NOTOS COM GROUP

Consolidated Annual Financial Results 12M 2005 - IFRS

NOTOS COM GROUP
Financial Results, 12 Month 2005

- Stable growth in consolidated turnover and operating profit
- Impressive growth in the Group's net profit
- Department stores, cosmetics and apparel were the strongest contributors in revenues
- International activities represented a larger stake of the Group's turnover and operating profit
- The Group entered the market of Turkey generating its first revenues

Financial Highlights (in € million)	**12M 2005**	**12M 2004**
Turnover	**276.89**	**258.62**
Change	*7.06%*	
Gross Profit	**129.16**	**119.09**
Change	*8.46%*	
% of Total Turnover	*46.65%*	*46.05%*
EBITDA	**44.69**	**41.69**
Change	*7.20%*	
% of Total Turnover	*16.14%*	*16.12%*
EBIT	**34.95**	**30.25**
Change	*15.54%*	
% of Total Turnover	*12.62%*	*11.70%*
Profit before Tax	**32.10**	**27.07**
Change	*18.58%*	
% of Total Turnover	*11.59%*	*10.47%*
Profit after Tax	**21.24**	**15.17**
Change	*40.01%*	
% of Total Turnover	*7.67%*	*5.87%*
Minority Interest	**-0.21**	**-2.01**
Change	*-89.55%*	
EATAM	**21.45**	**17.18**
Change	*24.85%*	
% of Total Turnover	*7.75%*	*6.64%*
Earnings per Share	**0.31**	**0.25**

(*) Total number of shares has reached 71.08 million, due to the merger of the parent company NOTOS COM with AIAKOS.

- Turnover growth by 7.06%, EBITDA growth by 7.20%, and EATAM growth by 21.45% were the major indicators of the Group's financial performance in 2005. Turnover growth shows a slight shortfall compared to the budgeted one (7.06% compared to 8%), whereas EBITDA was slightly higher (7.2% compared to 6%) as was EBT (increase by 18.6% compared to 16.2%).

- The Department Stores, Cosmetics and Apparel sectors remain the major growth drivers during the financial year 2005, with the apparel sector (wholesale and apparel sectors on aggregate basis) demonstrating the highest growth in revenues, 9.4% annually.

- Group's revenues from international activities posted a satisfactory performance, with the Management aiming at a faster penetration of the Group's products in the Eastern European and Balkan markets. International revenues are expected to represent 10% of total turnover until 2008, as compared to 5.3% in 2005 and 4.1% in 9M 2005.

---

1. Financial Results of Notos Com Group according to IFRS

In 2005, turnover settled at EUR 276.89 million, demonstrating a growth of 7.06% as compared to the previous year, whereas earnings after taxes and minorities rose by 40.01%, reaching EUR 21.24 million. As in the previous quarters, net profit margin (a.t.&m.) increased by almost 111 basis points and settled at 7.75% by year-end 2005, versus 6.64% in the previous year, reflecting once again, the stronger product mix, as well as a more efficient financial management of the Group.

It is noted that the significant drop by 14.95% in depreciation charges year-on-year (from EUR 11.44 million in 2004 to EUR 9.73 million in 2005) was due to the adoption of IFRS, which indicate the use of longer depreciation periods for fixed assets.

1.1 Consolidated Turnover Breakdown per Business Activity

Consolidated turnover of Notos Com Group is generated from Notos Galleries as well as the sectors of cosmetics and personal care, wholesale and retail apparel, international activities, and stationery. During the financial year 2005, in absolute figures, Notos Galleries with EUR 109.70 million, wholesale and retail apparel with EUR 89.26 million (on aggregate basis), as well as cosmetics with EUR 65.20 million, had the greater contribution in total consolidated turnover.

Consolidated Turnover Breakdown per Business Activity

CONSOLIDATED TURNOVER (in EUR million)	12M 2005	Change	12M 2004
Notos Galleries	**109.70**	2.11%	**107.43**
Cosmetics and Personal Care	**65.20**	8.05%	**60.34**
Wholesale Apparel	**60.30**	8.86%	**55.39**
Retail Apparel	**28.96**	10.62%	**26.18**
Stationery	**6.15**	-0.81%	**6.20**
International Subsidiaries	**14.59**	64.67%	**8.86**
Intra-group Sales	**-8.01**	38.58%	**-5.78**
Total Turnover	**276.89**	7.06%	**258.62**

Notos Galleries demonstrated a satisfactory growth of 2.11% on annual basis as revenues reached EUR109.70 million. Notos Galleries Home revenues grew by an impressive 40% to EUR 17.8 million during the year 2005. The above revenue growth was volume driven and is a strong sign of the gradual establishment of Notos Galleries Home in the broader household equipment market. Furthermore, it was positively affected by the Group's rising market share, of 25%, in the wedding lists within the Attica region.

Cosmetics and personal care products posted an accelerated growth, with their revenues settling at EUR 65.20 million, higher by 8.05% on annual basis, mainly due to the newly acquired brand of Clarins.

The Wholesale apparel sector posted a growth of 8.86% y-o-y, with revenues settling at EUR 60.30 million during the year 2005. It is noted that the above results are directly comparable, since no changes were made in the range of products between 2005 and 2004.

The Retail apparel sector generated revenues of EUR 28.96 million in 2005, higher by 10.62% as compared to the previous year. The sector's performance was in line with the Management's targets however it was lower than the one observed on 6-month basis (+13.66%). The development was due to the fact that a certain number of stores were renovated or incurred a change in use, during the third quarter of the year. At the end of 2005, total network in Greece had reached 54 stores versus 49 stores in the previous year. A remarkable start was achieved with our 3 new shops in 'The Mall Athens' as well as with the new Ralph Lauren right in the centre of Athens.

Stationery revenues settled at EUR 6.15 million in 2005, dropping by 0.81% y-o-y. It is reminded that the particular sector is not considered core business for the Group.

An accelerated performance, as compared to the growth of 34.74% realized on 9-month basis, came from the Group's international subsidiaries, due to the new income coming in from Turkey, Croatia and FYROM. As a result revenues reached EUR 14.59 million. The above performance justifies the Management's strategic decisions in the context of the Group's broader expansion plan. The growth of international revenues is sustainable, since the Management will intensify efforts to achieve greater penetration of the Group's products in foreign markets.

Consolidated Gross Profit per Business Activity

CONSOLIDATED GROSS PROFIT (in EUR million)	**12M 2005**	**Change**	**12M 2004**
Notos Galleries	**36.46**	0.89%	**36.14**
Cosmetics and Personal Care	**39.64**	4.54%	**37.92**
Wholesale Apparel	**25.83**	14.04%	**22.65**
Retail Apparel	**17.99**	10.64%	**16.26**
Stationery	**1.95**	5.41%	**1.85**
International Subsidiaries	**7.29**	70.73%	**4.27**
Total Gross Profit	**129.16**	8.46%	**119.09**

On group basis, gross profit advanced by 8.46% settling at EUR 129.16 million in 2005, with the corresponding profit margin at 46.65% versus 46.05% in 2004. The annual growth of consolidated gross profit (+8.46%) was even higher than the one realized on 9-month basis (+7.67%), whereas consolidated gross profit margin was similarly higher than the one realized in 9M 2005 (45.32%).

Consolidated Gross Profit Margin per Business Activity

CONS. GROSS PROFIT MARGIN	12M 2005	Change	12M 2004
Notos Galleries	**33.24%**	-1.20%	**33.64%**
Cosmetics and Personal Care	**60.80%**	-3.26%	**62.84%**
Wholesale Apparel	**42.84%**	4.75%	**40.89%**
Retail Apparel	**62.12%**	0.02%	**62.11%**
Stationery	**31.71%**	6.26%	**29.84%**
International Subsidiaries	**49.97%**	3.68%	**48.19%**
Total Gross Profit Margin	**46.65%**	1.30%	**46.05%**

The Department stores gross profit increased by 0.89% y-o-y, with a slightly lower gross profit margin from 33.64% in 2004 to 33.24% in 2005, due to the merger with AIAKOS which operates under lower gross margins. On the other hand, gross profit in cosmetics and personal care sector advanced by 4.54% to EUR 39.64 million. The Gross profit margin dropped to 60.8% from 62.84% due to a different pricing method used by Max Factor. In terms of gross profit growth per business activity, the strongest growth was seen in wholesale and retail apparel, with 14.04% and 10.64% respectively. Despite higher contribution of international activities in wholesale apparel, the particular sector improved its gross profit margin from 40.89% in 2004 to 42.84% in 2005. Gross profit margin in the retail apparel sector stabilized at 2005 compared to 2004. International activities experienced impressive growth in gross profit by 70.73%, also due to lower tariffs in the countriesthat will assume full EU membership. Gross profit margin of international activities settled at 49.97% in 2005 from 48.19% in 2004.

Consolidated EBITDA per Business Activity

CONSOLIDATED EBITDA (in EUR million)	**12M 2005**	**Change**	**12M 2004**
Notos Galleries	**10.50**	-2.78%	**10.80**
Cosmetics and Personal Care	**14.91**	4.05%	**14.33**
Wholesale Apparel	**17.43**	7.46%	**16.22**
Retail Apparel	**5.62**	5.05%	**5.35**
Stationery	**0.57**	-37.36%	**0.91**
International Subsidiaries	**2.09**	54.81%	**1.35**
Intra-group EBITDA	**-6.43**	-11.55%	**-7.27**
Total EBITDA	**44.69**	7.20%	**41.69**

Consolidated EBITDA Margin per Business Activity

EBITDA MARGIN	**12M 2005**	**Change**	**12M 2004**
Notos Galleries	**9.57%**	-4.79%	**10.05%**
Cosmetics and Personal Care	**22.87%**	-3.71%	**23.75%**
Wholesale Apparel	**28.91%**	-1.29%	**29.28%**
Retail Apparel	**19.41%**	-5.04%	**20.44%**
Stationery	**9.27%**	-36.85%	**14.68%**
International Subsidiaries	**14.32%**	-5.99%	**15.24%**
Total EBITDA Margin	**16.14%**	0.12%	**16.12%**

Total consolidated EBITDA rose by 7.20% in 2005, settling at EUR 44.69 million, versus 41.69 million in the previous year. EBITDA grew faster than turnover, which advanced by 7.06%, thus resulting into a higher EBITDA margin of 16.14% in 2005 versus 16.12% in 2004.

During 2005, Notos Galleries generated lower earnings before interest, taxes and depreciation allowances by 2.78%, with EBITDA margin dropping to 9.57% in 2005 from 10.05% in 2004, due to the fact that the merged company AIAKOS carried increased promotion and distribution expenses.

EBITDA margin of the cosmetics sector dropped to 22.87% in 2005 from 23.75% in 2004. The margin contraction was due to the significant investments in advertisement and promotion, actions which did not generate the desirable outcome within 2005, but are considered as a necessary investment in the longer run. In absolute terms, EBITDA of cosmetics increased by 4.05% to EUR 14.91 million in 2005, affected also by a recovery of sales in the second half of the year.

EBITDA of the wholesale and apparel sectors experienced a significant growth in 2005, whereas international activities, whose contribution to total EBITDA is limited, posted an impressive growth of 54.81% to EUR 2.09 million.

1.2 Consolidated Turnover Breakdown per Geographic Market

The Group continues to generate the great majority of revenues in Greece. However, as the full year financial results indicated, international activities continue to demonstrate favorable prospects.

Consolidated Turnover Breakdown per Geographic Market

CONSOLIDATED TURNOVER (in EUR million)	12M 2005	Change	12M 2004
Greece	**262.30**	5.02%	**249.76**
Bulgaria	**3.26**	0.93%	**3.23**
Czech	**2.42**	21.61%	**1.99**
Cyprus	**2.43**	26.56%	**1.92**
Poland	**1.04**	79.31%	**0.58**
Slovakia	**0.29**	0.00%	**0.29**
Romania	**0.37**	60.87%	**0.23**
Austria	**0.59**	40.48%	**0.42**
Hungary	**0.25**	25.00%	**0.20**
FYROM	**0.15**	-	**0.00**
Turkey	**1.50**	-	**0.00**
Croatia	**2.20**	-	**0.00**
Slovenia	**0.09**	-	**0.00**
Total Turnover	**276.89**	7.06%	**258.62**

More specifically, Greece posted growth of 5.02% with revenues at EUR 262.30 million during the financial year 2005. The above growth is lower than the consolidated turnover growth of 7.06%, implying that, gradually, the faster growing international markets will assume a larger contribution in the Group's future expansion.

The Czech Republic, a market on which Management places great emphasis, witnessed a revenue growth by 21.61% on an annual basis, positively affected by the opening of 4 points of sale during 2005. In total, today the Group operates a network of 10 stores in the country.

Cyprus, which is becoming a relatively mature market, demonstrated a growth of 26.56% in revenues, taking advantage of an 11-store network, which remained unchanged as compared to the same period of the previous year.

Poland continued to post the largest revenue growth among foreign markets, of 79.31% y-o-y, with revenues settling to EUR 1.04 million, due to the operation of 3 new stores in the current period (1 in Krakovia and 2 in Warsaw). The Group's network in the country consists of 7 stores.

In absolute figures, the greatest contribution derived from the Bulgarian market, with its revenues settling at EUR 3.26 million (+0.93% year-on-year), whereas the markets of Slovakia, Romania, Austria, Hungary and FYROM had a smaller contribution.

During Q4 2005, two more geographic markets were added to the Group's portfolio. Croatia and Slovenia achieved aggregate revenues of EUR 2.3 million during the period under consideration.

It is reminded that during the third quarter, the agreement with Turkey was completed and as a result, the Group realized revenues from this market in 2005. Currently, the Group owns 4 stores and operates another 3 via franchising in the market of Turkey, whereas via this market, the Group generates revenues in Bulgaria and Azerbaijan.

The contribution of international activities to the consolidated earnings before interest, taxes and, depreciation allowances was modest during FY 2005. Specifically, Greece contributed EUR 42.60 million out of the total consolidated EBITDA of EUR 44.69 million.

Key Balance Sheet Items

The growth by 15.36% in inventory during the financial year of 2005, although higher than turnover growth, is considered in line of the Group's expansion plan. It is reminded that with regard to Notos Galleries, any inventory excess is not a risk for the Group, but only for its suppliers.

Bank debt for the Group settled at EUR 74.36 million during 2005, advancing by 6.8% y-o-y. Long-term liabilities rose by 64.60% to EUR 44.77 million, whereas short-term liabilities dropped by 30.25% to EUR 29.59 million, as the ST debt was switched into corporate bonds which are a cheaper form of finance. It is noted that the Group's Own funds settled at EUR 134 million during the period under consideration.

Developments and Prospects

The Group opened 5 new stores during the year 2005, whereas it changed the product range in 2 stores, and closed down one store. Notos Com has the option, if necessary, to change the product mix promoted in the Group's retail stores, by taking advantage of the large range of branded products represented, in order to meet market demand more efficiently. The Group follows a similar policy, aiming at the best possible utilization of the stores and brand names sold in Notos Galleries.

Finally, it is noted that on 31/10/2005, the merger between AIAKOS and the parent company NOTOS COM was completed. After this corporate action, the number of shares increased by 2.3 million.