Annual Report 2005

GERMANOS

GROUP OF COMPANIES

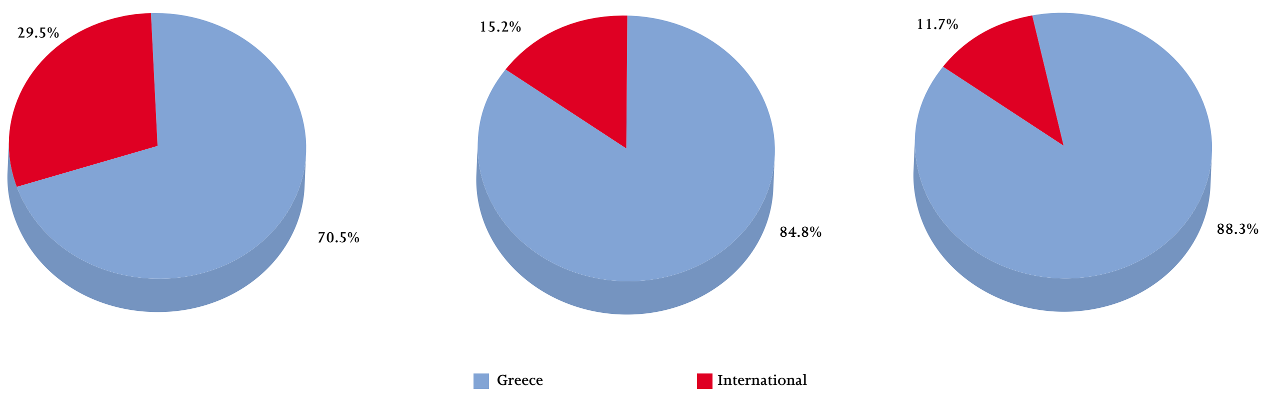
Table of Contents

GERMANOS ANNUAL REPORT 2005

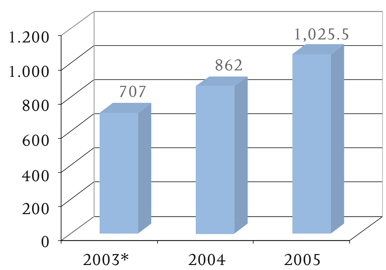
Financial Highlights 2005

Consolidated Amounts in € million	2005 IFRS	2004 IFRS	2003 GR GAAP
Consolidated sales	1,025.5	862	707
Gross Profit	**206.9**	**183.6**	**180.4**
Gross Profit Margin	20.2%	21.3%	25.5%
EBITDA	**94.3**	**82.5**	**78.3**
BITDA Margin	9.2%	9.6%	11.1%
Earnings before Tax	**78.6**	**66.3**	**59.7**
Earnings A.T.A.M.	63.1	53.9	45.2

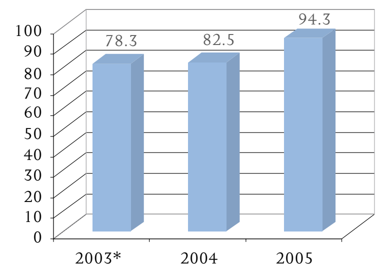
Turnover EBITDA EBT



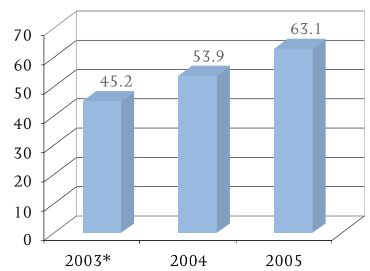
Sales in € mil.



EBITDA in € mil.

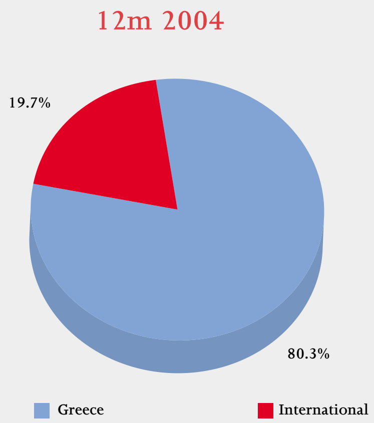


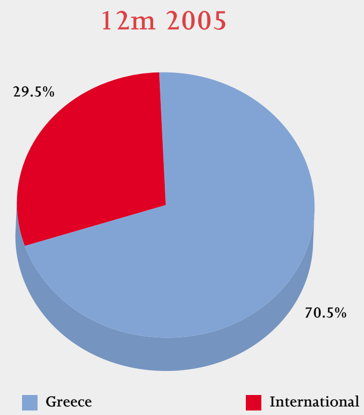
After Tax Profit in € mil.



International Activities-Sales

in € mil.	12m 2005	% Ch.	12m 2004
Greece	723.0	4.4%	692.6
Poland	110.0	93.7%	56.8
Romania	97.9	59.2%	61.5
Bulgaria	56.0	36.9%	40.9
FYROM	11.6	28.9%	9.0
Ukraine	15.1	1272.7%	1.1
Cyprus	10.7	-	-
Other Countries	1.2	-	-
Consolidated Sales	**1,025.5**	**18.96%**	**862**





2006 TARGETS

In 2006 the Group will focus upon the revenue increase by 15-17%, bringing a respective increase in earnings per share (13%-15%). In Greece the strategic plans are to grow in retail and airtime revenues.

With respect to the foreign operations the main target is to expand in Poland, Romania and Ukraine and to examine new countries that fit the Group's expansion strategy.

“GERMANOS
sustainable growth is clearly
demonstrated
in this report”

Message from the Chairman

Dear friends,

2005 was yet another positive year for GERMANOS Group of Companies in all areas of activity, both in Greece and abroad. The continuous growth of GERMANOS Group is clearly reflected in this report, which presents the course that has contributed to the further strengthening of the company's leading position in Greece and the consolidation of a strong brand name, both at home and internationally.

Concluding an anniversary year for the Group, we consider it particularly important that this review should also focus on all those values, which, remaining intact throughout our history, grant GERMANOS Group a competitive edge and define our goals for the coming years.

GERMANOS Group workforce, 5,000 people in 7 countries, constitutes our most valuable asset. We are growing hand-in-hand with our people who deliver our vision on a daily basis, connecting a market of over 150 million consumers with technology. This dynamic workforce is imperative for setting our future goals. With high return investments and business policies that ensure profitability, enabling us to fully meet our shareholders' expectations, we look forward to our further growth with confidence.

In conclusion, I would like to thank all Board members, as well as all our employees, for their participation and commitment to the protection and promotion of the company's interests.

With respect,
Panos Germanos

"We will continue
to add value
to our relationship
with our shareholders"

950

GERMANOS Chain of Stores has already become a leading player in the markets of Central and SE Europe, with 950 stores in 7 countries

Consolidated sales: €1.02 billion

The clearest proof of a successful year:

€63.1 million

2006

Consolidating GERMANOS' brand in the countries, where it is active

Message from the Managing Director

Dear friends,

During 2005 we managed to successfully meet our goals and to add value to our activities, thus strengthening the Group's already dynamic growth. The robust performance across the whole range of the Group's business is best reflected in the annual financial results.

The consolidation of our leading position in the technology and energy sectors will, once again this year, be the primary focus of our business initiatives. Towards this direction, we remain responsive to stimuli arising from the market, in order to identify and exploit business opportunities. At the same time, we capitalise on our investments both in Greece and particularly in the emerging markets of Central and Eastern Europe where we already have established strong corporate presence. Through strategic partnerships and co-operation agreements, we aim at enhancing innovation and quality of our products and services in the technology and energy sectors.

In the retail sector, we remain responsive to compelling industry opportunities in all addressed markets, employing our business expertise at an international level and our ability to embrace new developments and trends. At the same time, our attention is directed towards the wider region of Central and Southeast Europe. Our goal is to increase the number of GERMANOS stores to 1,500 in the 7 countries we operate by 2007, further reinforcing GERMANOS brand name in Europe.

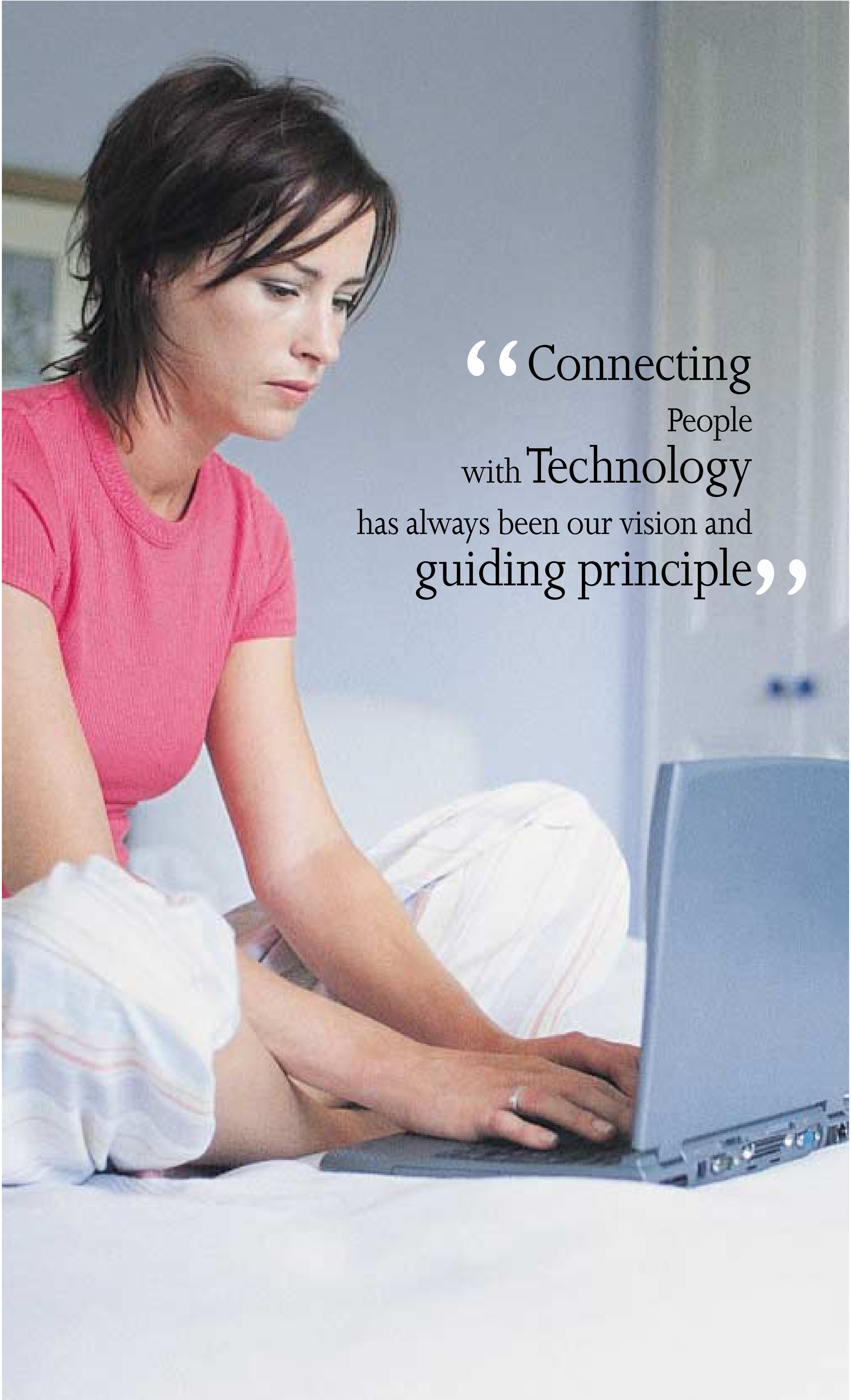
Making substantial use of the highly advanced infrastructures in Xanthi, GERMANOS' industrial activities are constantly strengthening SUNLIGHT's leading position worldwide. Through the development of highly specialised products and by investing in Research & Development, we enhance GERMANOS' export drive. By taking part in international bids, undertaking major projects and expanding our strategic partnerships with leading players in the energy sector and the defence industry internationally, we attain excellent prospects of firmly establishing SUNLIGHT in a highly demanding market.

Through the delivery of our strategy for 2006, we strive to maintain our high profit levels and expand our activities in countries with significant growth potential.

The ongoing robust performance of our business across the Group underpins our confidence that we shall continue to create value to our shareholders, earning premium returns.

With respect,

John Karagiannis


"Connecting
People
with Technology
has always been our vision and
guiding principle"

03 The Group at a Glance

Corporate Identity

Vision

Connecting ordinary people with Technology has always been the vision and guiding principle for GERMANOS Group.

To deliver our vision, we focus our efforts on investment:

- Investment in the identification and exploitation of business opportunities both in Greece and abroad, and the adoption of international trends and developments
- Investment in Research & Development for the consistent provision of cutting-edge technology products and the production of innovative energy applications
- Investment in the constant development of our workforce, leading to greater responsiveness to the challenges and demands of modern entrepreneurship.

We continue our work, while maintaining fidelity to our vision. This enables us, over the coming years, to reinforce our contribution to consumers and entrepreneurship in Greece.

Mission

Our long and successful track record in the Technology and Energy sectors has positioned GERMANOS as a leader in the Greek and international business world.

Our mission is the consolidation of this position and the promise to the investors' community for superior returns that can be achieved by continuously expanding our activities abroad, with regard to both our Specialised Chain Stores for Telecommunications Products & Services (through the GERMANOS Chain of Stores) and the Production & Distribution of Integrated Energy Systems and Batteries For Specialised Applications (through the SUNLIGHT Industrial Complex).

Values

The long history of GERMANOS Group of Companies has been marked by numerous and major successes. During all this time, the Group's values have been preserved intact and are encompassed in five general principles.

GERMANOS brand is synonymous to Reliability, not only for consumers, but also for the investors' community. The Group actively promotes Entrepreneurship, with Initiative as the starting point of all efforts, Integrity as a prerequisite of our daily practice and Friendliness as a ground of interpersonal relations in all types of transactions.

http://www.germanosgroup.gr/en/timeline.asp

What we do

GERMANOS is a Greek Multinational Group with a broad range of activities in the Technology and Energy sectors. It currently employs 5,000 people and maintains 950 stores in 7 countries, covering a geographic region with a population of over 150 million. The Group's activities in the Energy sector are spearheaded by the SUNLIGHT Industrial Complex. In 2005, the Group recorded Turnover of € 1.02 billion, Net Profit after tax of € 63.1 million, EBITDA of € 94.3 million.
One of the fastest expanding Greek Multinational Companies, GERMANOS Group is active in three main areas, demonstrating sustainable growth in all business lines:

Group's Consolidated Sales

in mil. Euros	12m 2005	% ch.	12m 2004
Retail Activity	566.0	14.0%	496.6
Industrial Activity	71.3	32.5%	53.8
Consumer Products Distribution Channel	381.0	34.2%	283.9
Total Sales Core	1 018.3	22.1%	834.3
Other Sales	7.2	-74.0%	27.7
Total Consolidated Sales	1 025.5	19.0%	862.0

Retail Activity

GERMANOS Chain of Stores is the largest Greek retail network of technology stores in Europe. With over 950 stores in 7 countries (Greece, Poland, Romania, Bulgaria, Cyprus, the Former Yugoslav Republic of Macedonia, Ukraine), the company covers a market of more than 150 million consumers.

In GERMANOS stores, consumers can find a wide range of telecom products and services for mobile and fixed telephony, Internet and ADSL connections, laptops, video game consoles and digital technology devices. Specialized technical support is also available in all our stores.

Industrial Activity

The GERMANOS Group has been present in the energy sector for over 15 years through the SUNLIGHT Industrial Complex, producing and distributing Integrated Energy Systems and Batteries For Specialised Applications.

Based in Xanthi, SUNLIGHT ranks amongst the top manufacturing powers in the world defence industry, with major co-operation agreements with leading companies (e.g. HDW/FS and ATLAS ELEKTRONIK GmbH). Substantial investments in Research & Development, as well as in state of the art infrastructures applying the very latest Quality and Environmental Management systems, have positioned the SUNLIGHT Industrial Complex among the top energy manufacturers in Europe.

Consumer Products Distribution Channel

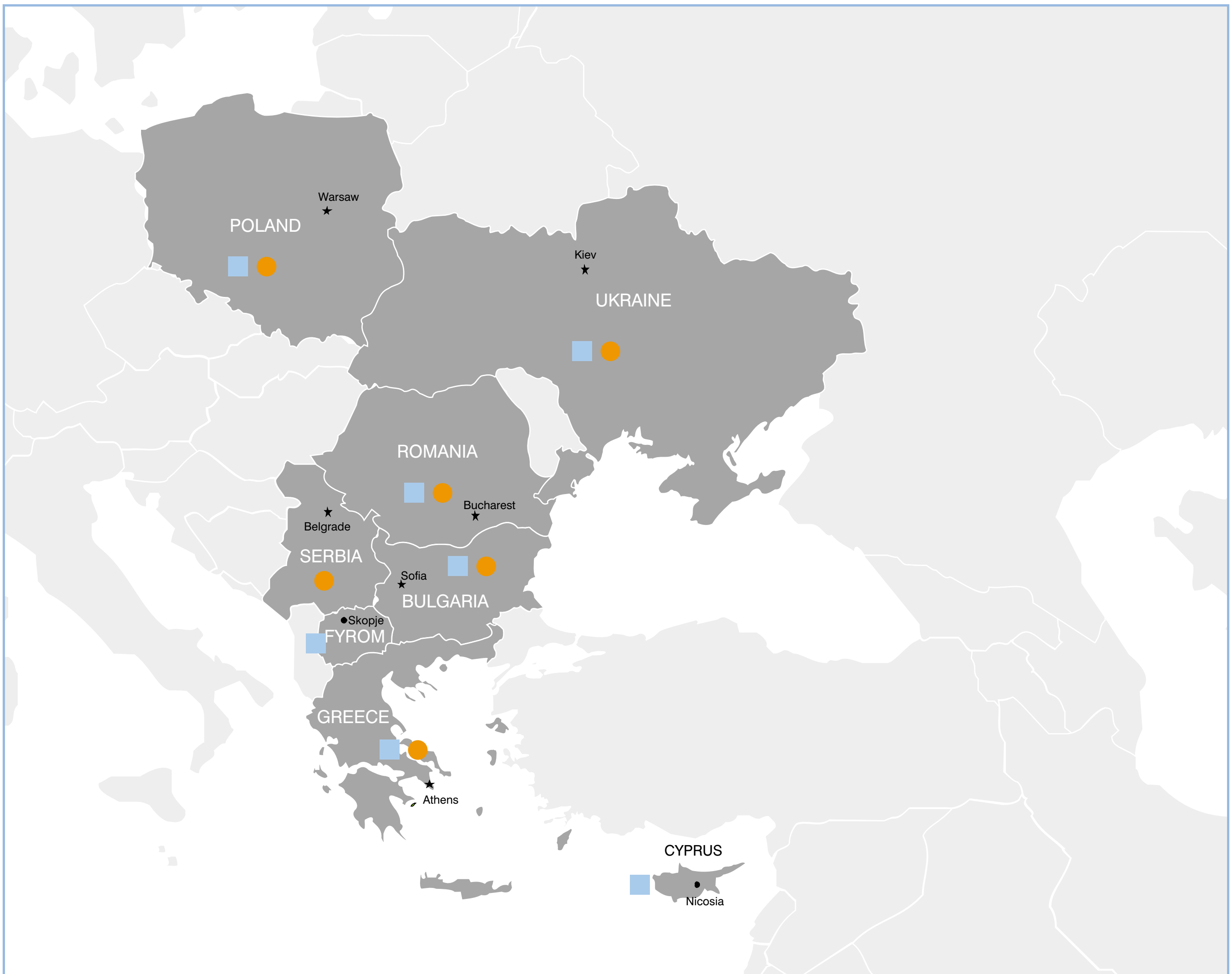
The distribution of consumer products is one of the main activities of GERMANOS Group. The company's current activities comprise the exclusive distribution of TOSHIBA batteries in Europe, the production of batteries manufactured in SUNLIGHT Industrial Complex and the establishment of strategic co-operations with all mobile and fixed telephony networks in all addressed countries.

The company is networked in Greece, Romania, Poland and Ukraine controlling a market of over 120 million consumers. In all addressed countries the company constitutes a valuable partner, gaining market shares that exceed 30%.

Where we are

GERMANOS Chain of Stores

SUNLIGHT Industrial Activity



€1.02 billion

Turnover

+19%

€94.3 million

EBITDA

+14.4%

€63.1 million

Earnings

+17.1%

http://www.germanosgroup.gr/en/intern.asp

“Our Group is responsive to stimuli emerging in a global and highly competitive environment”

04 Corporate Governance

In the contemporary business environment, the set of values running a company's operation constitutes one of the most important components of its growth, underpinning the trust generated by the market.

Seeking to capitalise on these values for the benefit of shareholders and other interested parties, Corporate Governance holds great significance for GERMANOS Group, as a key element in the company's operating framework.

Prudent, consistent and responsible Corporate Governance determines all aspects of the Group's daily business practice, as well as its relations with shareholders, management and in general all parties who are in any way affected by the company's operation – employees, customers, suppliers, business partners, etc. – in all countries and business areas GERMANOS operates in.

This is achieved through the development and adoption of principles aligned to relevant national legislation, provisions and regulations, and in conjunction with the best practices and auditing standards applied by the international business and financial community, whilst retaining at the same time the flexibility to adapt to new conditions and developments.

Constantly striving for transparency and management efficiency, GERMANOS Group today has integrated a well-structured corporate governance system. This system is applied to issues relating to the composition and responsibilities of the company's Board of Directors, committees and administrative departments, as well as to procedures followed in all areas of activity.

Particularly, the principles of Corporate Governance are applied in all issues related to:

- The composition of the Board of Directors
- The respect for and protection of shareholders, as well as all other parties interacting with the company
- The continuous effort to identify and eliminate all inherent business risks
- The validity of all information provided.

Corporate Responsibility Strategy

In GERMANOS Group of Companies, we have managed to merge business innovation and social responsibility in practice.

The values, underlying our corporate philosophy, guide our business decisions and determine our day-to-day running, thus establishing the benchmark for the Group's responsible behaviour and practices towards social and natural environment.

As far as the Group is concerned, social responsibility is an integral component of its business culture, facilitating our efforts to:

Develop our human resources: GERMANOS maintains a strong workforce of 5,000 employees in 7 countries. Appreciating not only the importance of individual effort, but also the value of teamwork, we take every opportunity to actively promote co-operation. Within this context, the safety and health of our people is not merely an obligation, it is an indication of respect sanctioned by a responsible employer to the corporation's most important asset. At the same time, we make every effort to ensure the ongoing career development of our people by providing integrated training programmes.

Add value to the consumer experience and the market: With abiding respect for the particular characteristics of the markets we operate in, our principal goal is to provide consumers with the best possible service. By safeguarding the high quality of our products and services and "connecting people with technology" in a prompt and personalised way, we have been able to establish and maintain relationships of trust not only with consumers, but also with our business partners.

Support local communities: Fully aware of the local communities' dynamics, GERMANOS has demonstrated respect to their diversity and distinctiveness, integrating local management as a key element of its overall strategy.

Promote responsible environmental management: In its effort to protect the natural environment, GERMANOS undertakes initiatives not only to inform and educate its own personnel, but also to raise the awareness and generate participation of the general public. These initiatives take the form of projects, such as the DIAS BAT battery - recycling programme. At the same time, we continue to invest in infrastructures, which fully meet the stringent standards of environmental management and safety, at the SUNLIGHT Industrial Complex in Xanthi. GERMANOS is also actively engaged in R&D programmes, focusing on the development of alternative energy forms and environment - friendly products.

25

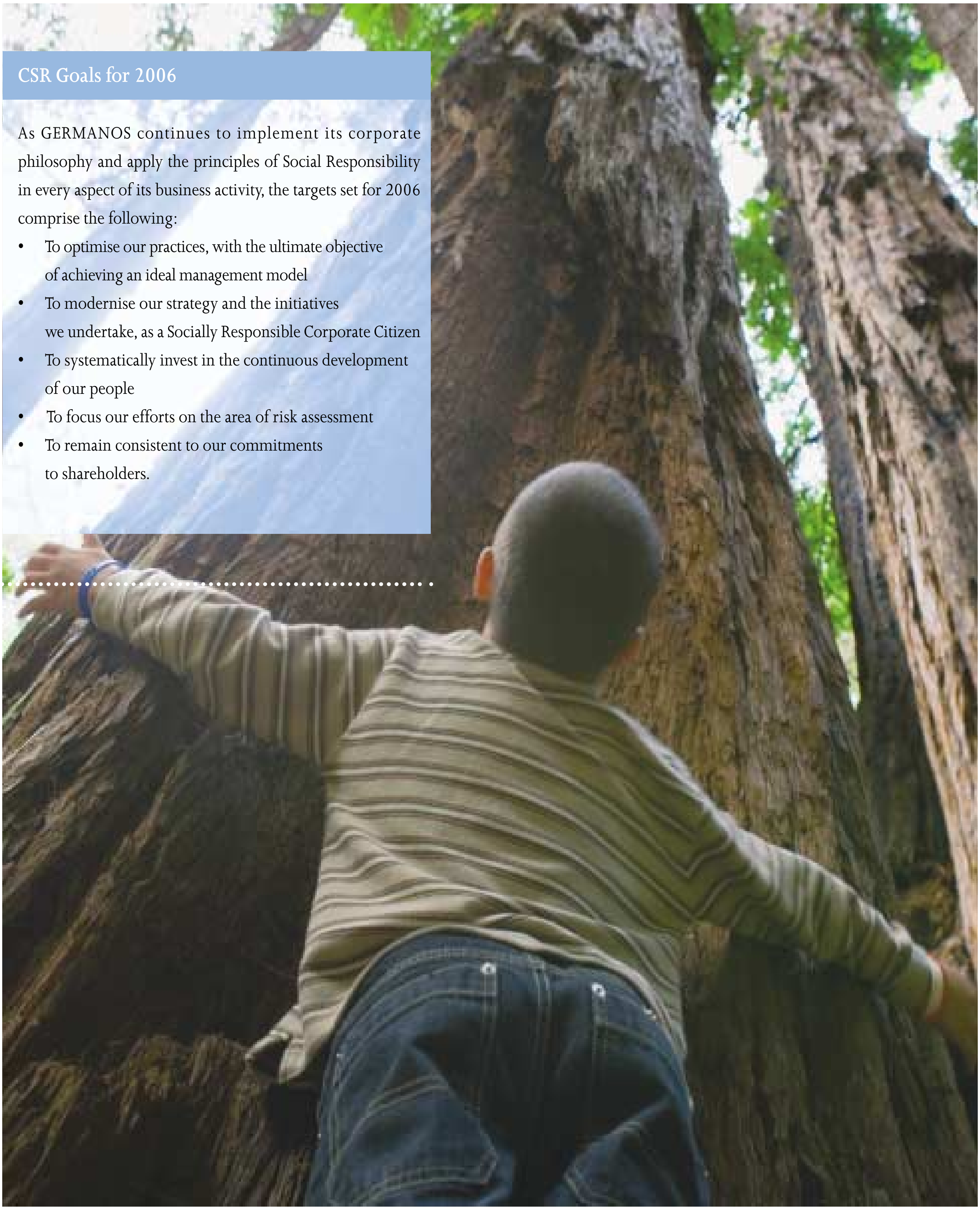
tons of batteries were collected to be recycled

from 1 colleague...

to 5.000

http://www.germanosgroup.gr/en/social.asp

"Committed
to responsible practices"



CSR Goals for 2006

As GERMANOS continues to implement its corporate philosophy and apply the principles of Social Responsibility in every aspect of its business activity, the targets set for 2006 comprise the following:

- To optimise our practices, with the ultimate objective of achieving an ideal management model
- To modernise our strategy and the initiatives we undertake, as a Socially Responsible Corporate Citizen
- To systematically invest in the continuous development of our people
- To focus our efforts on the area of risk assessment
- To remain consistent to our commitments to shareholders.

Board of Directors

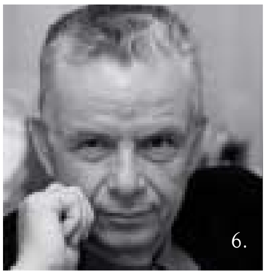
Panos Germanos
Chairman
and executive member

Christos Germanos
Vice-Chairman
and executive member

John Karagiannis
Managing Director
and executive member

Loukas Petkidis
Finance and Operations Director
and executive member

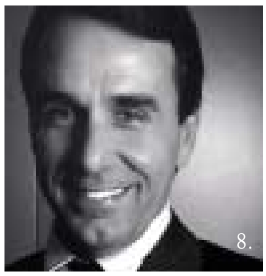
Christos Kartalis
Director of SUNLIGHT
Industrial Complex
and executive member



Angelos Plakopitas
Independent
non-executive member

Dimitrios Goumas
Independent
non-executive member

Theodosios Boudourakis
Independent
non-executive member



8 members (5 executive, 3 independent, non-executive)
* 5-year term

Short Profiles

1. Panos Germanos
Founder of the company and Chairman of the Board of Directors. Graduated from Athens University Law School (Economics Department). Age: 55.

2. Christos Germanos
Having a long experience in retail, Christos Germanos has contributed to the development of the Group's business, since it's founding. Age: 61.

3. John Karagiannis
Graduated from the National Technical University of Athens (Chemical Engineering) and holder of an MBA from the University of Bradford.
Began working for the company in 1994 as Commercial Manager of the Chain of Stores. He subsequently held the post of General Manager and since 2001 serves as Managing Director of the Group. Age: 45.

4. Loukas Petkidis
Graduated from the Athens University of Economics and Business and holder of a post-graduate degree (MSc) from the London School of Economics. Hired in 1999. Age: 42.

5. Christos Kartalis
Graduated with a degree in chemistry from the Ploesti Technical University for Petroleum and Gas Engineering in Romania. With experience gained at a number of industrial plants, he began working for the company in 1992. Age: 47.

6. Angelos Plakopitas
Managing Director of Global Finance with over 35 years of financial and operating experience. He had previously served as General Director of one of the largest industrial concerns in Greece for more than a decade. Graduate of the Athens University of Economics and Business and holder of an MBA from New York University.

7. Dimitrios Goumas
Graduate of the Athens University of Economics and Business (Department of Business Administration). He began his career at the National Bank of Greece, working for a number of years at different branches in key managerial posts. He was a member of the Capital Market Commission and lecturer at the Athens Exchange Training Centre. Dimitrios Goumas has been Chairman or Board member of many companies of the National Bank Group both at home and abroad.

8. Theodosios Boudourakis
Born in Athens in 1951, he studied at Imperial College and the London School of Economics. After initially working for Greek and foreign banks, he later became specialised in capital market issues and gained vast experience in the management of mutual funds. He served as President of the Association of Greek Institutional Investors.

Management Commitee

Management Model

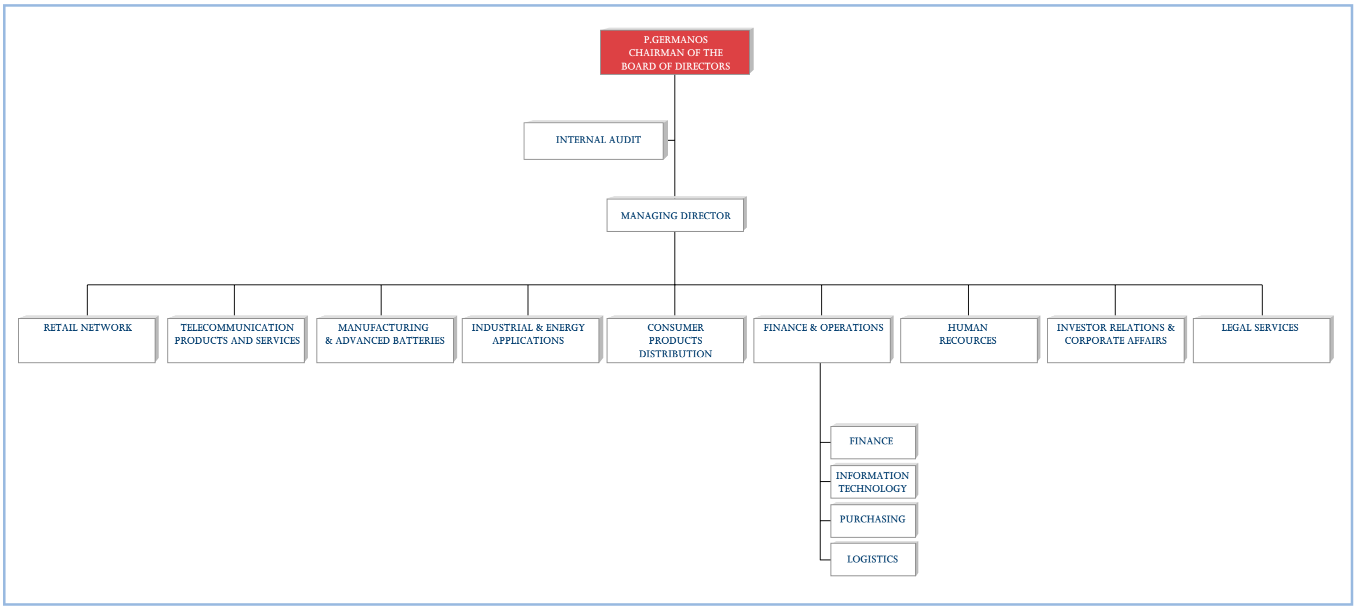
Inspired by the vision and values guiding the company since its outset, GERMANOS Group managed to design a sophisticated organisational model, with procedures and structures aimed to create value in day-to-day operation and the relationships evolving within this framework. In addition to its core business dimension, GERMANOS Group is a living organism comprising 5,000 people in 7 countries of Central and Southeast Europe. The systematic management of its most valuable asset allows for the company's efficient operation, hence reinforcing its position in the respective markets.

In pursuit of its goals, GERMANOS has adopted a technocratic organisational system capable of coping not only with the demands imposed by the company's leading position in the competitive environment it operates in, but also with the need to continuously develop its human resources.

Aiming at an organisational configuration that enables flexibility, efficiency and responsiveness to all operating and internal communication needs, the company has employed a horizontal organisational structure composed of 13 autonomous divisions. Such organisational scheme surmounts bureaucratic restraints, facilitates prompt decision-making, allows for corporate control system monitoring and eliminates overlapping functions and responsibilities.

Each division is functionally independent, while the division head serves at the same time, as a member of the Group's Management Committee. The Committee has the authority to examine important issues pertaining to the company and make decisions to upgrade and realise its plans and objectives. With clearly defined targets and duties for all members of the management team, each division endorses meritocracy and friendliness in day-to-day business practice, within an operating framework that is based on democratic and open procedures.

Organisational Chart GERMANOS S.A.



Company Management

- Company Management is exercised by:
  - The Board of Directors
  - The Managing Director
  - The Management Committee

Management Commitee

1.Stathis Babalis
Industrial and Energy Applications Director

2.Dimitris Lolis
General Director GERMANOS Chain of Stores

3.George Kalogeropoulos
Information Technology Director

4. Nikos Zervas
Finance Director

5. Gerasimos Nikoletatos
Logistics Director

6. Ioanna Papakonstantinou
Human Recources Director

7. John Karagiannis
Managing Director

8. Dimitris Papadakis
Legal Services Director

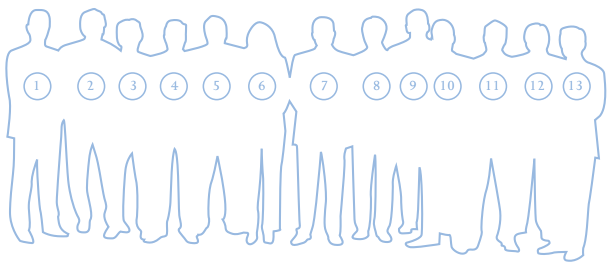
9. Christos Kartalis
Advanced Batteries Manufacturing & Commercial Director

10. Nikos Delkos
Consumer Products Distribution Director

11.Kostas Karafotakis
Investor Relations & Corporate Affairs Director

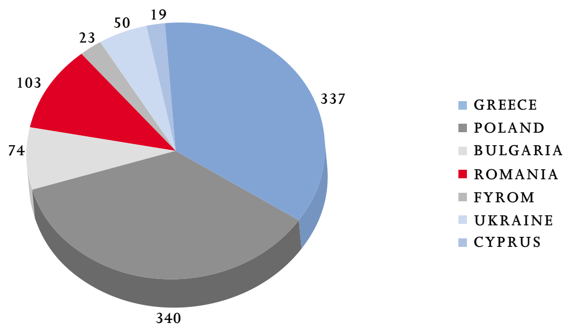
12. Loukas Petkidis
Finance and Operations Director

13.Spyros Vasilakis
Telecommunication Products and Services Director

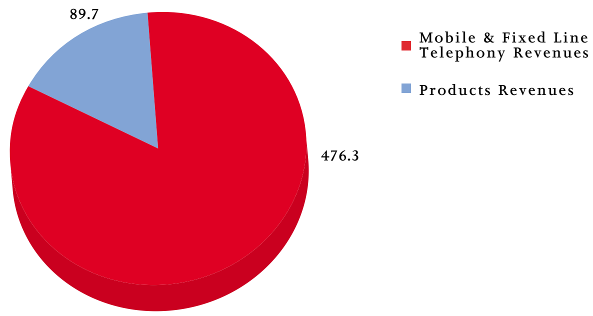


05 Business Activities

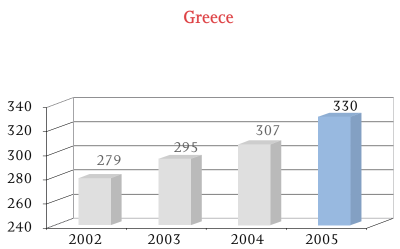
Retail Stores Network (up to date)

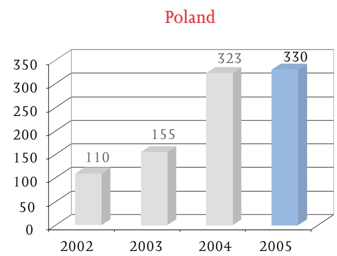


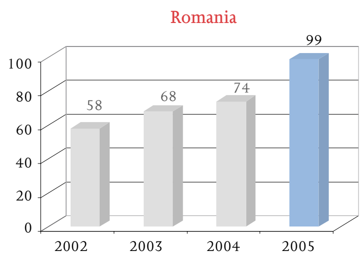
Retail Sales 2005 (€ 566 million)

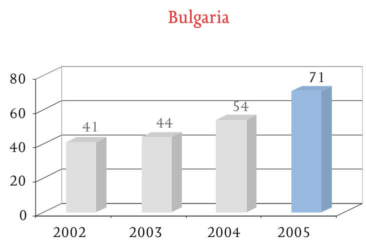


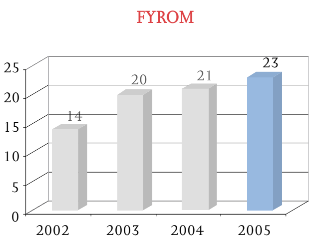
Network Evolution per country (end 2005)

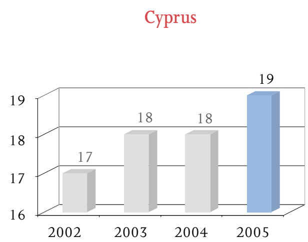


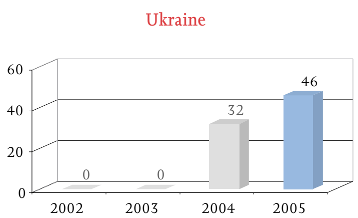












http://www.germanosgroup.gr/en/activities.asp

"Our goal
is to reach 1,500 GERMANOS stores"

CHAIN OF STORES
GERMANOS
connecting you with technology

GERMANOS Chain of Stores

GERMANOS Chain of Stores is the largest Greek retail sales network in Europe for Technology Products and Services.

With 950 stores in 7 countries (Greece, Poland, Romania, Bulgaria, Ukraine, Cyprus and FYROM), GERMANOS has become firmly established as one of the strongest brand names in Europe.

Covering a market of over 150 million consumers, GERMANOS Chain of Stores has successfully adopted a 'one-stop-shop' philosophy. By making optimum use of its accumulated experience, know-how and highly motivated workforce, the retail sales network is able to attain its goal of serving consumers by providing technological solutions which make their life easier.

The driving force behind this effort is investment in research, aiming at maintaining the network at the forefront of developments with regard to consumer needs. Another key factor of GERMANOS' success is the continuous investment in the training of its sales assistants, who are 'guiding' consumers through the 'magic world of technology', thus elevating the customer-salesperson relationship to one of customer-sales consultant.

Strategy for 2006

The main goal of the Group's three-year investment plan is to maintain the leading position of GERMANOS Chain of Stores in Greece and to consolidate a strong brand name in the markets of Central and Southeast Europe.

Using the franchise system as our main vehicle for expansion, in conjunction with our organic growth, we intend to increase the number of stores up to 1,500 in 2007, identifying and seizing business opportunities inherent to the emerging markets where we already have established a presence. Particular emphasis will be given in countries where there is considerable margin for further strengthening our position, such as Poland, Romania and Ukraine.

Meanwhile, GERMANOS is carefully exploring potential expansion into new countries. This process involves assessing the general framework in which the relevant markets operate and the degree to which they meet the necessary requirements for our entry.

In Greece, we plan to further increase the number of stores by 2007, whilst at the same time strengthening the Chain through the GERMANOS Central concept, with the objective of establishing about 10 new type stores by the end of the year.

€566 million
retail sales
+14%

950
GERMANOS
stores in 7 countries

150 million
consumers

Telecommunication Services

The decision to set up an autonomous division of Telecommunication Products and Services was driven by the significance that the provision of integrated telecom solutions holds in the overall business activities.

The Telecommunication Products and Services division has a twofold task:

- To provide continuous support to the Group's sales network
- To provide companies with consultancy services and integrated, cutting-edge solutions through the special Business Telecommunication Consulting department.

By engaging into strategic partnerships with the leading companies in the field, GERMANOS has managed to safeguard the high quality of the services provided to consumers, gaining substantial market shares in the areas of Fixed/Mobile Telephony and Internet.

Sector	Business Partners
Mobile Telephony	Cosmote, TIM, Vodafone, Q Telecom
Fixed Telephony	OTE, Tellas, Lannet
Internet	OTEnet, Forthnet, Hellas On Line

Strategy for 2006

The further strengthening of GERMANOS' market shares in the key sector of Telecommunication Products and Services is our primary goal for 2006. Towards this direction, we are constantly examining new trends in order to identify opportunities that hold the promise to bolster the company's position in the market, without ever compromising the high quality standards set by the Group.

Consumer Products Distribution Division

The exclusive representation of TOSHIBA batteries in Greece was GERMANOS Group's major business activity. The Consumer Products Distribution Division manages:

- The expansion of TOSHIBA Batteries exclusive distribution in Europe
- The production and distribution of SUNLIGHT Batteries, which are being manufactured in the homonymous Industrial Complex in Xanthi
- The Group's identification with the telecommunications field and the building of good commercial relationships with all mobile and fixed telephony networks in all the countries it operates.

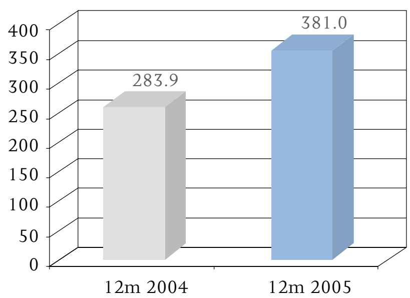
Nowadays, the division operates in Greece, Romania, Poland, and Ukraine maintaining a network of over 220 salesmen and serving more than 22,000 customers (supermarkets, groups of companies, associations, tobacco wholesalers, cash & carry outlets, department stores and specialised stores) achieving product placement in more than 190,000 points of sale.

Strategy for 2006

The goal of broadening the range of products we distribute and expanding our customer base defines our strategy for the coming year. Our efforts to achieve this goal are underpinned by the flexibility and efficiency afforded by the Group's activities in terms of logistics, installations, supplies, computerisation and networking abroad.

	Sector	Partners
Energy	Consumer batteries Flashlights	TOSHIBA, SUNLIGHT
Telecom Products	SIM card mobile phones & connection packs	Cosmote, TIM, Vodafone, Q Telecom
	Prepaid mobile phone cards	Cosmote, TIM, Vodafone, Q Telecom
	Prepaid phone cards for fixed telephony and Internet access	OTE, OTEnet, ACN, Forthnet etc

Consumer Products
Disrtibution Channel (Sales in mil.€)



SUNLIGHT
creating energy

Industrial Activity

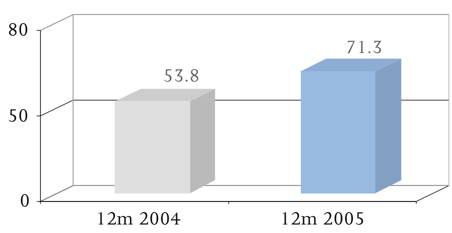
With regard to the energy sector, SUNLIGHT Industrial Complex specialises in the design, production and distribution of integrated energy systems and special applications' batteries. With a distribution network extending to over 50 countries, exports now account for 85% of the Group's total turnover from manufacturing activities, justifying the international recognition GERMANOS enjoys.

Headquartered at Neo Olvio in Xanthi, northern Greece, SUNLIGHT employs 450 people. 8 modern production plants are accommodated in 40,000 m2 occupying a total area of 142,000 m^2. The Industrial Complex currently has the capacity to manufacture over 1,500 specialised products.

The company operates autonomously in five countries (Romania, Bulgaria, Ukraine, Poland and Serbia) maintaining sales offices in France, Germany, the Middle East and Spain. It is also networked in many countries of Europe, Africa, Asia and the USA.

An impressive clientele, including public and private organisations, the military, transport companies, industrial concerns, telecommunication organisations and construction firms, is the outcome of SUNLIGHT's successful 15 year international activity. In fact, the number and size of the companies co-operating with SUNLIGHT verifies the company's high level of technical expertise and stringent quality standards.

Sales Industrial Activity (in mil. €)



SUNLIGHT's achievements include long-term agreements with well-known international companies in the defence industry, such as ATLAS ELEKTRONIK, TKMS SHIPYARD, HDW GmbH, THALES and KOCKUMS, as well as leading firms in the global market of industrial and energy systems, including MASTERGUARD, AEG, MITSUBISHI, HUAWEI, ERICSSON, TOSHIBA and DURACELL. The aforementioned co-operations allow for sharing expertise and create the right conditions for penetrating new markets.

At the same time, SUNLIGHT practically demonstrates environmental and social awareness by taking every step to protect not only the natural environment (by implementing a certified waste management system) but also the employees' health and safety.

For the past decade, SUNLIGHT has been running its own specialised R&D department, which focuses on new products' research and design with emphasis on alternative energy forms, hence facilitating the Group's deeper penetration in the energy market. In SUNLIGHT, we firmly believe that research is an essential component for continuous growth and therefore we constantly invest not only in our R&D department, but also in research programmes.

Strategy for 2006

Further investment in research and the consolidation of our leading position through international recognition, are SUNLIGHT's main goals for 2006.

In particular, we believe that consistent investment in research, meant to enhance our technical expertise and introduce innovative products on international markets, will further increase our export strength in highly demanding sectors.

At the same time, we shall continue to seize new business opportunities and explore potential in new markets through strategic partnerships with top companies, in pursuit of our goal to consolidate a leading position in the global energy market.

Other Activities

e-value

A member of GERMANOS Group of Companies since 1999, e-value is a well-established Contact Centre providing a full range of innovative services for the managing and upgrading customer relationships.

e-value competitive advantages include the following:

- Highly trained workforce, with the capacity to employ 1,200 specialised agents
- Modern technological infrastructures
- Uninterrupted operation (24 hours a day, 365 days a year)
- Certified procedures.

The corporate philosophy and core strategy of e-value is centred on the provision of cutting-edge technology services, tailor-made to fully satisfy specific customer needs.

Strategy for 2006

The main goal of e-value for 2006 is to expand its clientele. To achieve this, the company remains constantly alert endeavouring to reinforce its competitive advantages, developing and proposing solutions as an invaluable business partner that is adding value to customers' business operations.

Hellenic Duty Free Shops

Identifying a significant business opportunity for strategic investment and further strengthening of GERMANOS' presence in the retail trade sector, the Group decided to acquire an equity stake in Hellenic Duty Free Shops (HDFS), in co-operation with Folli Follie S.A.

With a 24.7% stake in HDFS, GERMANOS is capitalising on its long experience and specialised know-how in a business venture characterised by strong growth rates, high profitability, zero borrowing and high return on equity.

06 Financial Review

Financial Review and Outlook for 2006

Dear Shareholders,

According to Management's strategic plan, the objective for 2005 was twofold: to signify the culmination of a 5-year period of sustainable growth and prepare the ground for the Group's future business initiatives. The financial results serve to confirm the soundness of our choices in all areas of GERMANOS' activity. In our retail unit, sales increased by 14% as the GERMANOS Chain of Stores recorded sales amounting to € 566 million, up from € 496.6 million in 2004. The company's constantly growing market share, in a business environment that is becoming intensly competitive in recent years, was boosted by GERMANOS' revenue from airtime, which rose up to 22.1% totaling nearly € 73 million, as well as by increases in various product categories.

The Group's manufacturing activities generated sales totalling € 71 million, which marks a 32.5% increase. It is worth noting that SUNLIGHT's exports currently account for 85% of each activity. Revenue from the Distribution of Consumer Products totalled € 381 million, increasing by 32.5%. The Group's Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) rose by 14.4% to reach € 94.3 million, with subsidiaries contributing 15.3%. Pre-Tax Profits increased by 18.44% to total € 78.6 million, with the contribution of subsidiaries rising to 11.7% from 5.4% in 2004. Lastly, the Group's Net Profit after Tax grew by 17.1% to reach approximately € 63.1 million.

Loukas Petkidis
Finance and Operations Director

2006 Outlook

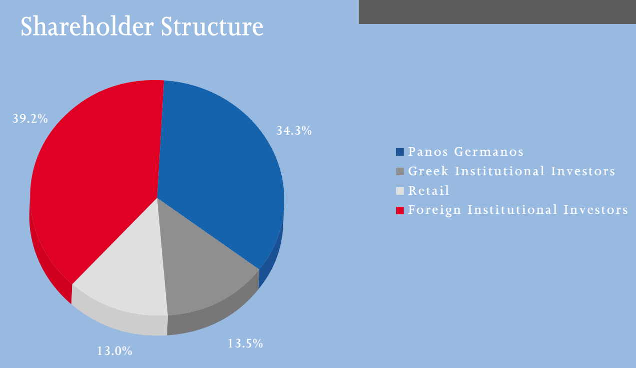
The Group's steady growth over the past five years grounds the planning of a sound and consistent strategy for the coming three-year period. Taking into account all the factors affecting our business activity, we expect sales to grow by 15-17% in 2006 and a similar increase in earnings per share (13-15%).

Strategy

The Group's core strategy for 2006 is to firmly establish one of the strongest European enterprises. We shall endeavour for the benefit of the Company and our Shareholders, to avail of current GERMANOS investments and business opportunities emerging in the wider region of Central and Southeast Europe. Positive operating cash flows, a strong balance sheet and low-level borrowing endow GERMANOS with the impetus to achieve these goals. This strong base is further underpinned by the Group's modern infrastructures and systematic investments in upgrading internal procedures' and reducing operating costs that enhance the company's competitive edge. The further strengthening GERMANOS' leading position in the retail sector in Greece, defines our strategy for 2006. Aiming at increasing the number of stores to 1,500 in the 7 countries we operate, we are also taking advantage of opportunities in the emerging telecom markets of Central and Southeast Europe, focusing on Poland, Romania and Ukraine. At the same time, we are carefully exploring possible entrance in new markets of the wider region, evaluating options that meet GERMANOS's penetration criteria.

The main goal of the Group's manufacturing activities is to capitalise on the expertise and production capacity of the SUNLIGHT Industrial Complex. The conclusion of international tenders and the undertaking of new major projects will further reinforce the impressive export performance of the Xanthi-based plant consolidating its position amongst leading manufacturers of integrated energy systems and special applications' batteries worldwide.

Finally, regarding Consumer Products Distribution, our goal for 2006 is to transfer GERMANOS Group's successful business model to Central and Southeast European countries. We ground our future on our positive performance, always respecting your trust.



Investor Relations

Dear Shareholders,

2005 was yet another positive year for GERMANOS, during which the Group attained the targets set, further strengthening the company's position and value among institutional investors and the general investors' community both in Greece and abroad. The financial results confirm the Group's dynamic performance and growth in all addressed sectors and markets, substantiating GERMANOS' expansion strategy in the wider region of Central and Southeast Europe and the consolidation of a strong business entity in the technology and energy sectors.

Market developments

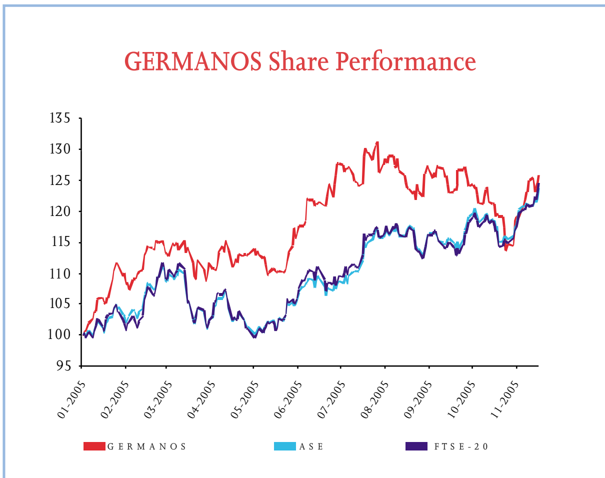
The outlook for telecommunications is positive in both the domestic and international markets. More specifically, the new telecom technology is expected to penetrate in the less developed markets, resulting in the further intensification of competition among operators and the emergence of more choices for consumers. With regard to products and services, competition is expected to heat up in the area of voice services, with the further development of Voice over Internet Protocol (VoIP) services and increased demand for new services such as Mobile Internet, ADSL and 3G mobile telephony. It is anticipated that the outcome of this competition will to a great extent be decided by the development of unique value-added services focusing on the transmission of sound, video and data, which promise a high return on investment in the coming years.

Adding value to our relationship with our shareholders

With a sense of responsibility guiding our general stance and practices, the Investor Relations Division of GERMANOS Group of Companies operates as a two-way communication channel with the domestic and foreign investment community, ensuring the provision of equal, reliable and timely information to all interested parties.

Within this context, the division undertakes various actions, which in 2005 – by way of indication – included the two General Meetings, teleconferences and personal meetings with financial analysts and institutional investors. Also during this year, we participated in 7 Roadshows and conferences in Europe and the USA and organised over 90 meetings in Greece with Greek and foreign investors.

Highly appreciating your contribution to GERMANOS' successful course, we recognise your need for two-way communication with the company and we remain at your disposal.



Kostas Karafotakis
Investor Relations & Corporate Affairs Director

1. General Information

1.1 Information on the compilation of the Annual Report and the Company's Auditors

The present Annual Report contains all the information and financial data deemed necessary for the proper evaluation of the assets, financial status, results, and the prospects of the Company "GERMANOS SOCIETE ANONYME INDUSTRIAL & COMMERCIAL COMPANY OF ELECTRONIC & TELECOMMUNICATION MATERIAL & TELECOMMUNICATION SERVICE PROVIDER" by investors and their investment advisors.

Investors interested in additional information may contact the Company offices during working days and hours:

23rd klm of Athens-Lamia National Road, 145 65 Agios Stefanos, Attica (Persons in charge Mr. Loukas Petkidis, BoD Member – Head of Financial and Administrative Services, tel. + 30 210 6242340 and Mr. Costas Karafotakis, Head of Investor Relations and Corporate Communication Division, tel. + 30 210 6242412).

The preparation and distribution of the present Annual Report has taken place according to the provisions of the current legislation. The person responsible for the preparation of the Annual Report as well as for the accuracy of the data contained therein is Mr. Loukas Petkidis, BoD Member – Head of Financial and Administrative Services, tel. + 30 210 6242340, 23rd klm of Athens-Lamia National Road, 145 65 Agios Stefanos, Attica.

The Board of Directors declares that all of its members have been informed of the content of the Annual Report, and together with the authors responsibly certify that:

- All information and date provided therein are complete and accurate.
- No figures exist and no events have taken place, whose non-disclosure or omission could render the figures and information contained in the Annual Report misleading - partly or in whole.
- There are no pending legal proceedings or arbitrations against the Company or the companies controlled by it through ownership, which could have a significant impact on their financial position, except for those stated in a relevant paragraph herein.

The Company is audited by Certified Auditors-Accountants. The audit of the financial year ending on 31/12/2005, was performed by the Certified Auditor – Accountant Mr. Anagnos Lymberis (S.O.E.L. Reg.No. 11241) for the company financial statements and by Mr. Aristeidis Sfounos (S.O.E.L. Reg.No. 14851) for the consolidated financial statements, both on behalf of the Certified Auditors-Accountants company BKR PROTYPOS AUDITING S.A. (Address: 81 Patission & Heyden Str., 104 34 Athens, tel. + 30 210 8217572).

The aforementioned certified auditors-accountants of this financial year declare that there were no disputes between themselves and the Company and that the Company maintains an effective internal audit system.

The Group's companies that are based abroad, are audited by International Certified Auditors-Accountants. Specifically:

- GERMANOS TELECOM-ROMANIA S.A., Price Waterhouse Coopers, Bucharest, Romania.
- GERMANOS TELECOM-BULGARIA AD, Price Waterhouse Coopers, Sofia, Bulgaria
- GERMANOS POLSKA SP.ZO.O., Price Waterhouse Coopers, Warsaw, Poland
- TCM Price Waterhouse Coopers Warsaw, Poland
- GERMANOS TELECOM SA-SKOPJE, Price Waterhouse Coopers, Skopje

- GTI Sp.Z.o.o., Price Waterhouse Coopers, Warsaw, Poland
- SUNLIGHT ROMANIA FILIALA SRL, Price Waterhouse Coopers, Bucharest, Romania
- GERMANOS TELECOM UKRAINE, Deloitte, Kyiv, Ukraine
- SUNLIGHT UKRAINE SRL, Deloitte, Kyiv, Ukraine
- SILKWAY HOLDING B.V., Arenthals Grant Thornton, Amsterdam, Netherlands

The audit reports of the ordinary certified auditors-accountants, are included in the Appendix to the Financial Results of the present Annual Report, under the published annual financial statements.

1.2 Un-audited Tax Fiscal Years

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

	UN-AUDITED TAX FISCAL YEARS
GERMANOS SA	2004-2005
E-VALUE SA	2003-2005
GERMANOS TELECOM A.D. SKOPJE	2003-2005
GERMANOS TELECOM ROMANIA SA	2003-2005
SUNLIGHT ROMANIA FILIALA S.R.L.	2001-2005
GERMANOS TELECOM BULGARIA A.D.	2005
SUNLIGHT UKRAINE S.R.L.	2001-2005
GERMANOS TELECOM UKRAINE CJSC	2004-2005
GERMANOS POLSKA Sp. Zoo	2001-2005
GTI POLSKA SP ZOO	2004-2005
TCM SP ZOO	2002-2005
GERMANOS CYPRUS LTD	1999-2005
INFOTEL LTD	2000-2005
SUNLIGHT TRADING D.O.O BEOGRAD	2005
SUNLIGHT BATTERIES GmbH	2005
HELLENIC DUTY FREE SHOPS SA	2005
SILKWAY HOLDING BV	2004-2005
UNITEL L.L.C.	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.

1.3 Information regarding public offerings

During the last and the current financial period there was no public offering from the Company for the purchase or exchange of shares of other companies, neither were there such offers from third parties for the Company's shares.

1.4 Pending judicial cases of GERMANOS SA

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 disbursal. 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 and with the decision pending. 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 28/3/2006.

2. General Information on GERMANOS SA

The Company GERMANOS SOCIETE ANONYME INDUSTRIAL & COMMERCIAL COMPANY OF ELECTRONIC & TELECOMMUNICATION MATERIAL & TELECOMMUNICATION SERVICE PROVIDER, with the distinctive title "GERMANOS SA", was established in 1989 (Govt. Gaz. 3971/20.11.1989) under the Societe Anonyme Register No. 20523/04/B/89/577 and registered offices in the Athens Municipality. Pursuant to the 5/12/1991 decision of the General Shareholder's Meeting, the Company's domicile was transferred to the Municipality of Metamorphosi, Attica and following, with the decision of the General Shareholders' Meeting on 10/5/1993, its domicile was set at the Neos Olvios Community in the Xanthi Prefecture, S.A. Reg. No. 20523/06/B/89/45.
Presently, according to the decision of the General Shareholders' Meeting on 9/1/2006, the company's domicile was transferred to Agios Stefanos Attica and specifically at the 23rd klm of the Athens-Lamia National Road, where its head offices are also located.

According to its Articles of Association, the Company's duration has been set to ninety years, namely until 31/12/2079.

The Company's objective, according to Article 3 of its Articles of Association, is:

a) The manufacturing, trade, import, export, wholesale and retail sale and assembly of all types of accumulators (batteries) and all types of wired and wireless devices and electricity, electronic, telecommunication and computer application items, as well as electronic and telecommunications materials.
b) The provision of telecommunication products and services, subject to the limitations of L.2246/94, as is currently in effect; the development, installation, operation, management, and exploitation of all types of mobile and fixed communications, Internet services, such as electronic mail services, interactive communication (IRC), file transfer (FTR), access to shared databases.
c) The broadcast on radio and/or television frequencies, cable or digital TV, with the participation or even the establishment of legal or other entities.
d) The undertaking of activities related to telecommunications, including system designs, as well as the development, production, use, sale, renting, renting out, financial leasing and maintenance, acquisition of ownership rights or rights of use or exploitation of telecommunications equipment.
e) The acquisition of ownership, use or exploitation rights, of telecommunications equipment and means for the provision of telecommunications services; the installation, operation, exploitation and other related acts with respect to all types of fixed or mobile telecommunications systems, even future ones.
f) Research and development in new technologies, patents, designs and models, with regard to new or future Internet network services, and especially online catalogue services, product advertisement and promotion through the Internet,
g) Development and provision of new advanced services, especially for interactive services, and specifically for interactive Video, and personal multimedia services.
h) The purchase, storage, manufacturing, packing, Bar Coding, labeling and distribution of Merchandise and Products.
i) The planning and development of software especially for commercial and financial applications that will assist the retail sales chain of stores, Customer Relationship Management (CRM) applications and applications for retail systems in general.
j) Representation of domestic and foreign houses, producing and trading the aforementioned items, and the provision of services related to the design, application, and use of the directly above products.
k) The establishment, collaboration, and participation in

other similar, or related or not, companies, of any corporate form in Greece and abroad, and

l) Any productive or commercial activity related to the company's objective.

For the realization of its objective, the company may purchase property and vehicles, invest its available capital in titles and securities listed or non-listed on domestic and foreign Stock Exchanges, in Greek and Foreign venture capital companies, etc, and may raise funds for its investment plans from any source provisioned for by the Greek Development Laws (L. 1892/1990 etc.) and by the Rules and Directives of the European Union, and also may provide all forms of guarantees, third party guarantees, etc. in the Company's name in favor of third party physical or legal entities.

2.1 Object of activities

The activity sectors of the GERMANOS Group are: Chain of Stores, Provision of Telecommunication Services, Autonomous Energy and the Distribution Network of Consumer Products. Specifically:

2.1.1 GERMANOS Chain of Stores

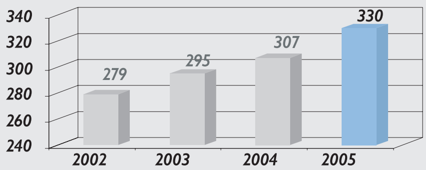
Germanos Chain of Stores signals the initiation of our business activity in the Greek market. Its success is reflected in the 920 stores developed with the sense of responsibility for the promotion of Greek business activity within and beyond our borders. With presence in 7 European countries (Greece, Romania, Poland, Bulgaria, Cyprus, Former Yugoslavic Republic of Yugoslavia Macedonia and Ukraine), the Company covers a market range that exceeds 150 million consumers. Based on the "one stop shop" philosophy, its main objective is to connect the every-day individual with technology. The network's pan-Hellenic coverage, in connection with its apt communication strategy, has offered large recognition to the Germanos name in the telecommunication product and services sector.

The dynamic growth of the network has greatly been enhanced by the exploitation of the franchising system.

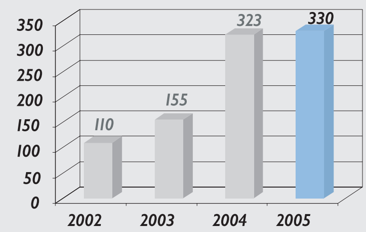
The object of the contracts is to give the franchisee of the subsidiary P.GERMANOS S.A. retail sale of products and services, the right to use the distinctive title and trademark and as well as technical expertise of the Company. Based on these contracts, the company undertakes the initial and regular training of the franchisees, shaping of commercial policy, advertising support, and the layout of the store. The franchisees undertake the establishment, initial organization, as well as the administration and operation of the GERMANOS store based on requirements laid out by the Company.

Regular training in new products and services is an intrinsic element of the advertisement of our products and services.

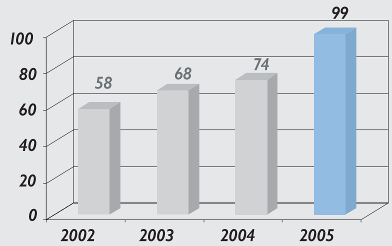
Greece



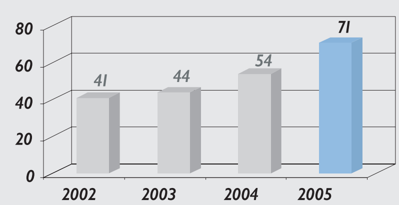
Poland



Romania



Bulgaria



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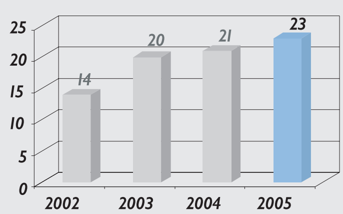
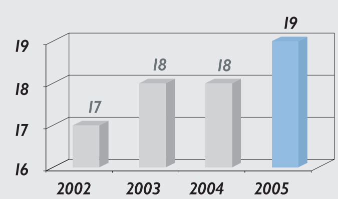
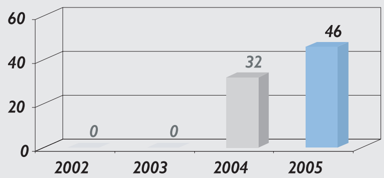


Cyprus



Ukraine



2.1.2 Telecommunication Services

At the same time, the Telecommunication Services sector continuously supports the Group's Sales Networks, in order to provide high quality services and products to consumers, whereas through the department of Corporate Telecommunication Consultants, it provides all businesses with consulting services as well as integrated advanced technology solutions, in order to achieve their goals.

Specifically, the Telecommunication Services sector reinforces the Group's activities in fields, such as:

- Mobile Telephony
- Fixed Telephony
- Alternative Fixed Telephony
- Internet

Aiming at satisfying the most demanding customer, the Telecommunication Services sector plays a catalytic role in the upward path followed by the GERMANOS Group of Companies. Providing high quality Services and Products, it contributes to the corporate vision of "connecting people with technology".

2.1.3 Autonomous Energy

SUNLIGHT Industrial complex

Based in Neo Olvio, Xanthi, the SUNLIGHT Industrial Complex is today the only production Unit of Integrated Energy Systems and Accumulators in Greece and one of the most important in the world. The significant classification of the Greek Industrial Unit SUNLIGHT in the international market led not only to the provision of a highly competitive product of high value added, but also to claiming a prominent position in the global market.

The acquisition of the SUNLIGHT Industrial Complex by GERMANOS Group of Companies in 1991, constituted a milestone for its dynamic development and contributed to its further development and the expansion of its activities throughout Europe.

Today the SUNLIGHT Industrial Complex develops and produces over than 1,500 specialized products and integrated energy systems, which apply to sectors that are characterized by high demand and specifications, such as Industry, Defense, Telecommunications, Structural Constructions and Transportation.

The Unit's dynamic includes six highly-modern production lines for submarine propulsion batteries, lead accumulators of open/closed type, hybrid systems for autonomous power supply, as well as simple consumer batteries with the SUNLIGHT brand, TOSHIBA alkaline batteries and mobile telephony batteries and chargers.

At the same time, it disposes production and assembly lines for feed mechanisms of telecommunication applications, industrial chargers, electro-produced pairs and UPS systems.

Quality and Environmental Management

The SUNLIGHT Industrial Complex respects natural and time-old values such as the personnel's health and the environment. The industry's products are produced according to the strictest international specifications, since the production process is monitored by a Quality Management System per ISO 9001. Moreover, the company, having a deep sense of responsibility towards the environment, implements an Environmental Management System per ISO 14001, which was recently certified by OSHAS 18001.

Research and Development

The SUNLIGHT Industrial Complex is very active in the research and development of energy storage technologies for more than 10 years and has an extensive knowledge of all primary and secondary technologies. Issuing technical studies for R&D projects, developing and evaluating the performance of new products, are some of the current services provided by our Research and Development department. In addition, SUNLIGHT Industrial Complex focuses on the design, development and evaluation of new technology energy storage systems as well as autonomous power supply systems for a wide range of applications.

Marketing Field of Integrated Energy Systems as well as Industrial and Special Requirements' Accumulators

SUNLIGHT industry's activity is expanded in 35 countries, whereas its high level of know-how is reflected in its own clientele, which includes Public Organizations, Ministries of

Defense, Industries, Transport Companies, Telecommunication Carriers, Energy Production Units and Construction Companies.

Strong International Presence

The SUNLIGHT Industrial Complex of GERMANOS Group of Companies achieves its establishment in the global market, by focusing on strategic collaborations and the quality of the products it produces.
The SUNLIGHT Industrial Complex has business presence in Romania, Bulgaria, Ukraine, Serbia and Poland, while it also owns sales offices in France, Germany, the Middle East and Spain, in order to enhance its prospects for development and its further establishment in significant market sectors of the countries in which it is actively involved.

2.1.4 International Markets

Portable batteries Export Division

Constituting the first step of its business activity, the battery sector, forms one of GERMANOS Group of Companies' most dynamic fields of activity. The Group's long experience and specialized know-how in the production and marketing of integrated energy systems as well specialized industrial batteries, through the SUNLIGHT industrial complex and its wider commercial Network, led to the creation of the Export Sector for Portable Batteries.

The Group's Export Sector for Portable Batteries began its activity in 1994 and bases its business development in Eastern Europe. In particular the sector's export activity includes:

TOSHIBA Batteries

Having undertaken the distribution of TOSHIBA consumer batteries, in 2001 the Group expanded its collaboration with the international firm for the export of TOSHIBA portable batteries in Western Europe. For this reason the two companies jointly established a business office based in Paris. Today based on an organized plan, this specific export activity is also being developed in Central Europe.

SUNLIGHT
Batteries and Flashlights

Carrying the label of the eponymous company, they are one of the products of SUNLIGHT Industrial Complex. Today the SUNLIGHT batteries and flashlights are promoted by the Group's Portable Batteries Export Sector in 20 countries of Southeast Europe, Middle East and Africa.

2.1.5 Consumer Product Distribution Network (Wholesale Trade)

The consumer product distribution Division commenced operations in 1984, by undertaking the then exclusive representation of TOSHIBA cylinder batteries in Greece.
In its twenty-year consistent path, the network advanced to a strong force in the distribution sector and today constitutes one of the most important consumer product distribution Networks in Greece.

The Consumer product distribution network distributes and promotes products from the GERMANOS Group's broader "basket", namely products of broad consumption that are directly related to energy and telecommunications.

It cooperates with an exclusive relationship or through special collaborations with leading companies such as TOSHIBA, SUNLIGHT, SAFT, TIM, COSMOTE, VODAFONE, QPHONE, OTE A.C.N etc.

- TOSHIBA Cylinder Batteries.
  Our group has the exclusive distribution and sale, from 1984 for Greece and from 2000 for the entire European continent.

- SUNLIGHT Cylinder Batteries.
  Such are manufactured in the respective industrial complex, in Xanthi, which is owned by the GERMANOS Group.

- Full range of "TOSHIBA & SUNLIGHT" flashlights

- Prepaid telephones & connection packages of the companies " TIM, COSMOTE, VODAFONE "

- Prepaid mobile telephony cards of the companies " TIM, COSMOTE , VODAFONE & Q PHONE"

- Prepaid fixed telephony & Internet cards from "OTE & Alternative providers"

With 30 specialized executives equipped with 16 merchandisers and 8 exclusive representatives, the Consumer Product distribution network of the GERMANOS Group visits over 3,400 customers on a monthly basis (Super Markets – Groups – Department Stores – Associations

– Petrol Stations – Toy Stores – Cash & Carry – Photo Shops). Through this organization, it achieves the placement of the products it distributes in over 30,000 final sale points, whilst retaining very high market shares.

In the battery market, the market shares held by TOSHIBA & SUNLIGHT batteries exceed 30%.

In the prepaid telephony market, the network's market share exceeds 28% (of the total market).

Taking advantage, in the most efficient way, of the large synergies it achieves as a division of the GERMANOS Group (logistics, spaces, supplies, IT, expansion abroad etc.), the Network foresees the future with optimism and expects further development, both in products and in clientele.

The company E-VALUE constitutes the secondary sector of activity.

2.1.6 evalue

Evalue, a member of the GERMANOS Group of Companies, active from September 1999, in the field of Call Center and Customer Relationship Management (CRM) services, aims at the effective management of its collaborator's customer relations.

With the capacity to employ 1,200 specialized agents, 365 days a year, and on a 24-hour basis, eValue offers integrated call center services with complete success, as regards to incoming – outcoming calls, data collection and back office. Having its customers as its basic axis, eValue is not only a reliable contact center, but also an invaluable corporate partner, that plans, undertakes and handles accurately the services that its customers really need.

evalue's personnel, informed and equipped with the appropriate tools, form the basis and the future of the company and constitute one of its competitive advantages.

The flexibility of evalue call center services, in conjunction with advanced technology and trained personnel, can guarantee effectiveness in communication with customers. At the same time, evalue is in a position to offer management or consulting services for in-house call-centers as well as integrated CRM (Customer Relationship Management) services that focus on two-way, interpersonal communication (ONE-TO-ONE) with consumers, via telephone.

In particular, evalue constitutes the open line:

- Of every company for: product and services promotion, collecting of overdue bills, market research, database management, follow up events.

- Of every company's customers for: information about products and services, points of presence, handling of orders, technical support, after sales support, complaint handling.

Evalue, equipped with all the modern means that digital technology has to offer and staffed by a properly trained personnel, offers all the Call Center services like:

- Services through incoming calls

- Services through outcoming calls

- Back Office Services (Support)

- Collection Services

Evalue's aim for 2005 is to further expand its operations and gain a leading position amongst the three biggest Companies in its field of activity.

2.2 Human Resources

The following table presents the evolution of the Company's average staff during the last six years:

EVOLUTION OF STAFF	2000	2001	2002	2003	2004	2005
Workers	143	124	217	263	278	281
Administrative Staff	525	618	608	691	759	767
Total	668	742	825	954	1037	1048

According to the most recent data, the Company employs a total of 1048 individuals, from which 250 are University graduates, 115 graduates from Technological Educational Institutes (TEI), 75 are holders of a Masters degree and 3 are holders of a Ph.D.

EVOLUTION OF UNIVERSITY & TEI GRADUATES	2000	2001	2002	2003	2004	2005
University Graduates	105	130	184	203	215	250
TEI Graduates	49	60	113	119	126	115
MASTER	18	27	35	47	57	75
PhD	-	-	-	3	3	3
Total	172	217	332	372	401	443

The Company, taking into account that its growth depends extensively on the way it handles the development and motivation of its employees and that the most effective utilization of human resources is still the key to productivity and growth, has applied systems in the Human Resources Division. Such systems aim at employing the right person at the right position, equipped with the proper professional tools and adequate training, fully adapted to his/her needs, so that maximum effectiveness and profitability in the achievement of company goals is accomplished.

2.3 Fixed Assets

Self-Owned Property

The property owned (100%) by the Company is as follows:

Land - Plots

- A Plat with a surface of 76,648 square meters in Neo Olvio Xanthi, where the Company's Industrial Complex is located. The plot was attained in 1991, with the acquisition of the Sunlight plant.
- Two plats with a total surface of 10,702 square meters, adjacent to the plot located at NEO OLVIO XANTHI, where the Industrial Compound is located. The plats were acquired in 2001.
- Five plats with a total surface of 53,819 square meters, adjacent to the plot located at NEO OLVIO XANTHI, where the Industrial Compound is located. The plats were acquired in 2002.
- Land with an area of 13,420 square meters in the area of Agios Stefanos Attica, on the 23rd klm of the Athens - Lamia National Road. It was acquired in 1996. As indicated in the independent legal auditor's report, a percentage of approximately 60% of the above land is included in the urban-planning schedule. After the inclusion of the remaining section in the urban-planning schedule, the estate will be subject to the provisions of Law 1337/1983 concerning contributions in land and money.
- Land with an area of 4,649 square meters, adjacent to the above land. It was acquired in 1998.
- Land with a surface of 12,137.75 square meters included in the urban-planning schedule in the Industrial Zone of Agios Stefanos Attica.
- A plat with a surface of 117,732 square meters located at Vrestiza in the agrarian District of Avlonas Attica, which includes a ground residence of 84 sq. meters. This plat hosts the company's the highly modern Logistics center, with a surface of 8,500 sq. meters, while it also possesses the infrastructure to expand the existing facilities by a further 8,500 sq.meters.

Building Facilities

- A three-floor building complex with basements and auxiliary areas, with a total surface of approximately 11,000 square meters, located on the 23rd klm of the Athens-Lamia National Road. The building was attained with the acquisition of the land in 1996. The building accommodates the Company's head offices as well as the mobile telephone technical service department, which take up a surface of 10,348 sq. meters.
- A multi-floor office - shopping building on 6 Emmanouil Benaki Str., Athens, with a total surface of 1,341 sq. meters, which consists of three basements of a total surface of 101 sq. meters, a ground store with a surface of 104 sq. meters along with a 50 sq. meter surface loft, four above-ground floors with a surface of 216 sq. meters each, one above-ground floor with a surface of 166 sq. meters and the last floor with a surface of 56 sq. meters. The building was acquired in 1996. This building was reconstructed in 2001 and it accommodates the Group's offices in downtown Athens along with the Company's educational center.
- A building complex of 45,000 sq. meters with indoor spaces, in the Neo Olvio Xanthi Community, which consists of six buildings build on the land described above. In this complex, which was acquired in 1991, the production activities of the Company take place.

Specifically the following areas are occupied by such activities:

- 6,000 sq. meters by the plants' warehouses.
- 6,300 sq. meters by the submarine lead accumulators' production unit.
- 7,500 sq. meters by the industrial type and closed type (VRLA) lead accumulators' production unit.
- 7,500 sq. meters by the cylinder batteries - cellular telephony batteries - feeders -chargers - military batteries and power chargers production unit.
- 2,500 sq. meters by the assembly of electro productive pairs and the production of autonomous power systems (APS).
- 8,500 sq. meters by the zinc-silver torpedo accumulators' production unit, the construction of which was completed within 2005.
- 3,500 sq. meters by the offices which accommodate the financial and administrative services of the production sector.
- 3,200 sq. meters used for environmental protection and water tanks used for fire protection, etc.
- A building complex of approximately 8,500 sq. meters on the plat on Vrestiza (Avlona Attica), which accommodates the Company's new highly modern storage and distribution center. From November 2003,

the products of the company "HELLENIC DUTY FREE SHOPS S.A." are stored and distributed from this complex towards all the sale points.

The following table presents the Company's total self-owned property:

SELF-OWNED FACILITIES			
LOCATION	TYPE OF PROPERTY	AREA (m2)	YEAR OF ACQUISITION/CONSTRUCTION
Agios Stefanos, Attica	Plot	13,420	1996
Agios Stefanos, Attica	Plot	4,649	1998
Agios Stefanos, Attica	Plot	12,138	1999
6 Emmanouil Benaki Str., Athens	Building	1,341	1996
Neos Olvios, Xanthi	Plot	76,648	1991
Avlonas, Attica	Plot	117,732	2000
Neos Olvios, Xanthi	Plat	10,702	2001
Neos Olvios, Xanthi	Plat	53,819	2002
Agios Stefanos, Attica	Building	11,000	1996
Avlonas, Attica	Building	8,500	2001
Neos Olvios, Xanthi	Building Complex	45,000	1993 until 2005

2.4 Investments 2004-2005

From its establishment, the Company has realized significant investments in fixed assets each year in order to increase its productiveness and competitiveness. The following table presents the investments that took place during the past two years, according to I.F.R.S.:

in €	2004	2005
Land - Plots	0.00	275.86
Buildings - Technical Works	14,394,446.83	7,295,537.33
Machinery - Mechanical Equipment	18,144,748.34	4,487,448.79
Vehicles	177,247.71	255,770.89
Furniture and other Equipment	2,770,785.27	2,812,259.29
Intangible Assets	2,984,375.53	7,998,928.38
Total Investments	**38,471,603.68**	**22,850,220.54**

2.5 Mechanical Equipment

The company is equipped with latest technology equipment of high standards. The accumulators' and feeding production lines are continuously equipped, in order for them to be in a position to meet the continuously increasing standards set by customers. The Company's main machinery, allocated to the different production types, is presented in the following table:

MECHANICAL EQUIPMENT FOR THE PRODUCTION OF SUBMARINE ACCUMULATORS - CLOSED TYPE (VRLA) - TORPEDO ACCUMULATORS AND INDUSTRIAL APPLICATIONS (FINANCIAL YEAR 2005)		
No.	DESCRIPTION	VALUE (€)
1	Equipment for the assembly of torpedo battery electrodes	197,515.80
2	Tank equipment for the immersion of torpedo battery electrodes	171,572.31
3	Tank equipment for the immersion of torpedo battery electrodes	173,196.00
4	ITW MORLOCK printing machine for the assemble of torpedo items	27,029.45
5	Tank machinery for the edulcoration of torpedo items	53,667.25
6	Loaders Unloaders for VRLA battery production	116,192.00
7	HBM metric power system for torpedo battery production	11,240.00
8	Automatic activation system for submarine batteries	1,176.00
9	Automatic activation system for submarine batteries	1,035.90
10	Water freezing system for torpedo industrial unit	8,000.00
11	Activation equipment for submarine batteries	2,803.19
12	Equipment for measurement of VRLA battery leaks	10,073.78
13	Pole block for industrial items	14,874.45
14	Agglutination system for EWS torpedo batteries	33,421.74
15	Production block for submarine AGOSTA battery caps	154,350.00
16	Machine for the construction of negative grids of AGOSTA submarine batteries	329,830.00
17	Assembly machine for submarine items	36,972.18
18	Block for the construction of DAPHNE submarine containers	285,450.00
19	Equipment for the effusion of lead of industrial batteries	32,343.13
20	Block for the construction of CHILE submarine containers	187,410.47
21	Array for the measurement of torpedo battery leaks	13,099.33
22	Array for the astriction of submarine battery assembly	16,965.00
23	Block for the production of caps for KILO submarine items	188,750.00
24	Rack block for SL2x40HS Ni-cd battery production	16,650.00
25	Machine for the wrapping of plaque separators for industrial batteries	87,616.63
26	Positive grid block 9.3/8.4/3 for industrial batteries	15,030.00
27	Entrance block for PE SL2X40HS torpedo items	5,850.00
28	Rack block PS28/1 for the production bunker of military batteries	4,250.00
29	Valve Blocks for 12 SAM28 batteries	24,750.00
30	STB100 cap block for VRLA batteries	17,100.00
31	STB100 screen block for VRLA batteries	10,800.00
32	STB150 cap block for VRLA batteries	18,400.00
33	STB150 screen block for VRLA batteries	11,500.00
34	STB150 box block for VRLA batteries	41,400.00
35	24v box block for VRLA battery tanks	46,000.00
36	24v cap block for tanks	21,160.00

MECHANICAL EQUIPMENT FOR THE PRODUCTION OF SUBMARINE ACCUMULATORS - CLOSED TYPE (VRLA) - TORPEDO ACCUMULATORS AND INDUSTRIAL APPLICATIONS (FINANCIAL YEAR 2005)

No.	DESCRIPTION	VALUE (€)
37	24v screen block for tanks	11,500.00
38	Block for the effusion of lead of polebridge industrial batteries	4,050.00
39	Block for submarine agosta vessel	7,500.00
40	Pre-charging equipment for positive electrodes of torpedo batteries	98,850.00
41	Pre-charging equipment for prism electrodes of torpedo batteries	38,067.21
42	Block container for submarine EQUADOR batteries	18,539.53
43	Stretching device (production of torpedo batteries)	2,500.00
44	Intensifier for torpedo accumulator clusters	1,600.00
45	Rotation machine (production of torpedo batteries)	2,500.00
46	Measurement machine for center of gravity of torpedo items	13,500.00
47	Equipment for the pre-production of glue pump for torpedo battery electrolytes	1,845.32
48	Equipment for the assembly of torpedo batteries	3,998.10
49	Perforation machine for STB100 VRLA batteries	4,200.00
50	Perforation machine for STB150 VRLA batteries	4,200.00
51	Picoscope 3424 for assembly of submarine items	1,020.00
52	Measurement system for the density of VRLA batteries	4,245.47
53	Cutting blocks for negative or positive electrodes of torpedo batteries	6,120.00
54	Cutting blocks for negative or positive electrodes of torpedo batteries	6,750.00
55	Stretching machine for torpedo accumulator blocks	3,500.00
	TOTAL	**2,621,960.24**

3. Corporate Governance

GERMANOS SA, has adopted the Corporate Governance Principles, which more than cover the requirements of the present institutional framework, acknowledging that the implementation of such principles promotes the corporate interest and contributes to the increase of the company's value. In the context of implementing the Corporate Governance Principles, the company:

- It operates according to the "Internal Operation Regulation", which describes the general principles for the company's operations along with the most important procedures, aiming at reassuring transparency and balanced information. The "Internal Operation Regulation" adopts the modern principles of Corporate Governance, especially as regards to issues not covered by the law and the Company's Articles of Association but are necessary for its smooth and transparent operation, as a corporate practice.
- It has organized an internal audit system with designated bodies, which are the Audit Committee and the internal audit service (Internal Audit Division) and which are independent and refer directly to the Company's Board of Directors.
- The composition of its Board of Directors has been adjusting, in order to gain accordance to those in effect per executive, non-executive and independent members.
- It has organized Investor Relations Services, Shareholders' Division and Corporate Announcements, all divisions responsible for the duty of correctly maintaining the shareholder register, informing investors, shareholders and the relevant regulative authorities, respectively.
- It has established the Remuneration and Benefits Committee (Human Resources and Remuneration, Investment Committee and Management Committee, which assist the Board of Directors in its mission.

3.1 Board of Directors

The Board of Directors of GERMANOS Group is made up of 8 members serving a five-year term, which may under certain circumstances be extended to a maximum of six years (until 30/6/2009). According to Law 3016/2002 on Corporate Governance, as amended by Law 3091/2002, the Board of Directors must consist of executive and non-executive members. The number of non executive members must not be less than 1/3 of the total, whilst at least two of the non-executive members must be independent. In accordance with the above and pursuant to the decision of the Ordinary General Shareholders' Meeting on 24/06/2004 (Government Gazette 9808/30.7.2004), the present composition of the Board of Directors of the company is as follows:

1. **Panos Germanos,** Chairman and executive member
2. **Christos Germanos,** Vice-Chairman and executive member
3. **Ioannis Karagiannis,** Chief Executive Officer and executive member
4. **Loukas Petkidis,** executive member
5. **Christos Kartalis,** executive member
6. **Angelos Plakopitas,** independent non-executive member
7. **Dimitrios Goumas,** independent non-executive member
8. **Theodosios Boudourakis,** independent non-executive member

The curriculum vitae of the BoD members are presented briefly in page 19 herein, as well as on the Investor Relations website.

The Chairman of the Board of Directors and the Chief Executive Officer- Mr.Panos Germanos and Mr. Ioannis Karagiannis respectively - are duly authorized to represent and bind the company in all judicial and extrajudicial proceedings, with respect to all legal matters, juridical acts and contracts which pertain to the corporate objective, are within the powers of the Board of Directors (except those requiring collective action) and relate to the management and administration of corporate affairs and the disposition of the company's assets. In addition, the company is validly bound and represented in judicial and extrajudicial matters for each act up to the amount of €600,000.00 by the signatures of Mr. Loukas Petkidis and either one of Mr. Ioannis Evangelodimos or Mr. Anastasios Thermos and for acts up to the amount of €50,000.00 by the signature of Mr. Loukas Petkidis. With regard to the legal representation of the company in judicial and extrajudicial matters, it should be noted that no board member has been convicted for acts relating to dishonesty or financial crimes.

Nor is any member involved in pending judicial proceedings pertaining to bankruptcy, criminal acts or subject to any prohibition on the right to:

1. Conduct business activities
2. Perform stock exchange transactions
3. Work in a professional capacity as an investment consultant, bank or insurance company executive, underwriter or brokerage executive, etc.

The only affinity between the members of the Board of Directors is that between Mr. Panos Germanos and Mr. Christos Germanos, who are brothers. Lastly, all the board members are Greek nationals and citizens.

The postal address of the BoD members is:
23rd klm Athens - Lamia National Road, 145 65 Agios Stefanos, Attica

3.2 Company Management

The Company's Management Committee consists of the following:

Ioannis Karagiannis - Chief Executive Officer

Christos Kartalis - Director, SUNLIGHT Industrial Complex

Loukas Petkidis - Finance and Operation Director

Dimitris Lolis - General Director, GERMANOS Chain of Stores

Spyros Vasilakis - Director of Telecommunication Products & Services

Nikos Delkos - Director of Consumer Products

Stathis Babalis - Sunlight Commercial Director

Dimitris Papadakis - Legal Services Director

Konstantinos Karafotakis - Director of Investor Relations & Corporate Affairs

Ioanna Papaconstantinou - Director of Human Resources

George Kalogeropoulos - Director of Information Technology

Gerasimos Nikoletatos - Director of Logistics

Nikos Zevas - Finance Director

None of the company's Management executives has been convicted for acts relating to dishonesty or financial crimes. Nor is any member involved in pending judicial proceedings pertaining to bankruptcy, criminal acts or subject to any prohibition on the right to:

1. Conduct business
2. Perform stock exchange transactions or
3. Work in a professional capacity as an investment consultant, bank or insurance company executive, underwriter or brokerage executive, etc.

All the management executives of the company are Greek citizens and there is no affinity between any members of the management committee up to the second degree by marriage.

The postal address of the company's management executives is:
23rd klm Athens - Lamia National Road, 145 65 Agios Stefanos, Attica

Internal Audit

The company has established a strong Internal Audit System, which consists of the total auditing mechanisms and procedures that cover the main activities, thus contributing to its smooth and efficient operation and to reassuring its shareholders' interests.
The system covers all of the Company's Divisions as well as the operation of its subsidiaries in Greece and abroad.
The responsible bodies for the implementation of the Internal Audit System, are the following:

- Audit Committee and
- Internal Audit Division

3.3 Audit Committee

Based on a decision by the Company's Board of Directors, an Audit Committee has been established, which refers to the Board of Directors and whose main objective is the assistance of the BoD in its responsibility for implementing the Company's internal audit system and in reassuring transparency of corporate activities.
The Audit Committee consists of the Board of Directors' Chairman Mr. Panos Germanos and of two independent non-executive BoD members, Mr. Dimitrios Goumas and Mr. Aggelos Plakopitas, while the Internal Audit Director is present in the Committee's meetings.
The Audit Committee’s basic responsibilities are the following:

- Evaluation of the sufficiency and efficiency of the Company’s internal audit system,
- Supervision of the Internal Audit Division and evaluation of its tasks and its independence level,
- Evaluation of the Company’s main business risks,
- Informing of the company’s Board of Directors on the audit results and the Committee’s decisions,
- Regular communication with external auditors.

Internal Audit Division

The Internal Audit Division is an independent organizational unit that reports to the Company's BoD's Audit Committee and has the responsibility of implementing a modern and efficient internal audit system. Its main activities include the following:

- The audit of the Company’s adherence to its obligations, as stipulated by the Law, the decisions by the Hellenic Capital Market Commissions and any other relevant State body.
- The audit concerning the evaluation of the adequate necessary control in the Group’s Companies’ operations.
- The audit concerning the compliance with the Group’s policies as well as with the secondary procedures of the Companies, which it consists of.
- The provision of consultative services as regards to the smooth operation of administrative units and the efficient risk management.

Organization and Operation

The Internal Audit Division comprises of the Internal Audit Director and the Auditors.

The Internal Audit Director is appointed by the Company's Board of Directors and reports to the Chairman of the Audit Committee and as regards to the application of L. 3016/2002 on corporate governance, it refers to the Audit Committee and is an individual that holds the necessary skills and experience. Furthermore, his presence is mandatory in the Company's General Shareholders' Meetings.

The Internal Auditors are responsible for conducting the audits, recording and documenting their findings and for the joint reconciliation with those audited of the suggested correctional acts, abiding to the laws and the internationally accepted auditing principles and practices.

3.4 Investor Relations and Corporate Affairs Department

Investor Relations

Within the framework of compliance with the modern rules of Corporate Governance, it is the task of the Investor Relations Department to ensure equal information access to all shareholders, analysts and the investor community in general. The prompt, accurate and transparent, disclosure of information regarding Group's business developments is the benchmark for assessing the department's efficiency. Specifically, the Investor Relations Department is responsible for preparing the Annual Communication Plan with the Institutional Community, as well as advance announcements via the Press and Stock Exchange regarding meetings with analysts. It is worth noting that in order to further improve our communication channels, conference calls and web castings have been introduced to facilitate the announcement of quarterly financial results. The presentations and the material distributed at meetings are available on the Group's official website, in the section 'Investor Relations' (http://ir.germanos.gr).

Corporate Affairs

The task of the Corporate Communications is to serve as a two-way communication system, which with the assistance of the necessary communication practices appropriate in each case, provides relevant information to all interested parties at a local and international level. The department thus strives to ensure a continuous flow of information about all matters pertaining to the Group, as well as the equal, reliable and timely provision of information concerning the company's strategy. Its ultimate objective is to report our activities and actions both within and outside the Group in an accurate and impartial manner.

3.5 Remuneration and Benefits Committee

The objective of the Remuneration and Benefits Committee is to submit proposals towards the Board of Directors concerning the remuneration and benefits strategy, systems and policies, in order to attract, maintain and motivate the appropriate senior executives of the Group.

The committee studies and submits proposals towards the BoD as regards to the remuneration and benefits policy and the provision of financial incentives towards senior executives that hold position in the company's Management Committee, as well as for Internal Audit executives.

Furthermore,

- It recommends the Company's annual Remuneration and Benefits Policy, which directs the management's decision and actions.
- It proposes the total remuneration of the Chief Executive Officer, the Senior Executives and the Internal Audit Executives, on an annual basis.

The Remuneration and Benefits Committee is voted by the General Meeting and consists of 3 independent and non-executive members of the Board of Directors. The Chief Executive Officer and the Human Resources Director also participate in the Committee, however without voting rights.

3.6 Investment Committee

The Investment Committee examines and proposes towards the BoD on issues concerning the Company's significant investment capital. It consists of BoD members, however in certain cases the Company's senior executives can also participate, given that such have relevant specialized knowledge and experience. Its members are appointed by the BoD on an annual basis.

3.7 Business Risk Management

Based on its activities, our Group is exposed to risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks and liquidity risks. The management of such risks aims at providing for every unknown factor that stems from the financial market and that may affect the Group's economic status. The Finance Division is responsible for the monitoring such risks, which are classified in the following categories.

Foreign Exchange Risk

The Germanos Group has limited its exposure to foreign exchange rate fluctuations despite its broad activities in countries outside the European Union. Transactions mainly take place in euro (with constructors, traders and operators) and in the cases when such must take place in an alternative currency (local currency), we implement natural hedging of foreign exchange risk, i.e. borrowing in local currency, thus neutralizing the exposure to such.

It is also worth noting that in all countries the Group operates in, the base currency is the EURO and the only foreign exchange effects not hedged are those effects from the transformation of balance sheet items that do not affect cash flows.

Interest Rate Risk

In order to apply a preventive policy against interest rates, the Finance Division evaluates the relevant trends on a constant basis. The Group is mainly exposed to interest rate risk of the euro. The largest portion of the risk exposure refers to the bond loan in euro, which is fully hedged against interest rate risk.

Credit Risk

The credit risk from our commercial relations is quite low and controllable. The control of credit risk holds, with some variations, for all three activity sectors: Chain of Stores, Industrial Unit, Distribution Network. The monitoring procedure for the balances is fully automated, while the issue of credit is examined with the use of on upper limit on the open balance and on the payment days of the balance, according to the credit profile of the customer. In many cases different payment conditions are used and range from: cash or checks, money orders, guaranteed credits etc.

Liquidity Risk

The positive working capital and the adequate credit lines essentially write off the Group's liquidity risk. Taking however into account that the largest portion of the Group's activities is based on retail trade, where seasonality plays a primary role, there are periods with larger needs in working capital. It is customary for the Company to increase the level of inventories in such periods (i.e. Christmas period, Easter and beginning of summer) in order to cover expected increase in demand. At the same time, due to positive cash flows and the ability to borrow with favorable terms, the company chooses to take advantage of discounts provided by large suppliers for direct payments (cash discounts) throughout the year.

4. Share Capital, Shareholders, Management

4.1 Share Capital Evolution

The Company's Share Capital, paid in full, amounts today to a total twenty six million one hundred and four thousand one hundred and six (26,104,160) EUR and is divided into eighty one million five hundred and seventy five thousand five hundred (81,575,500) common registered shares with a par value of 0.32 EUR each. In the past five years, the evolution of the Company's Share Capital is as follows:

I. Pursuant to the decision of the Extraordinary General Shareholders' Meeting on 5/4/1999, the par value of each share was reduced from one thousand (1,000) to one hundred (100) GRD, by amending the present article of the Company's Articles of Association and with a corresponding increase of the number of shares from two million, three hundred sixty one thousand eight hundred and eighty three shares (2,361,883) to twenty three million six hundred and eighteen thousand eight hundred and thirty (23,618,830) without change in the Company's share capital, through exchange of each old share, with ten (10) new shares.
As a result, the Company's Share Capital amounted to two billion, three hundred sixty one million eight hundred and eighty three thousand (2,361,883,000) GRD, paid in full, divided into twenty three million six hundred and eighteen thousand eight hundred and thirty (23,618,830) shares with a par value of one hundred (100) GRD each.

II. Pursuant to the decision of the Extraordinary General Shareholders' Meeting on 5/4/1999, the company's share capital was increased through capitalization of reserves amounting to a total of eight hundred and forty five million one hundred and seventeen thousand (845,117,000) GRD, through the issue of eight million four hundred and fifty one thousand one hundred and seventy (8,451,170) new registered shares with a par value of one hundred (100) GRD each.
As a result, the Company's Share Capital amounted to three billion two hundred and seven million (3,207,000,000) GRD, paid in full, divided into thirty two million seventy thousand (32,070,000) registered shares with a par value of one hundred (100) GRD each.

III. Pursuant to the decision of the Extraordinary General Shareholders' Meetings on 5/4/1999 and 11/9/1999, the Company's share capital was increased by seven hundred and forty three million (743,000,000) GRD through the issue of seven million and four hundred and thirty thousand (7,430,000) new common registered shares with a par value of one hundred (100) GRD each, from which are all common shares and from which three hundred and fifty three thousand five hundred (353,500) shares were covered by Private Placement while the remaining seven million seventy six thousand and five hundred (7,076,500) shares were covered through a Public Offering; at the same time, the old shareholders gave up their right of preference in the aforementioned share capital increases. Hence, the Company's paid up share capital amounted to a total of three billion nine hundred and fifty million (3,950,000,000) GRD, divided into thirty nine million five hundred thousand (39,500,000) common registered shares with a par value of one hundred (100) GRD each.

IV. Pursuant to the decision of the Extraordinary General Shareholders' Meeting on 18/12/2001:
a) the above formed share capital was increased by 87,887,500 GRD or 257,923.70 EUR with capitalization of an equivalent amount in "Profit Carried Forward" and a simultaneous increase of the par value of each share from 100 GRD to 102.225 GRD or 0.30 EUR.
b) the Company's share capital and the par value of the shares were also converted to EUR. Hence, subsequent to the above, the Company's share capital amounted to 4,037,887,500 GRD or 11,850,000 EUR divided into 39,500,000 shares, with a par value of 102,225 GRD or 0.30 EUR each.
Pursuant to the decisions by the Company's Board of

Directors on 19/11/2002, and 2/12/2002 the Company's share capital was increased through the stock option plan, which was decided by the Extraordinary General Shareholders' Meeting on 18/12/2001, by 71,142.4 EUR paid in cash and by the issuance of 222,320 registered shares, of 0.32 EUR par value each. Hence, subsequent to the above, the Company's share capital amounted to 12,711,142.40 EUR, divided into 39,722,320 shares with a par value of 0.32 EUR each.
Pursuant to the decision by the Company's Board of Directors on 17/11/2003, the Company's share capital was increased through the stock option plan, which was decided by the Extraordinary General Shareholders' Meeting on 18/12/2001, by 116,131.20 EUR paid in cash and the issuance of 362,910 registered shares with a par value of 0.32 EUR each.
Hence, subsequent to the above, the Company's share capital amounted to 12,827,273.60 EUR, divided into 40,085,230 shares, with a par value of 0.32 EUR each.
Pursuant to the decision of the Company's Board of Directors on 1/12/2004, the Company's share capital was increased, following the stock option plan that had been decided by the General Shareholders' Meeting on 18/12/2001, by 128,726.40 Euro paid in cash and the issuance of 402,270 registered shares with a par value of 0.32 each.
Subsequent to the above, the Company's share capital amounted to 12,956,000 Euro, divided into 40,487,500 shares with a par value of 0.32 Euro each.

V. Pursuant to the decision of the Extraordinary General Shareholders' Meeting on 24/06/2005, the Company's share capital was increased by 12,956,000 EUR with capitalization of an equivalent amount from the issuance of shares above par and with a respective issuance of 40,487,500 new registered shares, which will be distributed free of charge to the company's shareholders at a ratio of one (1) new share for every (1) existing one, with a par value of 0.32 EUR each. Hence, subsequent to the above, the Company's share capital amounts to 25,912,000 EUR, divided into 80,975,000 registered shares, with a par value of 0.32 EUR each.

VI. Pursuant to the decision of the Company's Board of Directors on 1/12/2005, the Company's share capital was increased, following the stock option plan that had been decided by the General Shareholders' Meeting on 24/6/2005, by 192,160.00 Euro paid in cash and the issuance of 600,500 registered shares with a par value of 0.32 each.
Thus, subsequent to the above, the Company's share capital amounts to 26,104,160.00 Euro, divided into 81,575,500 registered shares with a par value of 0.32 Euro each.

4.2 Share Capital - Book Value of Share

i) Share Capital

	Number of shares	Share Capital	Above par	Stock Option Reserve	Own shares	Total
Balance as at 1/1/2004	**40,085,230**	**12,827,274**	**203,655,544**	**-**	**-**	**216,482,818**
Issuance of new shares	402,270	128,726	2,847,333	-	-	2,976,059
Balance as at 31/12/2004	**40,487,500**	**12,956,000**	**206,502,877**	**-**	**-**	**219,458,877**
Issuance of new shares	40,487,500	12,956,000	(12,956,000)	-	-	40,487,500
Expenses of Shares' Issuance			(57,675)			
Employee stock option plan						
-Value of provided service				(2,751,482)		(2,751,482)
-Income from issuance of shares	600,500	192,160	5,212,340			5,404,500
Purchase of Parent's shares (Own Shares)						
Sale of Parent's shares (Own Shares)						
Balance 31/12/2005	**81,575,500**	**26,104,160**	**198,701,542**	**-**	**-**	**224,805,702**

ii) Fair Value Reserves

On 31/12/2005 the Group has not formed fair value reserves.
The analysis of fair value reserves as regards to the company, is as follows:

	Valuation of associates at fair value
Balance as at January 1st 2004	**39,109,456**
Revaluation	
Gross	19,897,879
Less: Tax	(4,482,745)
Balance as at December 31st 2004	**54,524,591**
Revaluation	
Gross	(8,152,213)
Less: Tax	4,845,655
Balance as at December 31st 2005	**51,218,032**

iii) Other Reserves

The Group's other reserves are analyzed as follows:

GROUP

	Ordinary reserve	Extraordinary reserves	Untaxed reserves	Financial instruments reserve	Reserve of granted stock options	Other reserves	Total
Balance as at January 1st 2004	**7,517,105**	**2,787,968**	**55,977,120**	**(6,364,132)**	**-**	**24,727**	**59,942,789**
Changes during the period	29,564	-	21,992,916	-	-	-	22,022,480
Balance as at December 31st 2004	**7,546,669**	**2,787,968**	**77,970,036**	**(6,364,132)**	**-**	**24,727**	**81,965,269**
Changes during the period	(45,871)	-	-	-	2,751,482	(5,714)	2,699,897
Balance as at December 31st 2005	**7,500,798**	**2,787,968**	**77,970,036**	**(6,364,132)**	**2,751,482**	**19,013**	**84,665,165**

Consolidated statement of changes in equity

	Note	Share Capital	Above Par	Fair value Reserves	Other reserves	Balance Sheet Conversion Reserve	Results Carried Forward	Total	Minority Interest	Total
Balance as at January 1st 2004, according to previous accounting principles		12,827,274	212,384,884	2,260,830	59,911,998	0	14,595,644	**301,980,630**	4,234,786	**306,215,416**
IFRS Transition Adjustments	6.30	0	(8,729,340)	(2,260,830)	30,791	0	(53,416,291)	(**64,375,670**)	(1,253,838)	(**65,629,507**)
Balance as at January 1st 2004, according to IFRS		**12,827,274**	**203,655,544**	**0**	**59,942,789**	**0**	**(38,820,646)**	**237,604,960**	**2,980,949**	**240,585,909**
Change in Equity for the period 01/01 - 31/12/2004										
Increase of parent's capital		128,726	2,847,333					2,976,059	0	2,976,059
Effect from acquisition of company							(3,355,899)	(3,355,899)	(277,072)	(3,632,971)
Minority interest from Consolidation of subsidiary								0	16,248	16,248
Net Profit/Loss Recognized directly to equity								0	9,660	9,660
Recognition of Dividends Payable							(16,034,092)	(16,034,092)	(224,085)	(16,258,177)
Net Results for the Period 01/01-31/12/2004						22,022,480	31,844,336	53,866,816	(346,303)	53,520,512
Total Recognized Profit/loss for the Period		128,726	2,847,333	0	22,022,480	0	12,454,345	**37,452,884**	(821,552)	**36,631,332**
Balance of Equity as at December 31st 2004		**12,956,000**	**206,502,877**	**0**	**81,965,269**	**0**	**(26,366,302)**	**275,057,844**	**2,159,397**	**277,217,241**
		12,956,000	206,502,877	0	81,965,269	0	(26,366,302)	275,057,844	2,159,397	277,217,241
		0	0	0	0	0	(1)	(0)	0	(0)
Balance as at January 1st 2005, according to previous accounting principles		12,956,000	215,232,956	5,574,633	80,775,721	0	18,121,666	**332,660,976**	3,589,077	**336,250,053**
IFRS Transition Adjustments	6.30	0	(8,730,079)	(5,574,633)	1,189,547	0	(44,487,967)	(57,603,132)	(1,429,680)	(59,032,812)
Balance as at January 1st 2005, according to IFRS		**12,956,000**	**206,502,877**	**0**	**81,965,268**	**0**	**(26,366,301)**	**275,057,844**	**2,159,397**	**277,217,241**
Change in Equity for the period 01/01 - 31/12/2005										
Capital Increase Expenses			(57,675)					(57,675)		(57,675)
Increase of parent's capital		13,148,160	(7,743,660)					5,404,500		5,404,500
Reserve of granted stock options					2,751,482			2,751,482		2,751,482
Balance Sheet conversion reserve						743,733		743,733		743,733
Net Profit/Loss Recognized directly to equity					(51,585)	92,959	1,426,988	1,468,362	(501,043)	967,319
Recognition of Dividends Payable							(18,219,375)	(18,219,375)	(595,797)	(18,815,172)
Minority interest from Increase in Subsidiary capital								0	763,068	763,068
Minority interest from change of percentage								0	(602,752)	(602,752)
Net Results for the Period 01/01-31/12/2005							63,061,018	63,061,018	(103,284)	62,957,734
Total Recognized Profit/loss for the Period		13,148,160	(7,801,335)	0	2,699,897	836,692	46,268,631	**55,152,045**	(1,039,808)	**54,112,238**
Balance of Equity as at December 31st 2005		**26,104,160**	**198,701,542**	**0**	**84,665,165**	**836,692**	**19,902,330**	**330,209,890**	**1,119,589**	**331,329,479**

Statement of changes in Parent Company's equity

	Note	Share Capital	Above Par	Fair Value reserves	Other reserves	Results Carried Forward	Total
Balance as at January 1st 2004, according to previous accounting principles		12,827,274	212,384,884	0	61,277,597	27,275,850	**313,765,605**
IFRS Transition Adjustments	6.30	0	(8,729,340)	39,109,456	(1,436,713)	(5,764,993)	**23,178,410**
Balance as at January 1st 2004, according to IFRS		**12,827,274**	**203,655,544**	**39,109,456**	**59,840,884**	**21,510,857**	**336,944,015**
Change in Equity for the period 01/01 - 31/12/2004							
Net Results for the Period 01/01-31/12/2004					21,992,916	26,635,858	48,628,774
Capital increase		128,726	2,847,333				2,976,059
Profit/loss transferred directly to Equity from valuation of assets available for sale				15,415,134			15,415,134
Payment of Dividends (Parent)						(16,034,092)	(16,034,092)
Total Recognized Profit/loss for the Period		**128,726**	**2,847,333**	**15,415,134**	**21,992,916**	**10,601,766**	**50,985,875**
Balance of Equity as at December 31st 2004		**12,956,000**	**206,502,877**	**54,524,591**	**81,833,800**	**32,112,623**	**387,929,891**
					0	(0)	
Balance as at January 1st 2005, according to previous accounting principles		12,956,000	215,232,956	0	85,110,166	35,072,179	348,371,301
IFRS Transition Adjustments	6.30	0	(8,730,079)	54,524,591	(3,276,366)	(2,959,556)	39,558,590
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**
Change in Equity for the period 01/01 - 31/12/2005							
Net Results for the Period 01/01-31/12/2005						50,541,409	50,541,409
Profit/loss transferred directly to Equity from valuation of assets available for sale				(3,306,558)			(3,306,558)
Capital increase		13,148,160	(7,743,660)				5,404,500
Reserve of granted stock options					2.751.482		2.751.482
Capital Increase Expenses				(57,675)			(57,675)
Effect from absorption of subsidiary					88,859	(64,948)	23,911
Payment of Dividends (Parent)						(18,219,375)	(18,219,375)
Total Recognized Profit/loss for the Period		13,148,160	(7,801,335)	(3,306,558)	2,840,341	32,257,086	37,137,694
Balance of Equity as at December 31st 2005		**26,104,160**	**198,701,542**	**51,218,032**	**84,674,141**	**64,369,709**	**425,067,584**

Book Value of Share

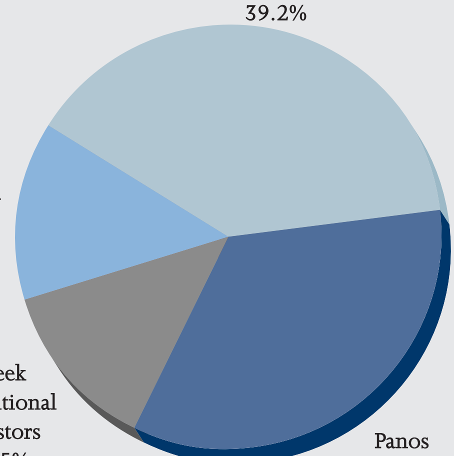
According to the financial statements of 31/12/2005, which have been compiled according to the International Financial Reporting Standards, the Parent Company's total equity amounted to € 425,067,584 and the Group's to € 331,329,479. Based on the total number of shares, 81,575,500, as at 31/12/2005, the book value per share amounted to € 5.2 for the Parent Company and to € 4.1 for the Group.

4.3 Company Shareholder Structure

On 31/12/2005 there were 26,625 shareholders, while all shares of GERMANOS are common and correspond to one voting right.

According to data as at 31/12/2005, the Company's shareholder structure is as depicted in the following table.

SHAREHOLDER	No. Of SHARES	PERCENTAGE
Panos Germanos	27,973,016	34.291%
Greek Institutionals	11,012,692	13.5%
Foreign Institutionals	31,977,596	39.2%
Individuals	10,612,195	13%
TOTAL	81,575,500	100%



ALLOCATION OF SHARES	
Shareholders owning less than 101 shares	22,481
Shareholders owning from 101 to 500 shares	2,970
Shareholders owning from 501 to 1,000 shares	496
Shareholders owning from 1,001 to 5,000 shares	336
Shareholders owning from 5,001 to 10,000 shares	86
Shareholders owning from 10,001 to 50,000 shares	147
Shareholders owning from 50,001 to 150,000 shares	62
Shareholders owning more than 150,000 shares	47
TOTAL	**26,625**

According to the above data of 31/12/2005, the company's free float was 65.7%. Apart from Mr. Panos Germanos, there is no shareholder, institutional or private, who owns a percentage larger or equal to 5%.

The persistence of the Management's efforts in terms of informing the Investment Community about the Company's activities, the financial data and its strategy, resulted in the drastic increase of institutional participation in the Group's shareholder register.
The percentage of foreign institutional investors appears especially increased; a fact which demonstrates that the Company's stock constitutes one of the top investment choices of international investment capital in our country.

4.4 Shareholders' Rights

Following the decision of the Company's Board of Directors on 1/12/2005, the Company's share capital is presently divided into 81,575,500 common registered shares with a par value of 0.32 each.

Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, which however do not contain provisions that may be more restrictive than those provided by the Law, besides those described below.

The Company's shares are publicly traded at a unit of 1 share.

The shareholders' responsibility is limited to the nominal value of the shares held. Shareholders participate in the Company's management and earnings, according to the Law and the provisions of the Articles of Association. The rights and obligations emanating from each share are devolved on any universal or special successor of the shareholder. The shareholders exercise their rights in relation to the Company's Management only through the General Meetings.

Shareholders enjoy a right of preference in any future share capital increase, depending on their participation in the Company's existing share capital, as stipulated in article 13 Λ5 of Codified Law 2190/1920.

In no case may the lenders and the universal or special successors of a shareholder provoke the seizure on any of the Company's assets, the seizure or termination of its books, or request for its distribution or liquidation. Additionally, the above persons are by no means entitled to participate in the Company's management or administration.

As regards to the relationship between the shareholder and the Company, each shareholder, no matter where he/she resides, is considered to have as a legal residence the Company's domicile, and is governed by Greek Law. Any type of dispute between the Company and shareholders and/or third parties is under the sole jurisdiction of the ordinary courts of law. The Company is obliged to present its arguments only in front of the courts, which are located in its domicile.

Each share incorporates one voting right. Joint shareholders, in order to exercise their voting rights, should in written form declare a certain representative who will represent them in the General Shareholders' Meeting. The exercise of their voting rights will be postponed until the specification of their representation.

Shareholders who wish to participate in the General Meeting, according to article 51 of Law 2396/96, must block the shares they hold and receive the respective Share Block Certificate issued by the Central Securities Depository, which they must then deposit to the Company's registered offices and its Branch Office (23rd klm Athens-Lamia National Road, Agios Stefanos Attica) at least five (5) days prior to the date of the General Meeting.
The Share Block Certificates as well as the certificates of representation of shareholders must be deposited to the Company at least five (5) days prior to the General Meeting.

Shareholders who do not comply with the above may participate in the General Meeting only with the permission of the company.

Shareholders, representing 5% of the paid in share capital, have the right to:

a. Request from the Company seat Court of First Instance the appointment of one or more auditors to audit the Company, according to articles 40, 40e of Law 2190/1920.

b. Request an Extraordinary General Shareholders' Meeting. The Board of Directors is then obliged to convene such a Meeting within a time period no longer than 30 days since the application date to the Board of Directors Chairman. Shareholder applicants must include all the subjects of the Meeting's agenda in the application form.

Each shareholder is entitled to request - 10 days prior to the Ordinary General Shareholders' Meeting, the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting.

The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the annual financial statements, at the Company's offices or wherever else specified. The place and payment process for dividends is announced through a Press Release.

The Greek State receives those dividends, which have not been claimed for a 5-year period.

With regard to the share deposit process, in order for each shareholder to participate in the Company's General Shareholders' Meetings and dividend payment process, the procedures stipulated in the Procedure of Clearing and Settlement of the Central Securities Depository's Dematerialized Securities System are applied, as the latter is effective.

4.5 Remuneration and Benefits Policy

The Company's remuneration policy, the implementation of the Remuneration & Benefits program and generally the human resources management are the main tasks of the Human Resources Division, which operates always in close cooperation with Management. The general climate prevailing in the market and the socio-economic conditions of each country in which the GERMANOS Group is active are two of the factors affect the way in which the Company's remuneration and benefits policy is shaped. Given that the relevant programs implemented reflect the Company's overall philosophy and strategy, they are subject to constant reviews in order ensure that they remain in line with the Company's goals and at the same time are appropriate to the ideal working environment to which we aspire for our employees.

The main aim of our remuneration policy is to attract, efficiently utilize and further develop people whose abilities bring added value to the Group. Every effort is made to ensure that the Remuneration and Benefits Policy serves as a constant incentive for better performance and improvement on the part of all our personnel. Within this framework, the company offers competitive remuneration packages (adjusted on an annual basis in an objective and fair manner) with the aim of making GERMANOS an attractive workplace for the most talented employees in the market.

The principles underlying the Remuneration and Benefits Policy, are the following:

Evaluation

The structure of the remuneration policy is designed in such a way as to reward each employee who contributes to the attainment of our targets. This explains why we have chosen to place emphasis on linking pay to the performance of each employee through the evaluation system applied to personnel at all levels. The performance rating system is structured on the basis of modern principles adopted by the market at large. We also apply an ongoing and evolving assessment procedure based on both qualitative and quantitative criteria, which serve to support our corporate values that in turn make a substantial contribution to the attainment of the Group's business plans.

Basic Salary

The basic salary provides a fixed remuneration as the starting point in the pay relationship between employees and the company. It is determined mainly by market trends, competition and the institutional framework defining such. Additional factors taken into consideration when determining basic salary include the experience, level of job responsibility and skills of each employee.

Bonus System

The Bonus system is optional in nature and ranges from 10% to 50% of the salary depending on each employee's level of job responsibility. The bonus is linked to both company and individual performance as measured by targets set at the beginning of the year. The bonus system constitutes a fixed incentive that couples the attainment of a company's targets with the optimum job performance of its executives.

Pension Plan

There have been significant changes in the modern business environment with respect to the parameters which underpin the long-term relations between a company and its employees.

Other Benefits

The Group's senior executives also have the opportunity to participate in a number of programs providing additional benefits that include:

- Use of a company car
- Use of a company mobile phone
- Discount schemes with other companies

Group Insurance Plan

GERMANOS provides all its employees and the members of their families with additional life and medical insurance. All employees are also covered for travel assistance.

4.6 Stock Option Plan 2005-2007

After the proposal by the Company's Chairman Mr. Panos Germanos and following the decisions made during the Ordinary Meeting on 24/6/2005, the Board of Directors set the following objectives of the stock option plan, which in summary are the following:

- Focus of executives on the achievement of mid-term and also long-term objectives in order to increase the Company's value and not just improve the results of GERMANOS SA for one or two financial years.
- Commitment and connection of executives with the Company through the creation of an “executives - shareholders” culture in order for such to put in the necessary for development excess effort.
- Motivation to retain executives in the Company and decrease departures, given that the plan is designed in such a way as to permit its executives to enjoy benefits, which increase significantly the more years the executive remains with GERMANOS.
- Improvement of the Company's image towards the investment community since the number of shares owned by executives is considered a positive element as it contributes tot their long-term commitment to the company.

The Plan has a three-year duration and refers to the years 2005, 2006 and 2007. During this period the company's share capital will be readjusted according to and based on the exercised Options each time with a decision by the Board of Directors, in order to meet the needs of the Plan and based on the Decision by the Company's General Shareholders' Meeting.

Beneficiaries of the Plan and number of shares

Upper-level and top-level executives of the Company and its affiliated subsidiaries, who are considered vital for the achievement of the corporate objectives, will participate in the Plan.

According to the above standards, the General Meeting, with its Decision approved the maximum number of shares that may be issued in the context of the Plan, which in the occurrence of all options being exercised will amount to 2,429,250 shares. Each Participant will be informed accordingly by the Board of Directors, which has been authorized by the General Meeting for such purpose. The beneficiaries were defined to 70 individuals, who meet the criteria, and the exercise price was set at €9 for all three years.

As stated by the specific plan, the beneficiaries may exercise 30% of their total options during the first maturity year of the plan, 30% during the second year and the remaining 40% during the third and final year.

For 2005, 67 beneficiaries exercised their options and at 27/12 600,500 new shares were listed on the Stock Exchange.

Further details concerning the plan and its conditions and objectives, can be found at the Investor Relations webpage http://ir.germanos.gr

Exercise of 1st Year Stock Options (2005)

In November 2005, the Company's Management went forward with the issuance of a stock option plan to its employees, based on the Decision by its General Shareholders' Meeting on 24/6/2005.

According to the stock option plan, from November 2005 until November 2007, 2,076,000 stock options will gradually be provided to Company executives.

The movements on the number of outstanding options and the weighted average exercise prices, are as follows:

	Number of shares	Exercise price €/share
Outstanding at Beginning of period	-	-
Granted	2,076,000	9
Non-received	(22,300)	9
Exercised	(600,500)	9
Over-due	22,300	9
End of period	**1,475,500**	**9**

The outstanding options at the end of the fiscal year have the following maturity dates and exercise prices:

	Number of shares	Exercise price €/share
Maturity date		
2006	622,800	9
2007	830,400	9
Exercisable in any of the above periods	22,300	9
Total	**1,475,500**	**9**

The fair value of options granted to executives, was calculated as at the date of provision based on the Black & Scholes valuation model. The fair value of granted options is as follows:

Maturity date	Fair value of option
2005	4.03
2006	4.05
2007	4.10

The information used for the implementation of the model is as follows:

a) The fair value (closing price) of the share as at the provision date.

b) The expected variance of the share's price based on historical six-month data.

c) The Risk Free Rate.

d) The exercise price.

The total fair value of granted options has been calculated at the amount of € 8,436,023 and will burden the results of fiscal years 2005-2007. The burden for the results of 2005, amounts to €2,751,482.

4.7 BoD and Management Executives' Remuneration

The following table presents the BoD Remuneration and Remuneration of Management Executives for 2005 and 2004 comparatively.

	GROUP		COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**	**1/1-31/12/2005**	**1/1-31/12/2004**
Board of Directors				
BoD Remunerations from full-time services	876,458	534,810	576,458	534,810
Remuneration of BoD members	261,176	211,197	261,176	211,197
Remuneration from short-term services	42,000	-	42,000	-
Granted Stock Options	983,784	-	777,684	-
Administrative Executives				
Remuneration of Administrative Executives from full-time services	2,707,744	2,509,145	1,754,772	1,797,000
Granted Stock Options	1,372,400	-	1,089,200	-
Total	**6,243,562**	**3,255,152**	**4,501,290**	**2,543,007**

4.8 Participations of BoD members in other Companies

The following table presents the BoD members' participations as well as the Company's main shareholders'participations in other companies, along with the respective participation percentages.

	COMPANY	POSITION	Participation Percentage
Panos Germanos	1. MULTIRAMA S.A.	-	48.03%
	2. GERMANOS (CYPRUS) Ltd.	BoD Member	-
	3. E-VALUE S.A.	Chairman	21%
	4. H.D.F.S. S.A.	BoD Chairman	-
	5. GERMANOS TELECOM BULGARIA AD	BoD Chairman	-
	6. GERMANOS TELECOM ROMANIA S.A.	Chairman	1.449%
	7. GERMANOS POLSKA Sp. ZO.O	Chairman	-
	8. TCM Sp. Zo.o	Chairman	1%
	9. LASE S.A.	Vice-Chairman	-
	10. SUNLIGHT UKRAINE SRL	------------	0.23%
	11. GERMANOS TELECOM S.A.-Skopje	Executive Director	1%
	12. ECONOMETRICA LTD	-----------	0.5%
Ioannis Karagiannis	1.GERMANOS (CYPRUS) Ltd.	BoD Member	-
	2. E-VALUE S.A.	Vice-Chairman	-
	3. GERMANOS TELECOM ROMANIA S.A.	BoD Member	0.13%
	4. GERMANOS POLSKA Sp. ZO.O	BoD Member	-
	5. TCM Sp. Zo.o	BoD Member	-
	6. OTENET (CYPRUS) LTD	BoD Member	-
	7. GERMANOS TELECOM BULGARIA S.A	BoD Member	-
	8. H.D.F.S. S.A.	Vice-Chairman	-
	9. HELLENIC DISTRIBUTIONS	Vice-Chairman	-
Loukas Petkidis	1. E-VALUE	Chief Executive Officer	-
	2. LASE S.A.	BoD Member	-
	3. GERMANOS TELECOM ROMANIA S.A.	BoD Member	0.00003%
	4. GERMANOS TELECOM BULGARIA AD	BoD Member	-
	5. GERMANOS TELECOM S.A.-Skopje	non-executive Director	-
	6. GTI Sp.Zo.o.	BoD Chairman	-
	7. Lase S.A.	BoD Member	-
Christos Kartalis	1. E-VALUE	BoD Member	-
	2. ADVENT TECHNOLOGIES	BoD Member	-
Aggelos Plakopitas	1. EURODRIP SA	BoD Member	-
	2. DODONI ICECREAMS	BoD Member	-
	3. NIKAS BoD	Chairman	-
	4. GLOBAL INVESTMENT FINANCE SA	Vice Chairman & Chief Executive Officer	50.10%
	5. GLOBAL CAPITAL MANAGEMENT S.A.	BoD Chairman	25%
Dimitris Goumas	1. Bank of Piraeus Real Estate Investment	Independent non-executive	-

Mr. Boundourakis does not participate in BoDs of other Companies.

4.9 Insiders

The Company is fully governed by the provisions of the Hellenic Capital Market Commission concerning Manipulating the market and access to privileged information, as such is defined by Decision No: 347/12.07.2005 and Law 3340/2005, and has disclosed to the Investment community the list of liable individuals, namely individuals who have access to privileged information. The list of insiders, along with the transactions carried out by such individuals, are available on the webpage http://ir.germanos.gr/home.asp?pg=insiders.

Specifically, the insiders of GERMANOS SA are the following:

• Board of Directors' Members

Panos Germanos, Christos Germanos, Ioannis Karagiannis, Christos Kartalis, Loukas Petkidis, Dimitrios Goumas, Angelos Plakopitas, Theodosios Boudourakis.

• Senior and Management Executives

Dimitris Papadakis (Head of Legal Services), Konstantinos Karafotakis (Director of Investor Relations & Corporate Affairs), Dimitris Lolis (General Director, GERMANOS Chain of Stores), Spyros Vasilakis (Director of Telecommunication Products & Services), Nikos Zervas (Financial Manager), Anastasios Thermos (Head Accountant), Ioannis Pantazis (Internal Audit Director).

• Auditors

Anagnos Lymberis, Aristeidis Sfounos.

Apart from the above, individuals related to the above, are also considered Insiders.

The Company informs, based on the law, the Capital Market and the Investment Community for possible changes.

5. Share Stock Exchange Data

5.1 Share data

The company's shares were listed for trading on the Athens Exchange on February 14th 2000. Data concerning the evolution of the company's share, such as the closing price of the last session of each month and the trade volume in value and in number of shares, for the period 1/1/2004 - 28/2/2006 is presented in the following table.

The share of GERMANOS SA is freely traded on the Athens Exchange and participated in the following indices: Large Capitalization Index (ASE), MSCI Standard Index and MSCI Small Cap.

	End of Month Closing Price (in €)	Monthly trading value (in shares)	Monthly trading value (in €)
2004			
January	10.56	5,503,600	56,732,811
February	11.14	4,513,088	50,020,780
March	10.60	3,936,256	43,719,070
April	11.13	4,018,334	43,544,564
May	10.85	6,854,282	76,418,997
June	11.76	4,511,588	51,093,946
July	10.85	10,908,516	122,829,407
August	9.90	2,887,770	29,621,416
September	9.35	4,122,114	39,598,817
October	10.33	4,636,726	47,045,212
November	10.58	4,264,484	44,566,702
December	10.79	2,817,950	30,033,313
2005			
January	11.84	2,158,394	49,786,174
February	12.45	1,787,410	43,204,239
March	11.84	2,148,769	52,307,531
April	12.19	1,519,346	37,016,233
May	12.68	1,389,782	33,582,896
June	13.80	1,963,023	50,971,811
July	13.66	6,068,780	32,434,999
August	13.66	2,954,778	40,093,161
September	13.42	1,736,622	23,636,112
October	12.38	2,264,906	29,344,352
November	13.66	3,607,615	48,199,832
December	14.30	4,295,799	60,554,347
2006			
January	17.26	6,786,453	110,617,666
February	17.54	4,131,868	72,253,236

The Company Share during the last two years.

The following tables present stock exchange data for the share for the last two-years.

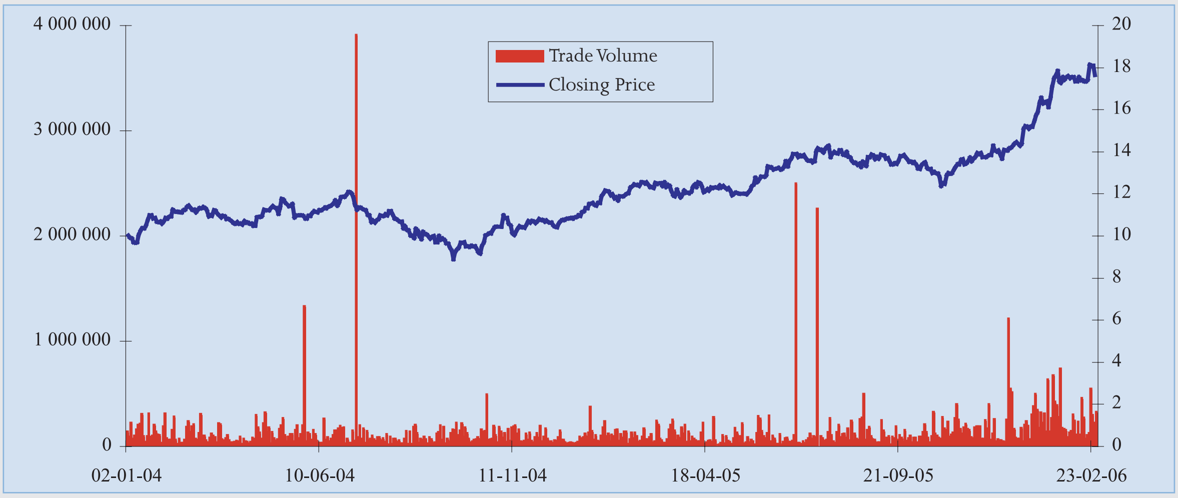
Germanos Share	2005	2004
High	14.36	11.98
Low	10.80	8.80
Closing price	14.30	10.79
Capitalization	1,166,529,650	873,858,014

Earnings and Dividend per Share	2005	2004
Earnings per share	0.78	0.67
Dividend per share	0.26	0.225

The evolution of the share price for 2005 was positive for yet another year, a fact that depicts the Group's successful course and the achievement of the Management's objectives. For the period from 01/01/2005 - 31/12/2005, the share price increased by 32.53%, closing at € 14.30.

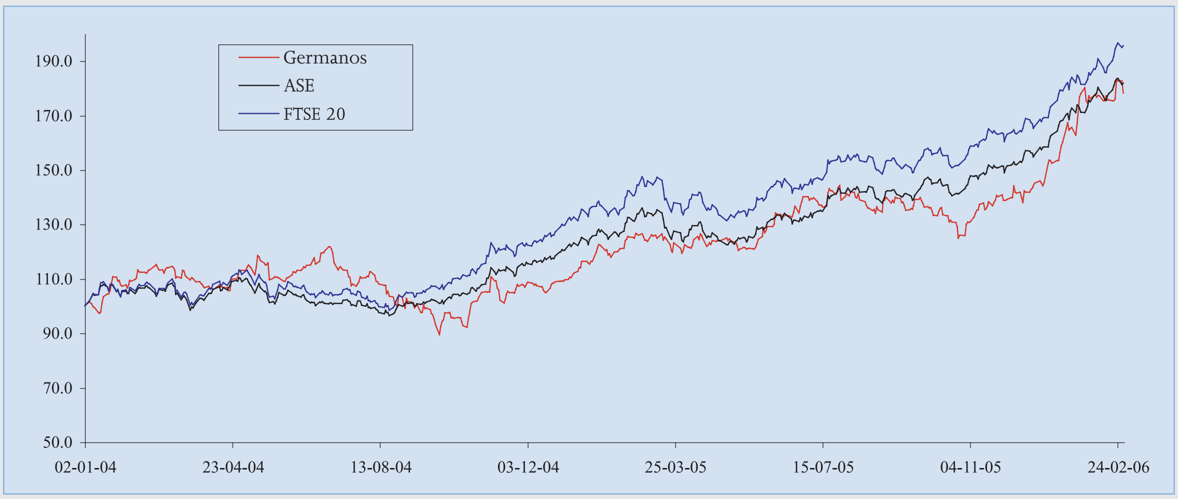
5.2 Graphs

Evolution of Share Price and Daily Volume in Shares from 2/1/2004 - 28/2/2006



It is reminded that on July 9th 2004 there was a significant increase in the trade volume of the Company's shares due to the sale of 3.3 million shares, which represented 8.23% of the company's total share capital, by the principal shareholder Mr.Panos Germanos. The transaction was realized through the distribution of shares to institutional investors through UBS Investment Bank.

Comparative Graph with the evolution of the share price in comparison with the General Index and FTSE 20 (2/1/2004 - 28/2/2006)



5.3 Presentations to institutional investors

GERMANOS SA, meeting the conditions for the qualitative criteria of the Athens Exchange, implemented a series of presentations both to the domestic and to the international investment community during 2005:

Date	Type of Event	Country	Participants	Organization
23/2/2005	Conference Call	Greece	Investment Community	Germanos SA
21-24/03/05	Roadshow	U.S.A.	Foreign Institutionals	UBS
17-18/3/05	Roadshow	Great Britain	Foreign Institutionals	Deutsche Bank
9/6/2005	Roadshow	Ital	Foreign Institutionals	Citigroup
28/9/2005	Conference Call	Greece	Investment Community	Germanos SA
5/10/2005	Company Presentation	Greece	Greek Institutionals	Association of Greek Institutional Investors
17/10/2005	Roadshow	Great Britain	Foreign Institutionals	CITIGROUP
18-19/10/2005	Roadshow	Great Britain	Foreign Institutionals	NBGI
3-4/11/2005	Roadshow	Great Britain	Foreign Institutionals	EGNATIA
5-6/12/2005	Roadshow	Scandinavia	Foreign Institutionals	UBS

5.4 Past and Forthcoming Corporate Actions Calendar 2005 -2006

Investors have access to information concerning all corporate actions of the listed company, as well as information concerning the most important events of the current financial period, at the GERMANOS Group website www.germanos.gr, and specifically at the investor relations webpage http://ir.germanos.gr/home.asp?pg=events.

2005

February 23rd, 2005

RELEASE OF FY 2004 FINANCIAL RESULTS

May 24th, 2005

RELEASE OF 1st QUARTER 2005 FINANCIAL RESULTS

June 24th, 2005 - BRANCH: Agios Stefanos, Attica

ANNUAL GENERAL SHAREHOLDERS' MEETING - 2005

June 24th, 2005

EX DIVIDEND DATE FOR FINANCIAL YEAR 2004

July 19th, 2005

EX RIGHT DATE FOR THE SHARE CAPITAL INCREASE THROUGH CAPITALIZATION OF RESERVES (STOCK BONUS)

July 27th, 2005

COMMENCEMENT OF TRADING FOR STOCK BONUSES

August 19th, 2005

COMMENCEMENT OF DIVIDEND PAYMENT FOR FINANCIAL YEAR 2004

September 27th, 2005

RELEASE OF 1st HALF 2005 FINANCIAL RESULTS

November 23rd, 2005

RELEASE OF 1st NINE-MONTH 2005 FINANCIAL RESULTS

December 27th, 2005

COMMENCEMENT OF TRADING OF NEW SHARES FROM THE EXERCISE OF THE STOCK OPTION PLAN

2006

January 9th, 2006

EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

February 27th, 2006

RELEASE OF FY 2005 FINANCIAL RESULTS

May 23rd, 2006

RELEASE OF 1st QUARTER 2005 FINANCIAL RESULTS

June 22nd, 2006

ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING

August 8th, 2006

EX DIVIDEND DATE FOR FINANCIAL YEAR 2005

August 17th 17, 2006

COMMENCEMENT OF DIVIDEND PAYMENT FOR FINANCIAL YEAR 2005

August 28th, 2006

RELEASE OF 1st HALF 2006 FINANCIAL RESULTS

November 27th, 2006

RELEASE OF 1st NINE-MONTH 2006 FINANCIAL RESULTS

5.5 Events Announced by the Company for 2005-2006

As regards to the remaining significant events of the aforementioned period, which were announced by the Company (details of which are posted on the Company's investors relation webpage, http://ir.germanos.gr), the following must be noted, in time order:
http://ir.germanos.gr/home.asp?pg=news

2006

February 10th, 2006
COMPLETION OF THE TRANSFER PROCEDURE FOR THE SHARES OF SILKWAY HOLDING BV

January 27th, 2006
NOTIFICATION REGARDING THE ABSORPTION OF P. GERMANOS SA.

January 23rd, 2006
NOTIFICATION - ACQUISITION OF GERMANOS TELECOM UKRAINE SHARES

January 20th, 2006
NOTIFICATION FOR THE AMENDMENT OF THE COMPANY'S DOMICILE

January 18th, 2006
GERMANOS S.A. SIGNS AGREEMENT TO SELL ITS 20% STAKE IN THE MOBILE TELEPHONY COMPANY UNITEL LLC IN UZBEKISTAN TO THE RUSSIAN COMPANY "VIMPEL-COMMUNICATION"

January 11th, 2006
GERMANOS' SUNLIGHT AWARD A NEW INTERNATIONAL BID - MILITARY NAVY OF PERU

2005

December 13th, 2005
CONTRACT OF AGREEMENT BETWEEN SUNLIGHT AND THE MILITARY NAVY OF PAKISTAN FOR 2 ACCUMULATOR CLUSTERS

December 7th, 2005
COMMERCIAL COOPERATION OF GERMANOS SA WITH THE MOBILE TELEPHONY COMPANY COSMOTE

November 30th, 2005
PROMINENT DISTINCTIONS FOR GERMANOS GROUP OF COMPANIES in "CORPORATE AWARDS HRIMA 2005"

November 11th, 2005
APPOINTMENT OF NEW FINANCE DIRECTOR

October 12th, 2005
SULIGHT CONTRACTS AGREEMENT WITH HUAWEI

October 5th, 2005
GERMANOS GROUP - PRESENTATION TO THE ASSOCIATION OF GREEK INSTITUTIONAL INVESTORS

September 26th, 2005
1980 - 2005: GERMANOS CHAIN OF STORES 25TH ANNIVERSARYPRESENTATION OF NEW TYPE GERMANOS CENTRAL STORES

September 20th, 2005
GERMANOS SA - COMPLETION OF ACQUISITION OF GERMANOS TELECOM BULGARIA AD

August 17th, 2005
GERMANOS SA - ESTABLISHMENT OF AFFILIATE COMPANY IN BELGRADE

June 23rd, 2005
SUNLIGHT AWARDED PROJECT FOR THE PAKISTANI NAVY

May 11th, 2005
GERMANOS GROUP'S SUNLIGHT INDUSTRIAL COMPANY HAS SIGNED TWO CONTRACTS TOTALING AN AMOUNT OF € 9,5 MILLION FOR THE SUPPLY OF GENERATORS TO P.P.C. S.A.

January 17th, 2005
MERGER THROUGH ABSORPTION OF THE FULLY OWNED (100%) SUBSIDIARY COMPANY NG SYSTEMS HELLAS S.A.

6. Affiliated Companies

6.1 Affiliated Companies - Consolidation

	COUNTRY-DOMICILE	PARTICIPATION %	RELATION TO PARENT	CONSOLIDATION METHOD
GERMANOS S.A.	GREECE	Parent	Parent	Full Consolidation
E-VALUE S.A.	GREECE	70.00%	Direct	Full Consolidation
GERMANOS TELECOM SKOPJE SA	FYROM	99.00%	Direct	Full Consolidation
GERMANOS TELECOM ROMANIA SA	ROMANIA	98.42%	Direct	Full Consolidation
SUNLIGHT ROMANIA S.L.R/FILIALA (subsidiary of GERMANOS TELECOM ROMANIA SA)	ROMANIA	98.42%	Indirect	Full Consolidation
GERMANOS TELECOM BULGARIA AD	BULGARIA	100.00%	Direct	Full Consolidation
SUNLIGHT UKRAINE	UKRAINE	98.00%	Direct	Full Consolidation
GERMANOS TELECOM	UKRAINE CJSC UKRAINE	85.00%	Direct	Full Consolidation
GERMANOS POLSKA Sp.Zo.o	POLAND	100.00%	Direct	Full Consolidation
GTI POLSKA Sp.Zo.o	POLAND	100.00%	Direct	Full Consolidation
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND	100.00%	Indirect	Full Consolidation
GERMANOS CYPRUS L.T.D.	CYPRUS	91.97%	Direct	Full Consolidation
INFOTEL L.T.D. (Subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS	45.06%	Indirect	Full Consolidation
SUNLIGHT TRADING D.O.O. BEOGRAD	SERBIA	100.00%	Direct	Full Consolidation
SUNLIGHT BATTERIES GmbH	GERMANY	100.00%	Direct	Full Consolidation
HELLENIC DUTY FREE SHOPS S.A.	GREECE	24.68%	Direct	Equity Consolidation
SILKWAY HOLDING B.V.	HOLLAND	20%	Direct	Equity Consolidation
UNITEL L.L.C. (Subsidiary of SILKWAY HOLDING B.V.)	UZBEKISTAN	20%	Indirect	Equity Consolidation

Table of Other Companies

	COUNTRY-DOMICILE	PARTICIPATION %	RELATION TO PARENT	CONSOLIDATION METHOD
LASE S.A.	GREECE	40.00%	Direct	-
OTENET (CYPRUS) LTD	CYPRUS	20.00%	Direct	-
ECONOMETRICA LTD	GREECE	19.00%	Direct	-
S.S.E.D.F.I.S. S.A.	GREECE	54.00%	Direct	-
ADVENT TECHNOLOGIES	GREECE	6.25%	Direct	-
IOANNIS TSAPARAS & BROS LTD	GREECE	33.30%	Indirect	-

During the presented period, the Group for the first time went forward with the full consolidation of the following companies: Germanos Cyprus Ltd (due to gaining control of the latter on 1/4/2005 based on an agreement to hand over its management control to GERMANOS S.A.), Sunlight Trading Beograd (due to gaining control on 1/10/2005), and Sunlight Germany (due to gaining control on 1/10/2005), in which the Group participates by 91.97%, 100% and 100%. The control has been established.

Furthermore, during the present period the Group for the first time consolidated with the equity method the associate company SILKWAY HOLDING BV, in which it participates by 20%. The substantial influence was established from 1/1/2005 with the Group's participation in the company's management.

The previous period's statements included the company LASE SA, in which the company participated with a stake of 40% and with control on its management, based on the Full consolidation method. The present period does not include LASE SA in the consolidation as its management is not controlled by the Group.

The previous period's statements included the consolidation of the companies NG SYSTEMS SA and P. GERMANOS S.A. with the full consolidation method. Such are not included in the consolidated financial statements of the present period due to absorption.

It is noted that the remaining companies of the GERMANOS Group, presented in the relevant table, constitute securities available for sale.

6.2 Subsidiary Companies - Participations

6.2.1 GERMANOS (CYPRUS) LIMITED

The Company participates with a stake of 91,97% of shares in the limited liability company established on 9/9/1999 with the corporate name GERMANOS (CYPRUS) LIMITED, pursuant to the Corporate Law of Cyprus, Chapter 113.

According to its Articles of Association, the company may engage in:

- Investment activities
- Company acquisitions
- Establishment, organization, and operation of any company, enterprise, or industry whatsoever.
- Acceptance of capital, shares, bonds, or securities of any other company.

The share capital of the aforementioned Cypriot company was set to 1,245,000 CYP divided into 1,245,000 registered shares with a par value of 1 CYP each. The total number of shares assumed by the founding companies is 1,245,000 shares. The shareholder structure of the company is presented in the following table:

Shareholder	Shares	%
GERMANOS S.A.	1,145,000	91.97%
MULTIRAMA S.A.	75,000	6.02%
MASTERCARE CORPORATE SERVICES (OVERSEAS) Ltd	25,000	2.008%
Total	1,245,000	100%

The Board of Directors, whose term is indefinite and until its members are replaced or resign, consists of Panos Germanos, Ioannis Karagiannis, Andreas Panagiotou, ACTWELL NOMINEES Co. LIMITED and Vasiliki Solomonidou.

The company's address was set at 4 Evagora Papachristoforou,Themis Court, 2nd floor, office B, 201, B. 206, Limassol, Cyprus.

6.2.2 GERMANOS TELECOM-BULGARIA AD

The company participates in GERMANOS TELECOM-BULGARIA AD with a 100.00% stake.

The company was established with the legal form of a limited liability company in 2000. It has an indefinite term and its domicile is located in Sofia Bulgaria. It is listed in the pertinent Court of Sofia under file no. 6177/2000.

According to its Articles of Association, the company's objective is, among others, the import and export of products, the commercial distribution of products and services related to batteries, mobile phones, computers, computer peripherals and other related products, digital audio and video reproduction devices, technological means of data transfer and support, spare parts and accessories thereof; commercial representation, agencies, hotel and advertising services, repair services for various products, construction and equipment for buildings, etc.

The Company's share capital amounts to five million four hundred thousand (5,400,000) Bulgarian Leva and is divided into one thousand eighty common registered shares with a par value of five thousand (5,000) Leva each.

The shareholder structure of the Company is as follows:

Shareholder	Shares	%
GERMANOS S.A.	1,080	100.00%
Total	1,080	100.00%

The company is managed by a five-member Board of Directors, which consists of the following individuals:

Name	Position
Panos Germanos	Chairman
Aristotelis Fotilas	Member
Spyridon Belos	Member
Loukas Petkidis	Member
Ioannis Karagiannis	Member

The company is represented and bound, irrespective of the sum, by the signatures of Mr. Panos Germanos and Mr. A. Fotilas, either jointly or by either one alone.

6.2.3 GERMANOS TELECOM-ROMANIA S.A.

The Company participates in GERMANOS TELECOM-ROMANIA S.A. with a stake of 98.42%.

The company was established with the legal form of a Societe Anonyme in 2000. It has an indefinite term and its domicile is located in Bucharest, Romania. It is registered with the Pertinent Chamber of Commerce and Industry under no. J40/2941/2000.

According to its Articles of Association, the company's objective is the import and export of products, commercial distribution (wholesale, retail) of products and services that concern electrical and electronic appliances, batteries, mobile phones, computers, computer peripherals, and other related products, digital audio and video reproduction devices, technological means of data transfer and support, spare parts and accessories thereof, repair services and maintenance for various products.

The share capital of the Company is divided into 3,789,629 registered shares with a par value of ten (10) RON each.

The shareholder structure of the Company is as follows:

Shareholder	Shares	%
GERMANOS S.A.	3,729,710	98.42%
P. Germanos	54,917	1.449%
L. Petkidis	1	0.00003%
N. Kakoulidis	1	0.00003%
I. Karagiannis	5,000	0.13%
Total	3,789,629	100%

The company is managed by a five-member Board of Directors, whose term ends on 20/3/2008 and which consists of the following individuals:

Name	Position
P. Germanos	Chairman
N. Kakoulidis	Member
L. Petkidis	Member
D. Lolis	Member
I. Karagiannis	Member

The company is represented and bound, irrespective of the sum, by the signature of Mr. Panos Germanos and, up to a certain amount, by the sole signature of Mr. N. Kakoulidis.

6.2.4 GERMANOS POLSKA Sp.Z.o.o.

The Company participates in GERMANOS POLSKA Sp.Z.o.o with a stake of 100%.

The company was acquired in 2001. It has an indefinite term and its domicile is located in Warsaw, Poland.

According to its Articles of Association, the company's main objective is activities by any means in technology and telecommunications.

The company's capital amounts to 25,210,000 Zloty and is divided into 25,210 shares of 1,000 Zloty par value each.

The shareholder structure of the Company is as follows:

Shareholder	Shares	%
GERMANOS S.A.	25,210	100%
Total	25,210	100%

The company is managed by a three-member Board of Directors, which consists of the following:

Name	Position
Panos Germanos	Chairman
Ioannis Karagiannis	Member
Jacek Kuzniecow	Member

The company is represented and bound by the signature of Mr. Panos Germanos and, up to a certain amount, by that of Mr. Jacek Kuzniecow.

6.2.5 SUNLIGHT UKRAINE SRL

The company participates in SUNLIGHT UKRAINE SRL with a 99.77% stake.

The company was established at the end of December 2001. It has an indefinite term and its domicile is located in Kiev, Ukraine.

According to its Articles of Association, the company's main objective is its activation by any means in the production and upgrade of materials related to the provision of electric power (batteries, accumulators, etc), recharging devices and telecommunications devices; retail and wholesale trade of materials for the provision of electric power (batteries, accumulators, etc), recharging devices and telecommunications devices as well as the provision of installation, maintenance and repair services for the above.

The company's corporate capital amounts to 13,812,912 UAH.

The partners' holdings in the Company are as follows:

Partner	%
GERMANOS S.A.	99.77%
P. Germanos	0.23%
Total	100%

The company is represented and bound, without any limitations, by the signature of its manager, Ms. Yuri Donets.

6.2.6 GERMANOS TELECOM SA-SKOPJE

The company was established with the legal form of a Societe Anonyme in 2002. It has an indefinite term and its domicile is located in Skopje, FYROM. It is registered in the Pertinent Societe Anonyme Register under no. 649/2002.

According to its Articles of Association, the company's objective is the import and export of products, commercial distribution (wholesale, retail) of products and services that concern electrical and electronic appliances, batteries, mobile phones, computers, computer peripherals, and other related products, digital audio and video reproduction devices, technological means of data transfer and support, spare parts and accessories thereof, repair services and maintenance for various products.

The company's share capital amounts to 500,000 EUR and is divided into 500,000 shares with a par value of one (1) EUR each.

The shareholder structure of the Company is as follows:

Shareholder	Shares	%
GERMANOS S.A.	495,000	99.00%
P. Germanos	5,000	1.00%
Total	500,000	100.00%

The company is managed by a five-member Board of Directors, whose term ends after six years and consists of the following:

Name	Position
P. Germanos	Executive director
Zlatko Nesovski	Executive Director
D. Blatsios	Non-executive director
D. Lolis	Non-executive director
L. Petkidis	Non-executive director

The company is represented and bound, irrespective of the sum, by the signature of Mr. Panos Germanos, while, up to a certain amount, by the sole signature of Mr. Neshovski.

6.2.7 E-VALUE DIRECT MARKETING AND CUSTOMER SUPPORT SERVICES SOCIETE ANONYME COMPANY

The Company participates in "E-VALUE DIRECT MARKETING AND CUSTOMER SUPPORT SERVICES SOCIETE ANONYME COMPANY" with a holding of 70%.

The company was established on 3/9/1999. It has a duration of 90 years and its domicile is located in the Xanthi Municipality. It is registered in the Societe Anonyme Register of the Drama-Kavala-Xanthi Prefecture Authority with no. 43813/66/B/99/014.

According to its Articles of association, the company's objective is the provision of direct Marketing services for an exchange of fees, through any telecommunications network (including the Internet) to physical or legal entities; the provision of Help desk services for electrical and electronic equipment, IT products as well communications products, the development, installation, operation, management and exploitation of new services based on technological developments in the telecommunications, IT and teleinformatics sectors, as well as any other service that can b provided through any network; the provision of electronic data processing (including consulting services) to third parties as well as the establishment by the company or with others, of databases, as well as research and development, application and execution of all manner of works, the provision of consultancy services and the undertaking, design, and provision of integrated studies and applications in the areas of telecommunications, direct marketing, production, processing, trade, import, export, and installation of software to the private and public sector.

The share capital of P. Germanos S.A. amounts to four million six hundred and seventy five thousand seven hundred and twenty three Euros and thirty cents (4,675,723.30 EUR), paid in full and divided in one million five hundred and ninety five thousand eight hundred and ten (1,595,810) registered non-transferable shares with a par value of 2.93 EUR each.

The shareholder structure of the Company is as follows:

Shareholder	Shares	%
GERMANOS S.A.	1,117,066	70%
P. Germanos	335,120	21%
TRADETORIA LTD	95,749	6%
DLX Co Limited	47,875	3%
Total	1,252,504	100%

The company is managed by a six-member board of Directors, the term of which is five years and is specifically set until the date of the first Ordinary General Shareholders' Meeting, which will be convened in the first half of the year 2010.The Board of Directors is made up of the following:

Name	Position
Panos Germanos	Chairman
Ioannis Karagiannis	Vice-Chairman
Loukas Petkidis	Chief Executive Officer
Christos Kartalis	Member
Amvrosios Kardaris	Member

The company is represented and bound, irrespective of the sum, by the signature of Mr. Loukas Petkidis, while, up to a certain amount, by the sole signature of Mr. A. Kardaris.

6.2.8 HELLENIC DUTY FREE SHOPS S.A.

The company participates in "HELLENIC DUTY FREE SHOPS S.A." with a share of 24.678%.

The Societe Anonyme company "HELLENIC DUTY FREE SHOPS S.A." was established in February 1979 by the Presidential Decree 86/1979 and the authorization of L. 827/78 (Government Gazette Issue A/31.1.1979). The company's distinctive title is "Hellenic Duty Free Shops". It has its domicile at the Municipality of Agios Stefanos in Attica (23rd klm of the Athens-Lamia National Road, GR 145 65) and is registered in the Societe Anonyme Register of the Athens Commercial and Industrial Chamber under the number 14216/06/B/86/06. The company's duration was set initially at fifty (50) years, and was later extended by another (50) fifty years to 2079.

According to the company's Articles of Association, its objective is:

a. The utilization of any kind of duty free and tariff free shop. The company occupies both the existing shops and those which will be established at the ground border stations, in airports and ports or abroad. Also, the trading of taxed items, both in customs managed areas and uncontrolled areas of the ground border stations, international airports and ports of the country.
b. The undertaking after prior agreement with the interested parties, of the intermediation to facilitate the V.A.T exemption or rebate to the recipients in return for an agreed fee.
c. The procurement of duty free and tariff free as well as taxed items to ships, aircrafts, embassies and other exempt beneficiary entities and the realization of exports according to the written provisions.
d. The establishment of shops that sell duty free, tariff free and taxed items abroad as well as at ground, sea and air transport means.
e. The management of stamp free received items by individuals who serve in established international organizations including NATO.
f. The establishment and attainment of participations in subsidiary companies, which should be able to practice any legal activity, including the activities of the Company, except for the utilization of duty free and tariff free shops.

For the realization of its objectives, the company may also practice the following activities:

a. The entering into any kind of contract with domestic or foreign natural entities, organizations, companies or legal entities of private or public law or countries, which concerns the objectives of the Company.
b. The establishment of companies or joint ventures, the management or the participation in companies, joint ventures or the acquisition of shares of companies whose objective is the exercise of activities domestically or abroad that are related directly or indirectly to the Company's objective.
c. The establishment of companies or the participation in companies whose purpose is the sale of taxed items.
d. The participation in bidding or offering tenders, public or private with scopes pertinent to the Company's objectives.

The share capital of HELLENIC DUTY FREE SHOPS S.A. amounts to fifteen million eight hundred and two thousand five hundred (15,802,500.00) Euro divided into fifty two million six hundred and seventy five thousand (52,675,000) common nominal shares with a par value of thirty cents (0.30 Euro) each.

The company's shareholder structure is as follows:

Shareholders	Number of Shares	Participation %
GERMANOS S.A.	12,999,000	24.678%
FOLLI - FOLLIE S.A.	13,000,000	24.680%
AGRICULTURAL BANK OF GREECE	10,595,056	20.114%
Other Investors - Investment Community	16,080,935	30.528%
TOTAL	52,675,000	100.000%

The company is managed by a 13 member Board of Directors with a 5-year term, which is extended until the first Ordinary General Shareholders' Meeting, and cannot be longer than six years. ends at 19-06-2008. The Board of Directors as at 31/12/2005, is comprised by the following:

Name	Position
Panos Germanos	Chairman
Dimitrios Koutsolioutsos	Chief Executive Officer
Ioannis Karagiannis	Vice Chairman
Georgios Velentzas	Executive Member
Georgios Aronis	Independent Non-Executive Member
Nikolaos Kezos	Non-Executive Member
Efrosyni Kopela	Executive Member
Georgios Koutsolioutsos	Executive Member
Dimitrios Kyriakopoulos	Executive Member
Zacharias Mantzavinos	Independent Non-Executive Member
Victor Pizante	Non-Executive Member
Dionysios Fragos	Non-Executive Member
Apostolos Hadjiantoniou	Non-Executive Member

The Company is represented and legally bound, according to those in effect from 25/07/2003 and specifically referred to in the minutes of the Board of Directors meeting on 01/07/2003, by the following individuals:

1. Dimitrios Koutsolioutsos
2. Georgios Koutsolioutsos
3. Georgios Velentzas
4. Harilaos Lambropoulos
5. Vasilios Kalamatianos
6. Theodoros Zahmanoglou
7. Panagiotis Papahantzis
8. Emmanouil - Nektarios Mathianakis
9. Anna Bouga Tsopela

6.2.9 GERMANOS TELECOM-UKRAINE CLOSED JOINT STOCK COMPANY

The Company participates in GERMANOS TELECOM-UKRAINE CJSC with a percentage of 95.00%.

The company was established with the legal form of a Societe Anonyme in 2004. It has an indefinite duration and its domicile is located in Kiev, Ukraine. It is registered with the number 33192856.

According to the Articles of Association, the company's objective, amongst others, is to import and export products, trade products and services that relate to batteries, mobile telephones, computers, computer peripherals and other related products, digital sound image reproduction devices, technological means for data transfer and support, spares and accessories of such means, commercial representatives, brokers, hotel and advertising services, repair services for several items, construction and equipment of real estate etc.

The company's share capital amounts to 48,701,426.25 UAH (the equivalent of 9,515,811.70 USD) and is divided into 164,393 shares with a par value of (296.25) Hryvna each.

The Company's shareholder structure is as follows:

Shareholder	Shares	%
GERMANOS S.A.	156,173	95.00%
Christos Hortis	8,220	5.00%
Total	164,393	100.00

The company is managed by a two-member Supervisory Board, while each shareholder appoints one member.

The company is represented and legally bound, according to those stated in its Articles of Association, by the signature of the General Manager Mr. Athanasios Iliopoulos.

6.2.10 SILKWAY HOLDING B.V.

The Company participates in SILKWAY HOLDING B.V. with a percentage of 20.00%.

The company was established with the legal form of a limited liability company in 2004. Its domicile is located in Amsterdam, Holland and it is registered in the relevant Commercial and Industrial Chamber of Amsterdam with the number 34211582.

According to the company's Articles of Association, its objective, amongst others, is the acquisition of shares and the participation in the share capital of other companies and enterprises as well as the rendering of consultative, administrative, technical and economic services to other companies and entities. Indeed, the company owned 100% of the corporate shares of the mobile telephony provider company in Uzbekistan, with the corporate name "UNITEL LLC".

The company's share capital amounts to sixty two million eight hundred and thirty three thousand (62,833,000) Euro and is divided into sixty two million eight hundred and thirty three thousand (62,833,000) shares of one Euro each.

The Company's shareholder structure is as follows:

Shareholder	Shares	%
GERMANOS S.A.	12,566,600	20%
P. Germanos	45,868,090	73%
E.B.R.D.	4,398,310	7%
Total	62,833,000	100%

On 9/2/2006 the aforementioned company shareholders sold 100% of their shares to the Russian mobile telephony provider "Vimpel-Communications" Open Joint Stock Company.

6.2.11 SUNLIGHT BATTERIES GmbH

The company participates in SUNLIGHT BATTERIES GmbH with a percentage of 100.00%.

The company was established with the legal form of a limited liability company in 2004. It has indefinite duration and its domicile is located in Duisburg, Germany.

According to the Articles of Association, the company's objective is the sales of batteries and the development of new technology for batteries.

The company's capital amounts to twenty five thousand (25,000) Euro.

The company is managed, represented and legally bound, regardless of the amount, by the signature of its manager Mrs. Johannes Cornelissen.

6.2.12 GTI Sp.Z.o.o.

The Company participates in GTI Sp.Z.o.o. with a percentage of 100%.
The company was acquired in 2004. It has indefinite duration and its registered office is located in Krakow, Poland.

According to the Articles of Association, the company's primary objective is its activation in retail trade of computers and telecommunication devices, in telecommunications and in the rendering of repair services.

The company's share capital amounts to 200,000 zlotys and is divided into 400 shares with a par value of 500 zlotys each.

The Company's shareholder structure is as follows:

Shareholder	Shares	%
GERMANOS S.A.	400	100%
Total	400	100%

The company is managed by a three-member Board of Directors, which consists of the following:

Name	Position
Loukas Petkidis	Chairman
Dimitrios Blatsios	Member
Dimitrios Lolis	Member
Michal Wawrzynowicz	Member

The company is represented and legally bound, by the signature of any one of its BoD members.

6.2.13 SUNLIGHT Trading D.O.O., Beograd.

The Company participates in SUNLIGHT Trading d.o.o., Beograd with a percentage of 100%.

The company was established in 2005. It has indefinite duration and its registered office is located in Belgrade, Serbia.

According to the Articles of Association, the company's main objective consists of activities, in any way, for producing and upgrading electric energy providing materials (batteries, accumulators etc.), re-charging and telecommunication devices, retail and wholesale trade of electric energy providing materials (batteries, accumulators etc.), re-charging and telecommunication devices as well as the provision of installation, maintenance and repair services of the above.

The company's capital amounts to € 10,000.

The partners' holdings in the Company are as follows:

Partner	%
GERMANOS S.A.	100.00%
Total	100%

The company is represented and bound, without any limitations, by the signature of its Manager Ms. Milojevic Dejan.

6.2.14 TCM Sp. Z.o.o.

Participation of GERMANOS POLSKA Sp. ZO.O.: 99.00%

The company was acquired in 2001 by EKO CONTEL Sp. ZO.O. Its domicile is located in Warsaw, Poland and its objective includes activities in the same sectors as the parent company. The company's share capital presently amounts to 8,400,000 zloty and is divided into 7,000 registered shares with a par value of 1,200 zloty each. The Company's shareholders are GERMANOS POLSKA SP.ZO.O. with a percentage of 99% and Panos Germanos with a percentage of 1%. The company's Board of Directors consists of the following individuals: Panos Germanos-Chairman, Ioannis Karagiannis Jacek Kuzniecow and Nikolaos Delkos. The company is represented and bound, without any limitations, by the signature of Mr. Panos Germanos, and for specific action up to a certain amount, by the signature of Mr. Jacek Kuzniecow.

6.2.15 SUNLIGHT ROMANIA FILIALA BUCURESTI S.R.L.

Participation of GERMANOS TELECOM ROMANIA S.A.:100%

The company was established in 2002 (Reg. No.: J40/2180/20.3.2002) initially as a subsidiary of SUNLIGHT ROMANIA S.R.L., and following the absorption of SUNLIGHT ROMANIA S.R.L. by GERMANOS TELECOM ROMANIA S.A., is now a subsidiary of the latter company. Its domicile is located in Bucharest, Romania and its objective refers to activities mainly in the wholesale trade sector of telecommunication products. The company capital amounts to 727,099,195 Leu. The company is represented and bound, by the signature of Mr. Nikolaos Kakoulidis.

7. Review of GERMANOS SA Financial Performance

The attached Annual Financial Statements are those approved by the Board of Directors of "GERMANOS SA" on 27/02/2006, that have been published with their posting on the internet, on the website www.germanos.gr.

7.1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Germanos S.A. as of December 31st 2005 (the date of transition is January 1st, 2004) covering the entire 2005 fiscal year, 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) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards. The aforementioned standards are as follows:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Net Profit or Loss, Basic Error and Changes in Accounting Estimates
IAS 10	Events After the Balance Sheet Date
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Tangible Fixed Assets
IAS 17	Leases
IAS 18	Income
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Affiliated Party Disclosures
IAS 26	Accounting and Reporting of Retirement Benefit Plans
IAS 27	Consolidated Financial Statements and accounting of investments in subsidiaries
IAS 28	Accounting of Investments in Associate Companies
IAS 29	Financial Statements in hyper-inflationary economies
IAS 30	Disclosures with financial statements of banks and similar financial institutions
IAS 31	Financial presentation of rights in joint-ventures
IAS 32	Financial Instruments: Disclosures and Presentation
IAS 33	Earnings Per Share

IAS 34	Interim Financial Statements
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Valuation
IAS 40	Investments in Property
IAS 41	Agriculture
IFRS 1	First-Time adoption of International Financial Reporting Standards
IFRS 2	Payments with net worth items
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non current assets available for sale and Suspended Activities

The financial statements fall under IFRS 1 "First-Time adoption of IFRS" since they constitute the first financial statements, which are prepared and published on such a basis.

IFRS 1 demands mandatory exemptions in case of retrospective implementation of other IFRS, while it provides the opportunity to apply optional exemptions from the implementation of other standards. The Group applied all the mandatory exemptions of IFRS 1, while from the optional exemptions it applied the following:

Optional exemptions from other IFRS

a) *consolidation of companies*
In the context of the aforementioned exemption, the Company did not re-calculate the acquisition cost of subsidiaries that had been acquired before the transition date to IFRS, nor the fair value of acquired assets and liabilities during the acquisition date. Consequently, the goodwill recognized as at the transition date, relied on the exemption of IFRS 1, was calculated based on the previous accounting principles and was represented with the same way as such according to the group's last published financial statements prior to the transition to IFRS.

b) *fair value or re-adjustment as implied cost*
The Group chose to take into account an item of tangible fixed assets at fair value as at the transition date to IFRS and to use such fair value as the implied cost as at that date.

c) *employee benefits*
The Group did not follow the approximate method of IAS 19 that leaves "room" for the non-recognition of some of the actuarial profit and losses and consequently recognized cumulatively all actuarial profit and losses.

d) *cumulative transformation differences*
The exemption from the compliance to IAS 21 was not applied.

e) *complex financial instruments*
Did not apply to the group

f) *assets and liabilities of subsidiaries, associates and common interest companies*
The financial statements of subsidiaries and associate companies are adjusted based on the provisions of IFRS and the Group's accounting principles in order to be consolidated.
The Group has not proportionately applied such exemptions to other issues.
The policies mentioned below have been consistently applied throughout all the periods presented.

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.

Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies consistently are the following:

New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretation that are not included in the "IFRS Stable Platform 2005".

The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006. 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.

- ***IFRS 6. Exploration and evaluation of mineral resources***

  It does not apply to the Group and thus will not affect its financial statements.

- ***IFRIC 3. Rights for gas emission***

  It does not apply to the Group and thus will not affect its financial statements.

- ***IFRIC 4. Determination of whether a receivable includes a lease***

  IFRIC 4 applies to annual periods that begin from January 1st 2006. The Group has decided not to apply IFRIC 4 before that date. It will apply IFRIC 4 to the financial statements of 2006, based on the transitional provisions of IFRIC 4. Therefore, the Group will apply IFRIC 4 based on the events and conditions that were in effect on January 1st 2005. The implementation of IFRIC 4 is not expected to change the accounting treatment of any of the Group's current contracts.

- ***IFRIC 5. Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds***

  It does not apply to the Group and thus will not affect its financial statements.

- ***IFRIC 6. Liabilities arises from activities in special sectors – Processing of electric and electronic waste.***

  It will not affect the Group's financial statements.

7.2 BOARD OF DIRECTORS MANAGEMENT REPORT

"2005 was a year during which we achieved our goals and also added value to our operations, thus reinforcing the Group's dynamic growth. The effectiveness of our business choices is vigorously reflected in the year's financial results, which posted particularly positive growth rates in all sectors of the Company's activity in Greece and abroad.

The following table briefly presents the Group's consolidated results.

Consolidated Results in million €	31.12.05	% Change	31.12.2004
Sales	1,025.5	19.0%	862.0
Earnings before Interest Taxes Depreciation & A	94.3	14.4%	82.4
Earnings before Taxes (EBT)	78.6	18.4%	66.3
Earnings after Taxes (EAT)	63.1	17.1%	53.9
Earnings per share	0.78	15.9%	0.67

Specifically, consolidated sales exceeded one billion and amounted to € 1.025 million, thus posting an increase of 19% with significant contribution from companies that operate outside of Greece. The Group's foreign subsidiaries exceeded € 300 million in sales, an amount the represents almost 30% of total sales.

Indicatively we note that activities in Poland posted an increase of 93.7% in sales compared to the respective period last year, thus confirming the dynamic of the Polish market and its significance for the Group's development. Similar growth rates were posted by Romania, with sales approaching € 100 million, an increase of 60% compared to the previous year. The growth of the subsidiary in Ukraine was also exceptional with sales amounting to € 15.1 million compared to € 1.1 million in 2004.
In particular,

As regards to the Group's consolidated Profit, which amounted to € 63.1 million increased by 17.1% compared to €53.9 million in 2004, we must note that there is a portion from the profit of HDFS, which amounted to € 9.34 million (24.68% participation stake) compared to € 10.5 million in the respective period of 2004. The decrease in HDFS' profit is due to the non-participation of EYSIMON SYLLOGES (Olympic Products) in its total results. The Group's consolidated profit also includes € 3.9 million that emerged from GERMANOS' 20% participation in the mobile telephony company UNITEL (Uzbekistan). This participation has now been transferred with profit for the company of approximately €20.8 million, which will be included in the results for the 1st quarter of 2006.

This past year the Company continued its firm growth trend, therefore establishing its leading position in the technology and energy sectors it operates in and as so setting the basis to undertake further business initiatives and agreements that will reinforce its position on the modern business map. In this context, our Company is expanding in countries of Central and Eastern Europe, in which it already operates, and is continuously exploring countries that meet its strategic criteria. It is worth noting that at the present the Company has 920 stores and specifically in Greece (330), Poland (330), Romania (99), Bulgaria (71), FYROM (23), Cyprus (18) and Ukraine (46), while we have further expanded the battery production activities in Germany and Serbia.

Summarizing the above, for yet another year the Group has exceeded the targets it had set, carrying on its dynamic course in the basic sectors of its activities and presenting significant growth both in sales levels and in profitability, thus justifying the faith our shareholders have in us.

2006 OUTLOOK

We begin 2005 with positive prospects for all sectors of activity. Concerning the retail activity, GERMANOS is at constant alertness, having substantial knowledge of the market at a global level and with the ability to foresee new advancements and trends, to thoroughly explore developing markets it already operates in, while at the same time it expands its interest in the broader area of Central and Southeast Europe. Our goal for the end of the year is to expand the GERMANOS Chain of stores to approach 1500 stores in the 7 countries we are present in, by connecting a market of hundreds of millions of European consumers with technology in the friendliest way.

Taking advantage of the Xanthi plant's contemporary infrastructure, GERMANOS' industrial activity aims at the continuous enhancement of SUNLIGHT's position at a global level. Through the development of specialized know-how and the investment in Research and Development, we reinforce GERMANOS' exporting dynamic. By participating in international bids, undertaking significant projects and further expanding our strategic co-operations with leading companies in the global energy and defense industry, we seek to firmly establish SUNLIGHT GERMANOS in the demanding market it operates in.

The establishment of GERMANOS' value in the global technology and energy market constitutes a challenge for 2006, an objective that follows our course until today with consistency and is defined by the sense of responsibility we feel towards the Group's shareholders, who support the company and the effort by its people.

Our ambition and aspiration is to maintain a leading role in developments by preserving the Group's Vision, Values and Mission unaffected. Each new year represents yet another opportunity for GERMANOS and its people to reveal their capabilities, to aim flexibility and to prove their innovativeness.

With knowledge of the market, respect towards the rules of modern Corporate Governance and with awareness of our role as an employer and a pole of social and economic development, we aim at continuous advancement and the promotion of Greek business activity outside our borders.

CORPORATE GOVERNANCE

In the contemporary business environment, a company's value constitutes one of the most important factors that contribute to its development as it drastically affects the faith the company receives from the market. Aiming at maximizing this value in the benefit of shareholders and interested parties, Corporate Governance has a catalytic role in the GERMANOS Group, holding a significant position in the context of the company's operation.

Accurate, consistent and responsible Corporate Governance rules the Group's every-day practice in all aspects, as well as the relations between shareholders, Management and all those who are affected by the company's operation – human resources, customers, suppliers, associates etc., in all countries and sectors GERMANOS operates in.

This is achieved through the development and implementation of standards that are in accordance with the domestic legislation, provisions and regulations, and with the best practices and auditing standards of the international business and economic community, maintaining in all cases the necessary flexibility to adjust to new conditions and developments.

Concentrating on targeting transparency and efficiency in managing the enterprise, GERMANOS Group of Companies currently maintains an organized Corporate Governance system that refers both to the composition and definition of explicit responsibilities for the Board of Directors and other Committees and Divisions, and to the corporate procedures throughout the whole scope of its activities.

Analytically, based on Law 3016/2002 and the Regulative Directive of the Hellenic Capital Market Commission No. 5/204/14.11.2000, the Corporate Governance principles define:

- The formation of the Board of Directors
- The respect and protection of shareholders as well as those who interact with the company
- The continuous detection and elimination of innate business risks
- The validity of information flows

STRATEGIC RESPONSIBILITY

The GERMANOS Group of Companies has managed to combine business innovation with active social responsibility. The values that govern our philosophy mark our business choices and define GERMANOS' every-day practice are based on responsible behavior and action towards people and the – natural and social – environment.

Reinforcing responsible environmental management: Aiming at protecting the natural environment, we undertake initiatives both for informing and training our staff and for bringing awareness to the broader public opinion and motivating their participation through environmental awareness programs such as the DIAS BAT battery recycle program. At the same time, we invest in infrastructure that complies with the strictest environmental management and security requirements (in GERMANOS' industrial complex SUNLIGHT in Xanthi), as well as in Research and Development programs for alternative sources of energy and environmentally friendly products.

DIVIDEND POLICY

The Company's Board of Directors, taking into account the Group's results for fiscal year 2005, will propose to the Annual Ordinary General Shareholders' Meeting, to be held on June 22nd 2006, according to the announced corporate actions calendar, a dividend of € 0.26 per share, which is increased by 15.5% compared to the € 0.225 dividend of fiscal year 2004.

It is reminded that the company's dividend policy is directly connected to its strategic expansion and therefore to its capital needs."

February 27th 2006
Panos Germanos
Chairman of the Board of Directors of the Company
GERMANOS S.A.

7.3 CERTIFIED AUDITORS'-ACCOUNTANTS' AUDIT REPORT

To the Shareholders of "GERMANOS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC AND TELECOMMUNICATION MATERIALS AND TELECOMMUNICATION SERVICES PROVIDER"

We have audited the attached 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 fiscal year ending on December 31st 2005. The Management of the Company is responsible for the compilation of the financial statements. Our responsibility is limited to the formation and expression of opinion on the financial statements, based on the conducted audit. Our audit was conducted based on the Greek Generally Accepted Auditing Procedures, which are in line with the International Auditing Standards. These Procedures demand the planning and implementation of the audit in a way that reassures with reasonable certainty that the financial statements do not include substantial inaccuracies or omissions. The audit includes the examination, at a sample basis of substantial data that support the amounts and information included in the financial statements. The audit also includes the evaluation of the followed accounting principles, the company's management's estimations and generally, the presentation of information in the financial statements as well as the agreement of the contents of the Board of Directors' Management Report with the Financial Statements. We believe that the conducted provides the adequate basis for the forming of our opinion. The consolidation also includes the financial statements of foreign subsidiaries that represent 18% and 29% of the consolidated total assets and turnover respectively. These statements have been audited by other certified auditors. In our opinion, the aforementioned financial statements, accurately present the company's financial status and the Group's (whose company happens to be the parent) consolidated financial status as at December 31st 2005 and the results of the Company's and Group's activities as well as the changes in equity and cash flows for the Company and Group, for the period ending on that date, according to the International Financial Reporting Standards, that have been adopted by the European Union. Also, in our opinion, the contents of the Board of Directors' Management Report are in agreement with the aforementioned financial statements.

Athens, February 27th 2006
The Certified Auditors-Accountants

ANAGNOS TH. LYMBERIS	ARISTEIDIS-ANTONIS GREG. SFOUNOS
SOEL Reg.No. 11241	SOEL Reg.No. 14851

BKR ΠΡΟΤΥΠΟΣ ΕΛΕΓΚΤΙΚΗ Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές - Σύμβουλοι Επιχειρήσεων
Ανεξάρτητο Μέλος της BKR INTERNATIONAL

7.4 ANNUAL FINANCIAL STATEMENTS AT THE CONSOLIDATED AND PARENT BASIS

INCOME STATEMENT

		GROUP		COMPANY	
		1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Sales		**1,025,531,613**	**862,045,457**	**757,236,993**	**679,078,696**
Cost of goods sold	6.22	(822,208,170)	(682,331,343)	(601,299,970)	(533,992,149)
Gross Profit		**203,323,444**	**179,714,114**	**155,937,023**	**145,086,546**
Other operating income	6.24	16,939,872	13,468,795	3,207,238	3,820,507
Distribution expenses	6.23	(103,333,222)	(90,350,328)	(71,304,903)	(63,192,142)
Administrative expenses	6.23	(38,226,638)	(32,460,985)	(28,447,171)	(24,339,482)
Research & Development Expenses		0	0	0	0
Other operating expenses	6.24	(8,120,509)	(10,970,831)	(1,255,048)	(4,317,285)
Results Before Taxes Financing and Investment Results		**70,582,947**	**59,400,765**	**58,137,138**	**57,058,144**
Financial Income	6.25	425,791	373,156	370,845	300,921
Financial Expenses	6.25	(7,913,283)	(7,456,333)	(5,761,388)	(5,235,592)
Other Financial Results	6.26	1,973,019	3,461,651	12,069,877	8,295,937
Earning from Acquisition of Company		273,409	0	0	0
Profit/Loss from associate companies	6.4	13,237,131	10,568,326	0	0
Earnings before taxes		**78,579,014**	**66,347,564**	**64,816,473**	**60,419,410**
Income tax	6.27	(15,621,280)	(12,827,052)	(14,275,064)	(11,790,636)
Earnings after taxes		**62,957,734**	**53,520,512**	**50,541,409**	**48,628,774**
Suspended operations:					
Period earnings from suspended operations		0	0	0	0
Net earnings for the period		0	0	0	0
Allocated to:					
The Parent's shareholders		63,061,018	53,866,816		
Minority interest		(103,284)	(346,303)		
Basic Earnings per Share	6.28	0.78	0.67	0.62	0.61

Brief results for the period

Results Before Taxes Financing and Investment Results and Depreciations	94,302,034	82,466,146	76,847,533	76,188,693
Results Before Taxes Financing and Investment Results	70,582,947	59,400,765	58,137,138	57,058,144
Earnings before taxes	78,579,014	66,347,564	64,816,473	60,419,410
Earnings after taxes	62,957,734	53,520,512	50,541,409	48,628,774

BALANCE SHEET

		GROUP		COMPANY	
ASSETS	**Note**	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**
Non-current assets					
Tangible Assets	6.1	168,540,411	163,907,541	147,381,472	146,777,661
Company Surplus Value	6.2	16,500,093	10,252,128	626,920	0
Intangible Assets	6.3	19,331,817	8,195,254	9,071,080	3,278,501
Investments in Subsidiary Companies		(0)	(0)	42,971,810	42,026,399
Investments in Associate Companies	6.4	105,001,146	87,213,116	206,251,700	201,837,313
Other investments		0	0	0	0
Deferred tax receivables	6.5	20,178,355	20,688,892	23,802,983	23,667,459
Financial assets available for sale	6.6	709,523	15,507,234	1,616,224	15,473,054
Financial derivatives		0	0	0	0
Other Long-term Receivables	6.7	5,390,679	1,166,725	4,994,276	341,079
		335,652,025	**306,930,889**	**436,716,465**	**433,401,465**
Current Assets					
Inventories	6.8	90,057,612	54,554,255	63,515,725	39,438,537
Customers and other Trade Receivables	6.9	162,093,682	196,706,232	122,003,011	151,421,422
Other Receivables	6.10	31,736,583	18,956,821	21,003,798	11,724,408
Other Current Assets	6.11	32,888,030	25,752,609	29,453,081	19,467,682
Financial assets at fair value through results	6.12	5,102,178	5,053,388	5,102,178	5,047,388
Cash and cash equivalents	6.13	14,941,025	12,583,967	8,720,537	7,229,898
		336,819,110	**313,607,272**	**249,798,329**	**234,329,335**
Fixed assets classified as available for sale		0	0	0	0
Total Assets		**672,471,135**	**620,538,161**	**686,514,794**	**667,730,800**
EQUITY & LIABILITIES					
Equity					
Share capital	6.14	26,104,160	12,956,000	26,104,160	12,956,000
Above par	6.14	198,701,542	206,502,877	198,701,542	206,502,877
Fair value reserves	6.14	0	0	51,218,032	54,524,591
Other reserves	6.14	84,665,165	81,965,268	84,674,141	81,833,800
Balance Sheet Conversion Reserves		836,691	0	0	0
Results carried forward		19,902,330	(26,366,301)	64,369,709	32,112,623
Total equity attributed to the parent's shareholders		**330,209,889**	**275,057,844**	**425,067,584**	**387,929,891**
Minority interest		1,119,590	2,159,397		
Total Equity		**331,329,479**	**277,217,241**	**425,067,584**	**387,929,891**
Long-term liabilities					
Long-term bank liabilities	6.15	99,857,361	109,131,572	97,458,915	106,627,805
Deferred tax liabilities	6.5	12,118,900	13,378,121	32,858,411	36,716,364
Liabilities for staff retirement indemnities	6.16	820,124	863,198	717,124	600,000
Other Long-term Liabilities	6.17	2,216,996	2,614,581	15,824	1,000
Provisions	6.18	1,993,108	110,138	1,000,000 0	
Total Long-Term Liabilities		**117,006,489**	**126,097,610**	**132,050,274**	**143,945,169**
Short-term liabilities					
Suppliers and related liabilities	6.19	130,451,108	135,286,696	81,080,474	91,175,948
Current tax liabilities	6.20	21,424,599	20,000,924	19,715,372	18,404,437
Short-term bank liabilities	6.15	47,658,902	46,298,115	12,230,920	13,374,496
Long-term liabilities payable in the next period	6.15	9,130,957	9,050,809	9,000,000	9,000,000
Other Short-term liabilities	6.21	14,067,123	6,586,765	7,370,169	3,900,860
Short-term Provisions		1,402,478	0		0
Total Short-Term Liabilities		**224,135,167**	**217,223,310**	**129,396,936**	**135,855,740**
Total Liabilities		**341,141,656**	**343,320,919**	**261,447,210**	**279,800,909**
Liabilities directly linked to non-current Assets classified as available for sale					
Total Equity & Liabilities		**672,471,135**	**620,538,161**	**686,514,794**	**667,730,800**

CASH FLOW STATEMENT

		GROUP		COMPANY	
	Note	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash flows from operating activities					
Cash flows from operating activities	6.29	69,776,982	52,127,866	51,307,370	61,514,888
Interest paid		(7,878,926)	(7,242,299)	(5,761,388)	(5,235,592)
Income tax paid		(10,145,378)	(14,417,327)	(9,112,879)	(14,193,127)
Net cash flows from operating activities		**51,752,678**	**30,468,240**	**36,433,103**	**42,086,170**
Cash flows from investment activities					
Purchases of tangible fixed assets		(26,596,495)	(56,279,400)	(14,562,444)	(51,895,347)
Purchases of intangible assets		(18,824,389)	(13,729,575)	(12,523,760)	(2,549,112)
Sales of tangible fixed assets		5,932,363	24,964,013	1,184,405	19,795,487
Dividends received		1,389,000	3,459,925	12,897,410	8,289,967
Loans given to affiliated parties		0	0	0	0
Purchase of financial assets available for sale		(5,827)	(13,395,417)	(109,187)	(13,370,417)
Purchase of financial assets at fair value through the results		0	0	0	(6,159,698)
Acquisition of associate companies		0	0	0	0
Acquisition of subsidiaries		0	0	394,006	(9,909,495)
Payments received by associates		9,099,300	7,799,400	0	0
Sale of financial assets available for sale		0	0	60,000	0
Sale of financial assets at fair value through the results		537,277	966,591	531,277	7,126,289
Interest received		409,129	329,628	370,845	300,921
Payments received from loans granted to affiliated parties		0	0	0	0
Other		0	0	0	0
Net cash flows from investment activities		**(28,059,643)**	**(45,884,836)**	**(11,757,448)**	**(48,371,405)**
Cash flows from financing activities					
Issuance of common shares		5,346,825	2,976,059	5,346,825	128,726
Acquisition of own-shares		0	0	0	0
Dividends payable to the parent's shareholders		(18,815,172)	(16,258,177)	(18,219,375)	(16,034,092)
Received loans		0	23,211,227	(10,312,466)	16,604,740
Payment of loans		(7,867,632)	0	0	0
Payment of leasing capital		0	0	0	0
Net Cash flows from financing activities		**(21,335,979)**	**9,929,110**	**(23,185,016)**	**699,375**
Net (decrease)/ increase in cash and cash equivalents		**2,357,057**	**(5,487,486)**	**1,490,639**	**(5,585,861)**
Cash and cash equivalents at the beginning of the period		12,583,967	18,071,453	7,229,898	12,815,759
Foreign exchange differences in cash and cash equivalents		0	0	0	0
Cash and cash equivalents at the end of the period		**14,941,025**	**12,583,967**	**8,720,537**	**7,229,898**

BASIC FINANCIAL RATIOS

	Consolidated Data		Company Data	
	2005	2004	2005	2004
Gross Margin	19.83%	20.85%	20.59%	21.37%
EBIT Margin	6.88%	6.89%	7.68%	8.40%
Net Profit Margin	6.15%	6.25%	6.67%	7.16%
Return on Investment Capital	12.95%	12.26%	9.29%	9.41%
Return on Assets	9.38%	8.68%	7.36%	7.28%
Return on Equity	19.10%	19.58%	11.89%	12.54%
Total Liabilities / Total Equity	1.03	1.25	0.62	0.72
Total Debt / Total Equity	0.47	0.60	0.28	0.33

Capitalization (28/02/06)		
Euro	1,430,834,270	
P/E	22.69x	26.56x
P/BV	4.33x	5.20x

DEFINITION OF FINANCIAL RATIOS

Gross Margin	Gross Profit / Turnover
EBIT Margin	Earnings Before Interest and Taxes / Turnover
Net Profit Margin	Net Earnings (to parent shareholders) / Turnover
Return on Investment Capital	Net Earnings (to parent shareholders) / (Total Equity (to shareholders) + Loans)
Return on Assets	Net Earnings (to parent shareholders) / Total Assets
Return on Equity	Net Earnings (to parent shareholders) / Total Equity (to shareholders)
Total Liabilities / Total Equity	Total Liabilities / Total Equity (to shareholders)
Total Debt / Total Equity	Loans / Total Equity (to shareholders)
Capitalization (28/02/06)	Share price * Number of Shares
P/E	Share price / Net Earnings (to parent shareholders) per Share
P/BV	Share price / Total Equity (to shareholders) per Share

7.5 FINANCIAL INFORMATION BY SECTOR

Primary information sector – Geographic Segments

The Group's domicile and the main country it operates in is Greece.

The activity areas of the company are Greece, the Eurozone countries and third countries.

The Group is active in seven geographic segments.

The results for each segment for the fiscal year **2005** were the following:

1/1 - 31/12/2005

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	**767,992,467**	**110,030,645**	**97,867,496**	**56,011,049**	**11,557,131**	**15,145,277**	**10,733,613**	**1,191,971**	**1,070,529,649**
Internal sales								(44,998,036)	(44,998,036)
Net sales	**767,992,467**	**110,030,645**	**97,867,496**	**56,011,049**	**11,557,131**	**15,145,277**	**10,733,613**	**(43,806,065)**	**1,025,531,613**
Operating Results	79,020,797	3,884,053	6,965,911	4,155,094	412,499	(1,554,973)	505,450	913,204	94,302,035
Financial Results	6,550,013	(616,392)	(672,007)	(29,572)	(158,135)	(138,568)	(351,585)	(10,098,227)	(5,514,473)
Depreciations	(20,208,353)	(1,095,355)	(1,432,415)	(327,060)	(136,056)	(303,900)	(212,134)	(3,815-)	(23,719,088)
Share of results from associate									
companies	-	-	-	-	-	-	-	13,237,131	13,237,131
Earnings before taxes	-	-	-	-	-	-	-	273,409	273,409
Earnings before taxes	**65,362,457**	**2,172,306**	**4,861,489**	**3,798,462**	**118,308**	**(1,997,441)**	**(58,269)**	**4,048,293**	**78,579,014**
Income tax	(14,373,253)	(658,188)	(327,910)	(603,778)	(12,786)	356,947	0	(2,312)	(15,621,280)
Net earnings	**50,989,204**	**1,514,118**	**4,533,579**	**3,194,684**	**105,522**	**(1,640,494)**	**(58,269)**	**4,045,981**	**62,957,734**

The results for each segment for the fiscal year **2004** were the following:

1/1 - 31/12/2004

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	**715,799,495**	**56,846,471**	**61,503,778**	**40,916,474**	**9,033,315**	**1,147,416**	**-**	**-**	**885,246,949**
Internal sales								(23,201,492)	(23,201,492)
Net sales	**715,799,495**	**56,846,471**	**61,503,778**	**40,916,474**	**9,033,315**	**1,147,416**	**-**	**(23,201,492)**	**862,045,457**
Operating Results	75,586,876	1,675,895	3,167,267	2,293,484	562,283	(149,510)	-	(670,149)	82,466,146
Financial Results	2,670,443	(443,100)	(715,069)	(90,501)	(207,800)	(1,214)	-	(4,834,286)	(3,621,527)
Depreciations	(20,586,709)	(728,767)	(1,335,098)	(283,404)	(115,300)	(16,103)	-	-	(23,065,381)
Share in associate									
companies' results	-	-	-	-	-	-	-	10,568,326	10,568,326
Earnings before taxes	**57,670,610**	**504,028**	**1,117,100**	**1,919,579**	**239,183**	**(166,827)**	**-**	**5,063,891**	**66,347,564**
Income tax	(12,442,062)	293,325	(211,645)	(527,094)	-	60,424	-	-	(12,827,052)
Net earnings	**45,228,548**	**797,353**	**905,455**	**1,392,485**	**239,183**	**(106,403)**	**-**	**5,063,891**	**53,520,512**

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

31/12/2005

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Sector Assets	**Total**	**33,802,791**	**39,914,562**	**20,338,081**	**3,108,127**	**9,007,125**	**10,012,640**	**5,108,455**	**672,471,135**
Non classified Assets									
Consolidated Assets									**672,471,135**
Sector Liabilities	**249,300,295**	**23,355,707**	**39,763,395**	**11,136,792**	**2,153,019**	**7,404,069**	**7,823,327**	**205,053**	**341,141,656**
Non classified Liabilities									
Consolidated Liabilities									**341,141,656**

31/12/2004

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Tota
Sector Assets	**533,045,918**	**34,883,109**	**33,162,739**	**14,505,429**	**3,254,835**	**1,686,132**			**620,538,161**
Non classified Assets									
Consolidated Assets									**620,538,161**
Sector Liabilities	**275,052,872**	**29,587,737**	**27,857,385**	**7,487,490**	**2,627,083**	**708,353**			**343,320,919**
Non classified Liabilities									
Consolidated Liabilities									**343,320,919**

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 million €	1/1 - 31/12/2005	1/1 - 31/12/2004	CHANGE %
Mobile and Fixed Line Telephony	**476.3**	**427.2**	**11.5%**
Air Time Postpaid	59.8	47	27.2%
Air Time Prepaid	11	10.5	4.8%
Air Time Fixed Line	2.1	2.2	-4.5%
Total Air Time	**72.9**	**59.7**	**22.1%**
Connection Fees Postpaid	172.5	158.4	8.9%
Connection Fees Prepaid	75.1	69.8	7.6%
Total Connection Fees	**247.6**	**228.2**	**8.5%**
Target Bonus Postpaid	26.4	23.7	11.4%
Target Bonus Prepaid	9	8.4	7.1%
Total Target Bonus	**35.4**	**32.1**	**10.3%**
Handset Revenues	**98.9**	**84.6**	**16.9%**
Accessories	**18.4**	**15.8**	**16.5%**
Service	**3.1**	**4.1**	**-24.4%**
Products	**89.7**	**69.4**	**29.3%**
Electronic Goods - Internet	82.7	62.5	32.3%
Retail Batteries	7	6.9	1.4%
TOTAL RETAIL SALES	**566**	**496.6**	**14.0%**
TOTAL INDUSTRIAL SALES	**71.3**	**53.8**	**32.5%**
Batteries Wholesale	22.9	19	20.5%
Prepaid cards Wholesale	358.1	264.9	35.2%
TOTAL SALES OF DISTRIBUTION NETWORK	**381**	**283.9**	**34.2%**
TOTAL SALES CORE	**1,018.3**	**834.9**	**22.0%**
OTHER SALES	**7.2**	**27.7**	**-74.0%**
E-Value S.A.	7.2	5.1	41.2%
Lase S.A.	0	20.4	-100.0%
NG Systems S.A.	0	2.2	-100.0%
TOTAL CONSOLIDATED SALES	**1,025.5**	**862**	**19.0%**

7.6 BRIEF FINANCIAL INFORMATION

Tangible assets

The plots were valued as at the transition date to IFRS (01/01/2004) at their implied cost according to the provisions of IFRS 1. The "implied" cost is considered as the fair value of the fixed assets as at the transition date to IFRS, which was defined after a study by an independent evaluator. The other tangible assets (buildings, machinery, other equipment) are recognized at the transition date at their acquisition cost minus accumulated depreciations.

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

GROUP

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	79,223,369	57,099,351	42,941,043	10,916,480	190,180,243
Accumulated depreciation and value impairment	(5,044,286)	(23,539,650)	(14,416,629)	-	(43,000,565)
Book value as at January 1st 2004	**74,179,082**	**33,559,701**	**28,524,414**	**10,916,480**	**147,179,677**
Gross Book value	92,776,822	76,052,268	46,451,843	4,438,524	219,719,457
Accumulated depreciation and value impairment	(6,858,218)	(29,853,372)	(19,100,326)	-	(55,811,916)
Book value as at December 31st 2004	**85,918,604**	**46,198,896**	**27,351,517**	**4,438,524**	**163,907,541**
Gross Book value	102,063,826	83,321,889	49,217,539	4,009,321	238,612,576
Accumulated depreciation and value impairment	(9,848,440)	(37,093,970)	(23,082,862)	(46,893)	(70,072,165)
Book value as at December 31st 2005	**92,215,386**	**46,227,919**	**26,134,678**	**3,962,428**	**168,540,411**

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2004	**74,179,082**	**33,559,701**	**28,524,414**	**10,916,480**	**147,179,677**
Additions	19,334,067	26,982,040	5,194,887	4,352,485	55,863,478
Sales - Reductions	(5,397,044)	(7,975,453)	(761,074)	(10,830,442)	(24,964,013)
Depreciations	(2,601,649)	(6,379,720)	(5,606,156)	-	(14,587,525)
Transfers	404,147	12,329	(554)	-	415,922
Prepayments	-	-	-	-	-
Book value as at December 31st 2004	**85,918,604**	**46,198,896**	**27,351,517**	**4,438,524**	**163,907,541**
Additions from aqcquisition / consolidation of subsidiaries	880,197	182,190	(8,181)	68,534	1,122,740
Additions	4,712,773	7,768,269	6,768,452	4,641,114	23,890,608
Sales - Reductions	(503,949)	(586,176)	(3,697,854)	(1,144,383)	(5,932,363)
Depreciations	(2,736,102)	(7,181,878)	(6,108,236)	(5,046)	(16,031,263)
Transfers	3,779,615	(153,381)	1,828,979	(4,036,314)	1,418,899
Prepayments	164,248	-	-	-	164,248
Book value as at December 31st 2005	**92,215,386**	**46,227,919**	**26,134,678**	**3,962,428**	**168,540,411**

COMPANY

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	70,634,918	54,133,236	29,396,237	7,562,310	161,726,700
Accumulated depreciation and value impairment	(3,804,790)	(22,489,894)	(9,327,525)	-	(35,622,209)
Book value as at January 1st 2004	**66,830,129**	**31,643,342**	**20,068,712**	**7,562,310**	**126,104,492**
Gross Book value	85,029,365	72,460,032	32,164,382	4,036,314	193,690,093
Accumulated depreciation and value impairment	(5,214,168)	(28,404,469)	(13,293,796)	-	(46,912,432)
Book value as at December 31st 2004	**79,815,198**	**44,055,563**	**18,870,586**	**4,036,314**	**146,777,661**
Gross Book value	92,453,613.18	77,154,617	34,712,899	2,544,812	206,865,941
Accumulated depreciation and value impairment	(7,278,766)	(35,022,584)	(17,183,119)	-	(59,484,469)
Book value as at December 31st 2005	**85,174,848**	**42,132,033**	**17,529,780**	**2,544,812**	**147,381,472**

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2004	**66,830,129**	**31,643,342**	**20,068,712**	**7,562,310**	**126,104,492**
Additions	18,663,457-	26,098,300-	3,097,276	4,036,314	51,895,347
Sales - Reductions	(4,269,010)	(7,751,690)	(212,478)	(7,562,310)	(19,795,487)
Depreciations	(1,409,378)	(5,934,389)	(4,082,924)	-	(11,426,691)
Transfers	-	-	-	-	-
Prepayments	-	-	-	-	-
Book value as at December 31st 2004	**79,815,199**	**44,055,563**	**18,870,586**	**4,036,314**	**146,777,661**
Additions from aqcquisition / consolidation of subsidiaries	335,144.37	82,774.32	861,685.65	55,442.41	1,335,047
Additions	2,888,541.14	4,911,511	2,937,976	2,489,369.51	13,227,397
Sales - Reductions	-	(6,215)	(1,178,190)	-	(1,184,405)
Depreciations	(1,901,454)	(6,591,278)	(4,113,402)	-	(12,606,135)
Transfers	4,036,314	(293,486)	853,291	(4,036,314)	559,805
Prepayments	164,248	-	-	-	164,248
Transferred depreciations from acquisition of subsidiaries	(163,144)	(26,837)	(702,166)		(892,147)
Book value as at December 31st 2005	**85,174,848**	**42,132,033**	**17,529,780**	**2,544,812**	**147,381,472**

Company Surplus Value

The company's surplus value is analyzed as follows:

GROUP SURPLUS VALUE	
Gross Book Value	0
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2004	**0**
Gross Book Value	10,252,128
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2005	**10,252,128**
Gross Book Value	16,500,093
Accumulated depreciation and decrease of value	0
Book Value as at December 31st 2005	**16,500,093**

COMPANY SURPLUS VALUE	
Gross Book Value	0
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2004	**0**
Gross Book Value	0
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2005	**0**
Gross Book Value	626,920
Accumulated depreciation and decrease of value	0
Book Value as at December 31st 2005	**626,920**

The allocation of the surplus value is as follows:

	Group Recognized	Surplus Value	Company Recognized	Surplus Value
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
GTI POLSKA SP ZOO	10,252,128	10,252,128	0	0
P. Germanos S.A.	352,868	0	626,920	0
GTI UKRAINE	551,056	0	0	0
Germanos Cyprus	5,344,040	0	0	0
TOTAL	**16,500,093**	**10,252,128**	**626,920**	**0**

The Group evaluates the surplus value on an annual basis for possible impairment.

To define the recoverable value of the surplus of GTI POLSKA, P. GERMANOS S.A., GTI UKRAINE, GERMANOS CYPRUS the value of the current period was used.

The value of the current period was calculated according to the management's estimations, which are based on the discounted cash flow method.

Intangible assets

The largest part of intangible assets refers to IT systems (Warehouse Management, ERP-SAP, CRM and Retail Systems etc.) on which the Group has carried out significant investments.

TThe intangible assets as at 31/12/2005 are analyzed as follows:

GROUP

	Licenses / Signals	Software	Other intangible assets	Total
Gross Book value	3,105,046	1,020,882	21,538	4,147,466
Accumulated depreciation and value impairment	(895,071)	(302,873)	(5,986)	(1,203,930)
Book value as at January 1st 2004	**2,209,974**	**718,009**	**15,552**	**2,943,536**
Gross Book value	3,628,933	6,912,704	27,550	10,569,187
Accumulated depreciation and value impairment	(1,037,744)	(1,327,514)	(8,676)	(2,373,933)
Book value as at December 31st 2004	**2,591,189**	**5,585,191**	**18,874**	**8,195,254**
Gross Book value	6,728,604	14,501,325	8,925,137	30,155,065
Accumulated depreciation and value impairment	(1,941,915)	(7,342,887)	(1,538,446)	(10,823,248)
Book value as at December 31st 2005	**4,786,689**	**7,158,438**	**7,386,691**	**19,331,817**

	Licenses / Signals	Software	Other intangible assets	Total
Book value as at January 1st 2004	**2,209,974**	**718,008**	**15,552**	**2,943,535**
Additions	776,425	5,891,823	6,012	6,674,260
Sales - Reductions	(165,443)	-	-	(165,443)
Depreciations	(229,081)	(8,246,085)	(2,690)	(8,477,856)
Transfers	(686)	7,221,444	-	7,220,758
Book value as at December 31st 2004	**2,591,189**	**5,585,191**	**18,874**	**8,195,254**
Additions from aqcquisition of subsidiaries	-	522,491	0	522,491
Additions	2,107,301	7,616,465	9,029,118	18,752,883
Sales - Reductions	(247,024-)	-	-	(247,024)
Depreciations	(792,682)	(6,015,373)	(879,770)	(7,687,825)
Transfers	1,127,905	(550,335)	(781,531)	(203,961)
Book value as at December 31st 2005	**4,786,689**	**7,158,438**	**7,386,691**	**19,331,817**

COMPANY

	Licenses / Signals	Software	Other intangible assets	Total
Gross Book value	202,715	1,020,881	-	1,223,596
Accumulated depreciation and value impairment	(144,184)	(302,873)	-	(447,057)
Book value as at January 1st 2004	**58,530**	**718,008**	**-**	**776,539**
Gross Book value	206,515	4,001,457	0	4,207,971
Accumulated depreciation and value impairment	(183,957)	(745,514)	-	(929,470)
Book value as at December 31st 2004	**22,558**	**3,255,943**	**-**	**3,278,501**
Gross Book value	1,472,005	13,777,915	2,020,043	17,269,962
Accumulated depreciation and value impairment	(705,483)	(7,338,513)	(154,886)	(8,198,882)
Book value as at December 31st 2005	**766,522**	**6,439,402**	**1,865,156**	**9,071,080**

	Licenses / Signals	Software	Other intangible assets	Total
Book value as at January 1st 2004	**58,530 718,008 - 776,539**			
Additions	3,800	2,980,576	-	2,984,376
Sales - Reductions	-	-	-	-
Depreciations	(39,772)	(7,664,085)	-	(7,703,857)
Transfers	-	7,221,444	-	7,221,444
Book value as at December 31st 2004	**22,558 3,255,943 - 3,278,501**			
Additions from aqcquisition of subsidiaries	-	3,694,235	-	3,694,235
Additions	176,750	6,632,733	2,020,043	8,829,525
Sales - Reductions	(150,654)	-	-	(150,654)
Depreciations	(521,526)	(5,427,848)	(154,886)	(6,104,260)
Transfers	1,239,394	(550,509)	-	688,885
Transfers of depreciations from acquisition of subsidiaries	-	(1,165,151)		(1,165,151)
Book value as at December 31st 2005	**766,522**	**6,439,402**	**1,865,156**	**9,071,080**

Investments in affiliate companies

GROUP	31/12/2005	31/12/2004
Beginning of period	**87,213,116**	**81,194,856**
Reclassification of Associate	12,566,600	-
Proportion of changes in equity	1,083,600	-
Share of profit / loss (after taxation and minority interest)	13,237,131	10,568,326
Reversal of received dividends	(9,099,300)	(4,550,067)
Balance at end of period	**105,001,146**	**87,213,116**

The participation in the profit from associate companies for 2004 amounted to € 10,568,326.

The book value of investments in affiliated companies on December 31st 2005 includes a surplus value of € 49,245,637, which emerges from the companies HELLENIC DUTY FREE SHOPS SA (€ 43,084,000) and SILKWAY HOLDING BV (€ 6,161,637). The surplus value is reviewed on an annual basis for possible impairment indications.

Indicatively we present financial information for the Group's affiliated companies.

Company Name	Country of Domicile	Assets	Liabilities	Turnover	Profit (loss) after taxes	Participation percentage
31/12/2004						
HDFS S.A.	Greece	196,103	70,294	234,804	41,978	24.68%
		196,103	70,294	234,804	41,978	
31/12/2005						
HDFS S.A.	Greece	208,266	86,726	261,451	37,870	24.68%
SILKWAY HOLDING (UNITEL)	Holland	80,897	19,550	36,140	19,453	20.00%
		289,163	106,276	297,591	57,323	

Deferred tax

The deferred tax receivables / liabilities as such emerge from the relevant temporary tax differences, are as follows:

	GROUP				COMPANY			
	31/12/2005		31/12/2004		31/12/2005		31/12/2004	
	Receivable	Liability	Receivable	Liability	Receivable	Liability	Receivable	Liability
Non Current Assets								
Intangible Assets	19,497,150	58,909	18,891,630	(365,003)	23,529,241	-	18,672,095	-
Tangible Assets	(132,935)	(9,912,004)	(5,069)	(10,649,302)	-	(9,011,632)	-	(10,146,551)
Participations	(15,838)	(2,031,810)	-	(156,175)	-	(23,655,628)	4,800,000	(26,542,112)
Long-term Receivables	-	-	-	(3,351)	-	-	-	-
Current Assets								
Inventories	29,180	11,229	(10,556)	(278,012)	-	-	-	-
Receivables	704,520	(348,282)	180,198	(1,882,561)	-	(139,345)	-	-
Financial assets at fair value	(7,023)	1,418	-	(893,826)	-		-	-
Long-term Liabilities								
Employee Benefits	233,340	(9,424)	76,876	-	273,742	(9,424)	-	-
Other Long-term Liabilities	-	(11,915)	34,811	-		(11,915)	-	-
Short-term Liabilities								
Provisions	-	(30,469)	192,000	(27,701)		(30,469)	192,000	(27,701)
Loans	(55,462)	7,481	4,644	1,014,502	-	-	3,364	-
Taxes	(24,318)	(3,280)	(79,702)	1,946	-	-	-	-
Other Short-term Liabilities	(50,259)	149,249	1,404,060	(138,638)	-	-	-	-
Total	**20,178,355**	**(12,118,900)**	**20,688,891**	**(13,378,121)**	**23,802,983**	**(32,858,412)**	**23,667,459**	**(36,716,364)**

The income tax rate to which the Group will be subject to for 2006 is equal to 29%.

The offset of deferred tax receivables and liabilities takes place when there is, from the company's perspective, an applicable legal right for such and when the deferred income taxes refer to the same tax authority.

Financial assets available for sale

The Group's financial assets available for sale include investments in the companies OTENET CYPRUS, ECONOMETRICA LTD, SSEDFIS and ADVANCED ENERGY TECHNOLOGIES, and have been valued at their acquisition cost, which according to the management's estimations do not vary from their fair values.

GROUP	31/12/2005	31/12/2004
Balance at beginning of the period	**15,507,234**	**2,111,817**
Additions		
- From acquisiton of subsidiary company	-	13,425,589
- Reclassification	(14,738,531)	-
- Acquisitions	10,000	
Sales / Write-offs	(69,180)	(30,172)
Balance at end of the period	**709,523**	**15,507,234**
Non-current assets	709,523	15,507,234
Current assets	-	-
	709,523	**15,507,234**

Other long-term receivables

The Group's and Company's other long-term receivables are analyzed in the following table:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Given Guarantees	5,390,679	1,166,725	4,994,276	341,079
Total other long-term liabilities	**5,390,679**	**1,166,725**	**4,994,276**	**341,079**

The aforementioned receivables refer to receivables that will be received after the end of the following fiscal year.

Inventories

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Merchandise	68,843,390	43,668,366	43,478,725	26,052,648
Finished and semi-finished products	12,225,067	7,124,260	12,225,067	7,124,260
Raw materials and packaging materials	8,564,066	6,364,790	7,917,633	6,364,789
Consumables	119,900	139,715	119,900	139,715
Other	605,189	57,125	74,400	57,125
Total	**90,357,612**	**57,354,255**	**63,815,725**	**39,738,536**
Minus: Provisions for useless, belated				
and destroyed inventories:			-	-
Merchandise	(300,000)	(2,800,000)	(300,000)	(300,000)
Semi-finished products	-	-	-	-
Finished products	-	-	-	-
Merchandise	-	-	-	-
Other			-	-
Raw Materials			-	-
Total	**(300,000)**	**(2,800,000)**	**(300,000)**	**(300,000)**
Total net liquidation value	**90,057,612**	**54,554,255**	**63,515,725**	**39,438,536**

Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Customers	124,694,259	144,828,608	83,887,393	105,323,324
Receivables from subsidiaries	-	59,500	-	8,500
Checks Receivable	39,577,480	56,305,144	39,571,218	48,189,599
Minus: Impairment provisions	(2,178,057)	(4,487,020)	(1,455,600)	(2,100,000)
Net Trade Receivables	**162,093,682**	**196,706,232**	**122,003,011**	**151,421,422**
Prepayments for inventory purchases	-	-	-	
Total	**162,093,682**	**196,706,232**	**122,003,011**	**151,421,422**
Non-current assets	-	-	-	
Current assets	162,093,682	196,706,232	122,003,011	151,421,422
	162,093,682	**196,706,232**	**122,003,011**	**151,421,422**
The fair values of receivables are as follows:				
Customers	122,516,203	140,341,588	82,431,793	103,223,324
Notes Receivable	-	59,500	-	8,500
Checks Receivable	39,577,480	56,305,144	39,571,218	48,189,599
	162,093,682	**196,706,232**	**122,003,011**	**151,421,422**

Other receivables

The Group's and Company's other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Sundry Debtors	11,889,724	8,100,192	2,277,285	940,423
Receivables from the Greek State	17,656,399	9,603,758	16,536,052	9,051,866
Orders of current assets	2,150,253	1,732,119	2,150,253	1,732,119
Other receivables	40,206	20,752	40,206	-
Minus: Provisions for doubtful debtors	-	(500,000)	-	
Net amount of other receivables	**31,736,583**	**18,956,821**	**21,003,797**	**11,724,408**
Non-current assets	-	-	-	-
Current assets	31,736,583	18,956,821	21,003,797	11,724,408
	31,736,583	**18,956,821**	**21,003,797**	**11,724,408**
The fair values of receivables are as follows:				
Sundry Debtors	11,889,724	7,600,192	2,277,285	940,423
Receivables from the Greek State	17,656,399	9,603,758	16,536,052	9,051,866
Orders of current assets	2,150,253	1,732,119	2,150,253	1,732,119
Other receivables	40,206	20,752	40,206	-
	31,736,583	**18,956,821**	**21,003,797**	**11,724,408**

Other Current Assets

The Group's and Company's other current assets are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Deferred expenses	15,303,015	6,582,726	14,172,246	6,557,734
Long-term provisions	-	-	-	-
Accrued income	17,585,016	19,169,883	15,280,835	12,909,948
Total	**32,888,030**	**25,752,609**	**29,453,081**	**19,467,682**

The account accrued income on 31/12/2005 mainly includes definitive and accrued connection and air-time fees that have not been invoiced to the mobile telephony providers and also the amount of €480,499 which refers to receivables from the recognition of income according to the completion percentage of submarine battery construction contracts (realized contractual cost €252.815).

Financial assets valued at fair value through the income statement.

Such are high-liquidity placements in shares and mutual funds with a short-term investment horizon.

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Balance at the beginning of the period	5,053,388	6,004,347	5,047,388	5,998,347
Additions	11,273,024	6,244,949	11,279,024	6,244,949
Sales	(11,810,301)	(7,253,667)	(11,810,301)	(7,253,667)
Fair value readjustments	586,067	57,758	586,067	57,758
Balance at the end of the period	**5,102,178**	**5,053,388**	**5,102,178**	**5,047,388**

Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash in hand	127,091	636,094	125,068	82,819
Short-term bank deposits	14,813,934	11,947,874	8,595,469	7,147,079
Total	**14,941,025**	**12,583,968**	**8,720,537**	**7,229,898**

The real weighted average interest rate for bank deposits was 1.98% (1.95% in 2004)

The cash in hand for the purposes of the cash flow statement, include the following:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Cash and cash equivalents	14,941,025	12,583,968	8,720,537	7,229,898
Total	**14,941,025**	**12,583,968**	**8,720,537**	**7,229,898**

Loan liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Long-term loans				
Bank loans	99,857,361	109,131,572	97,458,915	106,627,805
Total long-term loans	**99,857,361**	**109,131,572**	**97,458,915**	**106,627,805**
Short-term loans				
Bank loans	56,789,859	55,298,115	21,230,920	22,374,496
Total short-term loans	**56,789,859**	**55,298,115**	**21,230,920**	**22,374,496**
Total loans	**156,647,220**	**164,429,687**	**118,689,835**	**129,002,301**

The maturity dates for the Group's total loans are as follows:

	2 years or less	From 2 to 5 years	Over 5 years	Total
December 31st 2004				
Total loans	57,801,882	106,627,805		164,429,687
	57,801,882	106,627,805		164,429,687
December 31st 2005				
Total loans	65,789,859	90,857,361		156,647,220
	65,789,859	90,857,361		156,647,220

The maturity dates for the Group's long-term loans are as follows:

	31/12/2005	31/12/2004
2 years or less	11,398,446	2,503,767
From 2 to 5 years	88,458,915	106,627,805
Over 5 years	-	-
	99,857,361	**109,131,572**

The real weighted average borrowing rates for the Group, as at the balance sheet date are as follows:

	31/12/2005			31/12/2004		
	€	**US$**	**Other**	**€**	**US$**	**Other**
Bank loans (short-term)	3.54%	3.47%	-	4.38%	2.55%	-
Bank loans (long-term)	3.25%	-	-	3.37%		-
Bank over-withdrawals	-	-	-			-

Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
eceived guarantees - Grants-Leasing				
Balance at beginning of period	**2,614,581**	**1,420,570**	**1,000**	**1,000**
Additions:				
Guarantees	15,824	-	15,824	-
Grants	-	1,125,296	-	-
Leasing	-	217,659	-	-
Reductions:				
	-	-		
Other	-	-		
Guarantees	(1,000)	-	(1,000)	-
Grants	(269,951)	-	-	-
Leasing	(142,458)	(148,944)	-	-
Balance at end of period	**2,216,996**	**2,614,581**	**15,824**	**1,000**

Employee benefit liabilities

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Balance Sheet liabilities for:				
Pension benefits	820,124	863,198	717,124	600,000
Medical benefits after retirement	-	-	-	-
Total	**820,124**	**863,198**	**717,124**	**600,000**
Charges in the results:				
Pension benefits (provisions and payments)	43,074	(152,198)	(117,124)	(100,000)
Medical benefits after retirement	-	-	-	-
Total	**43,074**	**(152,198)**	**(117,124)**	**(100,000)**

	31/12/2005	31/12/2004
Present value of financed liabilities	-	-
Fair value of the scheme's assets	-	-
	-	-
Present value of non-financed liabilities	820,124	863,198
Non-registered actuarial profit / (loss)	-	-
Non-registered cost for service time	-	-
	820,124	863,198
Balance Sheet Liability	**820,124**	**863,198**

The main actuarial assumptions used are as follows:

	31/12/2005	31/12/2004
Technical Interest Rate	4.5%	4.5%
Future wage increases	3.5%	3.5%
Inflation	2.5%	2.5%

Provisions

The provisions that refer to the Group and Company are recognized if legal or implied liabilities are present as a consequence of past events, if there is a possibility to settle them through outflows of funds and if the amount of the liability can reliably be calculated. Contingent receivables are not recognized in the financial statements but are disclosed if there is a possibility for an inflow of economic benefits.

	GROUP				COMPANY	
Long-term provisions	**Tax liabilities**	**Other**	**Bonus-Loyalties**	**Total**	**Tax liabilities**	**Total**
December 31st 2004	**-**	**110,138**	**-**	**110,138**	**-**	**-**
Additional provisions for the fiscal year	1,750,000	128,688	4,282	1,882,970	1,000,000	1,000,000
Used provisions that were reversed	-	-	-	-	-	-
Used provisions for the fiscal year	-	-	-	-	-	-
December 31st 2005	**1,750,000**	**238,826**	**4,282**	**1,993,108**	**1,000,000**	**1,000,000**

	GROUP			
Short-term provisions	**Tax liabilities**	**Other**	**Bonus-Loyalties**	**Total**
December 31st 2004	**-**	**-**	**-**	**-**
Additional provisions for the fiscal year	-	463,478	939,000	1,402,478
Used provisions that were reversed	-	-	-	-
Used provisions for the fiscal year	-	-	-	-
December 31st 2005	**-**	**463,478**	**939,000**	**1,402,478**

Suppliers and other liabilities

The analysis of the balance for the Group's and Company's suppliers and other related liabilities is as follows:

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Suppliers	85,255,448	103,368,793	36,176,511	59,306,844
Liabilities towards the Group's subsidiary companies	-	-	-	-
Checks Payable	45,195,660	31,917,902	44,903,963	31,869,104
Total	**130,451,107**	**135,286,696**	**81,080,474**	**91,175,948**

Current tax liabilities

The current tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Tax expense that corresponds to the period	13,244,383	12,475,564	13,385,343	11,670,249
Other tax liabilities	8,180,216	7,525,360	6,330,029	6,734,187
Total	**21,424,599**	**20,000,924**	**19,715,372**	**18,404,437**

Other short-term liabilities

The Other short-term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Social Security Funds	1,960,119	1,621,665	1,376,930	1,189,309
Sundry Creditors	5,357,087	2,028,360	3,621,270	1,513,516
Short-term Provisions	817,636	-	817,635	-
Deferred expenses - Grants	21,604	1,198,035	2,484	1,198,035
Other liabilities	5,910,676	1,738,705	1,551,851	-
Total	14,067,123	6,586,765	7,370,170	3,900,860

Cost of Sales

The cost of sales is analyzed as follows:

	GROUP		COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Cost of inventories recognized as an expense	798,795,819	668,493,443	588,293,978	524,280,946
Employee remuneration and expenses	11,365,843	7,615,387	6,930,036	4,505,108
Third party remuneration and expenses	2,681,087	537,520	919,878	536,561
Third party Benefits	5,071,608	1,165,938	1,062,867	335,311
Taxes - Duties	30,754	17,777	24,123	8,645
Sundry expenses	705,693	654,228	670,974	608,581
Depreciations of fixed assets	3,557,366	3,847,050	3,398,113	3,716,997
Total	**822,208,170**	**682,331,343**	**601,299,970**	**533,992,149**

Administrative / Distribution Expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Employee remuneration and expenses	24,037,694	18,681,140	13,039,035	11,308,505
Third party remuneration and expenses	9,703,012	5,510,578	8,407,114	5,316,785
Third party Benefits	39,559,700	33,588,199	30,108,079	26,388,864
Taxes - Duties	787,394	312,995	510,219	45,754
Other sundry expenses	16,586,778	19,003,975	10,324,208	9,494,236
Depreciations of fixed assets	12,158,643	13,253,441	8,416,247	10,637,998
Operating provisions	500,000	-	500,000	-
Total	**103,333,222**	**90,350,327**	**71,304,903**	**63,192,142**

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
	1/1 - 31/12/2005	1/1 - 31/12/2004	1/1 - 31/12/2005	1/1 - 31/12/2004
Employee remuneration and expenses	13,696,762	11,510,581	10,702,197	9,240,853
Third party remuneration and expenses	2,893,528	2,911,465	1,087,587	1,257,926
Third party Benefits	7,519,507	5,605,843	4,527,422	3,951,470
Taxes - Duties	215,778	233,309	120,903	73,312
Other sundry expenses	5,847,983	5,935,694	5,085,060	5,040,367
Depreciations	8,003,080	6,264,093	6,874,001	4,775,553
Operating provisions	50,000	-	50,000	-
Total	**38,226,638**	**32,460,985**	**28,447,171**	**24,339,482**

Other operating income / expenses

The other operating income and expenses for financial years 2005 and 2004 are as follows:

Other operating income-expenses	GROUP		COMPANY	
Other operating income	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**
Depreciation of received grants	799,422	410,780	396,528	264,592
Income from rendering of Admin, Services	3,362,552	7,565,340	546,304	2,091,473
Grants and sundry sales income	434,034	790,488	423,762	396,528
Profit from foreign exchange differences	2,897,303	308,530	618,247	308,530
Profit from sale of fixed assets	170,210	-	4,465	-
Income from concessions	1,135,273	1,626,875	766,166	454,517
Other	8,141,077	2,766,783	451,766	304,867
Total	**16,939,872**	**13,468,795**	**3,207,238**	**3,820,507**
Other operating expenses				
Losses from foreign exchange differences	1,480,527	1,959,651	672,629	1,673,637
Destruction of unfit inventory	230,582	-	-	-
Loss from sale of fixed assets	911,109	1,113,222	228,495	-
Operating provisions		300,000		300,000
Other	3,726,125	7,370,847	328,509	2,144,813
Expenses brought forward	1,772,167	227,112	25,416	198,835
Total	**8,120,509**	**10,970,831**	**1,255,048**	**4,317,285**

Financial income / expenses

	GROUP		COMPANY	
	1/1 - 31/12/2005	**1/1 - 31/12/2004**	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**
Interest income from:				
- Banks	423,164	356,207	368,533	283,971
- Other credit interest	2,628	16,950	2,313	16,950
	425,791	**373,157**	**370,845**	**300,921**
Interest expenses from:				
- Bank loans	6,828,908	6,737,796	4,767,321	4,600,709
- Factoring	686,528	135,379	686,528	135,379
- Other Bank Expenses	397,848	583,158	307,539	499,504
	7,913,283	**7,456,333**	**5,761,388**	**5,235,592**

Other financial results

	GROUP		COMPANY	
	1/1 - 31/12/2005	**1/1 - 31/12/2004**	**1/1 - 31/12/2005**	**1/1 - 31/12/2004**
Profit / loss from absorption of subsidiary	0	-	1,413,600	-
Profit / (loss) from fair value of other				
financial assets through results				
Fair value Profit / Losses	(584,020)	2,518	(586,067)	2,518
Income from dividends	(1,389,000)	(3,464,169)	(12,897,410)	(8,298,455)
Total	**(1,973,019)**	**(3,461,651)**	**(12,069,877)**	**(8,295,937)**

Income tax

	GROUP		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Tax for the fiscal year	(13,244,383)	(12,475,564)	(12,385,343)	(11,670,249)
Deferred tax	(2,334,743)	(351,488)	(1,889,720)	(120,387)
Total	**(15,579,127)**	**(12,827,052)**	**(14,275,064)**	**(11,790,636)**
Earnings before taxes	78,579,014	66,347,564	64,816,473	60,419,410
Tax rate	32%	35%	32%	35%
Expected tax expenditure	25,145,284	23,221,647	20,741,271	21,146,794
Adjustments for income not subject to taxation				
- Tax-exempt Income	(5,328,445)	(10,430,705)	(5,328,445)	(10,430,705)
- Profit of associate companies	(4,235,882)	(3,381,864)	-	-
- Other	-	-	-	-
Losses of absorbed companies	(3,525,702)	-	(3,525,702)	-
Adjustments to Expenses that are not exempt for tax purposes				
- Non Exempt Expenditures	257,390	279,522	257,390	279,522
- Other	931,738	2,786,964	240,829	674,639
Real Tax Expenditure	**13,244,383**	**12,475,564**	**12,385,343**	**11,670,249**

7.7 EARNINGS PER SHARE

The following table presents the earnings per share at the parent and the consolidated level:

	GROUP		COMPANY	
Basic earnings per share	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Earnings that correspond to the parent's shareholders	63,061,018	53,866,816	50,541,409	48,628,774
Weighted averge number of outstanding shares	81,025,042	80,237,505	81,025,042	80,237,505
Basic earnings per share (Euro per share)	0,78	0,67	0,62	0,61

	GROUP		COMPANY	
Decreased earnings per share	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Earnings that correspond to the parent's shareholders	63,061,018		50,541,409	
Weighted averge number of outstanding shares	81,156,817		81,156,817	
Basic earnings per share (Euro per share)	0,78		0,62	

7.8 DIVIDEND POLICY 2001 - 2005

The dividend policy that the company followed during the period 2000-2005, is presented in the following table (according to Greek Generally Accepted Accounting Principles for years 2001-2004 and International Financial Reporting Standards for 2005):

In thousand €	2001	2002	2003	2004 (IFRS)	2005 (IFRS)
Earnings for Appropriation	36,658	46,712	55,398	48,628	50,541
Total Dividend	15,069	15,094	16,034	18,219	21,210
% of Earnings	41.11%	32.31%	28.94%	37.47%	41.97%

The Board of Director's proposal towards the General Shareholders' Meeting will be the distribution from earnings of 2005 of a dividend amounting in total to €21,209,630, which corresponds to €0.26 per share, compared to a dividend of €0.225 per share for 2004, namely an annual increase of 15.5%.

7.9 DIVIDEND TAXATION

According to the law that is currently applicable (L.2238/94, article 109), all domestic companies whose shares are listed on the Athens Exchange, except for banks, are subject to a 32% tax on their taxable earnings, prior to any distribution.

Thus, dividends are distributed out of the already taxed earnings of the legal entity, and, therefore, shareholders incur no tax liability on the amount of dividends collected.
The date that the Balance Sheet of the Company is approved by its General Shareholders' Meeting is considered as the date the income from dividends is gained.

It is noted that according to the provisions of the Law, from the earnings gained during each fiscal year by subsidiaries and which are distributed as dividends, the portion of the dividends that are distributed to the parent company is paid in the next fiscal year (unless an interim dividend is paid within the same fiscal year), and therefore, is included in the earnings of the parent company for the next fiscal year. Also, the dividends from the earnings of the parent company, which are partly formed by the distribution of the earnings of the companies in which it participates, are paid, if distributed, in the year following their appropriation.

7.10 TRANSACTIONS WITH AFFILIATED PARTIES

INTRA-COMPANY RECEIVABLES - LIABILITIES 31/12/2005

LIABILITY

		GERMANOS SA	P. GERMANOS SA	E-VALUE SA	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 TRADING BEOGRAND	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
R	P.GERMANOS SA															0
E	E-VALUE SA	8,929														8,929
C	GTI POLSKA SP ZOO						2,797									2,797
E	GERMANOS POLSKA	5,340			93,071		2,876,743		7,758	1,120				4,049		2,988,081
I	T.C.M.													443,250		443,250
V	SUNLIGHT FILIALA								409,320							409,320
A	G.TELECOM ROMANIA							1,331,291		4,810			10,645	24,100		1,370,846
B	G.TELECOM SKOPIA													2,459		2,459
L	GT /UKRAINE											274,288				274,288
E	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 GERMANY	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		18,104,456

INTRA-COMPANY SALES PURCHASES 1/1 - 31/12/2005

BUYER

		GERMANOS SA	P. GERMANOS SA	E-VALUE SA	GTI POLSKA SP POLSKA SP	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 TRADING BEOGRAND	TOTAL
	GERMANOS SA		6,129,132	8,218		490,837	490,504	27,271	4,199,394	772,494	4,921	658,569	1,059,752	3,176,870		17,017,961
	P.GERMANOS SA															0
	E-VALUE SA															0
S	GTI POLSKA SP ZOO					865,068	3,240,014									4,105,082
E	GERMANOS POLSKA				513,085		10,815,176		35,534	11,260	1,845					11,376,900
L	T.C.M.				4,058	2,909,207								980,250		3,893,515
L	SUNLIGHT FILIALA															0
E	G.TELECOM ROMANIA					11,424		3,445,327		45,660				1,068,322		4,570,733
R	G.TELECOM SKOPIA													2,458		2,458
	GT /UKRAINE											2,350,331				2,350,331
	SUNLIGHT UKRAINE										324,870					324,870
	GERMANOS CYPRUS LTD/INFOTEL															0
	G.TELECOM BULGARIA								46,482	30,268						76,750
	SUNLIGHT GERMANY					1,279,436										1,279,436
	TOTAL	**0**	**6,129,132**	**8,218**	**517,143**	**5,555,972**	**14,545,694**	**3,472,598**	**4,281,410**	**859,682**	**331,636**	**3,008,900**	**1,059,752**	**5,227,900**		**44,998,036**

INTRA-COMPANY SALES PURCHASES 1/1 - 31/12/2004

BUYER

SELLER	GERMANOS SA	P.GERMANOS SA	E-VALUE SA	LASE SA	NG SYSTEMS SA	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	SUNLIGHT TRADING BEOGRAND	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TOTAL
GERMANOS SA		6,160,709	1,547	259,308	630,823		560,501		48,425		207,058	24,060	716,849			3,604,756	12,214,036
P.GERMANOS SA																	0
E-VALUE S.A.																	0
GTI POLSKA SP ZOO							1,275,410										1,275,410
GERMANOS POLSKA																	0
T.C.M.						9,589	2,463,853									400,003	2,873,445
SUNLIGHT FILIALA																	0
G.TELECOM ROMANIA							1,590		6,086,536		70,391					9,125	6,167,642
G.TELECOM SKOPIA																154,967	154,967
GT /UKRAINE																	0
SUNLIGHT UKRAINE												36,447					36,447
GERMANOS CYPRUS LTD/INFOTEL																	0
G.TELECOM BULGARIA										364,563	114,982						479,545
																	0
TOTAL	**0**	**6,160,709**	**1,547**	**259,308**	**630,823**	**9,589**	**4,301,354**	**0**	**6,134,961**	**364,563**	**392,431**	**60,507**	**716,849**		**0**	**4,168,851**	**23,201,492**

INTRA-COMPANY RECEIVABLES - LIABILITIES 31/12/2004

RECEIVABLE \ LIABILITY	LIABILITY SA	P.GERMANOS SA	E-VALUE SA	GTI POLSKA SP ZOO	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTE	G.TELECOM BULGARIA	TOTAL
GERMANOS SA		4,086,932				7,946			42,315		1,204,576			5,341,769
P.GERMANOS SA														0
E-VALUE SA													676,852	676,852
GTI POLSKA SP ZOO														0
GERMANOS POLSKA				62,281		4,765,536							4,049	4,831,866
T.C.M.				12,966									400,003	412,969
SUNLIGHT FILIALA														0
G.TELECOM ROMANIA					46,127		659,483						9,605	715,215
G.TELECOM SKOPIA													50,000	50,000
GT /UKRAINE														0
SUNLIGHT UKRAINE										24,705				24,705
SUNLIGHT UKRAINE														0
SUNLIGHT UKRAINE										24,705				24,705
GERMANOS CYPRUS LTD/INFOTEL														0
G,TELECOM BULGARIA	38,654				3,500			146,583						150,083
														0
TOTAL	**38,654**	**4,086,932**	**0**	**75,247**	**49,627**	**4,773,482**	**659,483**	**146,583**	**42,315**	**49,410**	**1,204,576**	**0**	**1,140,509**	**12,266,818**

The above transactions and balances have been written-off the Group's consolidated financial data.

APPENDICES

APPENDIX A

APPENDIX B

A. Appendix

Clarifications on the Compilation of Financial Statements According to I.F.R.S.

Segment reporting

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions. Geographically, the Group is active in Greece, the Eurozone and Other Countries. Specifically the Group operates in Greece, Poland, Romania, Bulgaria, FYROM, Ukraine, Cyprus, Uzbekistan, Germany and Serbia. A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments.

The Group's business is active in the segments of Retail Trade, Energy and Wholesale Trade.

Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent. Germanos S.A. acquires and exercises control through voting rights. The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Specifically as regards to business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the purchase method was not used retroactively. Based on this exemption the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. Consequently, the goodwill recognized as at the transition date, was based on the IFRS 1 exemption, was calculated based on the prior accounting principles and was presented in the same way as the group's last published financial statements before the transition to IFRS.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method. At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

As regards to the acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases. Applying IFRS 3, the Group does not make depreciations and thus the goodwill will appear in the net book value that has been formed until 31/12/2003, less any decrease in its value.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized profits are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

The parent company's individual financial statements depict participations in associates at the latter's fair value according to IAS 39 as assets available for sale. On an annual basis the group determines the fair value of associate companies and any change in the fair value is directly charged to a reserves account of the equity.

The value that is determined is subject to an impairment review at each date financial statements are presented and when some events indicate that the book value may not be recoverable, each difference burdens the period's results.

Foreign currency conversion

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from nonmonetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

The individual financial statements of companies included in the consolidation, which initially are presented in a currency different than the Group's reporting currency, have been converted to euros. The asset and liability items have been converted to euros using the exchange rate at close of the balance sheet date. The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period. Any differences that arise from this process, have been debited / (credited) to the equity reserve for conversion of subsidiaries' balance sheets in foreign currency.

Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or implied cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Buildings	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	3-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

Οι υπολειμματικές αξίες και οι ωφέλιμες ζωές των ενσωμάτων παγίων υπόκεινται σε επανεξέταση σε κάθε ημερομηνία ισολογισμού. Όταν οι λογιστικές αξίες των ενσωμάτων ακινητοποιήσεων υπερβαίνουν την ανακτήσιμη αξία τους, η διαφορά (απομείωση) καταχωρείται άμεσα ως έξοδο στα αποτελέσματα.

Intangible assets

The intangible assets include Surplus Value from acquisition of subsidiaries, software programs, software licenses, signals as well as other expenditures that meet the conditions for recognition of IAS 38 "Intangible assets". The Group recognizes such assets initially at their acquisition cost or nominal value. After the initial recognition, the Group follows the Accounting principle for presenting the cost model and presents intangible assets at their cost less any accumulated depreciation and any accumulating impairment loss.

Surplus Value: Such is the difference between the asset's acquisition cost and fair value and the equity & liability of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes the surplus value that emerged from the acquisition, as an asset item and presents it in the cost. This cost is equal to the amount by which the consolidation cost exceeds the company's share in the assets' items, the liabilities and contingent liabilities of the acquired company.

After the initial recognition, the surplus value is valued at cost less the accumulated losses from the decrease in its cost. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value, if there are events that indicate such a loss according to IAS 36.

In the case where the acquisition cost is less than the company's participation in the acquired company's equity, then the former recalculates the acquisition cost, valuates the assets, liabilities and contingent liabilities of the acquired company and directly recognizes in the results (as a profit), any difference than persists after the recalculation.

During the transition date, the exemption of IFRS 1 was used and as a result no surplus value emerging from the consolidation of companies, which were realized before the transition date to IAS, was recognized.

Intangible assets (apart from surplus value): Intangible assets are valued at their acquisition cost less depreciations. Depreciations are conducted with the straight-line method over their useful lives, which ranges from 1 to 5 years.

Impairment of assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

a) Receivables from down payments for the purchase of goods or services,
b) receivables relating to tax transactions, which have been legislatively imposed by the state,
c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is farther than 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method. The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate. The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the income statement.

Non-current assets classified as available for sale

The assets available for sale also include other assets (included surplus value) and tangible fixed assets that the Group intends to sell within one year from the date such are classified as "available for sale".

The assets classified as "available for sale" are valued at the lowest value between their book value immediately prior to their classification as available for sale, and their fair value less the sale cost. Assets classified as "available for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "available for sale" is included in "other income" and "other expenses" respectively, in the income statement.
The Group has not classified non-current assets as available for sale.

Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

During the acquisition of own-shares, the cost incurred, including the relevant expenses, is booked by charging the equity (reserve above par).

Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance and medical insurance) the company provides after retirement as an exchange for the employees' service with the company. Thus, such benefits include defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to.

- **Defined contribution scheme**

  According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions. The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

- **Defined benefits scheme**

  The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate. The actuarial profit and losses are liability items for the company's benefits and for the expense that will be recognized in the results. Such that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average insurance time of the scheme's participants. The cost for the service time with the company is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is registered in the results with the straight line method with in the maturity period.

Benefits for employment termination: The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed program fro which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted based on the yields of investment grade corporate or government bonds.

In the case of an offer that is made to encourage voluntary departure, the valuation of benefits for employment termination must be based on the number of employees that are expected to accept the offer.

In the case of employment termination where there is an inability to asses the number of employees that will use such benefits, they are not accounting for but are disclosed as a contingent liability.

Benefits based on participating titles

Such concern stock options towards staff and executives. The recognition of both goods or services acquired and of the increase of equity, must be applied directly by the company at their fair value.

If the company cannot reliably valuate the fair value of goods or services, then their valuation and that of the equity increase, will take place indirectly with a relevant referral to the fair value of participating titles granted.

At each balance sheet date, the Group re-examines its evaluations on the number of options expected to be exercised and recognized the possible existing adjustment in the results with the respective affect on equity. During the exercising of the rights, the amounts received, apart from the transaction costs, are booked in the share capital (nominal value) and in a special reserve.

Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and

b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Inter-company revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Projects Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

The deferred subscriber acquisition cost (contract Rights) that is realized when mobile telephony contracts are entered into, is initially booked in the deferred expenses account and is depreciation throughout the duration of the contract.

Leases

Group Company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period's results during the lease using the net investment method, which represents a constant periodic return.

Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lesees) is recognized using the constant method during the period of the lease.

Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when such are realized.

In the case where the result of one construction contract may not by reliably valuated, and especially in the case where the project is at a premature state, then:

- The income must be recognized only to the extent that the contractual cost may be recovered, and
- The contractual cost must be recognized in the expenses of the period in which it was undertaken.

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero. When the result of a construction contract can be valuated reliably, the contract's income and expenses are recognized during the contract's duration, respectively as income and expense.

The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project.

When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive valuation until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive valuations, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive valuations exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

Analysis of IFRS first implementation adjustments

CHANGES IN EQUITY		GROUP		COMPANY	
	Note	01/01/2004	31/12/2004	01/01/2004	31/12/2004
Total Equity, as had previously been presented according to GAAP		**215,489,250**	**238,793,552**	313,765,605	348,371,301
Adjustments of International Financial Reporting Standards					
Reclassification of Grants from equity to long-term liabilities (accrued income)		(2,271,894)	(2,269,173)	(1,094,585)	(698,057)
Effect from the valuation of tangible assets	i	24,949,169	27,037,237	24,949,169	27,106,569
Effect from the recognition of intangible fixed assets and the write-off of formation expenses	ii	(46,396,790)	(50,395,871)	(45,239,127)	(49,705,548)
Tranfer of payable dividends' recognition to their approval time from the G.M.	vii	16,569,239	17,965,755	16,034,092	18,219,375
Impairment of Subsidiaries' Value	ix	0	0	(15,000,000)	(15,000,000)
Valuation of affiliate companies at fair value	iii	0	0	39,109,456	54,524,591
Consolidation adjustments of accosiate companies with equity method		42,339,424	41,132,372	0	0
Valuation of Financial Assets at Fair Value through the results	iii	(1,144,784)	0	(1,144,784)	0
Recognition of accrued employee benefits due to retirement	iv	(711,000)	(818,124)	(500,000)	(600,000)
Recognition of accrued expenses		(49,000)	(107,000)		
Provision for Doubtful Receivables x		(1,219,427)	(1,487,020)	(700,000)	(900,000)
Foreign Exchange Differeces from Conversion		0	0		
Recognition of deferred taxation		6,749,071	7,310,770	13,540,954	13,420,567
Recognition of goodwill from 1st consolidation of companies	v	0	10,252,128		
Impairment of assets	ix	(11,446,106)	(11,546,106)	(6,746,106)	(6,746,106)
Effect from the consolidation of Subsidiaries		(2,240,583)	1,411,522		
Calculation of Interest from Bond Loan according to the Internal Rate of Return	iii	(31,119)	(149,368)	(31,119)	(149,368)
Recognition of analogous current income tax and tax audit differeces		0	0	0	0
Recognition of credit foreign exchange valuation differences in the results	viii	459	86,566	459	86,566
Total Adjustments		**25,096,659**	**38,423,689**	**23,178,410**	**39,558,590**
Invested capital, according to International Accounting Standards		**240,585,909**	**277,217,241**	**336,944,015**	**387,929,891**

CHANGES IN RESULTS	Note	GROUP 01/01/2004	GROUP 31/12/2004	COMPANY 01/01/2004	COMPANY 31/12/2004
Total Results, as had previously been presented according to GAAP			**66,954,687**		**59,954,910**
Adjustments of International Financial Reporting Standards					
Effect from the recognition intangible assets and the write-off of formation expenses			(4,089,771)		(4,465,682)
Effect on the period depreciation of tangible fixed assets, from the differentiation of depreciation rates and depreciated value			5,522,735		5,522,735
Valuation of Financial Assets at Fair Value through the results			15,631		15,631
Recognition of accrued employee benefits due to retirement			(107,124)		(100,000)
Calculation of Interest from Bond Loan according to the Internal Rate of Return			(118,250)		(118,250)
Effect from the consolidation of associate companies with the equity consolidation method			25,126		0
Provision of doubtfuls			(367,592)		(200,000)
Recognition of deferred taxation			111,699		(120,387)
Effect from consolidation of subsidiary companies			(1,047,152)		0
Recognition of accrued expenses			(58,000)		0
Other IFRS adjustments			(284,220)		0
Recognition of analogous current income tax and tax audit differeces			(13,123,364)		(11,946,290)
Recognition of credit foreign exchange valuation differences in the results			86,107		86,107
Total Adjustments			**(13,434,175)**		**(11,326,136)**
Results after taxes, according to International Accounting Standards			**53,520,513**		**48,628,774**

(i) Effects from the valuation of tangible fixed assets

The plots were valued as at the transition date to IFRS (1/1/2004) at their implied cost, according to the provisions of IFRS 1. The implied cost is considered as the fixed asset's fair value during the transition date to IFRS, which was defined after a study by an independent evaluator.

The remaining tangible fixed assets (mainly buildings, machinery, vehicles, office furniture and computers) were valued at their initial acquisition cost minus accumulated depreciations. The depreciations of these fixed assets were readjusted based on their real useful life. Analytically, from the valuation of fixed assets as at the transition date to IFRS the following emerged:

Tangible Assets valued at fair value (implied cost)	GROUP	COMPANY
Fair value as implied acquisition cost for IFRS	17,558,604	17,404,257
Book value according to previous accounting principles	6,844,914	6,690,567
Total adjustment to Book Value	**10,713,690**	**10,713,690**
Tangible assets valued at initial cost less accumulated depreciation		
Book value on transition date according to IFRS (depreciations based on useful life)	72,110,174	64,739,756
Book value on transition date according to previous accounting principles IFRS (depreciations PD 100/98)	57,874,695	50,504,277
Changes	**14,235,479**	**14,235,479**
Total Changes	**24,949,169**	**24,949,169**

The changes that occurred during 2004 are due to the following:

- to the readjustment the Group conducted on the previous accounting principles based on the provisions of L. 2065.
- to the recalculation of depreciations for fiscal year 2004 based on the new acquisition values and the real expected useful lives of the fixed assets.

(ii) Effect from the recognition of intangible fixed assets and the write-off of formation expenses

The Group applied the recognition criteria of IAS 38 "Intangible Assets" in order to present, during the transition date, intangible assets in its financial statements. As a consequence of this procedure, during the transition date the Group wrote-off formation expenses and intangible assets that did not meet the recognition criteria and it recalculated the depreciations of intangible assets based on their useful life. Furthermore, the Group proceeded with a reclassification of accounts, which according to the previous accounting principles were booked in intangible asset accounts in other asset accounts based on the demands of secondary principles. Specifically the effects from the transition to intangible assets are briefly presented in the following table:

	GROUP	COMPANY
Tangible assets and formation expenses according to previous accounting principles	**57,672,727**	**48,563,517**
Non-recognition of formation expenses and intangible assets	(3,279,879)	(2,122,215)
Recalculation of depreciations based on useful life	(43,116,911)	(43,116,911)
Total effects	**(46,396,790)**	**(45,239,127)**
Transfer to deferred expenses	(5,784,549)	
Transfer to other accounts	(2,547,852)	(2,547,852)
Intangible assets and formation expenses according to IFRS	**2,943,536**	**776,539**

(iii) Valuation of Financial Instruments

The Group used the provided for by IFRS 1 option to classify its portfolio's financial instruments in "Financial Assets Available for Sale" and "Financial Assets at Fair Value through the Results" during the transition date to IFRS (1/1/2004).

The financial instruments, which may be reliably valuated, were revalued during the transition date to IFRS at their fair values (i.e. for the listed securities the closing price during the balance sheet date).

Any positive or negative difference resulting from the revaluation of "Financial Assets Available for Sale" after the transition date to IFRS is transferred to a special reserve, while respective profit or losses from revaluation of "Financial Assets at Fair Value through the Results" are recognized in the period's results. From the revaluation at fair value, losses amounting to € 1,144,784 resulted, which burdened the net worth as at 31/12/2003.

Furthermore, investments in associate companies were valued in the parent company's individual statements at fair value (according to IAS 39 as assets available for sale). From the valuation a readjustment to the fair value of the investment in HDFS S.A. emerged during the transition date, amounting to € 39,109,565. The readjustment amount was directly transferred to the company's equity and specifically to the equity account "fair value reserve".

(iv) Recognition of accrued staff retirement benefits

According to the new accounting principles, the Group recognizes as a liability the present value of the legal commitment it has undertaken to pay a lump sum indemnity to employees that depart the company for retirement. According to the previous accounting principles, the retirement indemnity expenses were recognized on a cash flow realization basis. The relevant liability during the transition date amounted to € 711th. (and €500 th. for the parent), which was calculated following an actuarial study.

Specifically, the relevant study concerned the examination and calculation of actuarial amounts required by the specification set by the International Accounting Standards (IAS 19), whose recognition in the Balance Sheet and income statement of every company is mandatory. The basic date used as the actuary valuation date of the different items is 31/12/2004 (or equivalently 01/01/2005). For the calculation of the respective liability on 01/01/2004 the respective actuary assumptions – acknowledgments were used.

Thus, during 2004, the consolidated results were burdened by an amount of € 107th. while the Company's results were burdened by € 100th.

(v) Non-recognition of consolidation differences as Goodwill

The Group chose, based on IFRS 1, not to retrospectively apply IFRS 3 "Consolidation of Companies" and thus not to re-calculate the goodwill that emerged from acquisitions of subsidiaries before the transition date to the new standards.

Consequently, during the transition date the group did not recognize any goodwill that had been determined based on the previous accounting principles during the consolidation procedure of subsidiary companies.

A surplus value of € 10,252,128 that was recognized on 31/12/2004 emerged from the consolidation with IAS of the subsidiary company GTI POLAND.

On an annual basis, the Group conducts impairment reviews on the fair value of Goodwill according to IFRS 3, examining the expected cash flows from investments in subsidiaries. In any case were impairment indications arise, the Group burdens the period's results by decreasing the goodwill.

(vi) Effect from the consolidation of associate companies with the Equity Consolidation Method

The Group consolidates the associate company HDFS S.A. with the equity consolidation method. During the transition date, from the consolidation of the associate company according to IAS 28 "consolidations of associates", adjustments amounting to € 42,339,424 emerged, which increased the value of the Company's share in the associate company.

The differences that emerge in the Group's Equity from the consolidation of the aforementioned associate companies, result from both the recognition of goodwill and from the adjustments made to the relevant financial statements of HDFS S.A. in order to render the latter in accordance with the International Accounting Standards.

The Group annually conducts an impairment review on the fair value of Goodwill and any decrease burdens the Group's Results for the period.

(vii) Transfer of payable dividends' recognition to their approval time by the General Meeting.

Contrary to the previous accounting principles, payable dividends are recognized as a liability during the approval date of the BoD's proposed distribution by the Shareholders' General Meeting.

(viii) Recognition of credit foreign exchange differences in the results carried forward

The accumulated estimation of credit foreign exchange valuation differences that was made according to the previous accounting principles was transferred to equity on 31/12/2003. During 2004 the total foreign exchange differences that emerged during the valuation of liabilities and receivables in foreign currency, were transferred to the period's results.

(ix) Impairment of Assets

During the transition date the Group conducted an impairment review of the assets both at the Group and at the parent company level.

From the impairment review, surcharges emerged in the financial statements' sub-accounts, such as inventories and other current assets. The total surcharge for the group from the impairment of secondary assets amounted to €11,446,106 (and to €6,746,106 for the parent). Furthermore, the parent company has proceeded in its individual statements, with an impairment amounting to €15,000,000, which refers to its participation in the subsidiary company P. Germanos S.A.

(x) Provisions for doubtful receivables

During the transition date, provisions were made for doubtful receivables in the Group's subsidiary companies, at the expense of consolidated equity. The provisions were based on the audit reports of the Certified Auditors-Accountants on the financial statements (as such were published according to the previous accounting principles on the transition date).

Obligations

The Group's letters of guarantee as at 31/12/2005 are analyzed as follows:

TYPE OF GUARANTEE	Long-term	Short-term	TOTAL
GOOD EXECUTION	20,722,105	12,980,872	33,702,977
LEASE OF BRANCH	3,742	0	3,742
PAYMENT & TARIFFS	345,740	258,000	603,740
PREPAYMENT	3,013,617	3,512,914	6,526,531
BATTERY SUPPLIES	7,742	6,650	14,392
PARTICIPATION IN BID	362,983	362,756	725,739
Total	**24,455,928.71**	**17,121,192.16**	**41,577,120.87**

B. Appendix

Financial Statements

GERMANOS S.A.

SOCIETE ANONYME REGISTRATION NUMBER 20523/06/B/89/45

Neo Olvio, Xanthi

Accounts and information for the period from 1 January 2005 until 31 March 2005

The following accounts and information provide a condensed picture of the financial statements and results of GERMANOS SA and GERMANOS Group of Companies. Therefore, we would advise investors, prior to any investment decision or transaction on the Company's stock, to navigate at the Company's website www.germanosgroup.com, where they can find the financial statements of 2005 according to the IFRS.

BALANCE SHEET ACCOUNTS
Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
ASSETS	31-03-05	31-12-04	31-03-05	31-12-04
Fixed Assets	301,392	297,313	400,902	400,938
Inventories	72,421	59,075	53,395	42,084
Customer Receivables	103,272	110,801	88,160	80,184
Other Assets	97,125	89,725	74,017	67,768
Cash and Cash Equivalents	10,902	12,341	7,931	7,230
TOTAL ASSETS	**585,112**	**569,255**	**624,405**	**598,204**
LIABILITIES				
Long Term Liabilities	119,000	109,265	115,500	106,564
Bank Debt	38,886	46,494	13,277	13,374
Other Short Term Liabilities	149,778	136,278	113,198	90,336
Total Liabilities (a)	**307,664**	**292,037**	**241,975**	**210,274**
Net Worth of Company's Shareholders	274,867	274,176	382,430	387,930
Minority Rights	2,581	3,042	-	-
Total Net Worth (b)	**277,448**	**277,218**	**382,429**	**387,930**
TOTAL LIABILITIES (a)+(b)	**585,112**	**569,255**	**624,404**	**598,204**

STATEMENT OF NET WORTH CHANGES FOR THE PERIOD
Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Net Worth at Beginning of the Period (01.01.2005 and 01.01.2004 respectively)	**264,773**	**234,147**	**373,426**	**336,944**
Share Capital Increase	-	2,977	-	2,977
Distributed Dividends	-	-	-	-
Net Income directly in Net Worthn	-	-	-	-
Profit after Taxes for the Period	10,094	9,009	9,003	8,674
Results from tax Audit	-	-820	-	-820
Net Worth at the End of the Period (31.03.2005 and 31.03.2004 respectively)	**274,867**	**245,313**	**382,429**	**347,775**

ADDITIONAL ELEMENTS AND INFORMATION

1. The companies which have been consolidated in the above financial statements, are presented in the following table with the corresponding ownership stakes:

COMPANY NAME	DOMICILE - COUNTRY	OWNERSHIP
Full Consolidation Method		
GERMANOS SA	GREECE	Μητρική
P. GERMANOS SA	GREECE	90.16%
E-VALUE SA	GREECE	70.00%
GERMANOS TELECOM AD SKOPJE	F.Y.R.O.M.	99.00%
GERMANOS TELECOM ROMANIA	ROMANIA	98.42%
SUNLIGHT ROMANIA S.L.R/FILIALA *	ROMANIA	100.00%
GERMANOS TELECOM BULGARIA AD	BULGARIA	90.00%
SUNLIGHT UKRAINE	UKRAINE	98.00%
GERMANOS TELECOM UKRAINE	UKRAINE	61.00%
GERMANOS POLSKA Sp.zo.o	POLAND	100.00%
G.T.I. POLSKA	POLAND	100.00%
T.C.M. Sp. zo.o **	POLAND	100.00%
Equity Method		
HELLENIC DUTY FREE SHOPS SA	GREECE	24.68%

2. The Company has applied the basic accounting principles of the balance sheet 31/12/2004
3. The Company has not utilized any of its fixed assets as collateral against bank debt.
4. There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company.
5. The total number of Employees for Germanos SA is 1,090 and Germanos Group 2,940
6. The Company has been tax audited up to the financial year 2003.
7. The Company Lase SA, in which Germanos SA participates as a shareholder of 40%, is not consolidated in the Q1:05 as the Company no longer exercises the management .

INCOME STATEMENT
Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
	1/1 -31/3/05	1/1 -31/3/04	1/1 -31/3/05	1/1 -31/3/04
Turnover	195,127	173,094	147,568	140,231
Cost of Goods Sold	-150,501	-133,079	-110,977	-106,198
Gross Profit	**44,626**	**40,015**	**36,591**	**34,033**
Other Income - Expenses (Net)	1,760	715	937	2,47
Administration Expenses	-4,215	-4,249	-2,816	-3,101
Operation & Distribution Expenses	-22,826	-19,717	-16,538	-14,769
Earnings before Taxes, Financial and Investment Income, and Depreciation	**19,345**	**16,764**	**18,174**	**16,410**
Depreciation	-6,087	-5,620	-5,081	-4,589
Earnings before Taxes, Financial and Investment Income	**13,258**	**11,144**	**13,093**	**11,821**
Financial Expenses	-1,598	-1,412	-1,265	-1,169
Earnings before Taxes and Investment Income	11,660	9,732	11,828	10,652
Profit Generated from Affiliated Companies	1,874	1,858	0	0
Profit before Taxes	**13,535**	**11,590**	**11,828**	**10,652**
Minus: Taxes	-3,464	-2,602	-2,825	-1,978
Profit after Taxes	**10,071**	**8,988**	**9,003**	**8,674**
Distributed as follows:				
Company's Shareholders	**10,094**	**9,009**	**9,003**	**8,674**
Minority Rights	-24	-21	0	0
	10,071	8,988	9,003	8,674
Earnings after Taxes per Share (in €)	0	0		

TOTAL CASH FLOWS
Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
Operating Activities	1/1 -31/3/05	1/1 -31/3/04	1/1 -31/3/05	1/1 -31/3/04
Profit before Taxes	13,535	11,590	11,828	10,652
Plus / Minus adjustments for:				
Depreciation	6,087	5,620	5,081	4,589
Provisions	0	0	0	0
Foreign Exchange Differences	0	0	0	0
Results (income, expenses, profit and loss) from Investment Activity	0	0	0	0
Debit Interest and Similar Expenses	767	1,667	392	1,168
Decrease / (Increase) in Inventory	-12,470	-8,577	-10,253	-8,467
Decrease / (Increase) in Receivables	5,993	14,205	8,180	15,907
(Decrease) / Increase in Liabilities (apart from Bank Debt)	2	-9,719	-326	-8,113
Less :				
Debit Interest and Similar Expenses Paid In	-767	-1,667	-392	-1,168
Paid In Taxes	-8,958	-6,415	-8,137	-5,972
Total Inflows / (Outflows) from Operating Activities (a)	**4.189**	**6.704**	**6.373**	**8.596**
Investment Activities				
Purchase of Tangible and Intangible Fixed Assets	-7,429	-6,166	-4,701	-5,117
Income from Sale of Tangible and Intangible Assets	556	423	0	0
Interest Receivable	0	0	0	0
Dividends Receivable	0	0	0	0
Total Inflows / (Outflows) from Investment Activity (b)	**-6,873**	**-5,743**	**-4,701**	**-5,117**
Financing Activities				
Proceeds from Share Capital Increase	1,904	0	0	0
Inflows from Issued / Received Loans	0	0	0	0
Bank Debt Repayment	-340	-4	-971	-1,750
Repayment of Liabilities related to Leasing Contracts (repayment of capital)	0	0	0	0
Dividends Payable	-18	-717	0	-2,89
Total Inflows / (Outflows) from Financing Activities (c)	**1,546**	**-721**	**-971**	**-2,039**
Net Increase / (Decrease) in Cash and Cash Equivalents for the Period (a) + (b) + (c)	**-1,138**	**240**	**701**	**1,440**
Cash and Cash Equivalents at the Beginning of the Period	**12,040**	**18,071**	**7,230**	**12,816**
Cash and Cash Equivalents at the End of the Period	**10,902**	**18,311**	**7,931**	**14,256**

STATEMENT OF NET WORTH ADJUSTMENTS AT THE BEGINNING OF PERIOD (1.1.2005 and 1.1.2004 respectively) BETWEEN GREEK GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
Amounts expressed in €

	CONSOLIDATED ACCOUNTS		COMPANY	
	01-01-05	01-01-04	01-01-05	01-01-04
Net Worth at beginning of period clean of minorities (Greek GAAP)	236,735,027	211,254,463	348,371,301	313,765,605
Provision from valuation of participations written off	65,700	0	0	0
Change due to the Use of Economic Life as the basis for calculation of depreciations	39,072,354	33,561,573	35,437,846	33,561,573
Adjusted acquisition cost brought back into the historic cost	-342,128	-342,128	-342,128	-342,128
Expenses depreciated in the long-term - Written off	-10,041,035	-10,041,035	-10,041,035	-10,041,035
Transfer of state subsidies from shareholders' funds into following years' income	-717,130	-286,189	0	0
Net worth at the beginning of period clean of minorities (1.1.2005 and 1.1.2004 respectively) according to the IFRS	264,772,788	234,146,684	373,425,984	336,944,015

GERMANOS S.A.

SOCIETE ANONYME REGISTRATION NUMBER 20523/06/B/89/45
NEO OLVIO XANTHI

Accounts and information from 1 January 2005 until 30 June 2005 (According to decision 17/336/21.04.2005 and P.D. 360/1985)

The following accounts and information provide a condensed picture of the financial statements and results of GERMANOS SA and GERMANOS GROUP OF COMPANIES

Therefore we would advise investors, prior to any investment decision or transaction on the Company's stock to navigate at the Company's web site www.germanos.gr, where they can find the financial statements of 2005 according to IFRS Charthered Accountants: Anagnos Th. Limperis , Aristidis Gr. Sfounos. Audit Firm: B.K.R. Protypos Elegktiki. Review Report: Unqualified Opinion.

BALANCE SHEET ACCOUNTS

Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
ASSETS	**30-06-05**	**31-12-04**	**30-06-05**	**31-12-04**
Fixed Assets	305,877	306,931	417,323	433,401
Inventories	73,699	54,554	55,771	39,439
Customer Receivables	160,792	196,706	134,489	151,421
Other Assets	77,859	49,763	64,648	36,240
Cash and Cash Equivalents	18,099	12,584	11,944	7,230
TOTAL ASSETS	**636,326**	**620,538**	**684,175**	**667,731**
LIABILITIES				
Long Term Liabilities	119,613	126,098	134,419	143,945
Bank Debt	38,760	55,349	9,006	22,374
Other Short Term Liabilities	193,405	161,874	153,652	113,482
Total Liabilities (a)	**351,778**	**343,321**	**297,077**	**279,801**
Net Worth of Company's Shareholders	282,262	275,058	387,098	387,930
Minority Rights	2,286	2,159	-	-
Total Net Worth (b)	**284,548**	**277,217**	**387,098**	**387,930**
TOTAL LIABILITIES (a)+(b)	**636,326**	**620,538**	**684,175**	**667,731**

STATEMENT OF NET WORTH CHANGES FOR THE PERIOD

Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
	1/1-30/6/05	**1/1-30/6/04**	**1/1-30/6/05**	**1/1-30/6/04**
Net Worth at Beginning of the Period 01/01/2005 and 01/01/2004 respectively	**277,217**	**240,586**	**387,930**	**336,944**
Profit/loss transferred directly to Equity from valuation of assets available for sale			-10,138	14,056
Net Profit/loss directly Recognized in Equity	-2,993	0	0	0
Changes in minority interest	984	0	0	0
Expenses for share capital increase	-6	0	-6	0
Recognition of dividends payable	-18,219	-16,258	-18,221	-16,034
Net results for six-month period	27,565	23,958	27,533	23,749
Total changes	7,331	7,700	-832	21,771
Net worth at Beginning of the Period 30/06/2005 and 30/06/2004 respectively	**284,548**	**248,286**	**387,098**	**358,715**

ADDITIONAL ELEMENTS AND INFORMATION

1. The companies which have been consolidated in the above financial statements are presented in the following table with the corresponding ownership stakes

COMPANY NAME	DOMICILE - COUNTRY	OWNERSHIP RELATIONSHIP	WITH THE PARENT COMPANY	UNAUDITED TAX FISCAL YEARS
Full Consolidation Method				
GERMANOS SA	GREECE	Μητρική	Parent	2004
P.GERMANOS SA	GREECE	90.16%	Direct	-
E-VALUE SA	GREECE	70.00%	Direct	2003-2004
GERMANOS TELECOM SKOPJE SA	F.Y.R.O.M.	99.00%	Direct	2003-2004
GERMANOS TELECOM ROMANIA SA	ROMANIA	98.42%	Direct	2003-2004
SUNLIGHT ROMANIA S.L.R/FILIALA (subsidiary of GERMANOS TELECOM ROMANIA S.A.)	ROMANIA	98.42%	Indirect	2001-2004
GERMANOS TELECOM BULGARIA AD	BULGARIA	90.00%	Direct	2002-2004
SUNLIGHT UKRAINE	UKRAINE	98.00%	Direct	2001-2004
GERMANOS TELECOM UKRAINE CJSC	UKRAINE	61.00%	Direct	2004
GERMANOS POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2001-2004
GTI POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2004
T.C.M. Sp. Zo.o (subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND	100.00%	Indirect	2002-2004
GERMANOS CYPRUS L.T.D.	CYPRUS	91.97%	Direct	1999-2004
INFOTEL L.T.D.(subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS	45.06%	Indirect	2000-2004
Equity method of consolidation				
HELLENIC DUTY FREE SHOPS (S.A)	GREECE	24.68%	Direct	2003-2004
SILKWAY HOLDING B.V.	NETHERLANDS	20%	Direct	2004
UNITEL (subsidiary of SILKWAY HOLDING B.V.)	UZBEKISTAN	20%	Indirect	-

2. The company has applied the basic accounting principles of the balance sheet 31-12-2004. The Group applies the "The I.F.R.S. Stable Platform 2005" starting January 1st 2005
3. The company has not utilized any of its fixed assets as collateral against bank debt
4. There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company
5. The total number of employees at 30/6/2005, for the Group: 3,163 and for the Company:1,097
6. Investments on tangible fixed assets during the H1 :05 are for the Group: in € thous :9,996 and for the company in _ thous: 6,495
7. The companies : a) GERMANOS CYPRUS L.T.D. from 1/4/2005 was consolidated for the first time after acquiring the management of the company.
   β) SILKWAY HOLDING B.V. from 1/1/2005 was consolidated for the first time due to influencing power that the company has on it
8. At the financial statements of the previous period 1/1-30/06/2004 the company LASE SA.was consolidated using the full consilidation method in which the company had 40% and controlled the management. At the current financial statements 1/1 -30/6/2005 the company is not consolidated as we no longer have control of its management
9. In the financial statements of the previous period, 1/1-30/06/2004, the company NG SYSTEMS S.A. was consolidated with the full consolidation method. In the present period, 1/1-30/6/2005, it is not included in the consolidated financial statementes due to its absorption on 30/06/2004 , by the company GERMANOS S.A., according to the provisions of L.2166/1993.

INCOME STATEMENT

Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS				COMPANY			
	1/1-30/6/05	**1/1-30/6/04**	**1/4-30/6/05**	**1/4-30/6/04**	**1/1-30/6/05**	**1/1-30/6/04**	**1/4-30/6/05**	**1/4-30/6/04**
Turnover	429,587	366,500	234,460	193,406	326,388	299,732	178,820	159,501
Cost of Goods Sold	-337,905	-287,000	-187,404	-153,921	-252,555	-232,453	-141,578	-126,255
Gross Profit	**91,682**	**79,500**	**47,056**	**39,485**	**73,833**	**67,279**	**37,242**	**33,246**
Other Income - Expenses (Net)	5,377	5,001	3,617	4,286	1,860	1,421	923	1,174
Administration Expenses	-13,263	-10,508	-9,048	-6,259	-8,402	-7,644	-5,586	-4,543
Operation & Distribution Expenses	-42,460	-37,730	-19,634	-18,013	-30,754	-27,869	-14,216	-13,100
Earnings before Taxes, Financial and Investment Income, and Depreciation	**41,336**	**36,263**	**21,991**	**19,499**	**36,537**	**33,187**	**18,363**	**16,777**
Depreciation	-11,054	-10,559	-4,967	-4,939	-8,541	-8,223	-3,460	-3,634
Earnings before taxes and Financial and Investment Income	**30,282**	**25,704**	**17,024**	**14,560**	**27,996**	**24,964**	**14,903**	**13,143**
Financial Expenses	-2,661	-266	-1,063	1,146	5,908	5,525	7,173	6,694
Earnings before taxes and Investment Income	**27,621**	**25,438**	**15,961**	**15,706**	**33,904**	**30,489**	**22,076**	**19,837**
Profit generated from Affiliated Companies	5,905	4,176	4,031	2,318	0	0	0	0
Profit Before Taxes	33,526	29,614	19,992	18,024	33,904	30,489	22,076	19,837
Minus : Taxes	-5,961	-5,656	-2,497	-3,054	-6,371	-6,740	-3,546	-4,762
Profit After Taxes	**27,565**	**23,958**	**17,495**	**14,970**	**27,533**	**23,749**	**18,530**	**15,075**
Distributed as follows:								
Company's Shareholders	27,683	24,057	17,589	15,031	27,533	23,749	18,530	15,075
Minority Rights	-118	-99	-94	-61	0	0	0	0
	27,565	**23,958**	**17,495**	**14,970**	**27,533**	**23,749**	**18,530**	**15,075**
Earnings after taxes per share (in €)	0.68	0.60	0.43	0.38	0.68	0.59	0.45	0.38

TOTAL CASH FLOWS

Amounts expressed in € thousand

	CONSOLIDATED ACCOUNTS		COMPANY	
	1/1 -30/6/05	**1/1 -30/6/04**	**1/1 -30/6/05**	**1/1 -30/6/04**
Operating Activities				
Profit before taxes	33,526	29,614	33,904	30,489
plus / minus adjustments for:				
Depreciation	11,054	10,559	8,541	8,223
Provisions	0	0	0	0
Foreign Exchange Differences	0	0	0	0
Results (income, expenses, profit and loss) from Investment Activity	-6,823	-7,355	-9,986	-7,963
Debit Interest and Similar Expenses	3,680	3,412	2,767	2,424
Decrease / (increase) in Inventory	-19,818	-13,290	-16,332	-10,690
Decrease / (increase) in Receivables	-13,208	-10,941	-11,474	-7,939
Decrease / (increase) in Liabilities (apart from Bank Debt)	20,065	7,428	17,752	7,875
Minus:	**0**	**0**	**0**	**0**
Debit Interest and Similar Expenses Paid in	-3,680	-3,412	-2,767	-2,424
Paid in Taxes	-2,629	-3,574	-2,629	-3,574
Total Inflows / (Outflows) from Operating Activities (a)	**22,167**	**12,441**	**19,776**	**16,421**
Investment Activitie				
Purchase of Tangible and Intangible Assets	-11,724	-29,348	-7,613	-24,839
Income from Sale of Tangible and Intangible Assets	2,266	12,734	865	9,408
Interest Receivable	0	0	0	0
Dividends Receivable	9,580	7,966	9,580	7,966
Inflows / (outflows) from remaining	-1,318	-9,598	-40	-9,599
Total Inflows / (Outflows) from Investment Activity (b)	**-1,196**	**-18,246**	**2,792**	**-17,064**
Financing Activities				
Proceeds from Share Capital Increase	1,904	0	0	0
Inflows from Issued / Received Loans	-15,254	5,062	-17,848	3,021
Bank Debt Repayment	-1,556	-14	0	0
Repayment of Liabilities related to Leasing Contracts (repayment of capital)	0	0	0	0
Dividends Payable	-6	-34	-6	-34
Total Inflows / (Outflows) from Financing Activities (c)	**-14,912**	**5,014**	**-17,854**	**2,987**
Net Increase / (Decrease) in Cash and Cash Equivalents for the Period (a) + (b) + (c)	**6,059**	**-791**	**4,714**	**2,344**
Cash and Cash Equivalents at the Beginning of the Period	**12,040**	**18,071**	**7,230**	**12,816**
Cash and Cash Equivalents at the End of the Period	**18,099**	**17,280**	**11,944**	**15,160**

10. The amounts of the Company's sales and purchases, towards and from affiliated Companies, cumulatively from the beginning of the period, amount to 7,604 thousand € and € 0,00 respectively. The balance of the Company's receivables and liabilities with its affiliated Companies at the end of the current period amount to 12,991 thousand € and € 0.00 respectively.
11. The analysis of turnover per category according to the Hellenic National Statistics Service Classification STAKOD 2003 is as follows:

STAKOD 03 ACTIVITY DESCRIPTION		GROUP	COMPANY
642.0	Telecommunications	312,285	272,385
514.3	Wholesale trade of household electrical appliances, radio & television appliances	41,478	25,932
314.0	Construction of electrical accumulators, primary Electronic Items and primary batteries	28,071	28,071
525.6	Retail trade of telecom equipment	47,753	-
		429,587	326,388

12. The approval date of the above financial statements from the Company's Board of Directors is 27/09/2005. The BoD members are : Panos Germanos, Ioannis Karagiannis, Christos Kartalis, Loukas Petkidis, Angelos Plakopitas, Dimitrios Gkoumas, Theodosios Boundourakis

REVIEW REPORT

To the Shareholders of "GERMANOS S.A."

We have reviewed the accompanying interim financial statements and the consolidated financial statements of "GERMANOS S.A.", as of and for the six-month period ended 30 June 2005.These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the International Standard on Review Engagements, which is foreseen by the Greek Auditing Standards. Those Standards require that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provide less assurance than an audit. We have not performed an audit and, there for, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented fairly, in all material respects in accordance with the International Financial Reporting Standards that have been adopted by the European Union. Without qualifying our report, we draw your attention to note 6.32 to the financial statements, referring to the fiscal years that have not been audited by the tax authorities and thus, additional taxes and penalties may be imposed upon the tax audit.

Athens September 27, 2005

THE CERTIFIED AUDITORS

LYMPERIS ANAGNOS	**SFOUNOS ARISTIDIS-ANTONIOS**
R.N S.O.E.L. 11241	R.N S.O.E.L. 14851

BKR ΠΡΟΤΥΠΟΣ ΕΛΕΓΚΤΙΚΗ Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές - Σύμβουλοι Επιχειρήσεων
Ανεξάρτητο Μέλος της BKR INTERNATIONAL

GERMANOS S.A.

SOCIETE ANONYME REGISTRATION NUMBER 20523/06/B/89/45

NEO OLVIO XANTHI

Accounts and information from January 1st 2005 until September 30th 2005

(According to decision 17/336/21.04.2005 and P.D. 360/1985)

The following accounts and information provide a condensed picture of the financial statements and results of GERMANOS SA and GERMANOS GROUP OF COMPANIES
Therefore we would advise investors, prior to any investment decision or transaction on the Company's stock to navigate the Company's web site
www.germanos.gr, where they can find the financial statements of 2005 according to the International Accounting Standards and the appropriate relevent review report by the certified auditor-accountant.

BALANCE SHEET ACCOUNTS
Amounts in thousand €

	GROUP		COMPANY	
ASSETS	**30-09-05**	**31-12-04**	**30-09-05**	**31-12-04**
Fixed Assets	316,176	306,931	437,989	433,401
Inventories	82,657	54,554	58,105	39,439
Customer receivables	150,960	196,706	119,688	151,421
Other assets	79,670	49,763	64,387	36,240
Cash and Cash Equivalents	22,568	12,584	18,089	7,230
TOTAL ASSETS	**652,031**	**620,538**	**698,258**	**667,731**
TOTAL EQUITY & LIABILITIES				
Long-term liabilities	119,462	126,098	140,133	143,945
Short-term bank liabilities	59,418	55,349	26,083	22,374
Other short-term liabilities	168,537	161,874	121,735	113,482
Total liabilities (a)	**347,417**	**343,321**	**287,951**	**279,801**
Net worth of Comopany's shareholders	303,551	275,058	410,307	387,930
Minority Interest	1,063	2,159	-	-
Total Net Worth (b)	**304,614**	**277,217**	**410,307**	**387,930**
TOTAL EQUITY & LIABILITIES (a) + (b)	**652,031**	**620,538**	**698,258**	**667,731**

STATEMENT OF NET WORTH CHANGES FOR THE PERIOD
Amounts in thousand €

	GROUP		COMPANY	
	1/1-30/9/05	1/1-30/9/04	1/1-30/9/05	1/1-30/9/04
Net Worth at Beginning of the Period 01/01/2005 and 01/01/2004 respectively	**277,217**	**240,586**	**387,930**	**336,944**
Profit/loss transferred directly to Equity from valuation of assets available for sale			821	-7,574
Net Profit/loss directly Recognized in Equity	-1,431	0		
Changes in minority interest	984	149		
Change in Rights from percentage changes		201		
Expenses for share capital increase	-25		-25	0
Recognition of dividends payable	-18,521	-16,259	-18,220	-16,034
Net results for nine-month period	46,390	39,469	39,801	34,628
Total changes	27,397	23,560	22,377	11,020
Net worth at End of the Period 30/09/2005 and 30/09/2004 respectively	**304,614**	**264,146**	**410,307**	**347,964**

ADDITIONAL ELEMENTS AND INFORMATION

1. The companies which have been consolidated in the above financial statements are presented in the following table with the corresponding ownership stakes

COMPANY NAME	DOMICILE - COUNTRY	OWNERSHIP RELATIONSHIP	WITH THE PARENT COMPANY	UNAUDITED TAX FISCAL YEARS
Full Consolidation Method				
GERMANOS SA	GREECE	Parent	Parent	2004
P.GERMANOS SA	GREECE	100.00%	Direct	-
E-VALUE SA	GREECE	70.00%	Direct	2003-2004
GERMANOS TELECOM SKOPJE SA	FYROM	99.00%	Direct	2003-2004
GERMANOS TELECOM ROMANIA SA	ROMANIA	98.42%	Direct	2003-2004
SUNLIGHT ROMANIA S.L.R/FILIALA (subsidiary of GERMANOS TELECOM ROMANIA S.A.)	ROMANIA	98.42%	Indirect	2001-2004
GERMANOS TELECOM BULGARIA AD	BULGARIA	100.00%	Direct	2002-2004
SUNLIGHT UKRAINE	UKRAINE	98.00%	Direct	2001-2004
GERMANOS TELECOM UKRAINE CJSC	UKRAINE	85.00%	Direct	2004
GERMANOS POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2001-2004
GTI POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2004
T.C.M. Sp. Zo.o (subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND	100.00%	Indirect	2002-2004
GERMANOS CYPRUS L.T.D.	CYPRUS	91.97%	Direct	1999-2004
INFOTEL L.T.D.(subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS	45.06%	Indirect	2000-2004
Equity Consolidation Method				
HELLENIC DUTY FREE SHOPS SA	GREECE	24.68%	Direct	2003-2004
SILKWAY HOLDING B.V.	HOLLAND	20%	Direct	2004
UNITEL LLC (subsidiary of SILKWAY HOLDING B.V.)	UZBEKISTAN	20%	Indirect	-

2. The company has applied the basic accounting principles of the balance sheet 31-12-2004. The Group applies the "The I.F.R.S. Stable Platform 2005" starting January 1st 2005
3. The company has not utilized any of its fixed assets as collateral against bank debt
4. There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company
5. The total number of employees at 30/9/2005, for the Group: 3,195 and for the Company:1,103
6. Investments on tangible fixed assets during the 9M :05 are for the Group: in € thous :15,359 and for the company in €thous: 9,110
7. The companies : a) GERMANOS CYPRUS L.T.D. from 1/4/2005 was consolidated for the first time after acquiring the management of the company. β) SILKWAY HOLDING B.V. from 1/1/2005 was consolidated for the first time due to influencing power that the company has on it
8. In the financial statements of the previous period 1/1-30/09/2004 the company LASE SA.was consolidated using the full consilidation method in which the company had 40% and controlled the management. In the current financial statements 1/1 -30/9/2005 the company is not consolidated as we no longer have control of its management
9. In the financial statements of the previous period, 1/1-30/09/2004, the company NG SYSTEMS S.A. was consolidated with the full consolidation method. In the present period, 1/1-30/9/2005, it is not included in the consolidated financial statementes due to its absorption on 30/06/2004 , by the company GERMANOS S.A., according to the provisions of L.2166/1993.

INCOME STATEMENT
Amounts in thousand €

	GROUP				COMPANY			
	01/01-30/09/2005	01/01-30/09/2004	01/07-30/09/2005	01/07-30/09/2004	01/01-30/09/2005	01/01-30/09/2004	01/07-30/09/2005	01/07-30/09/2004
Turnover	700,973	599,775	271,386	233,275	521,596	472,099	195,208	172,367
Cost of Goods Sold	-559,428	-476,188	-221,523	-189,188	-409,531	-370,313	-156,976	-137,860
Gross Profit	**141,545**	**123,587**	**49,863**	**44,087**	**112,065**	**101,786**	**38,232**	**34,507**
Other income-expenses (Net)	9,258	7,333	3,881	2,332	2,770	2,229	910	808
Administrative expenses	-18,645	-15,964	-5,382	-5,456	-13,002	-11,007	-4,600	-3,363
Distribution expenses	-65,308	-56,148	-22,848	-18,418	-43,933	-39,355	-13,179	-11,486
Earnings Before Taxes, Financial & Investment Income and depreciation	**66,850**	**58,808**	**25,514**	**22,545**	**57,900**	**53,653**	**21,363**	**20,466**
Depreciations	-18,431	-17,776	-7,377	-7,217	-14,045	-14,010	-5,504	-5,787
Earnings before taxes and Financial and Investment Income	**48,419**	**41,032**	**18,137**	**15,328**	**43,855**	**39,643**	**15,859**	**14,679**
Financial Income-Expenses	-2,702	-1,978	-41	-1,712	6,576	4,380	668	-1,145
Earnings before taxes and Investment Income	**45,717**	**39,054**	**18,096**	**13,616**	**50,431**	**44,023**	**16,527**	**13,534**
Profit generated from Affiliated Companies	10,870	9,464	4,965	5,288	0	0	0	0
Earnings Before Taxes	**56,587**	**48,518**	**23,061**	**18,904**	**50,431**	**44,023**	**16,527**	**13,534**
Minus : Taxes	-10,197	-9,049	-4,236	-3,393	-10,630	-9,395	-4,259	-2,655
Earnings After Taxes	**46,390**	**39,469**	**18,825**	**15,511**	**39,801**	**34,628**	**12,268**	**10,879**
Distributed as follows:								
Company's Shareholders	**46,500**	**39,532**	**18,817**	**15,475**	**39,801**	**34,628**	**12,268**	**10,879**
Minority Interest	-110	-63	8	36	0	0	0	0
	46,390	**39,469**	**18,825**	**15,511**	**39,801**	**34,628**	**12,268**	**10,879**
Earnings after taxes per share (in €)	0.57	0.49	0.23	0.19	0.49	0.43	0.15	0.14

CASH FLOW STATEMENT
Amounts in thousand €

	GROUP		COMPANY	
Operating activities	**1/1 -30/9/2005**	**1/1 -30/9/2004**	**1/1 -30/9/2005**	**1/1 -30/9/2004**
Earnings before taxes	56,587	48,518	50,431	44,023
plus / minus adjustments for :				
Depreciations	18,431	17,776	14,045	14,010
Provisions	-5,000	75	0	75
Foreign Exchange Differences	0	0	0	0
Results (income, expenses, profit and loss) from Investment Activity	-12,800	-12,808	-12,476	-8,058
Interest Expenses and Related Expenses	4,862	4,370	4,212	3,663
Decrease / (increase) in Inventory	-27,864	-19,015	-18,667	-13,874
Decrease / (increase) in Receivables	-7,449	-15,310	2,955	-826
Decrease / (increase) in Liabilities (apart from Bank Debt)	18,894	35,470	4,108	25,955
Minus :				
Interest Expenses and Related Expenses Paid in	-4,862	-4,370	-4,212	-3,662
Paid in Taxes	-6,049	-8,815	-5,896	-8,786
Total inflows / (outflows) from operating activities (a)	**34,750**	**45,891**	**34,500**	**52,520**
Investment activities				
Purchase of Tangible and Intangible Assets	-23,080	-42,038	-16,137	-36,339
Income from Sale of Tangible and Intangible Assets	3,345	11,345	1,173	7,752
Interest Received	40	16	0	0
Dividends Received	10,016	7,726	11,955	8,010
Inflows / (outflows) from other investment activities	-672	-21,797	-1,335	-22,397
Total inflows / (outflows) from investment activities (b)	**-10,351**	**-44,748**	**-4,344**	**-42,974**
Financing activities				
Proceeds from Share Capital Increase	0	0	0	0
Inflows from Issued / Received Loans	4,708	25,838	-886	19,560
Bank Debt Repayment	0	0	0	0
Repayment of Liabilities related to Leasing Contracts (repayment of capital)	0	0	0	0
Dividends Paid	-18,700	-8,215	-18,411	-8,073
Total Inflows / (Outflows) from Financing Activities (c)	**-13,992**	**17,623**	**-19,297**	**11,487**
Net Increase / (Decrease) in Cash and Cash Equivalents for the Period (a) + (b) + (c)	**10,407**	**18,766**	**10,859**	**21,033**
Cash and Cash Equivalents at the Beginning of the Period	**12,161**	**18,071**	**7,230**	**12,816**
Cash and Cash Equivalents at the End of the Period	**22,568**	**36,837**	**18,089**	**33,849**

10. The amounts of the Company's sales and purchases, towards and from affiliated Companies, cumulatively from the beginning of the period, amount to € 13,148 and € 0,00 respectively. The balance of the Company's receivables and liabilities with its affiliated Companies at the end of the current period amount to€ 10,557 thousand and € 0.00 respectively.
11. The analysis of turnover per category according to the Hellenic National Statistics Service Classification STAKOD 2003 is as follows

STAKOD 03	ACTIVITY DESCRIPTION	GROUP	COMPANY
642.0	Telecommunications	446,277	429,763
514.3	Wholesale trade of household electrical appliances, radio & television appliances	98,006	42,039
314.0	Construction of electrical accumulators, primary Electronic Items and primary batteries	49,794	49,794
525.6	Retail trade of telecom equipment	106,896	
		700,973	**521,596**

12. The Ordinary General Shareholders' Meeting of Germanos SA on 24-06-2005 decided on the Company's Share Capital Increase by € 12,956,000 by capitalization of part of the reserve from issuance of shares above par. 40,487,500 new registered shares were issued, with a nominal value of € 0.32 each, and were distributed at no charge to the Shareholders at a ratio of one (1) new share for every one (1) existing one.
13. The approval date of the above financial statements from the Company's Board of Directors is 23/11/2005. The BoD members are: Panos Germanos, Christos Germanos, Ioannis Karagiannis, Christos Kartalis, Loukas Petkidis, Aggelos Plakopitas, Dimitrios Goumas, Theodosis Boundourakis.

GERMANOS S.A.
GROUP OF COMPANIES

BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FISCAL YEAR FROM JANUARY 1st 2005 TO DECEMBER 31st 2005

(Published according to L. 2190 article 135, for companies that compile annual financial statements, consolidated and non-consolidated, according to IAS)

The following data and information aim at providing a general overview of the financial status and results of GERMANOS SOCIETE ANONYME INDUSTRIAL & COMMERCIAL COMPANY OF ELECTRONIC & TELECOMMUNICATION MATERIAL & TELECOMMUNICATION SERVICE PROVIDER. Readers, who wish for a complete picture of the Group's financial status and results, must access the annual financial statements according to the International Accounting Standards, as well as the audit report by the certified auditoraccountant. Indicatively such readers may refer to the Company's Website, where such information is posted.

COMPANY INFORMATION

Address of head offices:	23rd klm of the ATHENS-LAMIA NATIONAL ROAD, AGIOS STEFANOS 14565 - ATTICA
Societe Anonyme Reg. No.:	20523/06/μ/89/45
Responsible Prefecture:	Ministry of Commerce and Development.
Board of Directors' Composition:	Panos Germanos, Christos Germanos, Ioannis Karagiannis, Christos Kartalis, Loukas Petkidis, Aggelos Plakopitas, Dimitrios Goumas, Theodosis Botourakis.
Approval Date of the Annual Financial Statements:	27/02/2006
Certified Auditors-Accountants:	Anagnos Th. Lymberis, Aristeidis-Antonios Gr. Sfounos
Auditing Firm:	B.K.R. Protypos Auditing S.A.
Type of Auditors' Audit Report:	In agreement
Company Website:	WWW.germanos.gr

BALANCE SHEET ACCOUNTS
Amounts in thousand €

	GROUP		COMPANY	
ASSETS	**31/12/2005**	**31/12/2004**	**31/12/2005**	**31/12/2004**
Fixed Assets	335,652	306,931	436,717	433,401
Inventories	90,058	54,554	63,516	39,439
Customer receivables	162,094	196,706	122,003	151,421
Other assets	69,726	49,763	55,558	36,240
Cash and Cash Equivalents	14,941	12,584	8,721	7,230
TOTAL ASSETS	**672,471**	**620,538**	**686,515**	**667,731**
TOTAL EQUITY & LIABILITIES				
Long-term liabilities	117,006	126,098	132,050	143,945
Short-term bank liabilities	56,790	55,349	21,231	22,374
Other short-term liabilities	167,346	161,874	108,166	113,482
Total liabilities (a)	**341,142**	**343,321**	**261,447**	**279,801**
Net worth of Comopany's shareholders	26,104	12,956	26,104	12,956
Minority Interest	304,106	262,102	398,964	374,974
Total Net Worth (b)	**330,210**	**275,058**	**425,068**	**387,930**
Δικαιώματα Μειοψηφίας (γ)	1,119	2,159	-	-
Total Net Worth (d) = (b)+(c)	**331,329**	**277,217**	**425,068**	**387,930**
TOTAL EQUITY & LIABILITIES (e) = (a)+(d)	**672,471**	**620,538**	**686,515**	**667,731**

INFORMATION OF STATEMENT OF NET WORTH CHANGES FOR THE PERIOD
Amounts in thousand €

	GROUP		COMPANY	
	1/1-31/12/05	**1/1-31/12/04**	**1/1-31/12/05**	**1/1-31/12/04**
Net worth at beginning of period (01/01/2005 and 01/01/2004 respectively	**277,217**	**240,586**	**387,930**	**336,944**
Earnings (losses) of period after taxes	62,958	53,521	50,541	48,629
Increase (decrease) of share capital	13,148	2,976	13,148	2,976
Distributed dividends	-18,815	-16,258	-18,219	-16,034
Net income directly booked in net position	-3,179	-3,608	-8,332	15,415
Changes in minority interest	0	0	0	0
Purchases (sales) of own shares	0	0	0	0
Net worth at end of period (31/12/2005 and 31/12/2004 respectively)	**331,329**	**277,217**	**425,068**	**387,930**

ADDITIONAL ELEMENTS AND INFORMATION

1. Companies consolidated in the above financial statements are stated in the following table with the respective participation stakes.

COMPANY NAME	**DOMICILE - COUNTRY**	**PARTICIPATION STAKE**	**RELATION TO PARENT**	**UN-AUDITED TAX FISCAL YEARS**
Full consolidation method				
GERMANOS S.A.	GREECE	Parent	Parent	2004-2005
E-VALUE S.A.	GREECE	70.00%	Direct	2003-2005
GERMANOS TELECOM SKOPJE SA	FYROM	99.00%	Direct	2003-2005
GERMANOS TELECOM ROMANIA SA	ROMANIA	98.42%	Direct	2003-2005
SUNLIGHT ROMANIA S.L.R/FILIALA (Subsidiary of GERMANOS TELECOM ROMANIA S.A.)	ROMANIA	98.42%	Indirect	2001-2005
GERMANOS TELECOM BULGARIA AD	BULGARIA	100.00%	Direct	2005
SUNLIGHT UKRAINE	UKRAINE	98.00%	Direct	2001-2005
GERMANOS TELECOM UKRAINE CJSC	UKRAINE	85.00%	Direct	2004-2005
GERMANOS POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2001-2005
GTI POLSKA Sp.Zo.o	POLAND	100.00%	Direct	2004-2005
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND	100.00%	Indirect	2002-2005
GERMANOS CYPRUS L.T.D.	CYPRUS	91.97%	Direct	1999-2005
INFOTEL L.T.D. (Subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS	45.06%	Indirect	2000-2005
SUNLIGHT TRADING BEOGRAND	SERBIA	100.00%	Direct	2005
SUNLIGHT BATTERIES GMBH	GERMANY	100.00%	Direct	2005
Equity consolidation method				
HELLENIC DUTY FREE SHOPS S.A.	GREECE	24.68%	Direct	2005
SILKWAY HOLDING B.V.	HOLLAND	20%	Direct	2004-2005
UNITEL L.L.C. (Subsidiary SILKWAY HOLDING B.V.)	UZBEKISTAN	20%	Indirect	2005

INCOME STATEMENT
Amounts in thousand €

	GROUP		COMPANY	
	1/1 -31/12/2005	**1/1 -31/12/2004**	**1/1 -31/12/2005**	**1/1 -31/12/2004**
Turnover	1,025,532	862,045	757,237	679,079
Cost of Goods Sold	-818,651	-678,484	-597,902	-530,275
Gross Profit	**206,881**	**183,561**	**159,335**	**148,804**
Other income-expenses (Net)	8,819	2,498	1,952	-497
Administrative expenses	-30,640	-26,325	-21,569	-19,564
Distribution expenses	-90,758	-77,268	-62,870	-52,554
Earnings Before Taxes, Financial & Investment Income and depreciation	**94,302**	**82,466**	**76,848**	**76,189**
Depreciations	-23,719	-23,065	-18,711	-19,131
Earnings before taxes and Financial and Investment Income	**70,583**	**59,401**	**58,137**	**57,058**
Financial Income-Expenses	-5,241	-3,621	6,679	3,361
Earnings before taxes and Investment Income	**65,342**	**55,780**	**64,816**	**60,419**
Profit generated from Affiliated Companies	13,237	10,568	0	0
Earnings Before Taxes	**78,579**	**66,348**	**64,816**	**60,419**
Minus : Taxes	-15,621	-12,827	-14,275	-11,790
Earnings After Taxes	**62,958**	**53,521**	**50,541**	**48,629**
Distributed as follows :				
Company's Shareholders	63,062	53,869	50,541	48,629
Minority Interest	-104	-348	0	0
	62,958	**53,521**	**50,541**	**48,629**
Earnings after taxes per share (in €)	0.78	0.67	0.62	0.61
Proposed dividend per share (in €)	–	–	0.26	0.225

CASH FLOW STATEMENT
Amounts in thousand €

	GROUP		COMPANY	
	1/1 -31/12/2005	**1/1 -31/12/2004**	**1/1 -31/12/2005**	**1/1 -31/12/2004**
Operating activities				
Earnings before taxes	78,579	66,348	64,816	60,419
Plus / minus adjustments for :				
Depreciations	23,719	23,065	18,711	19,131
Provisions	2,511	-928	1,000	100
Foreign Exchange Differences	-899	-541	0	0
Results (income, expenses, profit and loss) from Investment Activity	-12,206	-18,453	-11,252	-6,109
Interest Expenses and Related Expenses	7,913	7,456	5,761	5,236
Plus / minus adjustments for changes in working capital or such that relate to operating activities				
Decrease / (increase) in Inventory	-35,503	-6,002	-21,029	-3,625
Decrease / (increase) in Receivables	12,372	-50,981	5,365	-33,722
Decrease / (increase) in Liabilities (apart from Bank Debt)	-6,708	32,164	-12,065	20,085
Minus :				
Interest Expenses and Related Expenses Paid in	-7,879	-7,242	-5,761	-5,236
Paid in Taxes	-10,146	-14,417	-9,113	-14,193
Total inflows / (outflows) from operating activities (a)	51,753	30,469	36,433	42,086
Investment activities				
Acquisition of subsidiaries, associate, joint-ventures and other investments	0	0	0	0
Purchase of Tangible and Intangible Assets	-45,421	-70,009	-27,086	-54,444
Income from Sale of Tangible and Intangible Assets	5,932	24,964	1,184	19,795
Interest Received	409	330	371	301
Dividends Received	1,389	3,460	12,897	8,290
Inflows / (outflows) from other investment activities	9,631	-4,630	876	-22,313
Total inflows / (outflows) from investment activities (b)	**-28,060**	**-45,885**	**-11,758**	**-48,371**
Financing activities				
Proceeds from Share Capital Increase	5,347	2,976	5,347	129
Inflows from Issued / Received Loans	0	23,211	0	16,604
Bank Debt Repayment	-7,868	0	-10,312	0
Repayment of Liabilities related to Leasing Contracts (repayment of capital)	0	0	0	0
Dividends Paid	-18,815	-16,258	-18,219	-16,034
Total Inflows / (Outflows) from Financing Activities (c)	**-21,336**	**9,929**	**-23,184**	**699**
Net Increase / (Decrease) in Cash and Cash Equivalents for the Period (a) + (b) + (c)	**2,357**	**-5,487**	**1,491**	**-5,586**
Cash and Cash Equivalents at the Beginning of the Period	**12,584**	**18,071**	**7,230**	**12,816**
Cash and Cash Equivalents at the End of the Period	**14,941**	**12,584**	**8,721**	**7,230**

2. The company has applied the basic accounting principles of the balance sheet 31-12-2004. The Group applies the "The I.F.R.S. Stable Platform 2005" starting January 1st 2005.

3. The company has not utilized any of its fixed assets as collateral against bank debt.

4. There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company.

5. The total number of employees as at 31/12/2005, for the GROUP: 3,710 and for the COMPANY: 1,109.

6. Investments on tangible fixed assets during 2005 are for the Group in € thous: 23,890 and for the Company in € thous: 13,227.

7. The following companies were consolidated for the first time in the present period's financial statements: a) GERMANOS CYPRUS L.T.D. from 1/4/2005 after acquiring the management of the company. b) SILKWAY HOLDING B.V. from 1/1/2005 due to influencing power the company has on it, c) SUNLIGHT TRADING D.O.O. BEOGRAND , SUNLIGHT BATTERIES GmbΠ as new participations.

8. In the financial statements of the previous period 1/1-31/12/2004 the company LASE S.A. was consolidated using the full consolidation method in which the company had 40% and controlled the management. In the current financial statements 1/1 -31/12/2005 the company has not been consolidated as we no longer have control of its management.

9. In the financial statements of the previous period, 1/1-31/12/2004, the company NG SYSTEMS S.A. was consolidated with the full consolidation method. In the present period, 1/1-31/12/2005, it is not included in the consolidated financial statements due to its absorption on 30/06/2005, by the company GERMANOS S.A., according to the provisions of L.2166/1993.

10. The amounts of the Company's sales and purchases, towards and from affiliated Companies, cumulatively from the beginning of the period, amount to € 20.849 thousand and € 382 thousand respectively. The balance of the Company's receivables and liabilities with its affiliated Companies at the end of the current period amount to € 13.215 thousand and € 72 thousand respectively. The amounts of the Group's sales and purchases, cumulatively from the beginning of the period, amount to amount to € 21.849 thousand and € 890 thousand respectively. The balance and liabilities of the Goup's receivables and liabilities the end of the current period amount to € 14.215 thousand and € 81 thousand respectively.

11. The analysis of turnover per category according to the Hellenic National Statistics Service Classification STAKOD 2003 is as follows:

STAKOD 03	ACTIVITY DESCRIPTION	GROUP	COMPANY
518.6	Wholesale trade of other electronic devices and equipment	617,152	610,753
514.3	Wholesale trade of household electrical appliances, radio & television appliances	171,638	64,718
314.0	Construction of electrical accumulators, primary Electronic Items and primary batteries	79,120	79,120
525.6	Retail trade of telecom equipment	157,622	2,646
		1,025,532	757,237

12. The Ordinary General Shareholders' Meeting of Germanos SA on 24-06-2005 decided on the Company's Share Capital Increase by € 12,956,000 by capitalization of part of the reserve from issuance of shares above par. 40,487,500 new registered shares were issued, with a nominal value of € 0.32 each, and were distributed at no charge to Shareholders at a ratio of one (1) new share for every (1) existing one.

13. According to the decision of the Ordinary General Shareholders' Meeting on 24/06/2005 and following the decisions of the company's Board of Directors on 1/12/2005 and 2/12/2005, the was a decision for a share capital increase by an amount of € 192,160.00 through the issuance of 600,500 registered shares with a nominal value of € 0.32 each and an issue price of € 9.00, consequently a difference emerged from the issuance of shares above par amounting to € 5,212,340.00. This amount was paid by the beneficiaries of the Stock Option Plan (article 13 par. 9 of C.L. 2190/1920) according to the relevant decision of the aforementioned General Meeting. The aforementioned new shares were listed on the Athens Exchange on 27/12/2005.

14. The Extraordinary General Meeting of the company P. GERMANOS S.A. on 15/07/2005 decided on its merger from the company GERMANOS S.A. based on the provisions of L 2166/1993. The above were approved with the Decision No. K2-298/18/1/2006 of the General Secretary of the Ministry of Commerce.

AGIOS STEFANOS, 27 FEBRUARY 2006

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	THE FINANCIAL DIRECTOR	ACCOUNT MANAGER
PANOS GERMANOS	**IOANNIS KARAGIANNIS**	**LOUKAS PETKIDIS**	**ANASTASIOS THERMOS**
Id.No. Π 661254	Id.No. X 679341	Id.No. X 020373	Id.No. T 035630

CERTIFIED AUDITORS'-ACCOUNTANTS' AUDIT REPORT

To the Shareholders of "GERMANOS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC AND TELECOMMUNICATION MATERIALS AND TELECOMMUNICATION SERVICES PROVIDER"

We have audited the attached 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 fiscal year ending on December 31st 2005. The Management of the Company is responsible for the compilation of the financial statements. Our responsibility is limited to the formation and expression of opinion on the financial statements, based on the conducted audit. Our audit was conducted based on the Greek Generally Accepted Auditing Procedures. These Procedures demand the planning and implementation of the audit in a way that reassures with reasonable certainty that the financial statements do not include substantial inaccuracies or omissions. The audit includes the examination, at a sample basis of substantial data that support the amounts and information included in the financial statements. The audit also includes the evaluation of the followed accounting principles, the company's management's estimations and generally, the presentation of information in the financial statements as well as the agreement of the contents of the Board of Directors' Management Report with the Financial Statements. We believe that the conducted provides the adequate basis for the forming of our opinion. The consolidation also includes the financial statements of foreign subsidiaries that represent 18% and 29% of the consolidated total assets and turnover respectively. These statements have been audited by other certified auditors. In our opinion, the aforementioned financial statements, accurately present the company's financial status and the Group's (whose company happens to be the parent) consolidated financial status as at December 31st 2005 and the results of the Company's and Group's activities as well as the changes in equity and cash flows for the Company and Group, for the period ending on that date, according to the International Financial Reporting Standards, that have been adopted by the European Union. Also, in our opinion, the contents of the Board of Directors' Management Report are in agreement with the aforementioned financial statements.

Athens, February 27th 2006

The Certified Auditors-Accountants

ANAGNOS TH. LYMBERIS	**ARISTEIDIS-ANTONIS GREG. SFOUNOS**
SOEL Reg.No. 11241	SOEL Reg.No. 14851

BKR ΠΡΟΤΥΠΟΣ ΕΛΕΓΚΤΙΚΗ Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές - Σύμβουλοι Επιχειρήσεων
Ανεξάρτητο Μέλος της BKR INTERNATIONAL

E-VALUE

BALANCE SHEET as of 31 December 2005
FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	Dec. 2005	Dec. 2004
Non Current Assets		
Tangible Assets	6,098,206	6,217,465
Investments in Real Estate Assets	0	
Goodwill	0	
Intangible Assets	200,707	0
Investments in Subsidiaries	0	0
Investments in Affiliated Companies (consolidated according to equity method)	0	
Other Investments	0	
Deferred Tax Receivables	118,961	207,287
Financial Assets Available for Sale	0	
Financial Derivatives	0	
Other Long-Term Receivables	8,452	8,452
	6,426,325	6,433,204
Current Assets		
Inventories	0	0
Construction Agreements	0	
Customers and Other Commercial Receivables	995,139	1,401,123
Financial Assets Available for Sale	0	
Receivables from Group's Subsidiaries	0	
Other Receivables	1,837	8,472
Other Current Assets	371,103	205,410
Financial Derivatives	0	
Financial Assets at Fair Value through results	0	0
Cash and Cash Equivalents	535,292	79,776
	1,903,371	1,694,781
Fixed Assets classified as "Available for Sale"		
Total Assets	8,329,696	8,127,985

LIABILITIES	2005	2004
SHAREHODERS' FUNDS		
Sharehoders' funds for parent company's shareholders		
Share Capital	4,675,723	4,675,723
Share Premium Account	0	
Reserves at fair value	0	
Other reserves	2,845	2,845
Reserves from balance sheet conversion	0	
Results carried forward	-1,713,675	-1,955,920
Sharehoders' funds for parent company's shareholders	**2,964,893**	**2,722,648**
Minority Rights		
Total Shareholders' Funds	2,964,893	2,722,648
Long-Term Liabilities		
Long-Term Bank Debt	2,200,000	2,500,000
Derivative Financial Elements	0	
Deferred Tax Liabilities	0	
Retirement Benefits	103,000	103,000
Other Long-Term Liabilities	2,032,655	2,302,606
Long-Term Provisions	0	
Total Long-Term Liabilities	4,335,655	4,905,606
Short-Term Liabilities		
Suppliers and Other Liabilities	632,118	218,221
Current Tax Liabilities	78,432	78,037
Short-Term Bank Debt	0	0
Long-Term Liabilities Payable in the Following Fiscal Year	0	0
Liabilities to Group's Subsidiaries	0	0
Derivative Financial Elements	0	0
Other Short-Term Liabilities	318,596	203,474
Short-Term Provisions	0	
Total Short-Term Liabilities	**1,029,147**	**499,731**
Total Liabilities	5,364,802	5,405,337
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	8,329,696	8,127,985

INCOME STATEMENT	2005	2004
Turnover	**7,156,328.67**	**5,047,890.57**
Cost of Sales	-5,733,312.08	-4,126,696.87
Gross Profit	**1,423,017**	**921,194**
Other Operating Income	246,816.95	146,187.53
Distribution Expenses	-519,375.17	-996,535.21
Administration Expenses	-714,261.99	-890,595.62
R&D Expenses		
Other Operating Expenses	0.00	274,815.11
Financial Income	25.90	1,536.62
Financial Expenses	-100,591.48	-101,392.50
Other Financial Results		
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**335,631**	**-644,790**
Income Tax	-93,385.51	-122,966.27
Net Profit for the period from continuous activities	**242,245**	**-767,757**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period	242,245	-767,757

SWORN AUDITOR – ACCOUNTANT'S REPORT

To the Shareholders of «E-VALUE SOCIETE ANONYME SOFTWARE PRODUCTION – TELEPHONE SERVICES»

We have audited the above financial statements of the company «E-VALUE SOCIETE ANONYME SOFTWARE PRODUCTION – TELEPHONE SERVICES» for the financial year ended on 31 December 2005. The company's management is exclusively responsible for the compilation of the above financial statements. Our responsibility was limited to the creation and expression of a view with regard to the financial statements, based on the relevant audit. Our audit was performed according to the Greek accounting standards, which are aligned with the International Accounting Standards. According to those standards, the audit's planning and implementation ensures in a certain manner that the financial statements contain no omissions or inaccuracies. The audit includes the examination, on random basis, of elements that justify the amounts and information presented in the financial statements. The audit also includes the evaluation of the accounting principles applied, the management's estimates, and generally, the data included in the financial statements, as well as the agreement between the BoD's Report and the financial statements. We believe that our audit is sufficient and allow us to form a relevant opinion. In our opinion, the above financial statements, present in a true and fair manner the company's financial status as of 31st December 2005, as well as the financial results and the changes in equity and cash flows of the company, for the year ending on the above date, according to the International Financial Reporting Standards, adopted by the European Union. There is also an agreement between the BoD's Report and the above financial statements.

Athens, 27 February 2006

The Sworn Auditor - Accountant

Anagnos Th. Liberis

ID CPA 11241

BKR ΠΡΟΤΥΠΟΣ ΕΛΕΓΚΤΙΚΗ Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές - Σύμβουλοι Επιχειρήσεων
Ανεξάρτητο Μέλος της BKR INTERNATIONAL

HELLENIC DUTY FREE SHOPS S.A.

SOCIETE ANONYME REGISTRATION NUMBER: 14216/06/B/86/06

23rd Km ATHENS - LAMIA NATIONAL HIGHWAY, 145 65 AGIOS STEFANOS

Information for the period from January 1 to December 31 2005

The following elements and information provide a general view of the financial position and financial results of HELLENIC DUTY FREE SHOPS S.A. and the Group HELLENIC DUTY FREE SHOPS S.A. The reader who wants to have a complete view of the financial state and the results of the company should make sure that he/she can access the annual financial statements according to the International Financial Reporting Standards (IFRS), as well as the relevant certified auditor accountant's report. For instance he/she can navigate the domain www.dutyfreeshops.gr, where the annual financial statements are uploaded. The Certified Auditors: Varthalitis George - Iakovidis Dimitrios. Audit Company: S.O.L a.e.o.e. Type of audit method: Fully Agreed.

BALANCE SHEET ACCOUNTS

Amounts in € thousand

	CONSOLIDATED ACCOUNTS		PARENT COMPANY	
ASSETS	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Fixed Assets				
Tangible Fixed Assets	26,041.53	22,391.71	24,416.47	21,607.16
Intangible Fixed Assets	53,141.31	50,849.58	53,066.49	50,835.91
Investment to Subsidaries	0.00	822.00	2,059.92	1,409.97
Deferred taxation	640.67	1,473.97	378.03	1,195.33
Other debtors	3,223.76	3,381.48	2,787.18	2,886.60
	83,047.27	**78,918.74**	**82,708.09**	**77,934.97**
Current Assets				
Inventory	49,783.14	37,453.16	46,212.36	35,306.29
Trade debtors and other debtors	9,368.05	9,374.41	13,560.77	13,414.19
Financial Assets fairly valued	1,866.26	1,258.37	1,866.26	1,258.37
Cash and other cash equivalents	64,201.52	69,098.21	60,996.72	64,941.78
	125,218.97	**117,184.15**	**122,636.11**	**114,920.63**
Total Assets	**208,266.24**	**196,102.89**	**205,344.20**	**192,855.60**
EQUITY				
Capital and reserves for Company's shareholders				
Share Capital	15,802.50	15,802.50	15,802.50	15,802.50
Share Premium	65,259.02	64,608.36	65,259.02	64,608.36
Fair value reserves	49.81	49.81	49.81	49.81
Other reserves	38,869.75	36,005.07	38,516.32	35,734.75
Profits carried forward	1,558.35	9,342.87	1,286.50	8,933.35
	121,539.43	125,808.61	120,914.15	125,128.77
Minority Rights	0.12	0.07		
Total Equity	**121,539.55**	**125,808.68**	**120,914.15**	**125,128.77**
LIABILITIES				
Long term Liabilities				
Provision for employees benefit	4,326.74	3,842.83	4,260.11	3,800.54
Other Provisions	25.41	0.00	25.41	0.00
	4,352.15	3,842.83	4,285.52	3,800.54
Short term Liabilities				
Trade Creditors and other liabilities	21,696.57	13,255.79	20,031.74	12,093.15
Income Tax	18,537.97	16,323.09	17,972.79	14,960.64
Dividends Payable	42,140.00	36,872.50	42,140.00	36,872.50
	82,374.54	**66,451.38**	**80,144.53**	**63,926.29**
Total Liabilities	**86,726.69**	**70,294.21**	**84,430.05**	**67,726.83**
Total Equity and Liabilities	**208,266.24**	**196,102.89**	**205,344.20**	**192,855.60**

NET WORTH STATEMENT FOR THE PERIOD

Amounts in € thousand

	CONSOLIDATED ACCOUNTS		PARENT COMPANY	
	01/01-31/12/2005	01/01-31/12/2004	01/01-31/12/2005	01/01-31/12/2004
Net Worth for the Beginning of Period (1.1.2005 and 1.1.2004 respectively)	125,808.68	122,815.19	125,128.77	119,742.89
Profit for the Period, after Taxes	37,870.87	41,978.26	37,925.38	42,308.40
Dividends paid	-42,140.00	-36,872.50	-42,140.00	-36,872.50
Tax related to 2004 tax-free reserves.	0.00	-50.02	0.00	-50.02
Own equity of company that was sold on 06.12.04 and consolidated in the fiscal year 2003	0.00	-2,062.25	0.00	0.00
Net Worth for the End of Period (31.12.2005 and 31.12.2004 respectively)	**121,539.55**	**125,808.68**	**120,914.15**	**125,128.77**

INCOME STATEMENT ACCOUNTS FOR THE PERIOD

Amounts in € thousand

	CONSOLIDATED ACCOUNTS		PARENT COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Turnover	261,450.91	234,804.87	245,677.03	223,356.08
Cost of Goods Sold	-138,042.76	-117,363.31	-126,948.26	-110,052.02
Gross Profit	**123,408.15**	**117,441.56**	**118,728.77**	**113,304.06**
Other Income – Expenses (Net)	13,158.07	12,305.10	8,437.50	7,957.46
Administrative Expenses	-12,550.62	-12,842.69	-12,039.45	-12,296.56
Distribution & Operation Expenses	-69,955.06	-61,525.82	-62,696.30	-54,555.95
Other expenses	-817.98	-1,144.15	-800.93	-1,072.22
Profit before Interest and Taxes	**53,242.56**	**54,234.00**	**51,629.59**	**53,336.79**
Depreciation	4,796.83	4,319.28	4,596.32	4,152.21
Profit before Interest, Depreciation and Taxes (EBITDA)	**58,039.39**	**58,553.28**	**56,225.91**	**57,489.00**
Financial Income	3,166.28	4,067.35	4,268.58	4,908.52
Profit before Taxes	**56,408.84**	**58,301.35**	**55,898.17**	**58,245.31**
Less: Taxes	-18,537.97	-16,323.09	-17,972.79	-15,936.91
Profit after Taxes	**37,870.87**	**41,978.26**	**37,925.38**	**42,308.40**
Distributed into:				
Company's Shareholders	37,870.82	41,978.23	37,925,38	42,308.40
Minority Rights	0.05	0.03		
Earnings after Taxes per Share (in €)	0.72	0.80	0.72	0.80
Proposed Dividend per share (in €)			0.80	0.70

CASH FLOW STATEMENT

Amounts in € thousand

	CONSOLIDATED ACCOUNTS		PARENT COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Cash Flows from Operating Activities				
Profit before Taxes	56,408.84	58,301.35	55,898.17	58,245.31
Profit Adjustments due to the Following Transactions:				
Depreciation	4,796.83	4,319.28	4,596.32	4,152.21
Provisions	-98.46	189.82	-122.91	157.98
Results (Income) from Investment Activity	-3,330.68	-4,204.85	-4,405.39	-5,036.96
Debit Interest and Similar Expenses	152.40	137.51	136.80	128.44
Other Non Cash Expenses / Income	-18,537.97	-16,323.09	-17,972.79	-15,936.91
Operating Profit prior to Working Capital Changes	39,390.96	42,420.02	38,130.20	41,710.07
Decrease / (Increase) of Inventory	-12,461.00	-7,847.47	-10,671.57	-7,151.64
"Decrease / (Increase) of Customer Receivables and Other Accounts"	1,950.42	-3,402.65	-114.30	-3,596.60
Increase / (Decrease) of Current Liabilities (other than banks)	10,655.55	1,863.66	10,950.76	319.23
Cash Inflows from Core Operations	39,535.93	33,033.56	38,295.09	31,281.06
Debit Interest and Similar Expenses Paid	-152.40	-137.51	-136.80	-128.44
Total Cash Inflows from Operating Activities	39,383.53	32,896.05	38,158.29	31,152.62
Cash Flows from Investment Activities				
Purchase of Tangible and Intangible Fixed Assets	-10,738.40	-7,757.26	-9,636.24	-7,554.28
Interest Received	2,412.66	2,100.63	2,337.43	2,032.80
Dividends received	918.02	2,104.21	2,067.96	3,004.16
Total Inflow (Outflows) from Investment Activities	-7,407.72	-3,552.42	-5,230.85	-2,517.32
Cash Flows from Financing Activities				
Dividends Payment	-36,872.50	-31,605.00	-36,872.50	-31,605.00
Total Inflows (Outflows) from Financing Activities	-36,872.50	-31,605.00	-36,872.50	-31,605.00
Increase / (Decrease) in Cash	-4,896.69	-2,261.37	-3,945.06	-2,969.70
Cash, at the Beginning of the Period	69,098.21	71,359.58	64,941.78	67,911.48
Cash at the End of the Period	*64,201.52*	*69,098.21*	*60,996.72*	*64,941.78*

ADDITIONAL DATA AND INFORMATION

1. The following table presents the addresses and the ownership stakes of the Group's Companies:

Full Consolidation Method	Ownership
HELLENIC DUTY FREE SHOPS SA, Agios Stefanos	Parent
HELLENIC DISTRIBUTIONS SA, Agios Stefanos	99.99%
HDFS SKOPJE DOO (consolidated for the first time on 30.06.2005).	100.00%
HELLENIC TOURIST BUREAU S.A. Agios Stefanos, (consolidated for the first time on 30.09.2005).	99.99%

2. The Company compiled its financial statements according to the same basic accounting principles, used for the Balance Sheet as of 31.12.2004.

3. In the current Fiscal year and more specific on 01.10.2005 "THE NUANCE GROUP (HELLAS) S.A." was absorbed. The effect of this in the balance sheet does not exceed 25%.

4. Tax authorities have audited the Company up to the fiscal year 2004 and its subsidiary up to the fiscal year 2002, whereas for the non-audited financial years, the Company has made certain provisions.The company "THE NUANCE GROUP (HELLAS) S.A. that was consolidated has been audited by the the tax authorities up the fiscal year 2002. For the non-audited financial years 2003-2004 we predict that there will not be any tax audit diferences. For the rest of the companies we predict that there will not be any tax audit diferences.

5. The Company has not utilized any of its fixed assets as collateral against bank debt.

6. There are no pending judicial cases or court decisions that may have a significant effect on the financial statements or the operations of the Company.

7. Average number of employees at the end of the current period: 1,315 persons for the Group and 1,093 persons for the Company.

8. Investments in fixed assets for the year amounted to : €10,407.75 th. for the Group, and € 9,305.57 th. for the Company.

9. The Company's cumulative sales to the affiliated company, from the start of the period, amounts to €3,661.69 thousand. The balance of the Company's receivables against the affiliated companies amounts to €8,331.85 thousand.

10. Profits per Share were calculated based on the distribution of the profits divided to the total amount of shares.

11. The Financial Statemens for the fiscal year 2005 of the Group and the Company were approved by the Board of Directors of the Company on the 21.02.2006. The Members of the Board are: Panos Germanos, Koutsolioutsos Dimitrios, Kyriacopoulos Dimitrios, Velentzas George, Karagiannis Ioannis, Aronis George, Kezos Nikolaos, Kopola Efrosini, Koutsolioutsos George, Mantzavinos Zacharias, Chatziantoniou Apostolos, Victor Pizante, Fragos Dionisios.

12. Turnover breakdown based on classification STAKOD 91 is the following: 521.4.s.

AUDIT REPORT

To the Shareholders of «HELLENIC DUTY FREE SHOPS AE»

We have audited the accompanying financial statements of «HELLENIC DUTY FREE SHOPS AE» as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 20005, and of the results of its operations, its cash flows and the changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, February 23, 2006

GEORGIOS I. VARTHALITIS	**DIMITRIOS I. IAKOVIDIS**
Certified Public Accountant	Certified Public Accountant
SOEL Reg. No. 10251	SOEL Reg. No. 13251

SOL S.A. - Certified Auditors Accountants

GERMANOS POLSKA KAI TCM Sp. Z.o.o. CONSOLIDATED

BALANCE SHEET as of 31 DECEMBER 2005

5th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	2,515,042	3,583,520
Investments in Real Estate Assets	0	0
Goodwill		
Intangible Assets	1,178,612	1,172,913
Investments in Subsidiaries	0	0
Investments in Affiliated Companies (consolidated according to equity method)	0	0
Other Investments	0	0
Deferred Tax Receivables	46,540	0
Financial Assets Available for Sale	0	0
Financial Derivatives	0	0
Other Long-Term Receivables	0	0
	3,740,194	**4,756,433**
Current Assets		
Inventories	2,368,728	2,081,646
Construction Agreements	0	0
Customers and Other Commercial Receivables	1,307,241	-698,010
Financial Assets Available for Sale	0	0
Receivables from Group's Subsidiaries	3,431,331	5,437,315
Other Receivables	3,086,631	3,527,242
Other Current Assets	491,018	406,982
Financial Derivatives	0	0
Financial Assets at Fair Value through results	0	0
Cash and Cash Equivalents	483,501	427,265
	11,168,450	**11,182,440**
Fixed Assets classified as "Available for Sale"	0	0
Total Assets	**14,908,644**	**15,938,873**

LIABILITIES	2005	2004
Sharehoders' funds for parent company's shareholders		
Share Capital	6,788,282	6,788,282
Share Premium Account	0	0
Reserves at fair value	0	0
Other reserves	17,602	17,602
Reserves from balance sheet conversion	(5,275,335)	(5,192,974)
Results carried forward	(2,001,342)	(3,228,099)
Sharehoders' funds for parent company's shareholders	**-470,793**	**-1,615,189**
Minority Rights		
Total Shareholders' Funds	**-470,793**	**-1,615,189**
Long-Term Liabilities		
Long-Term Bank Debt	0	0
Derivative Financial Elements	0	0
Deferred Tax Liabilities	407,900	461,612
Retirement Benefits	0	0
Other Long-Term Liabilities	12,289	134,463
Long-Term Provisions	0	0
Total Long-Term Liabilities	**420,189**	**596,075**
Short-Term Liabilities		
Suppliers and Other Liabilities	3,631,382	1,050,517
Current Tax Liabilities	31,816	1,299
Short-Term Bank Debt	7,237,925	9,572,878
Long-Term Liabilities Payable in the Following Fiscal Year	0	0
Liabilities to Group's Subsidiaries	3,478,009	5,994,016
Derivative Financial Elements	0	0
Other Short-Term Liabilities	232,181	155,408
Short-Term Provisions	347,935	183,869
Total Short-Term Liabilities	**14,959,248**	**16,957,987**
Total Liabilities	**15,379,437**	**17,554,062**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**14,908,644**	**15,938,873**

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**70,361,092**	**36,581,130**
Cost of Sales	59,718,598	31,149,081
Gross Profit	**10,642,494**	**5,432,049**
Other Operating Income	3,040,004	3,414,738
Distribution Expenses	6,294,357	6,240,498
Administration Expenses	1,790,347	1,406,404
R&D Expenses	0	0
Other Operating Expenses	-2,943,848	-696,104
EBITDA	**2,653,946**	**503,781**
Depreciation	972,882	666,483
EBIT	**1,681,064**	**(162,702)**
Financial Income	10,061	2,236
Financial Expenses	564,620	410,435
Other Financial Results	0	0
Negative Goodwill Profit	0	0
Profit / Losses from related companies	0	0
Earnings before taxes	**1,126,505**	**(570,901)**
Income Tax	-100,252	461,612
Net Profit for the period from continuous activities	**1,226,757**	**(1,032,513)**
Non continuous activities		
KProfit for the period from non continuous activities	0	0
Net profit for the period	0	0
Distributed in :		
Shareholders of the parent company		
Minority rights		

REPORT OF INDEPENDENT ACCOUNTANTS TO THE MANAGEMENT OF TELECOMMUNICATION CENTER MOBILE Sp. Z.o.o.

We have audited the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for Telecommunication Center Mobile Sp. z o.o. (the "Company") expressed in Euro as of 31 December 2005 and for the year then ended. The accompanying special-purpose standard company forms have been prepared solely to enable GERMANOS Group of Companies S.A. to prepare consolidated financial statements and not to report on Telecommunication Center Mobile Sp. z o.o. as a separate entity. These standard forms are the responsibility of Telecommunication Center Mobile Sp. z o.o.'s management. Our responsibility is to express an opinion on these standard forms based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standard GERMANOS Group of Companies S.A. forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the standard GERMANOS Group of Companies S.A. forms. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the standard GERMANOS Group of Companies S.A. forms. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for Telecommunication Center Mobile Sp. z o.o. as of 31 December 2005 and for the year then ended have been prepared, in all material respects, to give the information required to be shown in accordance with the procedures contained in the GERMANOS Group of Companies S.A.'s accounting manual as well as the instructions received.

In current financial year the Company has recognized the costs of prior years, which were not reported in prior years special-purpose standard GERMANOS Group of Companies S.A. forms for Telecommunication Center Mobile Sp. z o.o.. The total value of costs, which should be recognized in prior years' special-purpose standard forms for Telecommunication Center Mobile Sp. z o.o. amounts to EUR 1,149 thousand. These costs relate to the costs of increase of allowance for doubtful debts of EUR 249 thousand, write-off of inventory of EUR 278 thousand, credit notes regarding sales in 2004 of EUR 150 thousand and services and other operating costs of the remaining EUR 472 thousand.

The above booking was necessary to align group reporting and statutory reporting and arose due to late adjustments made in the accounting records for statutory reporting purposes, where the books were closed for prior periods several months later than for group reporting.

Without further qualifying our opinion, we draw attention to the following matters:

a) In current year special-purpose standard GERMANOS Group of Companies S.A.forms for Telecommunication Center Mobile Sp. z o.o. the Company has recognized for the first time deferred tax and restated the opening balance in that respect accordingly. The opening balance of retained earnings has been therefore decreased by EUR 103 thousand comparing to the balance of retained earnings reported as at 31 December 2004.

b) These forms do not include all the disclosures and description of accounting policies, required by International Financial Reporting Standards (IFRS) and therefore they are not intended to present fairly the financial position of Telecommunication Center Mobile Sp. z o.o. as of 31 December 2005 or the results of its operations or its cash flows for the year then ended in conformity with IFRS. Only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement and explanatory notes can provide a fair presentation of the company's financial position and results of operations.

This report is intended solely for the use of GERMANOS Group of Companies S.A. and Telecommunication Center Mobile Sp. z o.o. in connection with the audit of the consolidated financial statements of GERMANOS Group of Companies S.A. and should not be used for any other purpose.

Warsaw, 10 February 2006

PRICEWATERHOUSECOOPERS

REPORT OF INDEPENDENT ACCOUNTANTS TO THE MANAGEMENT OF GERMANOS Polska Sp. Z .o.o.

We have audited the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for GERMANOS Polska Sp. z o.o. (the "Company") expressed in Euro as of 31 December 2005 and for the year then ended. The accompanying special-purpose standard company forms have been prepared solely to enable GERMANOS Group of Companies S.A. to prepare consolidated financial statements and not to report on GERMANOS Polska Sp. z o.o. as a separate entity. These standard forms are the responsibility of GERMANOS Polska Sp. z o.o.'s management. Our responsibility is to express an opinion on these standard forms based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standard GERMANOS Group of Companies S.A. forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the standard GERMANOS Group of Companies S.A. forms. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the standard GERMANOS Group of Companies S.A. forms. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for GERMANOS Polska Sp. z o.o. as of 31 December 2005 and for the year then ended have been prepared, in all material respects, to give the information required to be shown in accordance with the procedures contained in the GERMANOS Group of Companies S.A.'s accounting manual as well as the instructions received except as follows:

Investment in subsidiary TCM Sp. z o.o., amounting of EUR 6,817,191 is stated at cost, as permitted by IAS 27 'Consolidated and Separate Financial Statements'. However the Company did not produce reliable cash flow forecast to assess the recoverability of the carrying value of the investment in the subsidiary. Therefore, contrary to the requirements of IAS 36, Management has not carried out a review of this asset to determine whether an impairment write down should be applied to the amounts recorded in the balance sheet as at 31 December 2005.

In current financial year the Company has recognized the costs of prior years in the Profit and Loss account of 2005, which were not reported in prior years special-purpose standard GERMANOS Group of Companies S.A. forms for GERMANOS Polska Sp. z o.o.. The total value of costs, which should be recognized in prior years' special-purpose standard forms for GERMANOS Polska Sp. z o.o. amounts to EUR 1,567 thousand. These costs relate to the costs of increase of allowance for doubtful debts of EUR 568 thousand, net effect of EUR 236 thousand of expost received commission revenue and costs for year 2003, increase of provision for untaken holidays of EUR 82 thousand, increase of the allowance for slow-moving stock of EUR 27 thousand and services and other operating costs of the remaining EUR 654 thousand.

The above booking was necessary to align group reporting and statutory reporting and arose due to late adjustments made in the accounting records for statutory reporting purposes, where the statutory books were closed for prior periods several months later than for group reporting.

Without further qualifying the opinion, we draw attention to the following matters:

a) In current year special-purpose standard GERMANOS Group of Companies S.A. forms for GERMANOS Polska Sp. z o.o. the Company has recognized for the first time deferred tax and restated the opening balance in that respect accordingly. The opening balance of retained earnings has been therefore decreased by EUR 358 thousand comparing to the balance of retained earnings reported as at 31 December 2004.

b) These forms do not include all the disclosures and description jSf accounting policies, required by International Financial Reporting Standards (IFRS) and therefore they are not intended to present fairly the financial position of GERMANOS Polska Sp. z o.o. as of 31 December 2005 or the results of its operations or its cash flows for the year then ended in conformity with IFRS. Only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement and explanatory notes can provide a fair presentation of the company's financial position and results of operations.

This report is intended solely for the use of GERMANOS Group of Companies S.A. and GERMANOS Polska Sp. z o.o. in connection with the audit of the consolidated financial statements of GERMANOS Group of Companies S.A. and should not be used for any other purpose.

Warsaw, 10 February 2006

PRICEWATERHOUSECOOPERS

GTI Sp. Z.o.o.

BALANCE SHEET as of 31 DECEMBER 2005
5th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	495,082	536,916
Investments in Real Estate Assets		
Goodwill		
Intangible Assets	134,950	141
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables		
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables		
	630,032	537,057
Current Assets		
Inventories	1,076,765	1,319,427
Construction Agreements		
Customers and Other Commercial Receivables	4,797,732	9,245,663
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries	2,797	
Other Receivables	319,517	235,371
Other Current Assets	2,066,706	28,713
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	305,855	217,050
	8,569,372	11,046,224
Fixed Assets classified as "Available for Sale"		
Total Assets	9,199,404	11,583,281

LIABILITIES	2005	2004
Sharehoders' funds for parent company's shareholders		
Share Capital	42,138	42,138
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion	33,935	-18,538
Results carried forward	952,724	165,363
Sharehoders' funds for parent company's shareholders	**1,028,797**	**188,963**
Minority Rights		
Total Shareholders' Funds	1,028,797	188,963
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities	214,138	81,868
Retirement Benefits		
Other Long-Term Liabilities	101,500	129,257
Long-Term Provisions		
Total Long-Term Liabilities	315,638	211,125
Short-Term Liabilities		
Suppliers and Other Liabilities	4,880,433	8,935,382
Current Tax Liabilities	25,218	78,778
Short-Term Bank Debt	1,164,943	
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	93,071	75,247
Derivative Financial Elements		
Other Short-Term Liabilities	651,576	823,699
Short-Term Provisions	1,039,728	1,270,087
Total Short-Term Liabilities	**7,854,969**	**11,183,193**
Total Liabilities	8,170,607	11,394,318
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	9,199,404	11,583,281

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**17,673,302**	**15,248,168**
Cost of Sales	12,388,271	8,642,189
Gross Profit	**5,285,031**	**6,605,979**
Other Operating Income	325,250	76,605
Distribution Expenses	3,053,399	2,748,200
Administration Expenses	1,101,322	900,860
R&D Expenses		
Other Operating Expenses	(225,453)	(1,548,470)
EBITDA	**1,230,107**	**1,485,054**
Depreciation	122,473	62,284
EBIT	**1,107,634**	**1,422,770**
Financial Income	3,764	15,664
Financial Expenses	65,597	50,565
Other Financial Results		
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**1,045,801**	**1,387,869**
Income Tax	258,440	21,504
Net Profit for the period from continuous activities	787,361	1,366,365
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

REPORT OF INDEPENDENT ACCOUNTANTS TO THE MANAGEMENT OF GTI Sp. Z o.o.

We have audited the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for GTI Sp. z o.o. (the "Company") expressed in Euro as of 31 December 2005 and for the year then ended. The accompanying special-purpose standard company forms have been prepared solely to enable GERMANOS Group of Companies S.A. to prepare consolidated financial statements and not to report on GTI Sp. z o.o. as a separate entity. These standard forms are the responsibility of GTI Sp. z o.o.'s management. Our responsibility is to express an opinion on these standard forms based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standard GERMANOS Group of Companies S.A. forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the standard GERMANOS Group of Companies S.A. forms. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the standard GERMANOS Group of Companies S.A. forms. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying special-purpose standard GERMANOS Group of Companies S.A. forms for GTI Sp. z o.o. as of 31 December 2005 and for the year then ended have been prepared, in all material respects, to give the information required to be shown in accordance with the procedures contained in the GERMANOS Group of Companies S.A.'s accounting manual as well as the instructions received..

Without qualifying the opinion, we draw attention to the following matters:

a) the special-purpose standard GERMANOS Group of Companies S.A. forms for GTISp. z o.o. as at and for the year ended 31 December 2004 were not audited. When auditing the Company's special-purpose standard company forms as at and for the year ended 31 December 2005, we reviewed the opening balance sheets to the extent necessary to express an opinion on the 2005 forms. Therefore, we do not express an opinion on the comparative data as at 31 December 2004 and the year then ended.

b) In current year the special-purpose standard GERMANOS Group of Companies S.A. forms for GTI Sp. z o.o. the Company has recognized for the first time deferred tax and restated the opening balance in that respect accordingly. The opening balance of retained earnings has been therefore decreased by EUR 82 thousand comparing to the balance of retained earnings reported as at 31 December 2004.

c) These forms do not include all the disclosures and description of accounting policies, required by International Financial Reporting Standards (IFRS) and therefore they are not intended to present fairly the financial position of GTI Sp. z o.o. as of 31 December 2005 or the results of its operations or its cash flows for the year then ended in conformity with IFRS. Only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement and explanatory notes can provide a fair presentation of the company's financial position and results of operations.

This report is intended solely for the use of GERMANOS Group of Companies S.A. and GTI Sp. z o.o. in connection with the audit of the consolidated financial statements of GERMANOS Group of Companies S.A. and should not be used for any other purpose.

Warsaw, 10 February 2006

PRICEWATERHOUSECOOPERS

CONSOLIDATED BALANCE SHEET GERMANOS TELECOM ROMANIA & SUNLIGHT FILIALA

BALANCE SHEET as of 31 DECEMBER 2005

5th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	**2005**	**2004**
Non Current Assets		
Tangible Assets	4,658,692	3,847,197
Investments in Real Estate Assets	0	0
Goodwill	0	0
Intangible Assets	5,910,595	6,009,307
Investments in Subsidiaries	0	0
Investments in Affiliated Companies (consolidated according to equity method)	0	0
Other Investments	0	0
Deferred Tax Receivables	0	0
Financial Assets Available for Sale	0	0
Financial Derivatives	0	0
Other Long-Term Receivables	347,997	83,707
	10,917,284	**9,940,211**
Current Assets		
Inventories	12,067,915	4,815,284
Construction Agreements	0	0
Customers and Other Commercial Receivables	22,801,692	15,636,513
Financial Assets Available for Sale	0	0
Receivables from Group's Subsidiaries	39,555	71,756
Other Receivables	5,384,609	556,502
Other Current Assets	207,053	422,703
Financial Derivatives	0	0
Financial Assets at Fair Value through results	0	0
Cash and Cash Equivalents	262,257	994,239
	40,763,081	**22,496,997**
Fixed Assets classified as "Available for Sale"	0	0
Total Assets	**51,680,365**	**32,437,208**

LIABILITIES		
Sharehoders' funds for parent company's shareholders		
Share Capital	12,282,200	12,282,200
Share Premium Account	0	0
Reserves at fair value	-1,324,922	-1,324,922
Other reserves	3,430	3,430
Reserves from balance sheet conversion	(1,183,402)	(213,999)
Results carried forward	(587,179)	(5,106,757)
Sharehoders' funds for parent company's shareholders	**9,190,127**	**5,639,952**
Minority Rights		
Total Shareholders' Funds	**9,190,127**	**5,639,952**
Long-Term Liabilities		
Long-Term Bank Debt	0	0
Derivative Financial Elements	0	0
Deferred Tax Liabilities	352,623	423,453
Retirement Benefits	0	0
Other Long-Term Liabilities	54,728	47,255
Long-Term Provisions	0	0
Total Long-Term Liabilities	**407,351**	**470,708**
Short-Term Liabilities		
Suppliers and Other Liabilities	15,625,090	11,959,731
Current Tax Liabilities	222,376	20,895
Short-Term Bank Debt	19,404,198	13,536,885
Long-Term Liabilities Payable in the Following Fiscal Year	130,957	50,809
Liabilities to Group's Subsidiaries	2,926,843	209,846
Derivative Financial Elements	0	0
Other Short-Term Liabilities	3,773,423	439,846
Short-Term Provisions	0	108,536
Total Short-Term Liabilities	**42,082,887**	**26,326,548**
Total Liabilities	**42,490,238**	**26,797,256**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**51,680,365**	**32,437,208**

INCOME STATEMENT 31 DECEMBER 2005	**2005**	**2004**
Turnover	**94,422,169**	**55,077,165**
Cost of Sales	81,437,310	46,772,399
Gross Profit	**12,984,859**	**8,304,766**
Other Operating Income	2,727,390	3,011,779
Distribution Expenses	5,058,021	5,476,982
Administration Expenses	872,611	959,297
R&D Expenses	0	0
Other Operating Expenses	(2,815,708)	(1,499,000)
EBITDA	**12,597,325**	**6,379,266**
Depreciation	1,432,416	1,335,099
EBIT	**11,164,910**	**5,044,167**
Financial Income	4,539	18,346
Financial Expenses	676,546	733,415
Other Financial Results	0	0
Negative Goodwill Profit	0	0
Profit / Losses from related companies	0	0
Earnings before taxes	**10,492,903**	**4,329,098**
Income Tax	127,910	423,452
Net Profit for the period from continuous activities	**10,364,993**	**3,905,646**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

INDEPENDENT AUDITORS REPORT TO THE GROUP AUDITORS OF GERMANOS GREECE

1 We have audited the accompanying balance sheet of Germanos Telecom Romania SA (the Company) as at 31 December 2005, the related statements of income and cash flows for the year then ended and related notes together referred as the Group Reporting Package (GRP). This GRP is prepared for Germanos Romania SA on a stand alone basis, not consolidated with its subsidiary, Sunlight Romania Filiala Bucuresti SRL, which is presented under investments at acquisition cost. This GRP is the responsibility of the Company s management. Our responsibility is to express an opinion on this GRP based on our audit.

2 Except for the matters described in paragraph 3, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the GRP is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the GRP. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall GRP presentation. We believe that our audit provides a reasonable basis for our opinion.

3 We have not obtained independent confirmations for trade receivables of RON 491,612 (EUR 133,696 equivalent) as at 31 December 2004, trade payables of RON 667,493 (EUR 181,527 equivalent) as at 31 December 2004 and advances from customers of RON 281,607 (EUR 76,584 equivalent) as at 31 December 2004. There were no alternative procedures we could perform to obtain sufficient appropriate audit evidence regarding the above mentioned balances as at 31 December 2004. Our audit report as at and for the year ended 31 December 2004 was modified accordingly.

4 The Company has a contractual relationship with CFR SA, a state owned company, for delivering Sunlight batteries. In accordance with the provisions of this contract, the Company computed and recorded penalties and foreign exchange differences for the outstanding debts of CFR Marfa as at 31 December 2004. The recovery of these penalties is uncertain and the above practice, in our opinion, is not in accordance with IAS 18 Revenues (IAS 18) which requires that revenue should be recognized only when it is probable that the economic benefits associated with a transaction will flow to the Company. The effect of this departure from IAS 18 is an overstatement of revenues for the year ended 31 December 2004 og RON 3,223,532 (EUR 879,041 equivalent) and an overstatement of trade receivables as at 31 December 2004 by the same amount. Our audit report for the year ended 31 December 2004 was modified accordingly. During 2005 the Company reversed the above mentioned penalties and foreign exchange differencies without modifying the balances as at 31 December 2004, The effect of this adjustment is an understatement of the profit and loss account for the year ended 31 December 2005 of RON 3,223,532 (EUR 879,041 equivalent) and an overstatement of retained earnings as at 31 December 2005 by the same amount.

5 The GRP has been prepared solely to enable Germanos Greece to prepare consolidated financial statements and not to report on the Company as a separate entity. Accordingly, the GRP is not intended to, and does not present fairly the financial position of the Company in accordance with International Financial Reporting Standards (IFRS).

6 In our opinion, except for the effects on the GRP as at 31 December 2005 of the matter described in paragraph 4, the GRP has been properly prepared, in all material respects, to give the information required to be shown in accordance with Germanos Accounting Manual.

7 Without further qualifying our opinion, we draw attention to the fact that the accounting policies used for the preparation of the GRP are detailed in the Germanos Accounting Manual. Differences between this Manual and IFRS include but are not limited to:

- Non consolidation of subsidiaries;
- No hyperinflationary accounting; based on instructions from Germanos Greece, re-measurement of non-monetary assets and liabilities and transactions is based on IAS 21;
- No accounting policy for the requirements of IAS 39 Financial Instruments ;
- Non-application of the provision of IFRS 3 Business Combinations regarding non-amortisation of goodwill and testing it for impairment;
- Capitalisation of know-how as intangible assets; and

In the absence of specific accounting policies in the Germanos Accounting Manual, unless specifically instructed by the Group, the Company has used relevant guidance in IFRS.

8 This report is solely for use by the Group Auditors of Germanos Greece in connection with their audit of the consolidated financial statements of Germanos Greece and is not to and should not be used by anyone other than them and for any other purposes.

PricewaterhouseCoopers Audit SRL

Budapest, 10 February 2005

PRICEWATERHOUSECOOPERS

INDEPENDENT AUDITOR'S REPORT TO THE GROUP AUDITORS OF GERMANOS GREECE

1 We have audited the accompanying balance sheet of Sunlight Romania Filiala Bucuresti SRL (the "Company") as at 31 December 2005. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

2 We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

3 The balance sheet has been prepared solely to enable Germanos Greece to prepare consolidated financial statements and not to report on the Company as a separate entity. Accordingly, the balance sheet is not intended to, and does not present fairly the financial position of the Company in accordance with International Reporting Standards ("IFRS").

4 In our opinion, the balance sheet has been properly prepared, in all material respects, to give the information required to be shown in accordance with Germanos Accounting Manual.

5 Without qualifying our opinion, we draw attention to the following:

a) The accounting policies used for the preparation of the balance sheet are detailed in the Germanos Accounting Manual. Differences between this Manual and IFRS include but are not limited to:

- Non consolidation of subsidiaries;
- No hyperinflationary accounting; based on instructions from Germanos Greece, re-measurement of non-monetary assets and liabilities and transactions is based on IAS 21;
- No accounting policy for the requirements of IAS 39 "Financial Instruments";
- Non-application of the provision of IFRS 3 "Business Combinations" regarding non-amortisation of goodwill and testing it for impairment;
- Capitalisation of know-how as intangible assets; and
- No accounting policy with regard to business acquisitions.

In the absence of specific accounting policies in the Germanos Accounting Manual, unless specifically instructed by the Group, the Company has used relevant guidance in IFRS.

b) The Company has statutory accumulated losses of RON 3,315,085 (EUR 901,549 equivalent) for the year ended 31 December 2005, which are in excess of the statutory share capital of RON 2,000,200 (EUR 543,961 equivalent) as at 31 December 2005. In accordance with the Company Law 31/1990 republished (including further amendments), the Company' administrators should ask for a General Shareholders' Meeting in nine month period from the date at which the net assets of the Company, representing the difference between total statutory assets and total statutory liabilities, are 50% less than the statutory share capital. The possible effects of the above mentioned issue cannot be estimated at the date of this report and therefore, the balance sheet does not include any adjustments, presentations and disclosures which might result as a consequence of this matter.

6 This report is solely for use by the Group Auditors of Germanos Greece in connection with their audit of the consolidated financial statements of Germanos Greece is not to and should not be used by anyone other than them and for any other purposes.

PricewaterhouseCoopers Audit SRL

Budapest, 10 February 2005

PRICEWATERHOUSECOOPERS

GERMANOS TELECOM BULGARIA

BALANCE SHEET as of 31 DECEMBER 2005

5th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	3,186,005	1,502,888
Investments in Real Estate Assets		
Goodwill		
Intangible Assets	1,280,831	1,225,929
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables		
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables	3,935	12,009
	4,470,771	**2,740,826**
Current Assets		
Inventories	4,773,169	3,487,608
Construction Agreements		
Customers and Other Commercial Receivables	7,299,302	5,767,138
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries	65,937	188,737
Other Receivables	116,016	180,906
Other Current Assets	98,528	90,022
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	3,516,817	2,099,957
	15,869,769	**11,814,368**
Fixed Assets classified as "Available for Sale"		
Total Assets	**20,340,540**	**14,555,194**

LIABILITIES	2005	2004
Sharehoders' funds for parent company's shareholders		
Share Capital	2,760,976	2,760,976
Share Premium Account		
Reserves at fair value		
Other reserves	259,127	26,843
Reserves from balance sheet conversion		
Results carried forward	3,739,254	3,414,020
Sharehoders' funds for parent company's shareholders	**6,759,357**	**6,201,839**
Minority Rights		
Total Shareholders' Funds	**6,759,357**	**6,201,839**
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities	-122,777	-89,570
Retirement Benefits		
Other Long-Term Liabilities		
Long-Term Provisions	239,678	145,664
Total Long-Term Liabilities	**116,901**	**56,094**
Short-Term Liabilities		
Suppliers and Other Liabilities	8,600,841	6,156,177
Current Tax Liabilities	792,466	882,885
Short-Term Bank Debt		
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	2,494,391	1,140,506
Derivative Financial Elements		
Other Short-Term Liabilities	1,576,584	117,693
Short-Term Provisions		
Total Short-Term Liabilities	**13,464,282**	**8,297,261**
Total Liabilities	**13,581,183**	**8,353,355**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**20,340,540**	**14,555,194**

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**56,011,049**	**40,916,474**
Cost of Sales	44,960,367	33,533,027
Gross Profit	**11,050,682**	**7,383,447**
Other Operating Income	432,576	1,060,364
Distribution Expenses	5,785,120	4,099,866
Administration Expenses	1,240,208	932,292
R&D Expenses		
Other Operating Expenses	(302,836)	(1,118,169)
EBITDA	**4,155,094**	**2,293,484**
Depreciation	327,060	283,404
EBIT	**3,828,034**	**2,010,080**
Financial Income	29,283	2,312
Financial Expenses	58,855	92,813
Other Financial Results		
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**3,798,462**	**1,919,579**
Income Tax	553,778	666,664
Net Profit for the period from continuous activities	**3,244,684**	**1,252,915**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

REPORT OF INDEPENDENT ACCOUNTANTS

To the shareholders of Germanos Telecom Bulgaria AD

Business Park
Mladost 4
Sofia, Bulgaria

We have audited the accompanying special-purpose standard Germanos Group of Companies forms (Group reporting package) for Germanos Telecom Bulgaria AD expressed in EURO as of 31 December 2005 and for the year then ended. The accompanying special-purpose standard company forms have been prepared solely to enable Germanos Group of Companies to prepare consolidated financial statements and not to report on Germanos Telecom Bulgaria AD as a separate entity. These standard forms are the responsibility of Germanos Telecom Bulgaria AD's management. Our responsibility is to express an opinion on these standard forms based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standard Germanos Group of Companies forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the standard Germanos Group of Companies forms. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the standard Germanos Group of Companies forms. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying special-purpose standard company forms for Germanos Telecom Bulgaria AD as of 31 December 2005 and for the year then ended have been prepared, in all material respects, to give the information required to be shown in accordance with the procedures contained in the Germanos Group of Companies's accounting manual.

Without qualifying our opinion, we draw attention to the fact that these forms do not include all the disclosures and description of accounting policies, required by International Financial Reporting Standards (IFRS) and therefore they are not intended to present fairly the financial position of Germanos Telecom Bulgaria AD as of 31 December 2005 or the results of its operations or its cash flows for the year then ended in conformity with IFRS. Only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement and explanatory notes can provide a fair presentation of the company's financial position and results of operations.

This report is intended solely for the use of Germanos Group of Companies and Germanos Telecom Bulgaria AD management in connection with the audit of the consolidated financial statements of Germanos Group of Companies and should not be used for any other purpose.

PricewaterhouseCoopers Audit OOD

Sofia, 10 February 2006

PRICEWATERHOUSECOOPERS

GERMANOS TELECOM SKOPJE

BALANCE SHEET AS OF 31 DECEMBER 2005

4TH FINANCIAL YEAR (1 JANUARY - 31n DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	546,659	574,934
Investments in Real Estate Assets		
Goodwill		
Intangible Assets	173,095	176,068
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables		
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables	26,839	11,273
	746,593	762,275
Current Assets		
Inventories	1,371,589	1,003,923
Construction Agreements		
Customers and Other Commercial Receivables	577,589	818,248
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries	2,459	56,887
Other Receivables	117,565	131,211
Other Current Assets	111,247	46,712
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	500,414	485,579
	2,680,863	2,542,560
Fixed Assets classified as "Available for Sale"		
Total Assets	3,427,456	3,304,835

LIABILITIES		
Sharehoders' funds for parent company's shareholders		
Share Capital	500,000	500,000
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion	(21,547)	78,030
Results carried forward	223,930	40,378
Sharehoders' funds for parent company's shareholders	702,383	618,408
Minority Rights		
Total Shareholders' Funds	702,383	618,408
Long-Term Liabilities		
Long-Term Bank Debt	0	3.767
Derivative Financial Elements		
Deferred Tax Liabilities	16,493	17,366
Retirement Benefits		
Other Long-Term Liabilities	0	0
Long-Term Provisions		
Total Long-Term Liabilities	**16,493**	**21,133**
Short-Term Liabilities		
Suppliers and Other Liabilities	1,942,889	1,537,216
Current Tax Liabilities	2,831	53,347
Short-Term Bank Debt	180,392	1,023,281
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	572,054	42,315
Derivative Financial Elements		
Other Short-Term Liabilities	10,414	9,135
Short-Term Provisions		
Total Short-Term Liabilities	2,708,580	2,665,294
Total Liabilities	2,725,073	2,686,427
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	3,427,456	3,304,835

INCOME STATEMENT	2005	2004
Turnover	**11,557,131**	**9,033,315**
Cost of Sales	9,775,991	7,517,457
Gross Profit	**1,781,140**	**1,515,858**
Other Operating Income	70,242	762,492
Distribution Expenses	951,578	1,303,415
Administration Expenses	334,602	263,331
R&D Expenses		
Other Operating Expenses	(152,703)	227,351
EBITDA	**412,499**	**484,253**
Depreciation	136,056	115,300
EBIT	**276,443**	**368,953**
Financial Income	2,692	1,009
Financial Expenses	160,827	208,809
Other Financial Results		78,030
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**118,308**	**239,183**
Income Tax	**12,786**	**17,366**
Net Profit for the period from continuous activities	105,522	221,817
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

REPORT OF THE AUDITORS

Germanos Telekom AD Skopje

We have audited the accompanying special-purpose financial statements of Germanos Telekom AD Skopje as of 31 December 2005 which were prepared in accordance with Germanos Group accounting policies as set out in Note 2. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements have been prepared solely to enable Germanos SA, the parent company, to prepare consolidated financial statements and not to report on Germanos Telekom AD as a separate entity.

In our opinion, the accompanying special-purpose financial statements prepared for the Group consolidation purposes present fairly, in all material respects, the financial position of Germanos Telekom AD Skopje as at 31 December 2005 in accordance with the Germanos Group accounting policies.

This report is intended solely for the use of Germanos Group auditor's, in connection with the audit of the consolidated financial statements of the Germanos Group for the year ended 31 December 2005 and should not be used for any other purpose.

PricewaterhouseCoopers dooel

Skopje, 8 February 2006

PRICEWATERHOUSECOOPERS

GERMANOS CYPRUS & INFOTEL LIMITED

BALANCE SHEET as of 31 DECEMBER 2005

ASSETS	2005 £	2004
Non – Current Assets		
Buildings, installations and equipment	691,756	713,193
Intangible Assets	297,162	711,760
	988,918	1,424,953
Current Assets		
Inventory	812,800	1,029,346
Commercial and Other Receivables	869,025	817,077
Cash in hand and at bank	6,699	85,167
	1,688,524	1,931,590
Total Assets	2,677,442	3,356,543

LIABILITIES	2005 £	2004 £
Shareholders' Funds and Liabilities		
Equity and Reserves		
Share Capital	2,860,000	2,860,000
Revenue Reserve	(4,675,341)	(3,593,023)
Total Shareholders' Funds	(1,815,341)	(733,023)
Non Current Liabilities		
Bank Debt	113,809	138,915
Total Non Current Liabilities	113,809	138,915
Current Liabilities		
Bank Credit	1,229,107	2,027,592
Advances from Factoring Companies	57,371	77,602
Bank Debt	36,516	86,409
Commercial and Other Liabilities	3,055,980	1,759,048
Total Current Liabilities	4,378,974	3,950,651
Total Liabilities	4,492,783	4,089,566
Total Shareholders' Funds and Liabilities	2,677,442	3,356,543

INCOME STATEMENT FINANCIAL YEAR ENDING AT 31 DECEMBER 2005

Turnover	8,224,810	8,676,386
Cost of Goods Sold	(7,101,086)	(7,750,898)
Gross Profit	1,123,724	925,488
Other income from operations	493,501	326,955
Administrative and sale expenses	(2,430,135)	(2,179,580)
Losses from Operations before financial expenses	(812,910)	(927,137)
Financing Expenses	(269,408)	(299,190)
Loss for the financial year	(1,082,318)	(1,226,327)

CASH FLOW STATEMENT FINANCIAL YEAR ENDING ON 31 DECEMBER 2005

Cash Flow from Operations		
Loss for the year	(1,082,318)	(1,226,327)
Adjustments of:		
Depreciation of buildings, installations and equipment	121,878	143,079
Depreciation of Intangible Assets	40,334	82,300
Loss/(profit) from the sale of buildings, installations And equipment	1,961	(347)
Intangible Assets' Write-off	393,489	-
Interest Payable	186,459	226,863
Loss for the year before changes in working capital	(338,197)	(774,432)
Decrease in inventories	216,546	292,327
Increase in Commercial and Other Receivables	(51,948)	(205,374)
Increase in Commercial and Other Liabilities	1,296,932	704,304
Net Cash Flow from Operations	1,123,333	16,825
Cash Flow for Investment Activities		
Payments for purchase of buildings, install. and equipment	(119,802)	(188,080)
Payments for purchase of intangible assets	(19,225)	(29,406)
Payments from sale of buildings, install. and equipment	17,400	10,631
Net cash flow for investment activities	(121,627)	(206,855)
Cash flow for investment activities		
Proceeds from capital issues	-	300,000
Decrease in advance payments from Factoring companies	(20,231)	(3,369)
Loan Payment	(74,999)	(144,547)
Interest Payment	(186,459)	(226,863)
Net Cash Flow from Financing Activities	(281,689)	(74,779)
Net Increase / (Decrease) in Cash and Cash Equivalents	720,017	(264,809)
Cash and Cash Equivalents at Beginning of Year	(1,942,425)	(1,677,616)
Cash and Cash Equivalents at Year-End	(1,222,408)	(1,942,425)
Cash and Cash Equivalents consist of:		
Cash in hand and at bank	6,699	85,167
Bank withdrawals	(1,229,107)	(2,027,592)
	(1,222,408)	(1,942,425)

AUDITORS REPORT

Year that ended at 31 December 2005

According to our best knowledge, we believe the following:

1. The aggregate income for the year was recorded correctly in the accounting books, which were presented to KPMG.
2. The aggregate expenses for the year relate to expenditures, which were exclusively made for the generation of the above income, mentioned in the previous paragraph. The expenses were recorded correctly in the accounting books, which were presented to KPMG.
3. All transactions, which affect the company's financial status for the year under consideration, were correctly recorded in the accounting books and the corresponding documents were presented to KPMG.
4. All reserves were correctly recorded and any necessary provision was made in the accounting books, which were presented to KPMG.
5. Total assets and total liabilities were correctly recorded, as of 31 December 2005, in the accounting books, presented to KPMG.
6. As of 31 December 2005, no capital liabilities existed apart from those mentioned in the financial statements.
7. The Company had no significant liabilities, arising from legal cases or other issues, apart from those presented in the financial statements.
8. Since December 31st, 2005, no events took place that could seriously affect the true and fair value of the financial statements as of 31 December 2005.

Nicosia, 6 February 2006

GERMANOS TELECOM UKRAINE

BALANCE SHEET as of 31 DECEMBER 2005

2nd FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	1,542,919	45,972
Investments in Real Estate Assets		
Goodwill		
Intangible Assets	812,794	0
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables	559,872	
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables		
	2,915,585	45,972
Current Assets		
Inventories	1,220,425	1,479
Construction Agreements		
Customers and Other Commercial Receivables	1,909	
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries	274,288	
Other Receivables	894,213	107,922
Other Current Assets	78,180	224,987
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	270,256	8,349
	2,739,271	342,737
Fixed Assets classified as "Available for Sale"		
Total Assets	5,654,856	388,709

LIABILITIES	2005	2004
Sharehoders' funds for parent company's shareholders		
Share Capital	1,945,920	41,664
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion	230,861	
Results carried forward	(1,719,182)	
Sharehoders' funds for parent company's shareholders	**457,599**	**41,664**
Minority Rights		
Total Shareholders' Funds	**457,599**	**41,664**
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities	0	0
Retirement Benefits		
Other Long-Term Liabilities		
Long-Term Provisions		
Total Long-Term Liabilities	**0**	**0**
Short-Term Liabilities		
Suppliers and Other Liabilities	1,065,771	102
Current Tax Liabilities	545	11,271
Short-Term Bank Debt	4,000,000	310,861
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	110,103	24,705
Derivative Financial Elements		
Other Short-Term Liabilities	20,838	106
Short-Term Provisions		
Total Short-Term Liabilities	**5,197,257**	**347,045**
Total Liabilities	**5,197,257**	**347,045**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	5,654,856	388,709

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**6,877,274**	
Cost of Sales	6,774,268	
Gross Profit	**103,006**	**0**
Other Operating Income	136,340	
Distribution Expenses	1,839,890	
Administration Expenses	332,659	
R&D Expenses		
Other Operating Expenses	(18,561)	
EBITDA	**(1,951,764)**	**0**
Depreciation	196,532	59
EBIT	**(2,148,296)**	**(59)**
Financial Income	2,556	
Financial Expenses	98,330	1,037
Other Financial Results	0	1,096
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**(2,244,070)**	**0**
Income Tax	**(524,888)**	
Net Profit for the period from continuous activities	**(1,719,182)**	**0**
Non continuous activities:		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

INDEPENDENT AUDITORS' REPORT

To the auditors of Germanos S.A.:

We have audited the consolidation reporting package of Closed Joint Stock Company "Germanos Telecom Ukraine" (referred hereinafter the "Company") as of 31 December 2005 and for the year then ended, that includes balance sheet as of 31 December 2005 and statements of profit and loss, changes in shareholders' equity, cash flows for the year then ended, and other supplementary schedules (hereinafter referred to as the "consolidation reporting package"). The consolidation reporting package is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidation reporting package based on our audit. The scope and procedures performed were based on the audit materiality level of Euro 1,000 thousand, which may be higher than that appropriate for the purpose of forming an opinion on the consolidation reporting package of the Company on a stand alone basis.

As described therein, the consolidation reporting package of the Company has been prepared in accordance with Germanos group of companies accounting manual for inclusion in the consolidated financial statements of Germanos S.A. (hereinafter referred to as the "Parent") and is intended solely for that purpose.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidation reporting package is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidation reporting package. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidation reporting package presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, except for the effects of any adjustments that might have been identified had we used a lower audit materiality level appropriate for the purpose of forming an opinion on the consolidation reporting package of the Company on the stand alone basis rather than the audit materiality level referred to above, the consolidation reporting package as of 31 December 2005 and for the year then ended, showing total assets in th? amount of Euro 5,655 thousand, total liabilities - Euro 5,197 thousand, total equity - Euro 458 thousand, net loss after tax - Euro 1,719 thousand, has been prepared in accordance with the Germanos group of companies accounting manual and the disclosure and presentation requirements of the Parent as contained in the consolidation reporting package.

We limit our opinion on the consolidation reporting package to the amounts stated in the consolidation reporting package presentation currency - Euro. We express no opinion on amounts in the consolidation reporting package stated in currencies other than Euro.

We were not engaged to audit the amounts and disclosures provided in the consolidation package as of 31 December 2004 and for the year then ended, and accordingly, we do not express an opinion on comparative information presented in the consolidation reporting package.

Without qualifying our opinion, we draw your attention to the issues stated in the Appendix A to the Independent auditors' report.

This report is intended solely for the use of the auditors of Germanos S.A. in connection with the audit of thexonsolidated financial statements of Germanos S.A., and should not be used for any other purpose.

Deloitte

Kyiv, 27 January 2006

Deloitte.

SUNLIGHT UKRAINE

BALANCE SHEET as of 31 DECEMBER 2005
4th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	873,180	144,779
Investments in Real Estate Assets		
Goodwill		
Intangible Assets	50,825	20,298
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables	0	163,205
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables		
	924,005	328,282
Current Assets		
Inventories	1,255,976	345,946
Construction Agreements		
Customers and Other Commercial Receivables	996,417	153,537
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries	45,041	24,705
Other Receivables	436,554	359,796
Other Current Assets		
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	245,332	134,568
	2,979,320	1,018,552
Fixed Assets classified as "Available for Sale"		
Total Assets	3,903,325	1,346,834

LIABILITIES	2005	2004
Sharehoders' funds for parent company's shareholders		
Share Capital	1,346,257	346,257
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion	(160,756)	66,382
Results carried forward	(602,411)	(681,099)
Sharehoders' funds for parent company's shareholders	**583,090**	**-268,460**
Minority Rights		
Total Shareholders' Funds	**583,090**	**-268,460**
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities	15,929	
Retirement Benefits		
Other Long-Term Liabilities		
Long-Term Provisions		
Total Long-Term Liabilities	**15,929**	**0**
Short-Term Liabilities		
Suppliers and Other Liabilities	1,044,968	15,156
Current Tax Liabilities		38,771
Short-Term Bank Debt	1,200,000	350,000
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	1,003,321	1,204,576
Derivative Financial Elements		
Other Short-Term Liabilities	56,017	6,791
Short-Term Provisions		
Total Short-Term Liabilities	**3,304,306**	**1,615,294**
Total Liabilities	**3,320,235**	**1,615,294**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**3,903,325**	**1,346,834**

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**8,268,003**	**1,147,416**
Cost of Sales	7,074,817	960,385
Gross Profit	**1,193,186**	**187,031**
ΛOther Operating Income	656,828	142,043
Distribution Expenses	904,829	200,353
Administration Expenses	506,233	116,714
R&D Expenses		
Other Operating Expenses	(42,161)	(228,995)
EBITDA	**396,791**	**(216,988)**
Depreciation	107,368	16,044
EBIT	**289,423**	**(233,032)**
Financial Income	1,665	3,961
Financial Expenses	44,459	4,138
Other Financial Results	0	
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**246,629**	**(233,209)**
Income Tax	**167,941**	**(163,205)**
Net Profit for the period from continuous activities	**78,688**	**(70,004)**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

INDEPENDENT AUDITORS' REPORT

To the auditors of Germanos S.A.:

We have audited the consolidation reporting package of Limited Liability Company "Sunlight Ukraine S.R.L." (referred hereinafter the "Company") as of 31 December 2005 and for the year then ended, that includes balance sheet as of 31 December 2005 and statements of profit and loss, changes in shareholders' equity, cash flows for the year then ended, and other supplementary schedules (hereinafter referred to as the "consolidation reporting package"). The consolidation reporting package is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidation reporting package based on our audit. The scope and procedures performed were based on the audit materiality level of Euro 1,000 thousand, which may be higher than that appropriate for the purpose of forming an opinion on the consolidation reporting package of the Company on a stand alone basis.

As described therein, the consolidation reporting package of the Company has been prepared in accordance with Germanos group of companies accounting manual for inclusion in the consolidated financial statements of Germanos S.A. (hereinafter referred to as the "Parent") and is intended solely for that purpose.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidation reporting package is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidation reporting package. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidation reporting package presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, except for the effects of any adjustments that might have been identified had we used a lower audit materiality level appropriate for the purpose of forming an opinion on the consolidation reporting package of the Company on the stand alone basis rather than the audit materiality level referred to above, the consolidation reporting package as of 31 December 2005 and for the year then ended, showing total assets in the amount of Euro 3,903 thousand, total liabilities - Euro 3,320 thousand, total equity - Euro 583 thousand, net income after tax - Euro 79 thousand, has been prepared in accordance with the Germanos group of companies accounting manual and the disclosure and presentation requirements of the Parent as contained in the consolidation reporting package.

We limit our opinion on the consolidation reporting package to the amounts stated in the consolidation reporting package presentation currency - Euro. We express no opinion on amounts in the consolidation reporting package stated in currencies other than Euro.

We were not engaged to audit the amounts and disclosures provided in the consolidation package as of 31 December 2004 and for the year then ended, and accordingly, we do not express an opinion on comparative information presented in the consolidation reporting package.

Without qualifying our opinion, we draw your attention to the issues stated in the Appendix A to the Independent auditors' report.

This report is intended solely for the use of the auditors of Germanos S.A. in connection with the audit of the consolidated financial statements of Germanos S.A., and should not be used for any other purpose.

Deloitte

Kyiv, 27 January 2006

Deloitte.

SUNLIGHT TRADING D.O.O. BEOGRAD

BALANCE SHEET as of 31 DECEMBER 2005

1st FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	26,585	0
Investments in Real Estate Assets		
Goodwill		
Intangible Assets		
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables		
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables		
	26,585	**0**
Current Assets		
Inventories	77,059	0
Construction Agreements		
Customers and Other Commercial Receivables	5,108	0
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries		
Other Receivables	10,599	0
Other Current Assets	0	0
Financial Derivaties		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	14,904	0
	107,670	**0**
Fixed Assets classified as "Available for Sale"		
Total Assets	**134,255**	**0**

LIABILITIES		
Sharehoders' funds for parent company's shareholders		
Share Capital	10,000	0
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion	495	
Results carried forward	-12,712	0
Sharehoders' funds for parent company's shareholders	**-2,217**	**0**
Minority Rights		
Total Shareholders' Funds	**-2,217**	**0**
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities		
Retirement Benefits		
Other Long-Term Liabilities	0	0
Long-Term Provisions		
Total Long-Term Liabilities	**0**	**0**
Short-Term Liabilities		
Suppliers and Other Liabilities	78,482	0
Current Tax Liabilities		
Short-Term Bank Debt	33,684	0
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries	24,306	0
Derivative Financial Elements		
Other Short-Term Liabilities	0	0
Short-Term Provisions	0	0
Total Short-Term Liabilities	136,472	0
Total Liabilities	**136,472**	**0**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**134,255**	**0**

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**71,086**	**0**
Cost of Sales	59,239	
Gross Profit	**11,847**	**0**
Other Operating Income	1,527	0
Distribution Expenses	23,261	0
Administration Expenses		
R&D Expenses		
Other Operating Expenses	(326)	0
EBITDA	**(10,213)**	**0**
Depreciation	892	0
EBIT	**(11,105)**	**0**
Financial Income	0	0
Financial Expenses	1,607	
Other Financial Results	0	0
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**(12,712)**	**0**
Income Tax	**0**	**0**
Net Profit for the period from continuous activities	**(12,712)**	**0**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

SUNLIGHT BATTERIES GMBH

BALANCE SHEET as of 31 DECEMBER 2005
2nd FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

ASSETS	2005	2004
Non Current Assets		
Tangible Assets	10,542	13,464
Investments in Real Estate Assets		
Goodwill		
Intangible Assets		
Investments in Subsidiaries		
Investments in Affiliated Companies (consolidated according to equity method)		
Other Investments		
Deferred Tax Receivables		934
Financial Assets Available for Sale		
Financial Derivatives		
Other Long-Term Receivables		
	10,542	14,398
Current Assets		
Inventories		
Construction Agreements		
Customers and Other Commercial Receivables		
Financial Assets Available for Sale		
Receivables from Group's Subsidiaries		
Other Receivables	2,584	5,852
Other Current Assets	11,115	
Financial Derivatives		
Financial Assets at Fair Value through results		
Cash and Cash Equivalents	74,179	59,849
	87,878	65,701
Fixed Assets classified as "Available for Sale"		
Total Assets	98,420	80,099

LIABILITIES		
Sharehoders' funds for parent company's shareholders		
Share Capital	25,000	25,000
Share Premium Account		
Reserves at fair value		
Other reserves		
Reserves from balance sheet conversion		
Results carried forward	4,839	900
Sharehoders' funds for parent company's shareholders	**29,839**	**25,900**
Minority Rights		
Total Shareholders' Funds	**29,839**	**25,900**
Long-Term Liabilities		
Long-Term Bank Debt		
Derivative Financial Elements		
Deferred Tax Liabilities		
Retirement Benefits		
Other Long-Term Liabilities		5,092
Long-Term Provisions		
Total Long-Term Liabilities	**0**	**5,092**
Short-Term Liabilities		
Suppliers and Other Liabilities	15,718	21,983
Current Tax Liabilities		
Short-Term Bank Debt		
Long-Term Liabilities Payable in the Following Fiscal Year		
Liabilities to Group's Subsidiaries		
Derivative Financial Elements		
Other Short-Term Liabilities	38,047	20,940
Short-Term Provisions	14,815	6,184
Total Short-Term Liabilities	68,581	49,107
Total Liabilities	**68,581**	**54,199**
Liabilities directly related to non current assets, classified as "available for sale"		
Total Shareholders' Funds and Net Worth	**98,420**	**80,099**

INCOME STATEMENT 31 DECEMBER 2005	2005	2004
Turnover	**1,120,885**	**299,469**
Cost of Sales		
Gross Profit	**1,120,885**	**299,469**
Other Operating Income	23,081	887
Distribution Expenses	960,098	231,575
Administration Expenses		
R&D Expenses		
Other Operating Expenses	(173,451)	(65,914)
EBITDA	**10,417**	**2,868**
Depreciation	2,922	1,206
EBIT	**7,495**	**1,661**
Financial Income	315	121
Financial Expenses	77	
Other Financial Results	(2,047)	(844)
Negative Goodwill Profit		
Profit / Losses from related companies		
Earnings before taxes	**5,685**	**938**
Income Tax	**2,312**	**38**
Net Profit for the period from continuous activities	**3,373**	**900**
Non continuous activities		
Profit for the period from non continuous activities		
Net profit for the period		
Distributed in :		
Shareholders of the parent company		
Minority rights		

SILKWAY HOLDING BV

BALANCE SHEET as of 31 DECEMBER 2005
FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2005)

CONSOLIDATED BALANCE SHEET

	Silkway Holding BV	Unitel LLC	E&A	Consolidation
ASSETS				
Fixed assets				
Intangible fixed assets	-	4,492	5,312	9,804
Tangible fixed assets		60,008		60,008
Financial fixed assets	58,709	23	58,709	23
	58,709	64,523	53,397	69,835
Current assets				
Inventories	-	458	-	458
Receivables	-	5,233	-	5,233
Cash and banks	462	4,909	-	5,371
	462	10,600	-	11,062
TOTAL ASSETS	**59,171**	**75,123**	**53,397-**	**80,897**
EQUITY AND LIABILITIES				
Equity	59,136	53,397	53,397	59,136
Long term liabilities				
Deferred tax	-	1,709	-	1,709
Other loans and finance	-	502	-	502
	-	2,211	-	2,211
Current liabilities				
Current portion of long term		44	-	44
Trade creditiors		15,053	-	15,053
Deposits and prepayments	35	4,418	-	4,453
	35	19,515	-	19,550
TOTAL EQUITY AND LIABILITIES	**59,171**	**75,123**	**53,397-**	**80,897**

CONSOLIDATED INCOME STATEMENT

	Silkway Holding BV	Unitel LLC	E&A	Consolidation
Revenues	-	36,140	-	36,140
Costs				
Staff costs	-	2,017	-	2,017
Management fee	-	56		
Depreciation	-	5,695		
Other operating expenses	63	11,738		
	63	19,506		
Operation profit	63-	16,634	-	16,571
Financial result	3,359	2,721	-	6,080
Result before tax	3,296	19,355	-	22,651
Tax	-	3,198-	-	3,198-
Net result	3,296	16,157	-	19,453

INDEPENDENT AUDITORS' REPORT

To the owner of Unitel LLC:

We have audited the accompanying balance sheet of Unitel LLC (the "Company") as at 31 December 2005 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2005 and of the results of operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

31 January 2006

23rd km. National Road Athens - Lamia • 145 65 Agios Stefanos - Attica -Greece
Tel.: +30 210 624 2000 • Fax: +30 210 621 9111
www.germanosgroup.com