	12	892,156	1,078,007
Investments in subsidiaries			
Investments in associates accounted under the equity method		37,000	37,000
Other non-current assets		37,349	43,226
Deferred tax asset	9	609,653	396,036
Total Non-Current Assets		1,773,665	1,799,616
Current Assets			
Inventories	13	372,670	351,142
Trade accounts receivable	14	1,762,191	3,304,660
Prepayments and other receivables	14	417,699	776,547
Receivables from intra Group Companies			
Financial assets at fair value through profit and loss		940	3,325
Cash and cash equivalents	15	264,284	314,347
Total Current Assets		2,817,785	4,750,021
TOTAL ASSETS		4,591,449	6,549,637
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		163,331	163,330
Retained earnings		(7,835,335)	(6,645,352)
Total equity		1,677,996	2,867,978
Minority interests		207,320	223,948
Total equity		1,885,316	3,091,926
Non-Current Liabilities			
Long term finance lease obligations		1,652	15,854
Reserve for staff retirement indemnities	22	84,104	97,405
Deferred tax liability		-	33,005
Total Non-Current Liabilities		85,757	146,264
Current Liabilities			
Trade accounts payable	20	355,927	1,042,456
Short-term borrowings	19	1,182,098	1,526,548
Short-term portion of finance lease obligations		14,202	13,484
Income tax payable		86,644	132,341
Accrued and other current liabilities	21	981,505	596,619
Total Current Liabilities		2,620,376	3,311,448
Total Liabilities		2,706,133	3,457,712
TOTAL LIABILITIES AND EQUITY		4,591,449	6,549,637

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STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Share Capital	Share premium	Other reserves	Retained earnings	Total	Minority interest	Total
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	-	-	-	(4.727.175)	(4.727.175)	(49.730)	(4.776.905)
Balance at 31 December 2010	8.750.000	600.000	163.330	(6.645.352)	2.867.978	223.948	3.091.926
Balance at 1 January 2011	8.750.000	600.000	163.330	(6.645.352)	2.867.978	223.948	3.091.926
Transfer to reserves	-	-	1	(1)	-	-	-
Loss for the period	-	-	-	(1.243.670)	(1.243.670)	(16.628)	(1.260.299)
Absorption of subsidiary	-	-	-	(49.863)	(49.863)	-	(49.863)
Non consolidated subsidiaries	-	-	-	103.551	103.551	-	103.551
Balance at 31 December 2011	8.750.000	600.000	163.331	(7.835.335)	1.677.996	207.320	1.885.316

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CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>01.01- 31.12.2011</u>	<u>01.01- 31.12.2010</u>
Cash flows from Operating Activities		
Loss before income taxes	(1.472.592)	(4.532.807)
Adjustments for:		
Depreciation and amortisation	256.988	339.397
Other Provisions	12.384	50.000
Financial (income)/expenses	138.745	73.782
Provisions for doubtful debts	-	(431.643)
Operating loss before working capital changes	<u>(1.064.475)</u>	<u>(4.501.271)</u>
(Increase)/Decrease in:		
Inventories	(21.528)	(46.819)
Trade accounts receivables	1.542.469	1.122.638
Prepayments and other receivables	376.083	550.333
Trade accounts payable	(686.529)	115.843
Accrued and other current liabilities	384.886	(8.720)
Interest paid	(112.450)	(73.355)
Tax paid	(31.753)	(228.730)
Payement for staff indemnity	(25.684)	(59.096)
Othe long term liabilities	5.877	3.481
Net cash from/(used in) Operating Activities	<u>366.895</u>	<u>(3.125.696)</u>
Cash flows from Investing Activities		
Capital expenditure for property, plant and equipment	(64.863)	(159.389)
Increase of participation in affiliated company	-	(32.000)
Interest and related income received	3.454	5.180
Financial assets at fair value through income statement	2.385	-
Net cash used in Investing Activities	<u>(59.024)</u>	<u>(186.209)</u>
Net Change in finance leases	(13.484)	25.047
Net change in short-term borrowings	(344.450)	1.139.362
Net cash from Financing Activities	<u>(357.934)</u>	<u>1.164.409</u>
Net increase (decrease) in cash and cash equivalents	<u>(50.062)</u>	<u>(2.147.496)</u>
Cash and cash equivalents at the beginning of period	<u>314.347</u>	<u>2.461.843</u>
Cash and cash equivalents at the end of the period	<u>264.285</u>	<u>314.347</u>

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