

GERMANOS S.A.



Ο Μ Ι Λ Ο Σ Ε Τ Α Ι Ρ Ι Ω Ν

Interim Financial Statements for the period from January 1st to June 30th 2006

It is confirmed that the attached Interim Financial Statements for the period 01/01 – 30/06/2006 are those approved by the Board of Directors of “GERMANOS S.A.” on 28/08/2006 and have been published with their posting on the internet, at the web page www.germanos.gr. It is noted that the published in the press brief financial data, aim at providing general financial information but do not provide a complete depiction of the Company’s and Group’s economic status and financial results, according to the International Accounting Standards. Also, it is noted that in order to simplify, the published in the press brief financial data include certain compressions and re-classifications of accounts.

Panos Germanos
Chairman of the Board of Directors
OF THE COMPANY GERMANOS S.A.

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1. Certified Auditors'-Accountants' Review Report

To the Shareholders of GERMANOS S.A.

We have reviewed the attached interim financial statements as well as the consolidated financial statements of the company "GERMANOS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC AND TELECOMMUNICATION MATERIALS AND TELECOMMUNICATION SERVICES PROVIDER" for the period ended on June 30th 2006. The Management of the Company is responsible for the compilation of the financial statements. We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This Standard demands the planning and implementation of the review in a way that reassures with reasonable certainty that the interim financial statements do not include substantial inaccuracies or omissions. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, to our knowledge there are no data that would lead us to believe that the attached financial statements, do not accurately present the company's financial status and the Group's consolidated financial status, according to the International Financial Reporting Standards, that have been adopted by the European Union.



S.O.E.L. Reg.No. 111
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Athens, August 28th 2006

THE CERTIFIED AUDITOR-ACCOUNTANT

ANAGNOS TH. LYMBERIS
SOEL Reg.No. 11241

2. Balance Sheet

ASSETS	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Non-current assets				
Tangible Assets	167,737,239	168,540,411	146,509,660	147,381,472
Company Surplus Value	16,899,950	16,500,093	626,920	626,920
Intangible Assets	21,852,255	19,331,817	9,512,586	9,071,080
Investments in Subsidiary Companies	0	0	51,049,848	42,971,810
Investments in Associate Companies	0	105,001,146	0	206,251,700
Deferred tax receivables	20,186,168	20,178,355	18,489,269	23,802,983
Financial assets available for sale	718,703	709,523	1,616,224	1,616,224
Other Long-term Receivables	2,013,644	5,390,679	1,450,863	4,994,276
	229,407,960	335,652,025	229,255,370	436,716,465
Current Assets				
Inventories	91,606,672	90,057,612	59,306,293	63,515,725
Customers and other Trade Receivables	164,448,417	162,093,682	129,260,493	122,003,011
Other Receivables	30,105,146	31,736,583	22,313,528	21,003,798
Other Current Assets	70,333,527	32,888,030	67,768,816	29,453,081
Financial assets at fair value through results	5,813,902	5,102,178	5,813,902	5,102,178
Cash and cash equivalents	117,190,274	14,941,025	110,355,458	8,720,537
	479,497,938	336,819,110	394,818,490	249,798,329
Total Assets	708,905,897	672,471,135	624,073,860	686,514,794
EQUITY & LIABILITIES				
Equity				
Share capital	26,104,160	26,104,160	26,104,160	26,104,160
Above par	198,701,542	198,701,542	198,701,542	198,701,542
Fair value reserves	0	0	0	51,218,032
Other reserves	96,167,349	84,665,165	95,637,192	84,674,141
Balance Sheet Conversion Reserves	(1,143,896)	836,691	0	0
Results carried forward	133,463,365	19,902,330	145,552,302	64,369,709
Total equity attributed to the parent's shareholders	453,292,521	330,209,889	465,995,196	425,067,584
Minority interest	2,198,438	1,119,590		
Total Equity	455,490,959	331,329,479	465,995,196	425,067,584
Long-term liabilities				
Long-term bank liabilities	2,885,253	99,857,361	0	97,458,915
Deferred tax liabilities	12,126,379	12,118,900	11,750,195	32,858,411
Liabilities for staff retirement indemnities	918,992	820,124	815,992	717,124
Other Long-term Liabilities	1,512,064	2,216,996	40,118	15,824
Provisions	2,109,152	1,993,108	1,125,000	1,000,000
Total Long-Term Liabilities	19,551,840	117,006,489	13,731,305	132,050,274
Short-term liabilities				
Suppliers and related liabilities	115,943,392	130,451,108	70,999,886	81,080,474
Current tax liabilities	25,604,674	21,424,599	24,729,591	19,715,372
Short-term bank liabilities	62,264,792	47,658,902	25,015,890	12,230,920
Long-term liabilities payable in the next period	0	9,130,957	0	9,000,000
Other Short-term liabilities	28,851,014	14,067,123	23,601,991	7,370,169
Short-term Provisions	1,199,227	1,402,478	0	0
Total Short-Term Liabilities	233,863,099	224,135,167	144,347,358	129,396,936
Total Liabilities	253,414,938	341,141,656	158,078,663	261,447,210
Liabilities directly linked to non-current Assets classified as available for sale				
Total Equity & Liabilities	708,905,897	672,471,135	624,073,860	686,514,794

3. Income Statement

	GROUP				COMPANY			
	1/1 - 30/6/2006	1/4 - 30/6/2006	1/1 - 30/6/2005	1/4 - 30/6/2005	1/1 - 30/6/2006	1/4 - 30/6/2006	1/1 - 30/6/2005	1/4 - 30/6/2005
Sales	538,847,302	291,799,941	429,587,404	234,460,808	390,824,111	214,122,127	326,388,242	178,820,718
Cost of goods sold	(434,426,015)	(237,157,117)	(339,713,502)	(188,400,873)	(308,511,945)	(169,154,141)	(254,213,962)	(142,694,105)
Gross Profit	104,421,287	54,642,824	89,873,902	46,059,935	82,312,166	44,967,987	72,174,280	36,126,613
Other operating income	6,494,123	3,589,450	7,434,425	5,195,584	4,535,725	3,092,938	2,618,113	1,681,179
Distribution expenses	(57,314,451)	(29,476,447)	(48,823,998)	(24,703,860)	(37,789,277)	(20,530,366)	(35,502,893)	(18,164,155)
Administrative expenses	(19,480,494)	(11,479,930)	(16,144,085)	(7,947,213)	(14,307,368)	(8,578,743)	(10,533,569)	(3,980,336)
Research & Development Expenses	0	0	0	0	0	0	0	0
Other operating expenses	(2,039,747)	(1,461,251)	(2,057,885)	(1,579,942)	(984,724)	(850,983)	(757,872)	(757,872)
Results Before Taxes Financing and Investment Results	32,080,717	15,814,647	30,282,358	17,024,503	33,766,523	18,100,833	27,998,058	14,905,428
Financial Income	1,769,158	1,530,766	180,177	(1,365,705)	1,712,071	1,524,645	147,429	147,429
Financial Expenses	(3,745,860)	(1,581,017)	(3,679,659)	(536,202)	(2,708,911)	(1,294,875)	(2,767,394)	(1,502,532)
Other Financial Results	127,225,955	111,449,870	838,866	838,866	99,530,109	79,493,464	8,526,223	8,526,223
Earning from Acquisition of Company	125,590	125,590	0	0	0	0	0	0
Profit/Loss from associate companies	2,210,409	530,887	5,904,810	4,030,364	0	0	0	0
Earnings before taxes	159,665,968	127,870,744	33,526,552	19,991,826	132,299,792	97,824,065	33,904,317	22,076,549
Income tax	(16,745,251)	(10,449,003)	(5,960,902)	(2,496,620)	(20,237,760)	(15,403,509)	(6,370,552)	(3,545,729)
Earnings after taxes	142,920,717	117,421,741	27,565,650	17,495,206	112,062,031	82,420,556	27,533,765	18,530,820
Suspended operations:								
Period earnings from suspended operations	0		0		0		0	
Net earnings for the period	0		0		0		0	
Allocated to:								
<i>The Parent's shareholders</i>	<i>143,033,078</i>	<i>117,511,356</i>	<i>27,683,386</i>	<i>17,589,174</i>				
<i>Minority interest</i>	<i>(112,361)</i>	<i>(89,615)</i>	<i>(117,735)</i>	<i>(93,967)</i>				
<i>Basic Earnings per Share</i>	<i>1.75</i>	<i>1.44</i>	<i>0.34</i>	<i>0.22</i>	<i>1.37</i>	<i>1.01</i>	<i>0.34</i>	<i>0.23</i>
<i>Diluted Earnings per Share</i>	<i>1.72</i>	<i>1.41</i>	<i>0.34</i>	<i>0.22</i>	<i>1.35</i>	<i>0.99</i>	<i>0.34</i>	<i>0.23</i>
	Brief results for the period							
Results Before Taxes Financing and Investment Results and Depreciations	43,480,579	21,418,527	41,335,905	21,991,299	42,620,478	22,554,546	36,538,573	18,364,952
Results Before Taxes Financing and Investment Results	32,080,717	15,814,647	30,282,358	17,024,503	33,766,523	18,100,833	27,998,058	14,905,428
Earnings before taxes	159,665,968	127,870,744	33,526,552	19,991,826	132,299,792	97,824,065	33,904,317	22,076,549
Earnings after taxes	142,920,717	117,421,741	27,565,650	17,495,206	112,062,031	82,420,556	27,533,765	18,530,820

4. Consolidated statement of changes in equity

	Share Capital	Above Par	Attributed to the parent's shareholders			Results Carried Forward	Total	Minority Interest	Total
			Fair value Reserves	Other reserves	Balance Sheet Conversion Reserve				
Balance as at January 1st 2004, according to IFRS	12,956,000	206,502,877	0	81,965,269	0	(26,366,302)	275,057,844	2,159,397	277,217,241
<i>Change in Equity for the period 01/01 - 30/06/2005</i>									
Capital Increase Expenses		(5,954)					(5,954)		(5,954)
Net Profit/Loss Recognized directly to equity				(24,742)	(2,249,936)	20,970	(2,253,708)	(739,850)	(2,993,558)
Recognition of Dividends Payable						(18,219,375)	(18,219,375)		(18,219,375)
Minority interest from Increase of Subsidiary's capital							0	763,068	763,068
Minority interest from Consolidation of subsidiary							0	220,709	220,709
Net Results for the Period 01/01-30/06/2005						27,683,386	27,683,386	(117,735)	27,565,650
Total Recognized Profit/loss for the Period	0	(5,954)	0	(24,742)	(2,249,936)	9,484,981	7,204,349	126,193	7,330,541
Balance of Equity as at June 30th 2005	12,956,000	206,496,923	0	81,940,527	(2,249,936)	(16,881,321)	282,262,193	2,285,589	284,547,782
Balance as at January 1st 2006, according to IFRS	26,104,160	198,701,542	0	84,665,165	836,692	19,902,330	330,209,890	1,119,589	331,329,479
<i>Change in Equity for the period 01/01 - 30/06/2006</i>									
Changes from distributed profit				10,208,941		(10,208,941)	0		0
Direct changes in equity					(964,469)	2,064,410	1,099,941		1,099,941
Reserve of granted stock options				1,293,243			1,293,243		1,293,243
Balance Sheet conversion reserve					(1,016,118)		(1,016,118)		(1,016,118)
Recognition of Dividends Payable						(21,209,630)	(21,209,630)		(21,209,630)
Effect from acquisition of company						(117,882)	(117,882)		(117,882)
Minority interest from Increase in Subsidiary capital							0	1,234,892	1,234,892
Minority interest from change of percentage							0	(43,683)	(43,683)
Net Results for the Period 01/01-30/06/2006						143,033,078	143,033,078	(112,361)	142,920,717
Total Recognized Profit/loss for the Period	0	0	0	11,502,184	(1,980,587)	113,561,035	123,082,632	1,078,848	124,161,480
Balance of Equity as at June 30th 2006	26,104,160	198,701,542	0	96,167,349	(1,143,895)	133,463,365	453,292,521	2,198,438	455,490,959

5. Statement of changes in Parent Company's equity

	Attributed to the parents shareholders				Results Carried Forward	Total
	Share Capital	Above Par	Fair Value reserves	Other reserves		
Balance as at January 1st 2005, according to IFRS	12,956,000	206,502,877	54,524,591	81,833,800	32,112,623	387,929,891
<i>Change in Equity for the period 01/01 - 30/06/2005</i>						
Net Results for the Period 01/01-30/06/2005					27,533,765	27,533,765
Capital Increase Expenses		(5,954)				(5,954)
Net Profit/Loss transferred directly to equity from valuation of assets available for sale			(10,139,951)			(10,139,951)
Dividend Payments (Parent)					(18,219,375)	(18,219,375)
Total Recognized Profit/loss for the Period	0	(5,954)	(10,139,951)	0	9,314,390	(831,516)
Balance of Equity as at June 30th 2005	12,956,000	206,496,923	44,384,639	81,833,800	41,427,012	387,098,375
Balance as at January 1st 2006, according to IFRS	26,104,160	198,701,542	51,218,032	84,674,141	64,369,709	425,067,584
<i>Change in Equity for the period 01/01 - 30/06/2006</i>						
Net Results for the Period 01/01-30/06/2006					112,062,031	112,062,031
Changes from distributed profit				9,669,809	(9,669,809)	(0)
Profit/Loss transferred directly to results from valuation of assets available for sale			(51,218,032)			(51,218,032)
Capital increase						0
Reserve of granted stock options				1,293,243		1,293,243
Dividend Payments (Parent)					(21,209,630)	(21,209,630)
Total Recognized Profit/loss for the Period	0	0	(51,218,032)	10,963,051	81,182,592	40,927,612
Balance of Equity as at June 30th 2006	26,104,160	198,701,542	0	95,637,192	145,552,301	465,995,196

6. Cash flow statement

	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
<u>Cash flows from operating activities</u>				
Cash flows from operating activities	(144,056)	28,475,360	5,026,962	25,172,796
Interest paid	(3,690,633)	(3,679,659)	(2,662,334)	(2,767,394)
Income tax paid	(3,629,355)	(2,628,806)	(3,418,434)	(2,628,806)
Net cash flows from operating activities	(7,464,045)	22,166,894	(1,053,806)	19,776,596
<u>Cash flows from investment activities</u>				
Purchases of tangible fixed assets	(11,397,698)	(9,996,046)	(9,036,698)	(6,495,546)
Purchases of intangible assets	(3,320,566)	(1,729,044)	(1,525,229)	(1,117,699)
Sales of tangible fixed assets	2,256,923	2,266,428	2,199,776	865,003
Dividends received	273,568	9,580,299	273,568	9,580,299
Loans given to affiliated parties	0	0	0	0
Purchase of financial assets available for sale	0	0	0	0
Purchase of financial assets at fair value through the results	(4,605,889)	0	(4,598,921)	0
Purchase/Sale of associate companies	211,287,895	0	211,287,895	0
Purchase/Sale of subsidiaries	0	(3,101,197)	(8,078,038)	(1,696,777)
Payments received by associates	0	0	0	0
Sale of financial assets available for sale	0	1,520,213	0	1,399,417
Sale of financial assets at fair value through the results	4,442,902	262,992	4,442,902	256,992
Interest received	1,706,952	0	1,438,503	0
Net cash flows from investment activities	200,644,086	(1,196,355)	196,403,758	2,791,688
<u>Cash flows from financing activities</u>				
Proceeds from subsidiaries' capital increases	300,991	1,904,256	0	0
Acquisition of own-shares	0	0	0	0
Dividends payable to the parent's shareholders	0	(5,645)	0	(5,645)
Received loans	28,917,315	(15,253,536)	25,000,000	(17,848,610)
Payment of loans	(120,149,098)	(1,556,931)	(118,715,031)	0
Payment of leasing capital	0	0	0	0
Net Cash flows from financing activities	(90,930,792)	(14,911,856)	(93,715,031)	(17,854,254)
Net (decrease)/ increase in cash and cash equivalents	102,249,249	6,058,683	101,634,921	4,714,030
Cash and cash equivalents at the beginning of the period	14,941,025	12,039,964	8,720,537	7,229,898
Foreign exchange differences in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at the end of the period	117,190,275	18,098,648	110,355,458	11,943,928
Balance of Current Bank Accounts	0	0	0	0
Balance of Liquid Assets	117,190,274	18,098,648	110,355,458	11,943,928
Cash and Cash Equivalents	117,190,274	18,098,648	110,355,458	11,943,928

7. Financial information per segment

Primary information sector – Geographic Segments

The Group's domicile and the main country it operates in is Greece. The activity areas of the company is Greece, the Eurozone countries and third countries.

The Group is active in seven geographic segments.

The Group's results for each segment are analyzed as follows:

1/1 - 30/06/2006

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	394,987,797	59,637,814	54,900,022	27,682,484	5,673,796	13,551,350	6,926,225	694,504	564,053,992
Internal sales								(25,206,690)	(25,206,690)
Net sales	394,987,797	59,637,814	54,900,022	27,682,484	5,673,796	13,551,350	6,926,225	(24,512,186)	538,847,302
Operating Results	43,302,845	571,030	(913,266)	2,786,544	(55,610)	(2,032,458)	(93,949)	(84,558)	43,480,578
Financial Results	98,482,709	(219,870)	73,022	(41,538)	(87,640)	(137,731)	(99,435)	27,279,736	125,249,253
Depreciations	(9,401,441)	(374,782)	(841,895)	(259,968)	(67,707)	(315,759)	(134,291)	(4,019)	(11,399,862)
Share in associate companies' results	-	-	-	-	-	-	-	2,210,409	2,210,409
Profit from acquisition of company	-	-	-	-	-	-	-	125,590	125,590
Earnings before taxes	132,384,113	(23,622)	(1,682,139)	2,485,038	(210,957)	(2,485,948)	(327,675)	29,401,568	159,665,968
Income tax	(20,261,167)	163,472	(217,840)	(356,691)	(15,166)	505,555	0	3,436,586	(16,745,251)
Net earnings	112,122,946	139,850	(1,899,979)	2,128,347	(226,123)	(1,980,393)	(327,675)	32,838,154	142,920,717

1/1 - 30/06/2005

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	333,424,822	46,016,224	39,146,817	21,062,173	5,263,810	1,518,734	2,744,211	-	449,176,791
Internal sales								(19,589,387)	(19,589,387)
Net sales	333,424,822	46,016,224	39,146,817	21,062,173	5,263,810	1,518,734	2,744,211	(19,589,387)	429,587,404
Operating Results	37,339,275	966,296	2,307,769	1,824,227	264,334	(643,998)	(18,696)	(703,322)	41,335,885
Financial Results	5,831,019	(303,399)	(302,265)	(9,674)	(80,560)	(22,247)	(87,790)	(7,685,700)	(2,660,616)
Depreciations	(9,442,697)	(512,834)	(691,557)	(170,661)	(56,645)	(93,945)	(85,188)	-	(11,053,527)
Share in associate companies' results	-	-	-	-	-	-	-	5,904,810	5,904,810
Earnings before taxes	33,727,597	150,063	1,313,947	1,643,892	127,129	(760,190)	(191,674)	(2,484,212)	33,526,552
Income tax	(6,448,064)	30,731	594,105	(246,584)	(31,998)	140,908	0	0	(5,960,902)
Net earnings	27,279,533	180,794	1,908,052	1,397,308	95,131	(619,282)	(191,674)	(2,484,212)	27,565,650

The allocation of consolidated assets and liabilities per Geographic segment is analyzed as follows:

Secondary information sector – Business Segments

The group is active in three business segments, Retail Trade, Wholesale Trade and Energy.

The Group's sales by Business segment and item are analyzed as follows:

amounts in thousand €	1/1 - 30/6/2006	1/1 - 30/6/2005	CHANGE %
Mobile and Fixed Line Telephony	245.2	219.7	11.6%
Air Time Postpaid	32.4	25.1	29.1%
Air Time Prepaid	5.5	5.1	7.8%
Air Time Fixed Line	0.8	1.1	-27.3%
Total Air Time	38.7	31.3	23.6%
Connection Fees Postpaid	84.1	79.7	5.5%
Connection Fees Prepaid	44.6	39.3	13.5%
Total Connection Fees	128.7	119	8.2%
Target Bonus Postpaid	11.5	11.2	2.7%
Target Bonus Prepaid	2.7	2.5	8.0%
Total Target Bonus	14.2	13.7	3.6%
Handset Revenues	53.2	45.4	17.2%
Accessories	7.4	7.4	0.0%
Service	3	2.9	0.0%
Products	39	32.1	21.5%
Electronic Goods - Internet	36	29.3	22.9%
Retail Batteries	3	2.8	7.1%
TOTAL RETAIL SALES	284.2	251.8	12.9%
TOTAL INDUSTRIAL SALES	35.5	23.7	49.8%
Batteries Wholesale	11.6	10.9	6.4%
Prepaid cards Wholesale	203.3	140.4	44.8%
TOTAL SALES OF DISTRIBUTION NETWORK	214.9	151.3	42.0%
TOTAL SALES CORE	534.6	426.8	25.3%
OTHER SALES	4.2	2.8	50.0%
E-Value S.A.	4.2	2.8	50.0%
TOTAL CONSOLIDATED SALES	538.8	429.6	25.4%

8. Additional information and clarifications

8.1 Basis for preparation of the financial statements and accounting principles

The consolidated financial statements of GERMANOS S.A. for the 1st half 2006, covering the period from January 1st to June 30th 2006 included, have been compiled based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS), and specifically in accordance with IAS 34 regarding interim financial statements.

The interim brief financial statements do not include all the information and notes required in the Group's annual financial statements as at December 31st 2005 and thus should be observed in conjunction with the Group's financial statements as at December 31st 2005.

The accounting principles and calculations according to which the financial statements were compiled, are in line with the accounting principles used for the compilation of the annual financial statements for the financial year 2005 and have been applied with consistency in all the presented periods.

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary. The estimations and judgments made by Management are evaluated at a constant basis and are based on empirical data and other factors, including expectations for future events considered likely under normal circumstances.

8.2 Adoption of new and revised International Financial Reporting Standards and Interpretations.

IFRS 6 "Exploration and evaluation of mineral resources" does not apply to the Group and thus will not affect its financial statements.

The adoption of **IFRIC 4 "Determination of whether a receivable includes a lease"**, **IFRIC 5 "Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds"**, did not affect the Group's financial statements.

8.3 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have issued a series of new accounting standards and interpretations. The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2007.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

-IFRS 7, "Disclosures of Financial Instruments"

The Group will apply IFRS 7 from 1/1/2007.

-Amendments to IAS 1 "Presentation of financial statements – capital disclosures"

The group will apply the amendments of IAS 1 from 1/1/2007.

- IFRIC 7, Implementation of the restatement procedure under IAS 29 "Financial statements in hyper-inflationary economies"

The Group's financial financial statements are not expected to be affected.

- IFRIC 8, "Scope of IFRS 2"

The Group's financial financial statements are not expected to be affected.

- IFRIC 9, "Reassessment of Embedded Derivatives"

The Group's financial financial statements are not expected to be affected.

- IFRIC 10, "Interim Financial Reporting and Impairment"

The Group will apply IFRS 7 from 1/11/2006.

8.4 Group Structure and consolidation methods

The Group companies included in the consolidated financial statements, are the following:

COMPANY NAME	DOMICILE-COUNTRY	PARTICIPATION PERCENTAGE	RELATION WITH THE PARENT
Full consolidation method			
GERMANOS A.B.E.E.	GREECE	Parent	Parent
E-VALUE S.A.	GREECE	70.00%	Direct
ARION S.A.	GREECE	100.00%	Direct
GERMANOS TELECOM SKOPJE SA	F.Y.R.O.M.	99.00%	Direct
GERMANOS TELECOM ROMANIA SA	ROMANIA	98.42%	Direct
SUNLIGHT ROMANIA S.L.R/FILIALA (subsidiary of GERMANOS TELECOM ROMANIA S.A.)	ROMANIA	98.42%	Indirect
GERMANOS TELECOM BULGARIA AD	BULGARIA	100.00%	Direct
SUNLIGHT UKRAINE	UKRAINE	99.77%	Direct
GERMANOS TELECOM UKRAINE CJSC	UKRAINE	95.00%	Direct
GERMANOS POLSKA Sp.Zo.o	POLAND	100.00%	Direct
GTI POLSKA Sp.Zo.o	POLAND	100.00%	Direct
T.C.M. Sp. Zo.o (subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND	100.00%	Indirect
GERMANOS CYPRUS L.T.D.	CYPRUS	94.69%	Direct
INFOTEL L.T.D.(subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS	46.40%	Indirect
SUNLIGHT TRADING D.O.O. BEOGRAND	SERBIA	100.00%	Direct
SUNLIGHT BATTERIES GMBH	GERMANY	100.00%	Direct
Equity method			
Hellenic Duty Free Shops S.A.	GREECE	24.67%	Direct
SILKWAY HOLDING B.V.	NETHERLANDS	20%	Indirect
UNITEL L.L.C. (Subsidiary of SILKWAY HOLDING B.V.)	UZBEKISTAN	20%	Indirect

During the presented period, and specifically on 9/2/2006, the Company GERMANOS S.A. sold its total participation in the Company SILKWAY HOLDING B.V., to the buyer Company Vimpel-Communications, at a total price of \$40 million.

Furthermore, the Company GERMANOS S.A., implementing the BoD's decision made on May 5th 2006, on the same day went forward with the sale of a total twelve million nine hundred and ninety nine thousand shares (12,999,000) of the Company "HELLENIC DUTY FREE SHOPS S.A.", which constituted its total participation in the share capital of the latter company, namely 24.67% of HDFS S.A.'s share capital. The transfer took place in the context of the company's focus on its basic activities.

The aforementioned companies were consolidated with the equity consolidation method, up to the date of their sale.

8.5 Collateral Assets

There are no mortgages or collateral on the fixed assets for borrowing.

8.6 Obligations

The Group's letters of guarantee as at 30/6/2006 are analyzed as follows:

TYPE OF GUARANTEE	Long-term	Short-term	TOTAL
GOOD EXECUTION	11,894,541.98	8,400,193.54	20,294,735.52
LEASE OF BRANCH	0.00	35,108.25	35,108.25
PAYMENT & TARIFFS	345,740.00	258,000.00	603,740.00
PREPAYMENT	2,444,823.93	1,160,256.61	3,605,080.54
BATTERY SUPPLIES	4,149.67	0.00	4,149.67
	909,961.17	180,485.75	1,090,446.92
Total	15,599,216.75	10,034,044.15	25,633,260.90

8.7 Disputed or liable to litigation differences

The legal proceeds brought by GERMANOS S.A. against MOBITEL ELECTRONIC AND TELECOMMUNICATIONS SYSTEMS S.A. filed on 12/11/1996 under deposition number 9646/96 had been found initially as legally valid and definite as to its demands and after the Interlocutory decision 9739/21/11/97 of the Athens Multi-member Court of First Instance requiring witness testimonies. Already, after the completion of the witness testimonies, the case was to be heard on 16/10/2003 (after the initial hearing date was postponed) and following, after the cancellation of the above, the hearing took place on 5/2/2004. It was deemed necessary by the Company's Management to waive the reconnaissance request of the first suit forfeiting the corresponding sum and to file a new suit against MOBITEL S.A., which was in fact brought before the Athens Multi-member Court of First Instance for the adjudication of a) GRD 1,340,572,713 or 3,934,182.57 EUR as "positive damage to us" and b) GRD 309,979,200 or 909,629.85 EUR as "future positive damage to us", payable in four installments on 30/6/2002 GRD 63,209,799 the first, on 30/6/2003 GRD 101,133,072 the second, on 30/6/2004 GRD 80,909,076 the third, and GRD 64,727,253 the fourth. The hearing date of this new suit was set for 16/10/2003 in order to arrange for the hearing of both these suits together but the dispute was cancelled. According to the signatory with power of attorney solicitor Aggeliki Tori, it is likely to have a favorable outcome. Nevertheless, pertaining to the suit of 12/11/1996, on 5/7/2004 the Multi-member Court of First Instance of Athens issued the final decision under number 4558/2004, which obligates the defendant MOBITEL S.A. to disburse to GERMANOS S.A. the amount of (134,171.97€) legally submitted to interest from the attainment of the suit until its full disbursement. Moreover, the same decision recognizes that MOBITEL S.A. is

obligated to disburse to GERMANOS S.A. on April 30th, July 31st, October 31st and January 31st of each year its commission from the percentage of 7% on the paid bills from the use of air-time beginning from July 1st 1996 and following, concerning all the connections of its clients with the STET HELLAS (already TIM) network that were activated and for the whole time period the activation is sustained.

MOBITEL S.A. filed an appeal against this decision, which was heard by the Athens Court of Appeal on 26/5/2005. The Athens Court of Appeal issued the committing decision No. 5329/2005, due to the self-exemption of a member of the Court, which also participated in the issuance of the First Instance decision. A process has not been repeated. It must be noted that the, until recently, attorneys of the case, Messieurs Economopoulos and Koulouris, have filed a suit under deposition number 151428/2003, which according to the Decision No. 142/30.5.2005 by the Athens Multi-member Court of First Instance has been accepted by **a very small portion** and **specifically according to which GERMANOS SA is obligated** to disburse to the plaintiff attorneys (Ch. Economopoulos and S. Koulouris), **the amount of 16,100.63€** legally submitted to interest from 20/2/2002, as well as a **percentage of 12% on the interest of the aforementioned amount (16,100.63€)** for claims included in their aforementioned suit, namely:

- a) the judicial recognition of the Company's violation of its liabilities based on the contracting order that has been granted to it,
- b) the obligation of the Company to render a statement of accounts,
- c) the payment, as a contracting exchange, of the amount of 612,521.28 EUR,
- d) payment of expense equal to 12% on every excess amount from the total amount of 4,834,879.42+260,464.73 EUR. An appeal was filed against the first instance decision, which will be heard before the Athens Court of Appeal on 26/9/2006.

There are no disputed or liable to litigation differences of judicial or arbitration bodies that may have a significant effect on the Group's financial status or operation.

8.8 Un-audited tax fiscal years

The un-audited tax fiscal years for the Group's companies are as follows:

COMPANY NAME	UNAUDITED TAX FISCAL YEARS
GERMANOS A.B.E.E.	2004-2005
E-VALUE S.A.	2003-2005
ARION S.A.	2003-2005
GERMANOS TELECOM SKOPJE SA	2003-2005
GERMANOS TELECOM ROMANIA SA	2003-2005
SUNLIGHT ROMANIA S.L.R./FILIALA (subsidiary of GERMANOS TELECOM ROMANIA S.A.)	2001-2005
GERMANOS TELECOM BULGARIA AD	2005
SUNLIGHT UKRAINE	2001-2005
GERMANOS TELECOM UKRAINE CJSC	2004-2005
GERMANOS POLSKA Sp.Zo.o	2001-2005
GTI POLSKA Sp.Zo.o	2004-2005
T.C.M. Sp. Zo.o (subsidiary of GERMANOS POLSKA Sp.Zo.o)	2002-2005
GERMANOS CYPRUS L.T.D.	1999-2005
INFOTEL L.T.D.(subsidiary of GERMANOS CYPRUS L.T.D.)	2000-2005
SUNLIGHT TRADING D.O.O. BEOGRAND	2005
SUNLIGHT BATTERIES GMBH	2005

For the un-audited tax fiscal years stated in the above table, there is the possibility additional taxes and superadditions may be imposed during the time they are examined and finalized. The Group proceeds to an annual evaluation of contingent liabilities that are expected to emerge from the audit of past years, taking into account the relevant provisions when deemed necessary.

8.9 Other contingent liabilities and receivables

Other than the above contingent receivables and liabilities (judicial cases and un-audited tax fiscal years) the company has no other contingent receivables and liabilities.

8.10 Number of employed staff

The number of employed staff for the 1st half 2006 and 2005, of the Group and Company is as follows:

	GROUP		COMPANY	
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005
Employees	3,842	2,917	838	852
Workers	235	246	234	245
Total	4,077	3,163	1,072	1,097

8.11 Earnings per share

For the determination of earnings per share, the average weighted number times the total shares (common shares) was used.

	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Basic earnings per share				
Earnings that correspond to the parent's shareholders	143,033,078	27,683,386	112,062,031	27,533,765
Weighted average number of outstanding shares	81,575,500	80,975,000	81,575,500	80,975,000
Basic earnings per share (Euro per share)	1.75	0.34	1.37	0.34

	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Decreased earnings per share				
Earnings that correspond to the parent's shareholders	143,033,078	27,683,386	112,062,031	27,533,765
Weighted average number of outstanding shares	83,172,968	80,975,000	83,172,968	80,975,000
Basic earnings per share (Euro per share)	1.72	0.34	1.35	0.34

8.12 Benefits towards Management

The benefits towards Management at the Group and Company level are analyzed as follows:

	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Board of Directors				
BoD Remunerations from full-time services	283,619	263,082	283,619	263,082
Remuneration of BoD members	138,447	130,588	125,986	130,588
Remuneration from short-term services	33,521	6,000	33,521	6,000
Granted Stock Options	353,055	0	353,055	0
Administrative Executives				
Remuneration of Administrative				
Executives from full-time services	1,002,218	894,809	502,384	418,323
Granted Stock Options	408,665	0	408,665	0
Total	2,219,525	1,294,479	1,707,230	817,993

No loans have been granted to BoD members or other senior executives of the Group (or their families).

8.13 Cash flows from operating activities

	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Cash flows from operating activities				
Earnings for the Period	142,920,717	27,565,650	112,062,031	27,533,765
Adjustements for:				
Tax	16,745,251	5,960,902	20,237,760	6,370,552
Depreciations of tangible fixed assets	11,399,862	11,053,547	8,853,955	8,540,514
Depreciations of intangible assets		0		0
Impairments	0	0	0	0
Provisions	0	0	0	0
Income from use of Previous Periods' provisions	0	0	0	0
Profit/(loss) from sale of tangible assets	(392,158)	0	(61,498)	0
Profit/(loss) from fair value of investments in property	0	0	0	0
Profit/(loss) from fair value of derivatives	0	0	0	0
Fair value losses of other financial items at fair value through results	(257,301)	(257,211)	(257,301)	(257,211)
Earnings from sale of subsidiaries and associates	(105,159,939)	0	(77,878,044)	0
Earnings from sale of financial assets	(298,404)	0	(298,404)	0
Interest income	(1,707,131)	(180,173)	(1,438,503)	(147,429)
Interest expenses	3,745,638	3,679,659	2,708,911	2,767,394
Dividend income	(273,568)	(480,999)	(273,568)	(9,580,299)
Depreciation of grants - provided options	0	0	0	0
Earning for the acquisition of a company	(125,589)	0	0	0
Share of result in affiliated companies	(2,210,409)	(5,904,810)	0	0
Foreign exchange profit/(loss)	41,246	0	0	0
Other	1,293,243	0	1,293,243	0
	65,721,456	41,436,566	64,948,582	35,227,285
Changes in Working capital				
Increase/(decrease) of inventories	(1,803,317)	(19,819,765)	4,209,432	(16,332,348)
Increase/(decrease) of receivables	(4,764,271)	20,125,813	(5,023,800)	18,234,535
Increase/(decrease) of other current asset accounts	(41,364,289)	(33,333,274)	(38,315,735)	(29,708,404)
Increase/(decrease) of liabilities	(17,933,634)	20,062,890	(20,791,517)	17,751,727
Outflow of provisions	0	0	0	0
Outflow of liability for employee benefits for retirement	0	3,129	0	0
Other	0	0	0	0
	(65,865,512)	(12,961,206)	(59,921,620)	(10,054,489)
Net cash flows from operating activities	(144,056)	28,475,360	5,026,962	25,172,796

8.14 Events after the balance sheet date

With the decision of the General Shareholders' Meeting of GERMANOS SA on 11/7/2006, the Board of Directors' proposal of 10/07/06 was approved (after taking into account an evaluation report by an independent evaluator for the valuation and the fair value of the sale), which concerned the purchase/sale of sectors and subsidiaries between the company GERMANOS SA and the individuals that fall under the provision of article 23 and C.L. 2190/1920 or those controlled indirectly or directly by the aforementioned individuals.

Specifically, the sale of the following subsidiaries and sectors was decided on, at a total price of approximately € 121 million.

COMPANY NAME	PRIMARY ACTIVITY SECTOR
ARION S.A.	GREECE
INDUSTRIAL SEC. ROMANIA	ROMANIA
INDUSTRIAL SEC. BULGARIA	BULGARIA
SUNLIGHT UKRAINE	UKRAINE
GERMANOS TELECOM UKRAINE CJSC	UKRAINE
GERMANOS POLSKA Sp.Zo.o	POLAND
GTI POLSKA Sp.Zo.o	POLAND
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND
GERMANOS CYPRUS L.T.D.	CYPRUS
INFOTEL L.T.D.(Subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS
SUNLIGHT TRADING D.O.O. BEOGRAND	SERBIA
SUNLIGHT BATTERIES GMBH	GERMANY

The above sales will be compiled when the restrictions on granting all the relevant licenses of the relevant committees and authorities in Greece and abroad are revoked, for the agreement between the primary shareholder and BoD Chairman of the company Mr. Panos Germanos and the company "COSMOTE MOBILE TELEPHONY S.A.", and are expected to be concluded within the current year. According to IFRS 5 par. 12, the above companies will be presented as suspended operations according to the requirements of IFRS 5, during the publication of the financial statements for the 3rd quarter 2006.

8.15 Transactions with affiliated parties

The following transactions and balances constitute the transactions with the Group's affiliated parties. Transactions between companies included in the Group's consolidated financial statement through full consolidation, are written off.

	INTRACOMPANY SALES PURCHASES 1/1 - 30/6/2006														TOTAL
	BUYER														
	GERMANOS SA	E-VALUE S.A.	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	SUNLIGHT BEOGRAD	SUNLIGHT BATTERIES GMBH	
S GERMANOS SA		71,662		291,506	211,442	23,743	3,465,662	552,400	51,537	528,585	908,899	1,637,169	68,760		7,811,365
E E-VALUE S.A.															0
L GTI POLSKA SP ZOO			229,337	38,180	715,958										983,475
E GERMANOS POLSKA	10,143			8,961,200	3,310										8,974,653
R T.C.M.			1,901	25,698											27,599
SUNLIGHT FILIALA							363,931								363,931
G.TELECOM ROMANIA	61,494					3,452,424	27,560								3,541,478
G.TELECOM SKOPIA	456														456
GT /UKRAINE									2,897,703						2,897,703
SUNLIGHT UKRAINE									447,383						447,383
GERMANOS CYPRUS LTD/INFOTEL															0
G.TELECOM BULGARIA	121,999			24,722	11,926										158,647
SUNLIGHT BEOGRAD															0
SUNLIGHT BATTERIES GMBH															0
TOTAL	194,092	71,662	231,238	355,384	9,888,600	3,476,167	3,857,625	591,886	498,920	3,426,288	908,899	1,637,169	68,760	0	25,206,690

INTRACOMPANY SALES PURCHASES 1/1 - 30/6/2005
BUYER

	GERMANOS SA	P. GERMANOS SA	E-VALUE S.A.	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TOTAL
S	GERMANOS SA	3,059,356	3,599		294,663		27,271	2,456,421	122,058	1,280	299,949	331,112	1,008,633	7,604,342
E	P. GERMANOS SA													0
L	E-VALUE S.A.													0
E	GTI POLSKA SP ZOO				801,894	1,839,394								2,641,288
R	GERMANOS POLSKA			21,385		6,797,537		2,600	8,356	1,845				6,831,723
	T.C.M.				491,015								309,450	800,465
	SUNLIGHT FILIALA													0
	G.TELECOM ROMANIA						1,591,616		40,946				48,527	1,681,089
	G.TELECOM SKOPIA													0
	GT /UKRAINE										22,961			22,961
	SUNLIGHT UKRAINE													0
	GERMANOS CYPRUS LTD/INFOTEL													0
	G.TELECOM BULGARIA				640			6,879						7,519
	TOTAL	0	3,059,356	3,599	21,385	1,588,212	8,636,931	1,618,887	2,465,900	171,360	3,125	322,910	331,112	19,589,387

INTRACOMPANY RECEIVABLES-LIABILITIES 30/6/2006
LIABILITY

	GERMANOS SA	E-VALUE S.A.	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	SUNLIGHT BEOGRAD	SUNLIGHT BATTERIES GMBH	TOTAL
	GERMANOS SA	14,318		145,956	81,607		4,453,604	378,559	18,872	993,606	636,863	1,975,352	53,944		8,752,681
	E-VALUE S.A.	189,870													189,870
	GTI POLSKA SP ZOO				11,219										11,219
	GERMANOS POLSKA	10,143	357,571		1,783,664										2,151,378
	T.C.M.	4,485													4,485
R	SUNLIGHT FILIALA						85,890								85,890
E	G.TELECOM ROMANIA	87,720				3,649,382		27,550							3,764,652
V	G.TELECOM SKOPIA	456													456
A	GT /UKRAINE									9,853					9,853
L	SUNLIGHT UKRAINE	30							65,897						65,927
S	GERMANOS CYPRUS LTD/INFOTEL														0
	G.TELECOM BULGARIA							10,000							10,000
	SUNLIGHT BEOGRAD														0
	SUNLIGHT BATTERIES GMBH														0
	TOTAL	292,704	14,318	357,571	145,956	1,876,490	3,649,382	4,539,494	416,109	84,769	1,003,459	636,863	1,975,352	53,944	15,046,410

INTRACOMPANY RECEIVABLES-LIABILITIES 31/12/2005
LIABILITY

	GERMANOS SA	P. GERMANOS SA	E-VALUE S.A.	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	SUNLIGHT BEOGRAD	SUNLIGHT BATTERIES GMBH	TOTAL
GERMANOS SA		5,644,575			452,392	142,581		2,897,492	536,496	65,092	729,032		2,020,533			12,488,193
P. GERMANOS SA																0
E-VALUE S.A.		8,929														8,929
GTI POLSKA SP ZOO						2,797										2,797
GERMANOS POLSKA		5,340		93,071		2,876,743		7,758	1,120				4,049			2,988,081
T.C.M.													443,250			443,250
SUNLIGHT FILIALA								409,320								409,320
G.TELECOM ROMANIA							1,331,291	4,810				10,645	24,100			1,370,846
G.TELECOM SKOPIA													2,459			2,459
GT /UKRAINE											274,288					274,288
SUNLIGHT UKRAINE		30								45,011						45,041
GERMANOS CYPRUS LTD/INFOTEL																0
G.TELECOM BULGARIA		11,220			3,496			21,593	29,628							65,937
SUNLIGHT BEOGRAD																0
SUNLIGHT BATTERIES GMBH		5,314														5,314
TOTAL	30,833	5,644,575	0	93,071	455,888	3,022,121	1,331,291	3,336,163	572,054	110,103	1,003,320	10,645	2,494,391	0	0	18,104,455