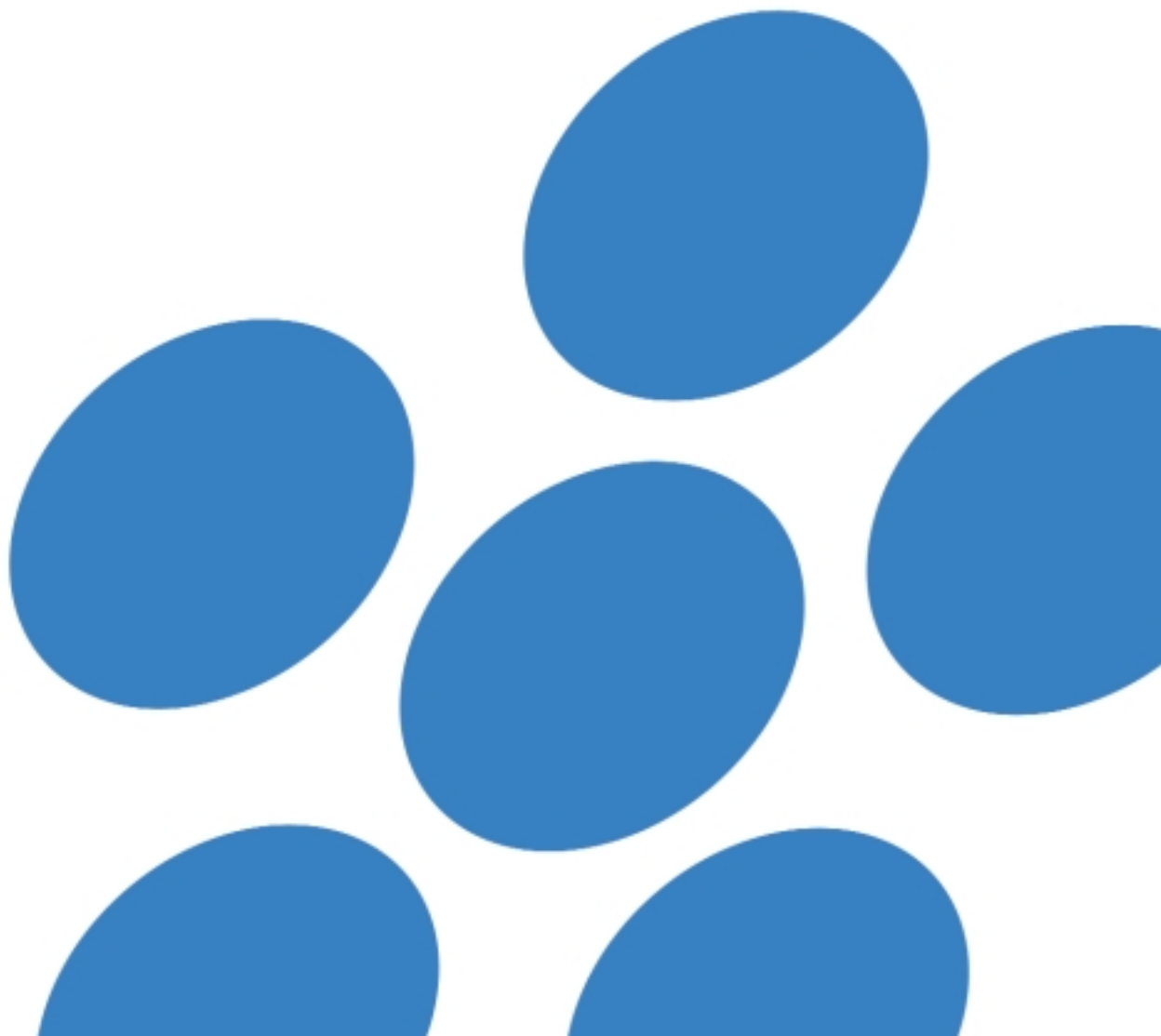




ANNUAL REPORT 2005



NOTOS COM HOLDINGS S.A.

ANNUAL REPORT 2005

ATHENS, MAY 2006



INVITATION
TO SHAREHOLDERS OF THE COMPANY UNDER THE NAME OF
"NOTOS COM HOLDINGS S.A."
(REG. NUMBER 5219/06/B/86/21)
FOR THE REGULAR GENERAL MEETING

Following the decision of the Board of Directors taken during the Meeting of 18/5/2006 and in compliance with the Law and the Articles of Incorporation of the Company, the shareholders of the Company are invited to attend the Regular Annual General Meeting, on the 21st of June 2006, at 12:00 at Aigli Centre in Athens.

AGENDA

- 1) Submission for approval of the Company and the Consolidated Financial Statements, the relevant Board of Directors and Auditor Reports for the fiscal period 1/1/2005 – 31/12/2005.
- 2) Release of the Board of Director's members and the Certified Chartered Accountant of the Company from any liability related to the Financial Statements for the year ended 31/12/2005.
- 3) Appointment of a regular and an alternate Certified Chartered Accountant for the fiscal period 2006 and approval of their remuneration.
- 4) Provision of a permit to members of the company's Board of Directors to participate in the management of other companies with the same or similar activity.
- 5) Approval of remuneration and expenses paid to members of the Board of Directors and pre-approval of remuneration and expenses to be paid to same.
- 6) Approval of dividend distribution to the shareholders for FY 2005 and remuneration of Members of the Board of Directors.
- 7) Approval for Buy Back of own shares.
- 8) Miscellaneous announcements.

Shareholders and their representatives who wish to participate in the Annual General Meeting must, in accordance with stipulations of Law 2190/1920 regarding Societe Anonyme companies, submit to the Company's Treasury (6 Menexedon Str, Kifissia) and at least 5 days prior to the date of the Assembly, the Certificates of Blockage of their shares in the Special Account of the Central Securities Depository. The relevant representation documents must also be submitted by this same date.

Kifissia, May 18th, 2006
The Board of Directors

CONTENTS

1. INFORMATION REGARDING THE COMPILATION OF THE ANNUAL REPORT

1.1 General Information	7
1.2 Auditors	8
1.3 Pending Litigations	8
1.4 Public Offerings	8
1.5 Tax Audit	8

2. INFORMATION ABOUT NOTOS COM HOLDINGS SA

2.1 General Information	10
2.2 Important events in 2005 and the 1st Quarter of 2006	10
2.3 Description of Company and Group Operations	12
2.3.1 Cosmetics, Personal Care and Hygiene Products	12
2.3.2 Wholesale of Apparel and Footwear	14
2.3.3 Retail of Apparel and Footwear	14
2.3.4 Department Stores	15
2.3.5 International Activities	16
2.3.6 Stationery	17
2.4 Subsidiaries and Affiliates	18
2.5 Management	19
2.6 Personnel	19
2.7 Group Structure	20

3. INFORMATION ABOUT SHAREHOLDER STRUCTURE AND COMPANY SHARES

3.1 Share Capital	21
3.2 Owner's Equity	21
3.3 Corporate Governance	22
3.4 Shareholders	22
3.5 Shareholders rights	23
3.6 Stock Market Information	24

4. FINANCIAL DATA

PROFIT AND LOSS STATEMENT 2004-2005	26
BALANCE SHEET 2004-2005	27
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	28
CASH FLOW STATEMENTS 2004-2005	30
1. Basis of Presentation of the Financial Statements	32
2. Group Structure	34
3. Accounting Policies	35
3.1 Fixed Assets	35
3.2 Intangible Assets	37
3.3 Inventories	38
3.4 Trade and other receivables	38

3.5 Cash and cash equivalents	38
3.6 Transactions in foreign currencies	38
3.7 Acquisition of own shares	38
3.8 Dividends	38
3.9 Employee benefits	39
3.10 Provisions	39
3.11 Financial instruments	39
3.12 Revenues	40
3.13 Expenses	40
3.14 Income Taxes	41
3.15 Reconciliation of Assets and Liabilities	42
3.16 Analysis of the Group's activities by Unit	42
3.17 Discontinued operations	42
4. Other operating income	43
5. Other operating expenses	43
6. Expenses breakdown	44
7. Personnel Employed by the Group and Company and Related Costs	44
8. Income Tax	45
9. Analysis of Group Activities by Unit	47
10. Acquisitions and Disposals of Shares in Subsidiaries	52
11. Acquisitions and Disposals of Shares in Affiliates	52
12. Tangible and Intangible Fixed Assets	53
13. Other Long Term Receivables	56
14. Inventories	56
15. Other Short Term Receivables	56
16. Cash and Cash Equivalents	57
17. Loans	57
18. Financial Instruments	58
19. Other Short Term Liabilities	58
20. Retirement Scheme Obligations	59
21. Share Capital and Share Premium	60
22. Earnings per Share	61
23. Reserves	61
24. Adaptation to the International Financial Reporting Standards	62
25. Related Party Transactions and Balances	64
26. Commitments and Contingent Liabilities	65
27. Post Balance Sheet Events	66

5. INFORMATION BY ARTICLE 10 OF LAW 3401/2005

Documents at the disposal of the Public	71
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ANNEX



1.1 General Information

This Annual Report contains all the general and financial information necessary for the correct evaluation by investors and their advisors of the assets, the financial position and performance as well as the prospects of **Notos Com Holdings S.A.** (hereinafter Notos Com of Company).

Investors wishing to obtain further information may contact Company headquarters located in Kifissia, 6 Menexedon Str., Athens, Greece, (Ms A. Ventura tel. +302108007300).

The compilation and distribution of this Annual Report are in accordance to stipulations of relevant legislation.

Responsible for the compilation and the accuracy of the information contained herein are:

- Mr George Papazoglou, Managing Director
- Mr Constantinos Paschos, CFO
- Dr George Katsaros, Treasurer and Investor Relations Director

All three can be contacted at Company Headquarters.

Notos Com Board of Directors declares that all its Members have read and are in agreement with the contents of this Annual Report and (together with the those who compiled it) declare after due consideration that

- All information contained herein is complete and accurate
- There are no other elements or events the concealment and/or omission of which could render all or part of the information misleading



1.2 Auditors

The Financial Statements for the year 2005 were audited by Mr John Tentes of Elliniki Elektiki SA, Address: 11 Petrou Ralli, Marousi, Athens, Greece, Tel No +302106122366.

The Audit Report is available in the Company website [www.notoscom.gr/ Investor Relations/ Basic Financial Data](http://www.notoscom.gr/Investor_Relations/Basic_Financial_Data)

1.3 Pending Litigations

There are not pending litigations at could cause essential adverse effects on the Company financial position.

1.4 Public Offerings

During the last and current FYs, no public offerings were made by the Company for the acquisition or exchange of shares of any other company, nor have there been similar types of offerings for the shares of Notos Com.

1.5 Tax Audit

The Company has been tax audited up to and including FY 2002, and according to the tax audit report, all information was judged accurate, honest and final. During the tax audit which took place in 2005 for FYs 2000, 2001 and 2002, the following accounting differences were noted for which additional taxes were paid (amounts in euro):

	2000	2001	2002	Total
Income Tax		693,142.50	665,203.15	1,538,345.65
Additional Tax		192,347.04	124,725.59	317,072.63
Other Tax	1,268.41	14,673.51	14,854.65	30,796.58
Additions to Other Tax	1,236.70	11,005.14	2,719.33	14,961.17
Total	2,505.12	911,168.20	807,502.72	1,721,176.03

The total amount was paid on 31.05.2005.



The Company has applied to the competent Taxation Authorities and they in turn have ordered a Tax Audit for FYs 2003-2004. The tax Audit is underway and is expected to be finalised by July 2006.

Furthermore, the unaudited FYs of companies included in the consolidated statements at 31.12.2005 are as follows:

COMPANY	UNAUDITED FINANCIAL YEARS
PALLIS STORES SA	2002-2005
PALLIS OFFICE SUPPLIES SA	2001-2005
NOTOS CYPRUS LTD	1998-2005
NOTOS INTERNATIONAL LTD	1998-2005
DARNEKS S.A.	2005
BMS OVERSEAS Ltd	1998-2005
NOTOS BULGARIA Ltd	2000-2005
NOTOS POLSKA Sp zoo	2000-2005
NOTOS COM CZ sro	2002-2005
NOTOS SLOVAKIA sro	2000-2005
NOTOS ROMANIA srl	2003-2005
NOTOS HUNGARY Kft	2002-2005
NOTOS TEXTILHANDEL GmbH	2003-2005
NOTOS SKOPJE doo	2005
NOTOS COM doo (Croatia)	2003-2005
NOTOS COM doo (Slovenia)	2003-2005
BELA	2005
LANCASTER GROUP HELLAS S.A.	2002-2005
YSL BEAUTE S.A.	2005
APIVITA S.A. (Group)	2004-2005

For companies not registered in Greece, Tax Audits are not subject to the procedures stipulated by Greek legislature.

2.1 General Information

Notos Com Holdings S.A. was established in July 1984, originally under the name YSELINA SA and commenced operations in the wholesale area, through the representation and distribution of cosmetics in Greece.

In 1993, the Company was renamed Papaellinas Group of Companies SA and in 2000 to Notos Com Holdings SA.

On March 28, 2001, the Board of Directors decided the merger by absorption of the companies Papaellinas Cosmetics SA, Sportsman SA, Endisi SA, Lambropoulos Bros SA, Papaellinas Consumer Goods SA, Papaellinas Holdings SA, Atalanti SA and Atalanta SA, in accordance to articles 69-77 of Law 2190/1920 and articles 1-5 of Law 2166/1993. The merger was finalized in November 2001.

The Company official residence is in the prefecture of Kifissia, 6 Menexedon Str., Athens, Greece, tel no +302108007300 and is registered in the Registry of Societe Anonymes under serial number 5219/06/B/86/21.

Its duration according to the Articles of Association is 80 years, its share capital is 35,541,867 euro, divided into 71,083,734 registered shares whose nominal value is 50 eurocents each.

A detailed description of the Company's purpose is available in the website www.notoscom.gr/ *Investor Relations/ Brief Presentation*

2.2 Important events in 2005 and the 1st Quarter of 2006

February: Notos Com was declared highest bidder in a tender for the development of a building in the city of Thessaloniki, known as the Hirs Arcade, belonging to the Israeli Community of the city. The contract stipulates the construction of a new multi-storey building and its lease for 29 years. Aiming to capitalize on the dynamic market of Northern Greece, Notos Com intends to create the biggest and most modern department store in the country's second largest city, which will replace the older and much smaller Company-owned Notos Galleries department store currently in operation.

May: Notos Com expands into neighbouring FYROM by establishing Notos Com Skopje doo

September: The Company expands further in to Turkey through the acquisition of 31% of Darneks SA, while an agreement is signed for the acquisition of a further 20% from one of the

existing shareholders within the next 3 years. The Turkish company will be renamed Notos Turkey and will be the representative and distributor of the GANT brand in Turkey, Bulgaria and Ajerbaijan.

October: The Ministry of Economic Development issues decision No. K2-1292/31.10.2005 approving the increase in share capital of Notos Com for the purpose of merging through absorption of subsidiary AIAKOS SA, in accordance to articles 69-77 of Law 2190/1920 and articles 1-5 of Law 1266/1993. The full report and details of the merger can be found in the Notos Com website (*Investor Relations/ Other Information*).

November: 51% of the Croatian EMAR doo is acquired, the company being renamed Notos Com doo, through an increase in share capital by 31% and through acquisition of a further 20% from existing shareholders. During the same month, Notos Com acquires 51% of Slovenian EMAR Inc., an affiliate of the Croatian company, also renamed Notos Com doo. Both companies will be involved in the representation and distribution of GANT products.

On December 29th 2005, the Athens Stock Exchange approves the trading of the 2,300,000 new shares issued as a result of the share capital increase of the merger. Trading commences on January 20th, 2006.

2006: In February, Notos Com obtains the right to represent the VERSACE cosmetics brand in Greece, while on March 2nd, the long term lease for the Hirs Arcade is signed with the Israeli Community in Thessaloniki. On March 17th, an agreement is signed with Publis World SA, a company owned by Mr P. Germanos (of listed Germanos SA) and Multirama SA (also listed and part of the Germanos Group), for the sub-lease of 3,000 sq.m. of the new building to be constructed on the Hirs Arcade. The sub-leased area will be used for opening of one of a chain of stores operating under the brand name "PUBLIC", which deals in electronic equipment, books and music. Finally, also in March, Notos Com participates in the IPO of supplier GANT in the Stockholm Stock Exchange, and is allocated 330,000 shares, representing approximately 2.06% of GANT share capital, against a price of around 4.94 mln euro.

Further analytical details of the history of Notos Com is available in the website (*Investor Relations/ Brief Presentation*).



2.3 Description of Company and Group Operations

Notos Com Holdings is one of the largest Greek trading companies, with activities in the following 4 basic sectors: Department stores, Cosmetics, Personal Care and Hygiene Products, Wholesale and Retail of Apparel and Footwear. The main objective of operations is to obtain the exclusive representation of consumer goods with the following primary characteristics:

- Strong International Brand Names
- High Profit Margins
- Large Market Penetration

and their distribution through multiple channels, i.e. through wholesale and retail networks both in Greece and abroad and through Company-owned and operated department stores.

The sales network by sector can be found under the section *Investor Relations/ Brief Presentation*.

Following is a description of the various activities and operations of the company. All representation contracts can be found in the Notos Com website under *Investor Relations/ Other Information*.

2.3.1 Cosmetics, Personal Care and Hygiene Products

Notos Com exclusively represents and selectively distributes the following cosmetics brands

Selective Distribution Brand Portfolio			
CLARINS	SISLEY	LACOSTE	CHANEL
GIVENCHY	JEAN GATINEAU	AZZARO	ELIZABETH TAYLOR
GUERLAIN	J.P.GAULTIER	ALES. DEL' AQUA	MAX FACTOR
BVLGARI	THIERRY MUGLER	DOLCE&GABBANA	PARFUMS DE PARIS
FERRAGAMO	CHANTAL TOMASS	MOSCHINO	KENZO
RENE LEZARD	HYPER	REPORTER	JOHJI JAMAMOTO
JEAN PATOU	ISSEY MIYAKE	GRES	MAURER&WIRTZ
L' OCCITANE	EMMANUEL UNGARO	ELIZABETH ARDEN	SCHIAPARELLI
HERMES	NARCISO RODRIGUEZ	JOLEN	REVLON
BRITNEY SPEARS	GANTVERSACE	TED LAPIDUS	
FACONNABLE	JAQUE BOGART	CHEVIGNON	



In addition, the Company participates with a 49% share in two Joint Ventures with the GUCCI Group SA and COTY BV, (management is exercised by NOTOS COM) for the representation distribution of the following selectively distributed brands:

Mass Distribution Brand Portfolio	
YSL BEAUTE S.A.	LANCASTER GROUP HELLAS S.A.
YVES SAINT LAURENT	LANCASTER
STENDHAL	CHOPARD
BOUCHERON	DAVIDOFF
OSCAR DE LA RENTA	JIL SANDER
ROGER & GALLET	JOOP !
FENDI	NIKOS
ERMENEGILDO ZEGNA	JENNIFER LOPEZ
ALEXANDER Mc QUEEN	MARC JACOBS
STELLA Mc CARTNEY	
VAN CLEEF & ARPELS	
BALECIAGA	
JEANNE PIAUBERT	

The largest part of turnover for the selective distribution of Cosmetics (around 63%) is generated in the greater Athens area, and the remainder throughout the country. Selective distribution cosmetics are sold out of 400 chosen cosmetics stores and department stores throughout Greece.

Portfolio of Mass Distribution Cosmetics

In the personal care and hygiene sector, the company represents the following brands: KOLYNOS (toothpaste, creams and shaving creams), HAWAIIAN TROPIC (sun tan lotions), JORDAN (household gloves), CHARLIE (perfumes), FLEX (shampoos and hair creams), BEST FRIENDS (child shampoos and bubble baths) and FABER CASTELL (writing material).

The products are sold through various channels: supermarkets, pharmacies, bookstores, gift shops, tourist shops, kiosks, travel shops and cosmetics shops.



2.3.2 Wholesale of Apparel and Footwear

Notos Com exclusively represent and wholesales some of the strongest international brand names in apparel:

LACOSTE	NEWMAN	GANT	GERARD DAREL
POLO JEANS	POLO RALPH LAUREN	ALAIN MANOUKIAN	MURPHY & NYE
THE BOSTONIANS	TRUSSARDI JEANS	TRUSSARDI SPORT	HENRY COTTON 'S
KOOKAI	CERRUTI 1881	LUBIAM	SPERRY
KEDS	FCUK	PERSONA	

The Company has established an extensive network which includes around 850 approved shop-owners, 189 corners, 47 monobrand stores and 2 stock shops.

2.3.3 Retail of Apparel and Footwear

The brands represented are sold through Company-operated exclusive monobrand and multibrand stores. All of the brands are sold through the Company's department stores.

Notos Com operates 54 such stores (boutiques), 47 of which are located in the Athens area, 3 in Thessaloniki, 3 in Patras and 1 on the island of Mykonos. The number of stores per brand is as follows:



Brand	Number of Stores
LACOSTE	11
GANT	6
SPRINGFIELD	6
MULTIBRAND	5
MAX MARA	4
MARINA RINALDI	4
KEDS-SWATCH	3
POLO RALPH LAUREN	3
ALAIN MANUKIAN	2
TRUSSARDI	2
THE BOSTONIANS	2
KOOKAI	1
NEWMAN	1
HENRY COTTONS	1
POLO JEANS	1
GANT WOMAN	1
GANT BOYS	1
TOTAL	54

Detailed information regarding the retail store network (address, date of opening) can be found in the website (*Investor Relations/ Brief Presentation*).

2.3.4 Department Stores

Notos Com owns and operates 3 traditional type department stores under the name Notos Galleries Lambropoulos located in Athens, Piraeus (the port of Athens) and Thessaloniki, all three covering a total area of 20.7 thd sq.m. The products sold out of these stores fall under the following broad categories:

- Womenswear, menswear and childrenswear
- Athletic wear
- Travel gear
- Office equipment
- Men's and Women's underwear
- Cosmetics
- Men's and Women's Accessories
- Watches
- Casual youth wear
- Toys
- Seasonal items



The Company first introduced the "shop-in-shop" concept in Greece in 1992 and is today considered the leader since it provides an extensive range of some of the best known international and domestic brands through its stores.

In December 2003, a 4th department store was opened catering for home products, operating under the name Notos Galleries Home. The total area of this last store is 12.1 thd sq.m and is located in the middle of Athens, on the Town Hall Square. It also operates under the "shop-in-shop" concept, housing over 100 suppliers with around 250 branded home products.

2.3.5 International Activities

Notos Com has been active outside Greece since 1973, through subsidiaries in the apparel and cosmetics (only in Bulgaria) sectors. In all countries it holds the exclusive representation of international brands whose representation it also has in Greece. Today, the foreign network includes 50 stores, of which 4 are cosmetics stores in Bulgaria and the rest are exclusive monobrand apparel and footwear stores. The number of stores per country is:

Country	Number of Stores
CYPRUS	11
CZECH REPUBLIC	9
POLAND	7
CROATIA	5
BULGARIA	5
TURKEY	5
AUSTRIA	4
HUNGARY	1
ROMANIA	1
FYROM	1
SLOVAKIA	1
TOTAL	50

Apart from the retail activity, wholesale is also effected in some of these.

Details of the foreign operations are included in the Notos Com website, *International Activities*.



2.3.6 Stationery

Notos Com is also involved in the stationery business through subsidiaries Pallis Stores SA and Pallis Office Supplies SA. The activity involves the operation of 4 stationery stores all located in the Athens area. The Pallis Office Supplies subsidiary is a business-to-business stationery operation.

Moreover, the company has the exclusive representation and distribution of the brand FABER CASTELL.

Details of the stationery business can be found in the Notos Com website.

BREAKDOWN OF CONTRIBUTION TO TURNOVER BY SECTOR

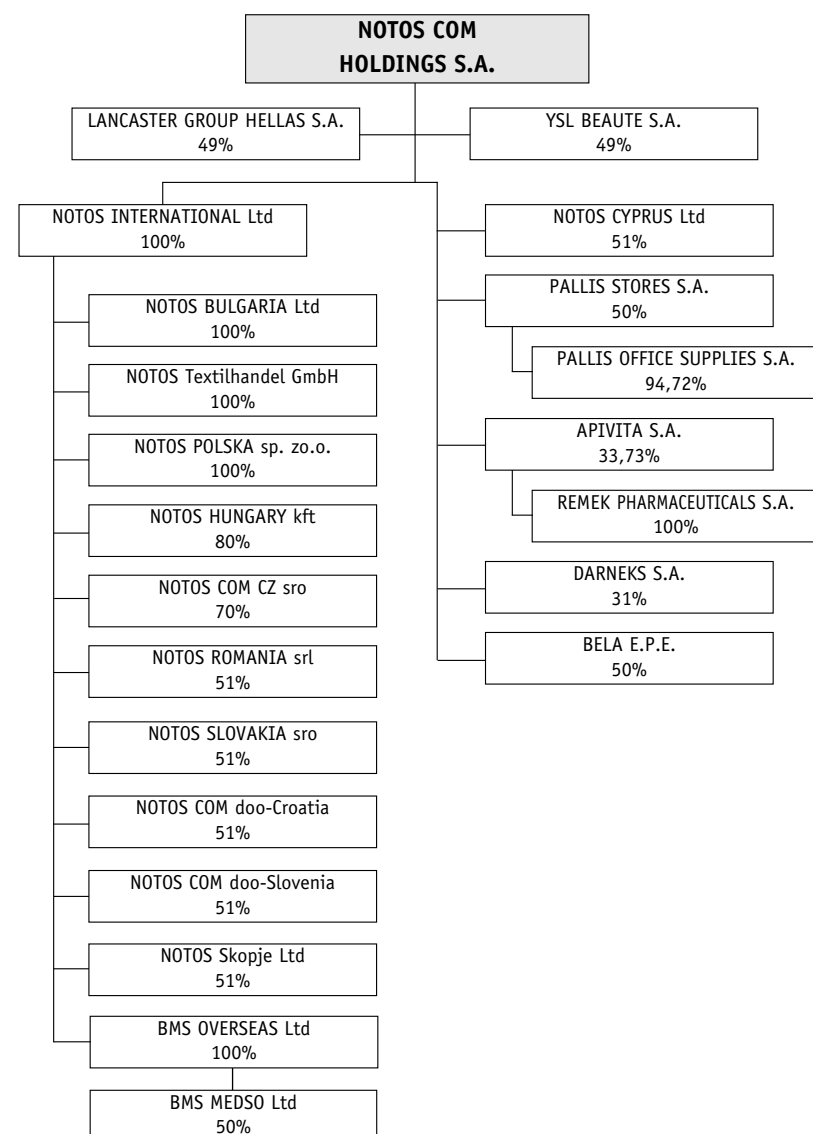
The following table depicts the contribution each sector has to consolidated turnover.

SECTOR	2005		2004	
	mln €	%	mln €	%
DEPARTMENT STORES	109.70	38.50	107.43	40.64
COSMETICS	65.20	22.89	60.34	22.82
WHOLESALE APPAREL	60.30	21.17	55.39	20.95
RETAIL APPAREL	28.96	10.16	26.18	9.90
INTERNATIONAL ACTIVITIES	14.59	5.12	8.86	3.35
STATIONERY	6.15	2.16	6.20	2.34
INTER-COMPANY SALES	-8.01		-5.78	
TOTAL	276.89	100	258.62	100



2.4 Subsidiaries and Affiliates

The following chart shows the participation of Notos Com in subsidiaries and affiliates



Extensive information on the share structure, the location, the operations and financial data on all these companies as well as inter-company sales, can be found on the Notos Com website under *Investor Relations*.



2.5 Management

According to the company's Article of Association, the Board of Directors is formed by five to eleven members, and its operations is for 3 years.

The BoD of Notos Com was appointed by the Regular General Meeting of Shareholders on May 26, 2004, is formed of 9 members, 3 of which are non executive members and is as follows:

Chairman	Christos Papaellinas
Vice President	Alexandros Stratos
Chief Executive Officer	George Papazoglou
Vice CEO	Michael Papaellinas
Member	Aristidis Gounaras
Member	Barbara Vernikou
Non Executive Member	Nicholaos Kaloyannis
Non Executive Member	Demetrios Frangetis
Non Executive Member	Gerasimos Vasilatos

2.6 Personnel

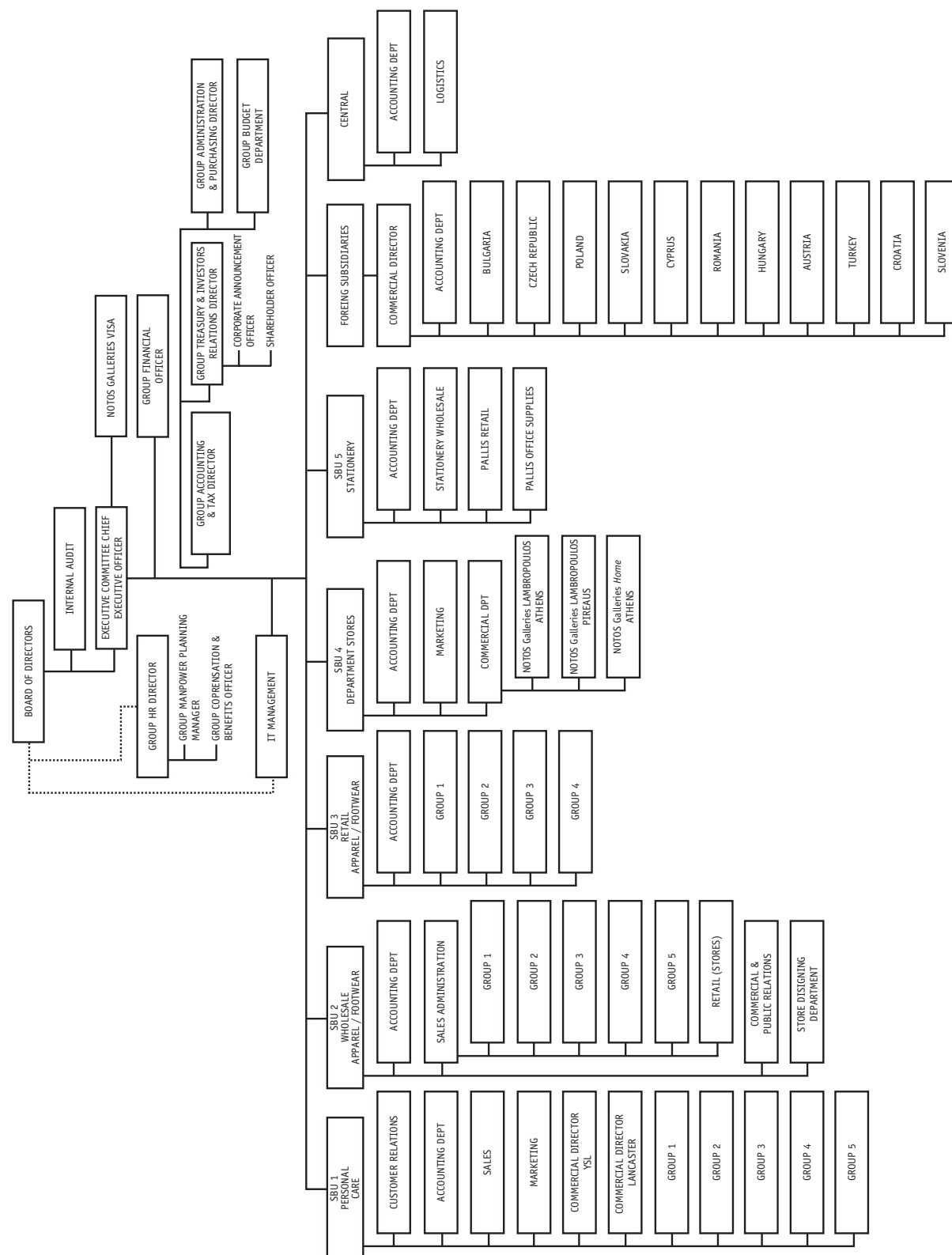
On December 31 2005 the company employed 1.745 people, while the Group 2.076 people.

The distribution of personnel by sector of employment (data as of 31December 2005), is

Sales Men	45.7%
Beauticians	32.3%
Administration & Management	14.6%
Warehouse and other	7.4%



2.7 Group Structure



INFORMATION ABOUT SHAREHOLDER STRUCTURE AND COMPANY SHARES

3.1 Share Capital

The following table depicts the evolution of the Company's share capital from its establishment:

General Meeting Date	Government Gazette No	Amount of share capital increase	Price	With Cash	With capitalization of retained earnings	With Share Contribution	Share Capital after the increase	Total Shares	Share Nominal Value
Establishment	2509/1984	30,000,000	10,000 Drx	30,000,000 Drx	-	-	30,000,000 Drx	3,000	10,000 Drx
21.10.1986	447/1990	60,000,000	10,000 Drx	60,000,000 Drx	-	-	90,000,000 Drx	9,000	10,000 Drx
29.11.1994	7077/1994	1,510,000,000	10,000 Drx	8,437,810 Drx	-	1,501,562,190 Drx	1,600,000,000 Drx	160,000	10,000 Drx
17.05.1996	2443/1996	442,000,000	400 Drx	442,000,000 Drx	-	-	2,042,000,000 Drx	5,105,000	400 Drx
20.05.1998	2898/1998	204,200,000	-	-	204,200,000 Drx	-	2,246,200,000 Drx	5,615,500	400 Drx
19.02.1999	1267/1999	224,620,000	2,200 Drx	224,620,000 Drx	-	-	2,470,820,000 Drx	12,354,100	200 Drx
21.07.1999	6360/1999	2,470,820,000	1,520 Drx	2,470,820,000 Drx	-	-	4,941,640,000 Drx	39,533,120	125 Drx
28.08.2001	10589/2001	4,902,344,091	-	-	147,994,791 Drx	4,754,349,300 Drx	9,843,984,091 Drx	68,783,734	143.115 Drx
15.5.2003	5048/2003	Change of Share Capital in €					28,889,168.28 €	68,783,734	0.42 €
20.09.2005	11410/2005	6,652,698.72	-	-	862,600.98 €	5,790,097.74 €	35,541,867.00 €	71,083,734	0.50 €
Total		35,541,867.00 €		9,496,339.87 €	1,896,188.04 €	24,149,339.09 €	35,541,867.00 €		

3.2 Owner's Equity

The Owner's Equity of the Notos Com share as at 31/12/2005 was as follows:

	in thousand €
Number of Shares	71.083.734
Nominal value	0.50
Share capital	35,542
Reserves from issue of shares above par	1,001
Differences from re-valuation of Fixed assets	66,890
Reserves	18,008
Adjustment due to exchange rate differences	0.259
Retained Earnings	12,291
Total Owner's Equity	133,991
Accounting value of share	1.88



3.3 Corporate Governance

The Company satisfies the criteria set by the Stock Exchange Authorities for corporate governance, provides full disclosure of company information and developments to investors through the company website, existence and efficient operation of an investor relations department and a free float significantly above the min 25% requirement.

Detailed information can be found in the company website under the section *Investor Relations/ Corporate Governance*

3.4 Shareholders

NOTOS COM is a multi shareholder company, with 20,141 shareholders (as at 20.04.2006). The percentage breakdown participation in the share capital as at 20.04.2006 was as follows:

Share range	Number of shareholders	Number of shares	% Share Capital
1-100	5.743	303,987	0.428
101-300	5.942	1,137,369	1.600
301-500	2.767	1,145,704	1.612
501-1,000	3.004	2,333,978	3.283
1,001-3,000	1.891	3,392,786	4.773
3,001-5,000	356	1,430,889	2.013
5,001-10,000	216	1,576,098	2.217
10,001-15,000	56	711,496	1.001
15,001-30,000	53	1,097,054	1.543
30,001-50,000	27	1,067,598	1.502
50,001-100,000	33	2,594,875	3.650
100,001-150,000	11	1,436,555	2.021
150,001-300,000	14	3,149,891	4.431
300,001-500,000	6	2,211,396	3.111
500,001-1,000,000	10	6,676,997	9.393
1,000,001-3,000,000	9	14,514,035	20.418
> 3,000,001	3	26,303,086	37.003
Total	20,141	71,038,734	100%



The Shareholders Structure of NOTOS COM as at 20.04.2006 was:

	Shares	%
MANAGEMENT	28.987.538	40.78
INSTITUTIONS	4.535.511	6.38
INSTITUTIONAL INVESTORS – DOMESTIC	10,989,585	15.46
INSTITUTIONAL INVESTORS – ABROAD	10,122,324	14.24
PUBLIC	16,448,776	23.14
TOTAL	71,083,734	100.00

Of the 20,141 shareholders of the Company, 20,134 possessed a percentage less than 2% of total share capital.

3.5 Shareholders rights

Shareholder's Rights are listed in the company website, www.notoscom/ *Investor relations/ Corporate Governance*



3.6 Stock Market Information

Indexes

The Notos Com Share is used in the calculation of the following Indexes

- General Index of Athens Stock Exchange
- MSCI Mid Cap
- FTSE/XA International
- FTSE/XA Mid- Cap – 40
- FTSE/XA 140
- FTSE/XA Commerce
- FTSE/XA Med – 100
- FTSE All World Index
- FTSE World Index Ex- Multinationals
- FTSE Euro Small Cap
- Eurobank Mid Cap Private Sector – 50

The share is actively traded and this is evident by the fact that the average Time Spread used as indicator of tradability, which is currently running at approximately 0.63%. The threshold set by the Athens Stock Exchange Authorities is 2%, above which shares are considered as not actively traded and measures are taken.

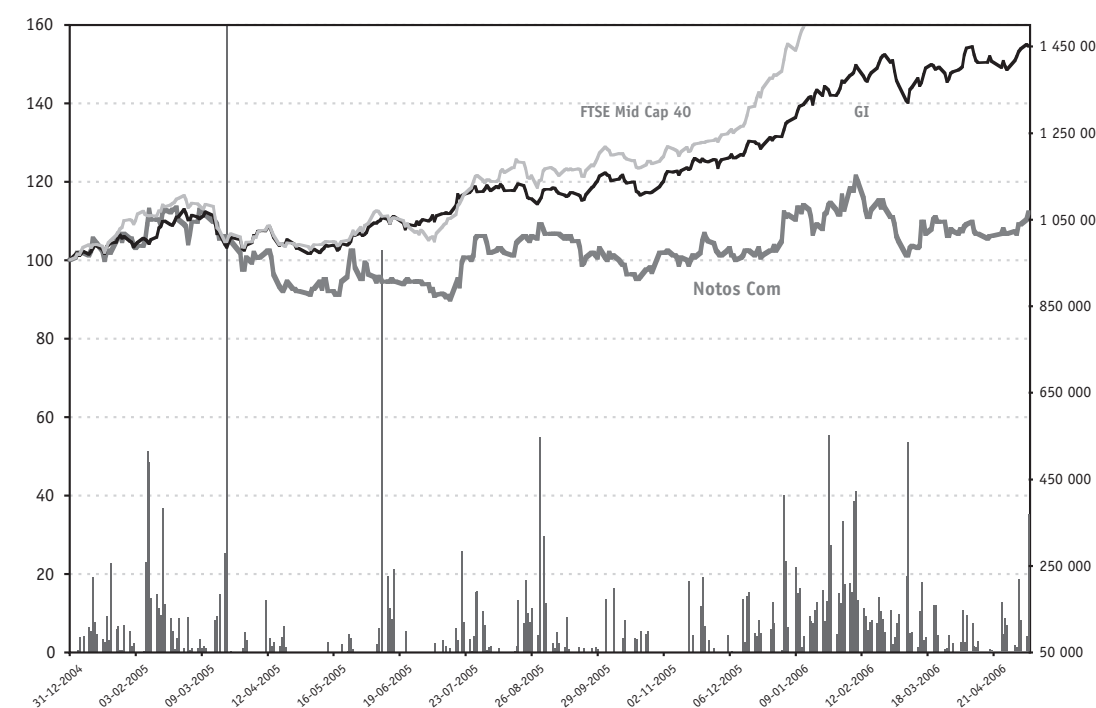


NOTOS COM share

The company shares were listed on the Athens Stock Exchange in 1996.

	31/12/2004	31/12/2005	% Change
General Index	2,786.18	3,663.90	+ 31.50%
FTSE mid Cap 40	2,309.91	3,397.00	47.06%
Notos Com	3.28	3.36	2.44%

The following diagrams depict Share's price performance compered to the FTSE Mid Cap –40 Index and the Athens Stock Exchange General Index over 2005 and up to April 2006.



PROFIT AND LOSS STATEMENT 2004-2005

Amounts are in thousand Euro

	Note	Group		Company	
		2005	2004	2005	2004
Turnover		276,894	258,622	254,564	230,892
Less: cost of goods sold		-147,734	-139,533	-140,029	-125,646
Gross Profits		129,160	119,089	114,535	105,246
Other Operating income	4	5,931	4,201	5,489	3,610
		135,091	123,290	120,024	108,856
Administrative expenses		-13,861	-12,389	-11,701	-10,013
Sale & Distribution expenses		-74,429	-66,821	-64,495	-54,204
Other Operating expenses	5	-2,104	-2,387	-1,767	-1,813
Earnings before interest, taxes and depreciation		44,697	41,693	42,061	42,826
Depreciation		-9,736	-11,440	-8,407	-7,150
Earnings before interest and taxes		34,961	30,253	33,654	35,676
Financial Expenses (net)		-3,633	-3,661	-3,289	-2,985
Profits from usual operations		31,328	26,592	30,365	32,691
Income from dividends of subsidiary companies		-	-	363	764
Rights in profits from affiliate companies		778	479	-	-
Profits before taxes		32,106	27,071	30,728	33,455
Less: Taxes		-10,866	-11,901	-10,123	-12,740
Profits after taxes		21,240	15,170	20,605	20,715
Minority rights in subsidiary's losses		219	2,011	-	-
Profits after taxes attributable to the Group		21,459	17,181	20,605	20,715
Net profit per share (in €)	22	0.31	0.25	0.30	0.30



BALANCE SHEET 2004-2005

Amounts are in thousand Euro

	Note	Group		Company	
		31.12.2005	31.12.2004	31.12.2005	31.12.2004
Tangible fixed assets	12	139,391	137,088	132,681	100,618
Intangible fixed assets		14,143	13,709	13,007	12,787
Participations in subsidiary companies		-	-	6,221	16,530
Participations in affiliate companies		2,908	2,765	1,810	1,810
Other long term investments		2,832	2,582	2,510	2,287
Total Fixed Assets		159,274	156,144	156,229	134,032
Inventories	14	69,645	60,367	64,244	51,871
Receivables from customers		54,595	41,979	54,604	41,653
Deferred taxes		212	4,696	-	1,572
Other short term receivables	15	9,651	13,791	8,134	7,962
Cash and cash equivalents		11,445	5,896	6,869	2,232
Total Current Assets		145,548	126,729	133,851	105,290
TOTAL ASSETS		304,822	282,873	290,080	239,322
Long term bank liabilities	17	44,750	27,167	44,750	22,000
Employee retirement benefits schedule	20	2,096	1,954	1,915	1,854
Other long term liabilities		40	67	21	27
Long Term Liabilities		46,886	29,188	46,686	23,881
Short term bank liabilities		29,589	42,420	25,809	27,588
Creditors		70,783	63,061	67,200	52,500
Taxes – Duties payable		9,180	16,301	8,348	15,771
Deferred tax liability		285	-	246	-
Other short term liabilities	19	12,330	9,733	11,232	7,401
Dividends payable		961	1,228	961	1,002
Short Term Liabilities		123,128	132,743	113,796	104,262
Total Liabilities		170,014	161,931	160,482	128,143
Share capital		35,542	28,889	35,542	28,889
Share premium above par		1,001	-	1,001	-
Own shares		-	-754	-	-754
Reserves		18,008	17,637	17,859	17,378
Re valuation of fixed assets		66,890	63,748	64,574	58,163
Adjustments due to exchange rates differences		259	137	-	-
Retained profits		12,291	2,140	10,622	7,503
		133,991	111,797	129,598	111,179
Minority rights		817	9,145	-	-
Total Equity		134,808	120,942	129,598	111,179
TOTAL LIABILITIES & OWNER'S EQUITY		304,822	282,873	290,080	239,322



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in thousand Euro)

Group

	Difference									
	from re-valuation					Tax and		Currency		Retained
	Share	Above	Own	Statutory	of fixed	extraordinary	Translation	Minority	earnings	
	Capital	par	Shares	reserves	assets	Reserves	adjustments	interest		Total
Balances, as at January 1st, 2004 as originally depicted	28,889	-	-	6,466	4,630	9,009	-29	12,557	-2,117	59,405
Adjustments according to IFRS standards	-	-	-	-48	59,117	-2,043	-	-1,386	-1,855	53,785
Balances, as at January 1st 2004, according to IFRS standards	28,889	-	-	6,418	63,747	6,966	-29	11,171	-3,972	113,190
Purchase of own shares	-	-	-754	-	-	-	-	-	-	-754
Profits for 2004, after taxes	-	-	-	-	-	-	-	-2,011	17,181	15,170
Transfer of profits to reserves	-	-	-	687	-	3,566	-	-	-4,253	-
Dividends and BoD remuneration	-	-	-	-	-	-	-	-	-6,664	-6,664
Adjustments to exchange rates	-	-	-	-	1	-	166	-15	-152	-
Balances, as at 31 December 2004, according to IFRS standards	28,889	-	-754	7,105	63,748	10,532	137	9,145	2,140	120,942
Share capital increase										
Issue of new shares due to the absorption of subsidiary company	966	7,926	-	-	-	-	-	-	-	8,892
Capitalisation of difference in excess of par	4,824	-4,824	-	-	-	-	-	-	-	-
Capitalisation of extraordinary reserves	863	-	-	-	-	-863	-	-	-	-
Newly consolidated subsidiaries	-	-	-	-	-	-	-	715		715
Participation of minority shareholders in share capital increase of subsidiary	-	-	-		-	-	-	53	-	53
Buy out of minority rights	-	-	-	-	-	-	-	-8,892	-	-8,892
Reserves of absorbed subsidiary		910	-	2	3,141	119	-	-	-4,172	-
Goodwill write off, resulting from absorbed company	-	-3,011	-	-	-	-	-	-	3,011	-
Sale of own shares	-	-	754	-	-	-	-	-	-	754
Profits for 2005, after taxes	-		-	-	-	-		-219	21,459	21,240
Transfer of profits to reserve account	-	-	-	1,038	-	74	-	-	-1,112	-
Dividends and BoD remuneration	-	-	-	-	-	-	-	-11	-8,821	-8,832
Adjustments to exchange rates	-	-	-	1	1	-	122	26	-214	-64
Balances, as at 31 December 2005, according to IFRS standards	35,542	1,001	-	8,146	66,890	9,862	259	817	12,291	134,808



Company

	Difference							
	in re-valuation					Tax and		Retained
	Share	Above	Own	Statutory	of fixed	Extraordinary	earnings	
	Capital	par	Shares	reserves	assets	Reserves		Total
Balances, as at January 1st, 2004 as originally depicted	28,889	-	-	6,324	4,075	8,866	-	48,154
Adjustments according to IFRS standards	-	-	-	-	54,088	-2,006	-2,353	49,729
Balances, as at January 1st 2004, according to IFRS standards	28,889	-	-	6,324	58,163	6,860	-2,353	97,883
Reserves of absorbed subsidiary	-	-	-	7	-	-13	6	-
Purchase of own shares	-	-	-754	-	-	-	-	-754
Profits for 2004, after taxes	-	-	-	-	-	-	20,714	20,714
Transfer of profits to reserves	-	-	-	641	-	3,559	-4,200	-
Dividends and BoD remuneration	-	-	-	-	-	-	-6,664	-6,664
Balances, as at 31 December 2004, according to IFRS standards	28,889	-	-754	6,972	58,163	10,406	7,503	111,179
Issue of new shares due to the absorption of subsidiary company	966	7,926	-	-	-	-	-	8,892
Capitalisation of difference above par	4,824	-4,824	-	-	-	-	-	-
Capitalisation of extraordinary reserves	863	-	-	-	-	-863	-	-
Reserves of absorbed subsidiary	-	910	-	5	6,411	244	-7,570	-
Goodwill write off, resulting from absorbed company	-	-3,011	-	-	-	-	-	-3,011
Sale of own shares	-	-	754	-	-	-	-	754
Profits for 2005, after taxes	-	-	-	-	-	-	20,605	20,605
Transfer of profits to reserve account	-	-	-	1,030	-	65	-1,095	-
Dividends and BoD remuneration	-	-	-	-	-	-	-8,821	-8,821
Balances, as at 31 December 2005, according to IFRS standards	35,542	1,001	-	8,007	64,574	9,852	10,622	129,598

**CASH FLOW STATEMENTS 2004-2005**

(Amounts in thousand Euro)

	Group		Company	
	2005	2004	2005	2004
Cash Flow from Operating activities				
Profits before Taxes	32,106	27,071	30,728	33,455
Adjustments:				
Depreciation	9,736	11,440	8,407	7,150
Profits from sale of own shares	-74	0	-74	0
Profits from sale of securities	0	-104	0	-29
Profits from sale of fixed assets	-1,329	-342	-1,329	-342
Losses from sale of fixed assets	0	18	0	18
Provision for personnel retirement schemes	125	-213	55	-1,457
Other provisions	261	400	325	400
Interest expense and other relevant expenses	3,884	3,182	3,435	3,346
Interest income and other relevant income	-177	-439	-71	-329
Income from participations	-143	-112	-363	-764
	44,389	40,901	41,113	41,448
Decrease / (increase) in inventories	-8,847	-8,767	-7,532	-6,636
Decrease / (increase) in receivables from clients and other accounts	-3,925	-626	-4,302	-2,194
Increase / (decrease) in current liabilities (excluding banks)	2,241	-8,166	-581	-9,056
	33,858	23,342	28,698	23,562
Interest paid	-4,281	-3,168	-3,832	-3,332
Interest income	177	543	71	329
Tax paid	-10,304	-9,164	-9,813	-8,504
Net Cash Flow from operating activities	19,450	11,553	15,124	12,055
Cash Flow from Investment activities				
Acquisition of tangible and intangible assets	-14,015	-24,147	-11,618	-22,672
Proceeds from sale of tangible and intangible assets	3,176	550	3,174	2,296
Proceeds from dividends	0	0	363	764
Payments for acquisition of subsidiaries	-9,351	0	-10,851	0
Decrease/(increase) of other long term receivables	-242	-686	-128	-645
Net Cash Flow from Investment activities	-20,432	-24,283	-19,060	-20,257



Cash Flow from Financial activities				
Dividends paid	-8,832	-6,665	-8,821	-6,664
Proceeds from share capital increase	9,660	0	8,892	0
Payments for own share buy back	0	-754	0	-754
Proceeds from transfer of own shares	829	0	829	0
Proceeds from loans	18,965	31,025	21,779	25,836
Payments of loans	-14,275	-11,875	-14,275	-11,875
Net Cash Flow from Financial activities	6,347	11,731	8,404	6,543
Increase / (decrease) in cash and cash equivalents	5,365	-999	4,468	-1,659
Cash on hand at beginning of the period	5,896	6,895	2,232	3,891
Cash on hand from companies absorbed	184	0	169	0
Cash on hand at end of the period	11,445	5,896	6,869	2,232



1. Basis of Presentation of the Financial Statements

NOTOS COM HOLDINGS S.A. (the "Company") has its registered office at 6 Menexedon Street, in Kifissia, Attica. The consolidated financial statements for the period January 1st to December 31st 2005, include the Company and its subsidiaries (the "Notos Group").

Subsidiary companies are all the entities that are managed and controlled, directly or indirectly, by NOTOS COM Holdings SA, through holding of the majority of shares of the investee company. The financial statements of subsidiaries are included in the consolidated financial statements of the Group as from the date on which control is acquired and are excluded as from the date on which such control ceases to exist.

Associated companies are those entities on which the Group exercises significant influence but they do not qualify to be treated as subsidiaries. The consolidated financial statements of the Group include the share of the Group in the profits or losses of associates, quantified on the basis of the equity method, as from the date the Group acquires the significant influence until the date on which it ceases to have such an influence. When the losses of an associated entity that are attributed to the Group exceed the reported accounting value of the investment, the value of the investment is reduced to zero and the recognition of further losses ceases, unless the Group has assumed liabilities or contingent liabilities of the associate, beyond those that arise as a result of participating in the associate in the capacity of a shareholder.

Intragroup balances and intragroup transactions as well as Group profits that have arisen on intragroup transactions and have not been realised (at Group level) as yet, are eliminated on consolidation.

The assets and the liabilities of foreign operations, are converted into Euros at the rates of exchange prevailing on the balance sheet date, while the revenues and costs of foreign operations are converted into Euros at rates which tend to approximate the rates prevailing on the dates the transactions are entered into. The currency translation adjustments that arise from the conversion of financial statements of the foreign companies are taken directly to equity and are reported as "currency translation adjustments".

These financial statements have been compiled on the basis of the International Financial Reporting Standards that have been adopted by the European Union and are applicable on December 31st, 2005 and are the first such statements compiled and publicized on this basis. The financial statements have been compiled on the basis of the fair value principle and are stated in thousands of Euro.



Drawing up of the financial statements requires evaluation and the adoption of assumptions by Company management based on both facts and expected developments. It is thus possible that accounting forecasts made by management may not transpire.

Certain entries for FY 2004 have been re-classified in order to ensure comparability with equivalent entries in FY 2005.

These financial statements have been approved for publication by the Board of Directors on 28 February 2006.



2. Group Structure

The NOTOS COM HOLDINGS S.A Group consists of the following companies:

Company	Head offices	% Participation
Full consolidation method		
NOTOS COM HOLDINGS S.A.	Athens- Greece	Parent
AIAKOS S.A..* (1st' quarter 2005)	Athens- Greece	51%
PALLIS STORES S.A.	Athens- Greece	50.00001%
PALLIS OFFICE SUPPLIES S.A.	Athens- Greece	47.36%
NOTOS INTERNATIONAL Ltd	Nicosia - Cyprus	100%
NOTOS CYPRUS Ltd	Nicosia - Cyprus	51%
NOTOS SLOVAKIA sro	Bratislava - Slovakia	51%
BMS-MEDSO Ltd	Sophia - Bulgaria	50%
DARNEKS S.A. **	Istanbul-Turkey	31%
NOTOS SKOPJE d.o.o.**	Scopje	51%
NOTOS COM d.o.o.**	Matouli -Croatia	51%
NOTOS COM d.o.o. **	Ilirska Bistika	51%
BMS (MANAGEMENT) OVERSEAS Ltd	Limassol - Cyprus	100%
NOTOS BULGARIA Ltd	Sophia - Bulgaria	100%
NOTOS POLSKA Sp. zo.o.	Warsaw - Poland	100%
NOTOS ROMANIA srl	Bucharest - Romania	51%
NOTOS COM CZ sro	Prague - Czech Republic	70%
NOTOS TEXTILHANDEL GmbH	Vienna- Austria	100%
NOTOS HUNGARY Kft	Budapest - Hungary	80%
Proportionate Consolidation method		
LANCASTER GROUP HELLAS S.A.	Athens- Greece	49%
BELA S.A	Athens- Greece	50%
Net worth method		
APIVITA S.A.	Athens- Greece	33.73%
Y.S.L. BEAUTE S.A.	Athens- Greece	49%
REMEK PHARMACEUTICALS S.A.	Athens- Greece	33.73%

* On October 31st, 2005 the Company, after a decision of the company's General Assembly dd 20/09/2005 and subsequent approval by The Ministry of Development (approval no. K2-12920), merged with subsidiary AIAKOS SA by absorption of the latter, based on the Balance Sheet dd 31/03/2005.

** Companies consolidated for the first time on 31/12/2005.



All Group companies have been consolidated as of 01/01/2005, except DARNEKS SA, whose statements were consolidated as of 05/07/2005. The participations in BELA SA (50%) and Lancaster Group Hellas SA (49%) are consolidated proportionally. Affiliated companies YSL Beaute SA (49%), APVITA SA (33.73%) as well as the latter's 100% subsidiary REMEK Pharmaceuticals SA, are consolidated by the equity method. DARNEKS SA is consolidated in full given that the Group has the right to appoint the majority of the members of the Board of Directors and also has the option to buy afurther 20% of the share capital.

3. Accounting Policies

3.1 Fixed Assets

Fixed assets are reported in the financial statements at their acquisition cost, apart from the fixed assets (land-buildings) that are stated at fair value estimated by expert valuers for the purposes of the IFRS. The value of fixed assets is reported after the deduction of (a) accumulated depreciation and (b) any permanent impairment.

Costs incurred for the replacement of substantial component parts of fixed assets are capitalised. The remaining costs that are incurred subsequent to the installation of fixed assets are capitalised only if they enhance the future economic benefits that will be derived through the use of the assets involved. All other costs and expenses that are incurred for the maintenance, repair etc. of fixed assets, are charged to P&L as an expense at the time they are incurred.

Depreciation is charged to P&L on the basis of the straight-line method, over the estimated useful life of the fixed assets. Land is not depreciated. The estimated useful life of each category of assets, is as follows:

Buildings - Stores	15-50 years
Warehouses - Offices	15-50 years
Other establishments and equipment	6-20 years
Furniture and other equipment	3,3-5 years
Vehicles	5 -6,7 years



Calculation of the fair value of Land and Buildings is made by independent valuers, and is reduced by depreciation accumulated ex post and any permanent impairment losses. Fixed Assets values are re-adjusted regularly so that un-depreciated values do not differ from fair values at the date of the financial statements.

Increases in the accounting value of productive fixed assets due to re-adjustments in fair value, are recorded in reserves, unless they refer to the devaluation of a certain asset which has been charged to expenses. In this case, an equal amount is recorded as income.

Reductions in accounting values due to re-adjustment, are recorded as expenses, after any re-valuation reserve for the specific asset is written off.

In cases of sales of tangible assets, the difference between the proceed and the accounting value is recorded as profit or loss in the P&L. For productive assets valued at fair value, any revaluation reserve in own funds during the sale, is transferred to retained earnings.

Accounting values of tangible fixed assets are examined for possible reductions when there are indications that these values are not recoverable. When accounting values are above recoverable values, a reductions allowance is recognized and values are reduced to recoverable values. Recoverable values are the highest between fair value, reduced by necessary sale costs, and the value of their use. For estimation of their use value, forecasted future cash flows are discounted at their present value, using a pre-tax interest rate which reflects current market estimates of the time value of money and risks associated with assets.



3.2 Intangible Assets

(a) Goodwill

The value of purchased goodwill related to investments in subsidiaries effected prior to 1 January 2004 (the date of transition to the International Financial Reporting Standards) has been totally amortised by charging it directly to equity. The value of purchased goodwill related to affiliated companies, is reported as part of the value of the investment.

The value of purchased goodwill, which is related to investments effected after 1 January 2004, is reported in the balance sheet at its acquisition cost and is reduced, if applicable, by charging P&L in the period in which such impairment occurs.

(b) Lease Rights

Lease rights for the Company and the Group are recorded at acquisition cost and are depreciated, according to the straight line method, over the full period of the lease agreement between 9 to 12 years. Depreciation is recorded in the P&L statement.

(c) Distribution Rights

Distribution rights paid to third parties are initially recorded at acquisition cost (including immediate expenses associated with the acquisition). These rights are not depreciated to the extent that their residual value at the end of the period is expected to be equal or higher than their accounting value. On every Balance Sheet date, the possible reduction in the fair value of the intangible is set against expected future financial gains from its use and/or future sale. Profits or losses from the withdrawal or sale of distribution rights as well as losses from the diminution of fair value are recorded as profits or losses on the P&L.

(d) Accounting Software

Use permits and accounting software are reported at acquisition values, reduced by accumulated depreciation and where applicable by the amount of diminution of value. Depreciation is charged against results by the straight depreciation method, over their economic life of 3.5 years.



3.3 Inventories

Inventories are reported at the lower price between their purchase cost and their corresponding liquidation value. Net realisable value is the estimated sale value of the inventories, reduced by the cost of disposal. The cost of inventories is quantified on the basis of the weighted annual average method and is inclusive of the costs associated to their acquisition and the costs incurred for their transportation.

3.4 Trade and other receivables

Trade and other receivables are reported initially at their fair value and then are estimated at the current value, net of the provisions for any doubtful collection accounts.

The losses from the diminution of the value of receivables is stated as an expense in the P&L Statement.

3.5 Cash and cash equivalents

The account includes cash equivalents, such as current account balances and short-term deposits.

3.6 Transactions in foreign currencies

Transactions denominated in foreign currencies are stated in Euros on the basis of the exchange rates on the date of the transaction. On the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-stated in Euros on the basis of the exchange rates ruling on that date.

3.7 Acquisition of own shares

In the event of acquiring own shares, the amount paid for the acquisition, including related costs, is reported as a deduction from shareholders' equity.

3.8 Dividends

Dividends payable and BoD remuneration are reported as a liability at the time that they are declared as payable by the General Meeting of Shareholders.



3.9 Employee benefits

According to Greek Labour legislation, Group companies are obliged to pay compensation to employees upon retirement, the amount of which depends on the length of service and the salary. The Group obligation consists of the present value of the committed benefits on the Balance Sheet date, increased or decreased by the amount of certified actuarial profits or losses. At regular intervals not exceeding two years, the commitment of benefits are calculated by an independent specialized company on the basis of the projected unit credit method. The present value of the commitment of benefits is calculated from the estimated future cash outflows, discounted by using the interest on Greek Government bonds.

Profits of losses accrued from re-adjustments and changes in actuarial assumptions are recorded in the P&L with reference to the expected remaining average employment period.

Group companies registered abroad do not run retirement schemes or compensation of personnel for terminating employment.

The Group has no obligations or commitments for the payment of benefits to employees in case of voluntary resignation before the retirement date.

3.10 Provisions

Provisions are created when the Group has a legal or contractual obligation, in relation to a past event, and it is deemed likely that the settlement of the obligation will result to payment and the estimate of the amount can be calculated accurately.

3.11 Financial instruments

The basic financial instruments used by the Group are cash, bank deposits, short-term receivables and payables and certain other forms of financing. Given the short-term nature of these instruments, the Group's management believes that their fair value is essentially identical to the value at which they are reported in the accounting records of the Group. Furthermore, the Group's management believes that the interest rates paid in relation to the contracted loans are equivalent to the current fair market rates thus, there are no grounds for adjusting the value at which these obligations are reported. The *NOTOS COM Group* does not normally use financial derivatives.



3.12 Revenues

3.12.1 3.12.1 Sale of goods and services

The revenue derived from the sale of goods is recognised (reported in the income statement) at the stage when the basic risks and benefits associated with the ownership of the goods, are transferred to the buyer. The revenues derived from the rendering of services is recognised (reported in the income statements) on the basis of the stage of completion of the project, at the date of the financial statements. Revenue is not recognised, if there is substantial uncertainty as to the likelihood of collecting the amount agreed upon or the possible return of the goods.

3.12.2 Government Grants

Government grants are reflected in the financial statements when it is reasonable certain that they will be collected and the Group is in a position to conform to the terms and conditions imposed for their collection. The grants, which aim at compensating the business for expenses incurred, are reported as income in the period in which the subsidised expenses are charged. The grants, which cover part of the cost of the acquisition of fixed assets, are recognised as income and are recorded in the income statement during the course of the useful life of the subsidised asset.

3.12.3 Dividend income

Dividends are recognised as income on their approval date by the General Meeting of Shareholders.

3.13 Expenses

3.13.1 Operating Leases

The payments effected based on operating leases are considered expenses in the Income Statement for the usage period of the lease.



3.13.2 Finance leases

Finance leases are treated as loan agreements, resulting in the leased assets being reported as assets of the Group (and depreciated accordingly) with a corresponding liability reported towards the lessor or the lessors. The cost of financing is taken to the income statement as an expense, as it accrues..

3.13.3 Cost of financing

The net cost of financing is comprised of interest paid or accrued on contracted loans, calculated on the basis of the real interest rate, less interest income generated by the short-term investment of surplus cash funds.

3.14 Income Taxes

The income tax charge for the period is comprised of the current tax charge and the deferred tax element, that is the tax (or the tax relief) which is associated with revenues (or costs) that are reported, for accounting purposes, in the current period but will generate a tax burden or relief in future accounting periods. Income tax charges are shown in the income statement, except for the tax, which relates to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

The current tax charge is quantified by reference to the taxable income of the period, on the basis of the nominal rates of tax applicable as at the balance sheet date, plus any additional taxes imposed in the current period that relate to prior periods. In the case that different tax rates apply to distributed and retained earnings, the quantification of the current tax is based on the rates applicable to each category and by reference to the corresponding amounts.

Deferred taxes are quantified by the application of the relevant tax rates on the differences between the accounting and tax base of assets and liabilities, to the extent that such differences comprise timing differences that are anticipated to be reversed in the future.

A deferred tax asset is recognised, only to the extent that is likely that taxable profits will be generated in the future, sufficient to absorb the tax relief obtained through the recognition of the deferred tax asset. A deferred tax asset is appropriately reduced to the extent that it becomes uncertain whether the anticipated future tax relief will, in fact, be secured.



3.15 Reconciliation of Assets and Liabilities

The reconciliation of financial assets against liabilities and the presentation of the net amount in the financial statements, is effected only if the reconciliation is legitimate and there is an intention for the settlement of the amount that results from the reconciliation or for a simultaneous settlement.

3.16 Analysis of the Group's activities by Unit

A "Unit" is defined as a separate and distinct group of business activities with special characteristics as to the nature of the activity and the business risk associated with such activities (business segment). The NOTOS COM Group has six business segments, which are:

- a) Wholesale of apparel and footwear
- b) Wholesale of cosmetics and personal care products
- c) Retail of apparel and footwear through specialized stores
- d) Department Stores (multi story stores that sale clothes, footwear cosmetics and household products)
- e) Other (mainly wholesale and retail of stationary and office supplies) and
- f) Wholesale and retail of apparel, footwear and cosmetics though specialized stores in foreign countries.

3.17 Discontinued operations

For the purposes of providing a more accurate and complete financial picture and of rendering the comparative amounts set out in the financial statements truly comparative, the discontinued operations of the Group, either through the disposal of segments or subsidiaries or by other means, are identified and the contribution of such discontinued operations in formulating the financial position and the results of the operations of the Group in the past is quantified and reported in the financial statements.



4. Other operating income

Other operating income of the Group and the Company during the periods of 2005 and 2004 are analysed as follows:

In thd euro	Group		Company	
	2005	2004	2005	2004
Income from Services rendered	2,659	2,009	2,468	1,533
Income from leases	357	282	354	282
Discounts from foreign Suppliers	584	541	584	541
Income from the provision of services domestically	148	151	148	151
Profits from the sale of assets	1,225	300	1,225	300
Income from grants and subsidies	123	178	123	178
Exchange rate differences	171	60	-	-
Other Income	664	680	587	625
	5,931	4,201	5,489	3,610

5. Other operating expenses

Other operating expenses of the Group and the Company during the periods of 2005 and 2004 are analysed as follows:

In thd euro	Group		Company	
	2005	2004	2005	2004
Inventory deficit	729	156	586	68
Provisions for the write off of doubtful debts	75	400	126	400
Provisions for the write off of outdated or destroyed inventories	752	1,316	702	995
Losses from the disposition of fixed assets	82	24	82	18
Losses from exchange rate differences	97	106	49	32
Other expenses	369	385	222	300
	2,104	2,387	1,767	1,813



6. Expenses breakdown

Basic categories of expenses and the breakdown of selling and administration expenses and the cost of goods sold for FY 2005, is analyzed as follows:

	Group			Company		
	Administration expenses	Sales & operation expenses	Cost of goods sold	Administration expenses	Sales & operation expenses	Cost of goods sold
In thd euro						
Salaries, employers contributions and other personnel expenses	6,673	32,076		5,985	27,759	-
Other personnel Expenses	309	126		338	347	-
Remunerations to 3 rd parties	2,881	6,667	35	1,989	5,457	32
3 rd party expenses	2,244	16,483		1,667	13,211	-
Taxes and Duties	135	1,103		121	965	-
Provisions for Employee Compensations	49	297		-	-	-
Depreciation	1,422	8,313		1,228	7,179	-
Other Expenses	1,570	17,677		1,601	16,756	-
Total	15,283	82,742	35	12,929	71,674	32
Less: Intercompany expenses	(118)	(858)		-		-
Total Expenses	15,401	83,600	35	12,929	71,674	32

7. Personnel Employed by the Group and Company and Related Costs

The number of the employees of the Group and the Company, as at 31 December 2005 and 2004, and the aggregate cost of their employment for the periods of 2005 and 2004, were as follows:

	Group		Company	
	2005	2004	2005	2004
Personnel	2,076	1,968	1,753	1,408
Salaries	30,011	26,164	26,539	22,145
Employer's contributions	7,993	6,827	7,027	5,726
Provision for retirement of personnel			527	
Other Expenses	1,079	373	337	303
Total	39,083	33,364	34,430	28,174

Other expenses include professional education courses, canteen as well as charges by 3rd parties for the employment of personnel in stores.



8. Income Tax

The tax charged for the period has been quantified as follows:

In thd euro	Group		Company	
	2005	2004	2005	2004
Profits, before taxes, as at the income statement	32,106	27,071	30,728	33,455
Tax rate	32.0%	35.0%	32%	35%
Income taxes, based on nominal tax rate	10,274	9,475	9,833	11,709
Taxes from different tax rates from subsidiaries	(92)	(263)		
Taxes on non taxable or specially taxed profits	(138)	(569)	(138)	(540)
Tax on non tax-deductible expenses	208	82	8	32
Tax on losses of subsidiary companies		1,709		
Tax reduction due to of losses of absorbed company		(969)		(969)
Tax from difference in rates for future years	(74)		(74)	63
Additional income taxes for leases-rents	54	34	54	34
Other taxes	634	2,402	440	2,411
Total tax charge	10,866	11,901	10,123	12,740
Current tax charged	5,462	9,046	4,931	9,885
Deferred tax (relief)	5,404	2,855	5,192	2,855
Total tax charged	10,866	11,901	10,123	12,740

The outstanding tax audits for Greek companies in the Group listed below may result in the imposition of additional taxes in the year in which the audit will take place. Since the results of the audits cannot be predicted at this stage, no related provisions have been made in the financial statements.

Company	Un-audited tax years
NOTOS COM HOLDINGS S.A.	2003-2005
PALLIS STORES S.A.	1999-2005
PALLIS OFFICE SUPPLIES S.A.	2001-2005
LANCASTER GROUP HELLAS S.A.	2001-2005
BELA LTD	2005
APIVITA S.A.	2004-2005
Y.S.L. BEAUTE S.A.	2005
REMEK PHARMACEUTICALS S.A.	2005

A similar possibility exists for the Group companies established abroad.



Deferred taxes as at 31 December 2005 and 2004, are analysed as follows:

In thd euro	Group		Company	
	2005	2004	2005	2004
Liabilities				
Differences for depreciation calculations	922	-	922	-
Provisions for personnel compensations	-479	-	-479	-
Provisions fro doubtful receivables	-197	-	-197	-
Differences from intragroup profits	39	-	-	-
	285	-	246	-
Receivables				
Provisions for personnel compensations	-	392	-	392
Provisions for doubtful receivables	-	464	-	464
Write off of establishment expenses	-	1,151	-	716
Losses from subsidiaries	212	2,689	-	-
	212	4,696	-	1,572



9. Analysis of Group Activities by Unit

As mentioned above, the Notos Com Group has six Units of business activity. Unit results were as follows:

GROUP 2005

In thd euro	Wholesale		Wholesale		Wholesale		Write-off		Total Group
	of apparel and footwear	Retail of apparel and footwear	of cosmetics	Department Stores	Other	Total Company	Foreign Subsidiaries	inter-company transactions	
Sales to third parties	54,326	28,957	64,550	108,388	6,083	262,303	14,591	0	276,894
Intersector sales	5,976	0	653	1,310	69	8,008	0	(8,008)	0
Total Sales	60,301	28,957	65,203	109,698	6,152	270,312	14,591	(8,008)	276,894
Total cost of goods sold	(34,291)	(10,971)	(25,566)	(72,955)	(4,136)	(147,920)	(7,302)	7,488	(147,734)
Gross Profit	26,011	17,986	39,636	36,743	2,016	122,392	7,289	(520)	129,160
Other third-party income	792	111	2,723	1,875	507	6,008	239	(316)	5,931
Other third-party expenses	(814)	(197)	(783)	(625)	630	(1,789)	(315)		(2,104)
Other operating income	(22)	(85)	1,940	1,250	1,137	4,219	(76)	(316)	3,827
Third Party administration expenses	(936)	(483)	(2,143)	(2,397)	(708)	(6,667)	(807)	118	(7,356)
Third party distribution expenses	(7,623)	(11,788)	(24,413)	(25,098)	(1,596)	(70,518)	(4,769)	858	(74,429)
Depreciation	(201)	(2,265)	(1,597)	(4,073)	(179)	(8,315)	(502)		(8,817)
	(8,760)	(14,537)	(28,153)	(31,568)	(2,483)	(85,500)	(6,078)	975	(90,602)
Operating income (loss)	17,229	3,364	13,423	6,425	670	41,111	1,135	140	42,385
Expenses not allocated						(7,424)		0	(7,424)
Interest expenses and other financial expenses						(3,884)	0	0	(3,884)
Interest income and other financial income						252	0	0	252
Profits from usual operations	17,229	3,364	13,423	6,425	670	30,054	1,135	140	31,329
Share of profit/ loss from affiliate companies	0	0	0	0	0	778	0		778
Profits before taxes	17,229	3,364	13,423	6,425	670	30,832	1,135	140	32,106
Income tax									(10,866)
Profits after taxes									21,240
Minority rights									(219)
Profits after taxes, attributable to the Group									21,459



GROUP 2004

	Wholesale			Write-off					
	of apparel	Retail of	Wholesale	Department		Total	Foreign	inter-company	Total
	and	apparel and	of	Stores	Other	Company	Subsidiaries	transactions	Group
In thd euro	footwear	footwear	cosmetics						
Sales to third parties	51,426	26,178	58,597	106,709	6,851	249,761	8,862	0	258,622
Intersector sales	3,970		1,746		125	5,840		(5,840)	-
Total Sale	55,395	26,178	60,343	106,709	6,976	255,601	8,862	(5,789)	258,622
Total cost of goods sold	(32,028)	(9,916)	(21,925)	(71,293)	(4,349)	(139,510)	(4,589)	4,566	(139,532)
Gross Profit	23,367	16,262	38,418	35,146	1,853	116,039	4,273	(1,223)	119,089
Other third-party income	755	85	1,749	961	668	4,218	129	(146)	4,201
Other third-party expenses	(192)	(384)	(982)	(191)	(487)	(2,236)	(151)		(2,387)
Other operating income	563	(299)	767	770	181	1,982	(22)	(146)	1,814
Third Party administration expenses	(528)	(862)	(1,971)	(2,434)	(693)	(6,489)	(330)	105	(6,713)
Third party distribution expenses	(7,008)	(10,005)	(23,059)	(23,226)	(1,851)	(65,148)	(2,667)	877	(66,938)
Depreciation	(373)	(2,067)	(1,873)	(5,206)	(359)	(9,879)	(366)		(10,244)
	(7,908)	(12,934)	(26,903)	(30,866)	(2,903)	(81,515)	(3,362)	982	(83,895)
Operating income (loss)	16,022	3,030	12,281	5,320	(95)	36,559	888	(439)	37,008
Non attributed expenses						(6,755)		0	(6,755)
Interest expenses and other financial expenses						(4,204)	0	0	(4,204)
Interest income and other financial income						543	0	0	543
Profits from usual operations	16,022	3,030	12,281	5,320	(95)	26,144	888	(439)	26,593
Share of profit/ loss from affiliate companies	0	0	0	0	0	479	0		479
Profits before taxes	16,022	3,030	12,281	5,320	(95)	26,623	888	(439)	27,071
Income tax									(11,901)
Profits after taxes									15,171
Minority rights									(2,011)
Profits after taxes, attributable to the Group									17,181



COMPANY 2005

	Wholesale		Wholesale		Wholesale		Total
	of apparel	Retail of	of	Department		Company	
In thd euro	and	apparel and	cosmetics	Stores	Other		
Sales to third parties	54,326	28,957	59,272	105,311		247,866	
Intersector sales	5,976		653		69	6,698	
Total Sale	60,301	28,957	59,925	105,311	69	254,564	
Total cost of goods sold	(34,291)	(10,971)	(24,846)	(69,921)		(140,029)	
Gross Profit	26,011	17,986	35,079	35,390	69	114,535	
Other third-party income	792	111	2,632	1,726	228	5,489	
Other third-party expenses	(814)	(197)	(671)	(540)	455	(1,767)	
Other operating income	(22)	(85)	1,961	1,186	683	3,722	
Third Party administration expenses	(936)	(483)	(1,606)	(2,171)		(5,196)	
ird party distribution expenses	(7,623)	(11,788)	(21,223)	(23,861)		(64,495)	
Depreciation	(201)	(2,265)	(1,441)	(3,581)		(7,488)	
	(8,760)	(14,537)	(24,269)	(29,614)		(77,179)	
Operating income (loss)	17,229	3,364	12,771	6,962	752	41,078	
Non attributed expenses						(7,424)	
Interest expenses and other financial expenses						(3,435)	
Interest income and other financial income						146	
Dividends from affiliate companies						363	
Profits from usual operations	17,229	3,364	12,771	6,962	752	30,727	
Extraordinary results							
Profits before taxes	17,229	3,364	12,771	6,962	752	30,727	
Income taxes						(10,123)	
Net profits after taxes						20,605	



COMPANY 2004

	Wholesale		Retail of		Wholesale		Department		Total
	of apparel	and	apparel and	of	cosmetics	Stores	Other	Company	
In thd euro	footwear		footwear						
Sales to third parties	51,426		26,178		53,495	93,952			225,051
Intersector sales	3,970				1,746		125		5,840
Total Sale	55,395		26,178		55,241	93,952	125		230,892
Total cost of goods sold	(32,028)		(9,916)		(21,186)	(62,517)			(125,646)
Gross Profit	23,367		16,262		34,055	31,436	125		105,245
Other third-party income	755		86		1,704	800	265		3,610
Other third-party expenses	(192)		(384)		(934)	(93)	(210)		(1,813)
Other operating income	563		(299)		771	707	55		1,797
Third Party administration expenses	(528)		(862)		(1,503)	(1,446)			(4,339)
Third party distribution expenses	(7,008)		(10,005)		(20,009)	(17,299)			(54,320)
Depreciation	(373)		(2,067)		(1,752)	(1,763)			(5,955)
	(7,908)		(12,934)		(23,264)	(20,508)			(64,614)
Operating income (loss)	16,022		3,030		11,562	11,634	179		42,428
Non attributed expenses									(6,755)
Interest expenses and other financial expenses									(3,346)
Interest income and other financial income									362
Dividends from affiliate companies									764
Profits from usual operations	16,022		3,030		11,562	11,272	179		33,454
Extraordinary results									
Profits before taxes	16,022		3,030		11,562	11,272	179		33,454
Income taxes									(12,740)
Net profits after taxes									20,714



GROUP 2005

	Wholesale		Retail of		Wholesale		Department		Total	Foreign	inter-company	Total
	of apparel	and	apparel and	of	cosmetics	Stores	Other	Company		Subsidiaries	transactions	Group
In thd euro	footwear		footwear									
Total Assets	38,676		29,896		45,071	129,628	62,905	306,176		18,467	-19,821	304,822
Total Liabilities	6,255		2,197		13,981	58,612	87,396	168,441		7,137	-5,564	170,014

GROUP 2004

	Wholesale		Retail of		Wholesale		Department		Total	Foreign	inter-company	Total
	of apparel	and	apparel and	of	cosmetics	Stores	Other	Company		Subsidiaries	transactions	Group
In thd euro	footwear		footwear									
Total Assets	2,653		28,758		37,949	135,743	67,860	272,963		11,654	-1,744	282,873
Total Liabilities	5,931		1,630		11,203	70,332	73,094	162,190		4,101	-4,359	161,931



10. Acquisitions and Disposals of Shares in Subsidiaries

During FY 2005, the Company acquired subsidiaries, whose Balance Sheet at the date of acquisition and Goodwill, are given below:

Acquired subsidiary	Darneks Tekstil Sanayi Ve Ticaret	Notos Com doo	Notos Com doo
Head offices	Turkey	Croatia	Slovenia
Acquisition Date	5.7.2005	1.1.2005	1.1.2005
% Participation	31%	51%	51%
Assets			
Intangible assets	41	66	-
Tangible assets	25	36	-
Other long term assets	-	8	-
Inventories	183	447	1
Receivables and prepayments	52	95	46
Cash on hand	154	18	12
	455	670	59
Liabilities			
Short term bank liabilities	11	40	2
Other liabilities and tax payable	337	438	34
	348	478	36
Current value of shareholder's equity	107	192	23
Participation in share capital increase	460	245	-
Current value of equity plus participation in share capital increase	567	437	23
Current value acquired (Group percentage)	176	223	12
Less: Acquisition cost	460	413	12
Surplus value realized in intangible assets	284	190	0
			474

11. Acquisitions and Disposals of Shares in Affiliates

Since 01/01/2005 and up to the date of approval of the present financial statements, there have been no changes in the Group's shares in affiliates.



12. Tangible and Intangible Fixed Assets

The tangible fixed assets of the Group and the Company are analysed as follows:

GROUP							
	Buildings & building installations	Machinery & plant installations	Furniture and other equipment	Assets under construction or installation			
In thd euro	Land		Vehicles				Total
Acquisition or valuation cost							
As at 31 December 2004	58,074	71,468	364	448	26,221	1,835	158,410
Exchange rate differences	3	5	(3)	3	77	0	85
Additions 2005	493	4,844	0	26	6,125	1,124	12,613
Completed (under construction)	0	0	0	0	265	(265)	0
Transfers	0	(80)	0		(19)		(99)
Disposals 2005	0	0	0	(58)	(462)	(1,785)	(2,305)
As at 31 December 2005	58,570	76,238	361	419	32,207	909	168,705
Accumulated depreciation							
As at 31 December 2004	0	(4,785)	(351)	(310)	(15,876)	0	(21,322)
Exchange rate differences	0	(2)	0	(0)	(69)	0	(71)
Depreciation charges 2005	0	(4,167)	(8)	(49)	(4,254)	0	(8,478)
Disposals 2005	0	0	0	55	408	0	463
Transfers	0	75	0	0	19	0	94
As at 31 December 2005	0	(8,879)	(359)	(304)	(19,772)	0	(29,313)
Un-depreciated value							
As at 31 December 2005	58,570	67,359	2	116	12,435	909	139,391
As at 31 December 2004	58,074	66,683	13	138	10,345	1,835	137,088

**COMPANY**

In thd euro	Land	Buildings & building installations	Machinery & plant installations	Vehicles	Furniture and other equipment	Assets under construction or installation	Total
Acquisition or valuation cost							
As at 31 December 2004	50,469	43,986	343	367	21,702	1,381	118,248
Additions	353	4,437		1	4,124	3,436	12,351
Completed (under construction)						(1,842)	(1,842)
Disposals 2005				(47)	(462)	(2,066)	(2,575)
Transfers 2005		(102)			(3)		(105)
Transfer from absorbed company	6,500	24,648		23	1,250		32,421
As at 31 December 2005	57,322	72,970	343	344	26,611	909	158,498
Accumulated depreciation							
As at 31 December 2004		(2,873)	(330)	(274)	(14,153)		(17,630)
Depreciation 2005		(3,716)	(8)	(33)	(3,394)		(7,151)
Disposals 2005		70		48	408		526
Transfers 2005		5			19		24
Transfer from absorbed company	(1,366)		(4)	(216)		(1,586)	
As at 31 December 2005	0	(7,880)	(338)	(263)	(17,336)	0	(25,817)
Un-depreciated value							
As at 31 December 2005	57,322	65,090	5	81	9,275	909	132,681
As at 31 December 2004	50,469	41,113	13	93	7,549	1,381	100,618

Group Land and Buildings were re-valued in December 2004 based on the reports of independent valuers. The determination of the current fair value of Land and Buildings was based on comparative figures of the real estate market.

The after-tax surplus value was recorded directly under own funds as a re-valuation reserve from fixed assets and remains at the same level until disposition of the asset, despite the fact that the surplus value reduces results by way of a depreciation allowance on the re-adjusted value of buildings.

There are no encumbrances or liens on the assets of the Company or the Group, other than a lien on the merged subsidiary AIAKOS SA for an amount of 645 thd euro as security for a lease agreement. A lien of 9.1 mln euro on property, given by the above merged subsidiary, as security for a corporate bond loan of an original amount of 7 mln euro, and with a balance of 4.9 mln euro on 31/12/2005, has been lifted since March 3, 2006.



The intangible fixed assets of the Group and the Company are analysed as follows:

GROUP

In thd euro	Goodwill	Trademarks	Leasing rights	Software	Total
Acquisition or valuation cost					
As at 31 December 2004	230		11,602	2,046	17,878
Exchange Rate Differences			10		10
Additions during 2005		474	1,157	184	2,154
As at 31 December 2005	230	474	12,769	2,230	20,042
Accumulated depreciation					
As at 31 December 2004	(198)		(2,857)	(1,114)	(4,169)
Amortisation 2005	(32)		(994)	(704)	(1,730)
As at 31 December 2005	(230)		(3,851)	(1,818)	(5,899)
Un-depreciated value					
As at 31 December 2005	0		8,918	412	14,143
As at 31 December 2004	32		8,745	932	13,709

COMPANY

In thd euro	Goodwill	Trademarks	Leasing rights	Software	Total
Acquisition or valuation cost					
As at 31 December 2004	0		10,007	1,768	15,775
Additions during 2005			981	60	1,380
Transfer from merged company	230		40	99	369
As at 31 December 2005	230		11,028	1,927	17,524
Accumulated depreciation					
As at 31 December 2004	0		(1,874)	(1,114)	(2,988)
Amortisation 2005	(11)		(829)	(418)	(1,258)
Transfer from merged company	(219)		(10)	(42)	(271)
As at 31 December 2005	(230)		(2,713)	(1,574)	(4,517)
Un-depreciated value					
As at 31 December 2005	0		8,315	353	13,007
As at 31 December 2004	0		8,133	654	12,787



13. Other Long Term Receivables

Other long term receivables, as at 31 December 2005, represent rent collateral, leasing of cars and public utilities companies.

14. Inventories

The inventories of the Group and the Company, as at 31 December 2005 and 31 December 2004, are analysed as follows:

In thd euro	Group		Company	
	31 December	31 December	31 December	31 December
	2005	2004	2005	2004
Inventory of goods	65,397	58,562	60,141	50,073
Acquisition of goods to be delivered	1,862	1,236	1,862	1,236
Deposits for acquisition of inventories	2,386	569	2,241	562
	69,645	60,367	64,244	51,871

15. Other Short Term Receivables

Other short term receivables of the Group and those of the Company, as at 31 December 2005 and 31 December 2004, are analysed as follows:

	Group		Company	
	31 December	31 December	31 December	31 December
	2005	2004	2005	2004
Income receivable	1,343	246	1,343	246
Prepaid expenses	993	547	840	445
Receivables from the Greek State	4,745	10,397	4,403	5,653
Prepayments to suppliers	870	762	778	762
Other debtors	532	808	316	589
Receivables for foreign Houses for participation in advertising campaigns	454	267	454	267
Other receivables	714	764	-	-
Total	9,651	13,791	8,134	7,962



16. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash in the Group's and Company's cash registers and bank deposits available on demand.

17. Loans

The loans contracted by the Group and the Company have been advanced by Greek and foreign banks and are primarily denominated in Euros. The amounts that are repayable within one year of the balance sheet date are reported as short-term obligations, while the amounts that are repayable at a later stage, are reported as long-term obligations.

The loans of the Group and the Company, as at 31 December 2005 are analysed, by principal lender, as follows:

In thd euro	Group		Company		Scheduled repayment	Interest rate
	Short term	Long term	Short term	Long term		
ALPHA BANK	3,764		659			Euribor + 1% + contribution
EUROBANK ERGASIAS	10,000		10,000			Euribor + 1% + contribution
NATIONAL BANK OF GREECE	6,162		6,000			Euribor + 1% + contribution
COMMERCIAL BANK OF GREECE	2,000		2,000			Euribor + 1% + contribution
OMEGA BANK	300					Euribor + 1% + contribution
RAIFFEISENBANK AUSTRIA	107					6.00%
AKBANK TARABYA	2					
CESKA SPORITELNA	103					3.97%
ALPHA BANK	2,000	5,000	2,000	5,000	30-Ιουν-09	Euribor + 1.1%
COMMERCIAL BANK OF GREECE		15,000		15,000	06-Οκτ-08	Euribor + 1.15%
NATIONAL BANK OF GREECE	2,000	6,000	2,000	6,000	12-Ιουλ-09	Euribor + 1.1%
EUROBANK ERGASIAS	1,750	5,250	1,750	5,250	14-Ιουλ-09	Euribor + 1.1%
NATIONAL BANK OF GREECE	1,400	3,500	1,400	3,500	20-Ιουν-09	Euribor + 1.1%
EUROBANK ERGASIAS		10,000		10,000	29-Σεπ-08	Euribor + 1.15%
	29,589	44,750	25,809	44,750		



18. Financial Instruments

Exchange risks

Given the geographic dispersion of the Group's activities, the exposure to exchange risks is inevitable. However, the dominant market position of the Group's products in those countries that have relatively weaker currencies, gives the opportunity to the Group to mitigate the adverse consequences of devaluations by a corresponding increase in sale prices. Management's goal is to balance the receivables and payables of the Group by currency, bearing in mind the higher cost of financing in weak currencies. The gradual stabilisation of Eastern European countries' economies, together with the admission of certain of those countries to the European Union, tend to lower the exchange risk to which the Group is exposed. The Group does not enter into forward exchange contracts.

Credit risks

The Group has a clearly defined credit policy, which is followed consistently. The exposure to credit risks is monitored and assessed on a regular basis, thus ensuring that the credit given does not exceed the authorized credit limits of each customer.

The maximum exposure of the Group to credit risks, assuming that all customers fail to honour their obligations as at 31 December 2005, add up to the amount recorded under receivables in the Balance Sheet.

Interest rate risks

Most of the interest-bearing receivables and payables of the Group are linked to floating interest rates that are adjusted in line with market fluctuations. The Group does not use financial derivatives.

19. Other Short Term Liabilities

Other short term Liabilities of the Group and Company, as at 31 December 2005 and 31 December 2004, are as follows:



	Group		Company	
	31 December	31 December	31 December	31 December
	2005	2004	2005	2004
Advances payments by clients	5,737	3,941	5,636	2,621
Insurance organisations	2,038	1,804	1,860	1,532
Accrued expenses	2,234	1,843	1,980	1,643
Personnel salaries payable	282	413	273	338
Other creditors	2,039	1,732	1,483	1,267
	12,330	9,733	11,232	7,401

20. Retirement Scheme Obligations

Retirement scheme obligations of the Group and the Company towards personnel of companies established in Greece, have been calculated through actuarial studies undertaken by an independent specialist company in July 2004, January 2005 and January 2006. The main assumptions employed in the study were a discount rate of 3.48% and an average salary increase of 3.5%.

Amounts recorded in the income statement with respect to specific retirement benefits were as follows:

In thd euro	Group		Company	
	2005	2004	2005	2004
Current cost of service	125	178	19	178
Financial cost	110	113	112	113
Liabilities of the absorbed company	98	0	98	0
Actuarial losses/ (profits)	314	0	290	0
Net Cost charged to results	647	291	519	291
Current value of liability	3,574	3,209	3,327	3,002
Breakdown of the Liability recorded in the Balance Sheet				
Balance brought down	1,954	2,669	1,854	2,569
Net cost as above	647	291	519	291
Payment of benefits during the FY	(505)	(1,006)	(458)	(1,006)
Balance carried forward	2,096	1,954	1,915	1,854



21. Share Capital and Share Premium

On 31/12/2004, Company share capital was at 28,889,168.28 euro, divided into 68,783,734 shares with a nominal value of 0.42 euro per share.

The General Meeting of Shareholders dd 20/09/2005 decided an increase in Company Share Capital of 5,790,097.74 euro through the contribution of the Share Capital of subsidiary AIAKOS SA which was merged (a) by increasing the nominal value of shares to 0.487865 euro per share (b) the issuance of 2,300,000 new common registered shares with a nominal value of shares to 0.487865 euro per share (c) the capitalisation of 862,600.98 euro being extraordinary Company reserves for the rounding off of the nominal value of shares from 0.487865 to 0.50 euro.

After these arrangements, Company share capital was 35,541,867 euro, divided into 71,083,734 shares with a nominal value of 0.50 euro each.

Notos Com Holding SA shares are listed on the Athens Stock Exchange.

During 2004, the Company bought back 235,350 own shares at a price range between 2.60 and 3.38 euro. All these shares were sold within 2005 at 3.44 euro per share. The proceeds of the sale was 808,000 euro and the profit from the transaction 53,000 euro.



22. Earnings per Share

The Company's Shares are listed on the Athens Stock Exchange with the symbol NOT. The code used by Bloomberg is NOTOS GA, while Reuters used the abbreviation of NOTr.AT.

Each share is entitled to one vote.

Earnings per share are calculated by dividing the profit attributable to the Group and Company shareholders by the weighted average number of issued and outstanding shares during the accounting period.

In thd euro	Group		Company	
	2005	2004	2005	2004
Net profits attributable to shareholders (in thd €)	21,459	17,181	20,605	20,715
Weighted average of shares outstanding (in thd pieces)	69,167	68,784	69,167	68,784
Profits per share	0.31	0.25	0.30	0.30

Total equity of NOTOS COM HOLDINGS SA as at 31 December 2005, amounted to 239 million euro.

23. Reserves

In accordance to the provisions of Greek company law, the creation of a "statutory reserve", by transferring to such reserve an amount equal to 5% of the annual after tax profits realised, is compulsory until the reserve reaches 1/3 of the share capital of the Company. The "statutory reserve" can be distributed only upon the dissolution of the Company but can be utilised to off-set accumulated losses.

Tax related reserves have been created on the basis of provisions of tax legislation, which permit the subjection of certain forms of income to taxation at the time of distribution to shareholders. The tax liability that will transpire on the distribution of these reserves, estimated as at 31 December 2005 is 1.9 million euro, and will be recognised when the distribution materialises.



The exchange rate differences which arise from the conversion of the financial statements of foreign subsidiaries included in the consolidation (NOTOS CYPRUS Ltd and the subsidiaries of NOTOS INTERNATIONAL Ltd), are depicted directly in shareholders' equity under "currency exchange adjustments".

24. Adaptation to the International Financial Reporting Standards

The present annual financial statements are the first, accompanied by an audit report, such statements drawn up by the Notos Com Group in accordance with the International Financial Reporting Standards (IFRS) adapted by the European Union. According to the provisions of the law, the application of the IFRS by the companies that are listed on the Athens Stock Exchange is compulsory as from 1 January 2005.

The necessary adjustments are presented in the tables below:



Reconciliation of Equity at the Beginning of the Period (1/1/2005 and 1/1/2004 respectively) between GREEK GENERAL ACCEPTED ACCOUNTING PRACTICES (G.A.A.P.) and INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	Group		Company	
	1 January 2005	1 January 2004	1 January 2005	1 January 2004
In thd euro				
Equity balance at the beginning of the period (1/1/2005 and 1/1/2004 respectively) according to Greek G.A.A.P.	116,396	59,405	102,649	48,153
Recognition of deferred tax receivables	4,696	6,793	1,572	4,427
Adjustment of provision accounts according to I.F.R.S.	(3,727)	(4,040)	(3,167)	(4,227)
Transfer of State subsidies from equity to deferred income	(64)	-	(64)	-
Write -off of establishment and long term assets expenses	(2,407)	(10,087)	(1,046)	(8,068)
Revaluation of land and building at fair value	929	60,440	-	51,555
Reconciliation of depreciation of Distribution Rights acquired in 2004	667	-	667	-
Previous Period Taxes	(1,680)	(3,686)	(1,680)	(3,686)
Restatement of valuation of participations in subsidiaries and affiliate companies	1,012	-	4,181	2,533
Transfer of the recognition of dividends and BoD remuneration payable to the year of approval by the General Meeting of Shareholders	8,821	6,665	8,821	6,665
Transfer of acquisition value of own shares to Owner's Equity	(754)	-	(754)	-
Readjustment of projections made for minority rights not realised	-	531	-	531
Write -off of minority rights in net worth of participation due to the change in consolidation method used, according to I.F.R.S.	(2,948)	(2,831)	-	-
Equity balance at the beginning of the period (1/1/2005 1/1/2004 respectively) according to I.F.R.S.	120,941	113,190	111,179	97,883



**Adjustments of 2004 results between
GREEK GENERAL ACCEPTED ACCOUNTING PRACTICES (G.A.A.P.) and
INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)**

In thd euro	Group	Company
Net Profits before taxes and Minority Rights according to Greek GAAP	28,201	32,515
Adjustments to IFRS		
Reconciliation of Provisions not actually paid	-531	-531
Reconciliation of depreciation on establishment expenses that had been written off	489	489
Provision for Doubtful Debtors	-680	-400
Income from the reconciliation of provisions for employee remunerations	715	715
Write off of profits allocated to minority shareholders due to the change in the consolidation method in accordance to IFRS	-1,604	
Reconciliation of depreciation of distribution rights	667	667
Re-calculation of the value of participations in affiliated companies	-186	
Total Adjustments	-1,130	940
Net Profits before taxes and Minority Rights according to IFRS	27,071	33,455

25. Related Party Transactions and Balances

The transactions of the Group, in the year 2005, and the receivables from and payables to related parties, as at 31 December 2005, are analysed as follows:

	Sales to related companies	Purchases from related companies	Receivables from related companies	Payables from related companies
In thd euro				
YSL BEAUTE S.A. and APIVITA S.A.	699	669	193	176

The results of the period were charged with compensation to Board of Directors at the amount of 1.200 thd euro (200 thd euro for each of the 6 executive members who also act as General Manager of the business sectors of the Group).

Moreover, the general meeting of shareholders on May 25th 2005, ratified the compensation of the members of the Board of Directors of NOTOS COM, amounting to 567 thd euro from the profits of 2004, from which 540 thd euro were attributed to the executive members and the remaining to the non-executive members of the BoD.



26. Commitments and Contingent Liabilities

The Company has undertaken to construct a multi-storey building on land owned by third parties, which the Company will operate for 28 years.

No other Group company has been committed to the acquisition of fixed assets for which special mention should be made in the financial statements.

After the acquisition of 51% of the shares of Croatian company EMAR doo, which has already been re-named Notos Com doo Croatia, Notos International Ltd has extended an option to the sellers of these shares to request the acquisition of their remaining shares in years 2009, 2012 and 2015, against a pre-agreed price being a multiple of EBITDA.

In the contract between Notos Com Holdings SA and the shareholders of Turkish company Darneks Tekstil Sanayi Ticaret Anonim Sirketi, with which the former acquired 31% of the latter, Notos Com Holdings SA has extended an option to the sellers of these shares to request the acquisition of their remaining shares either on 31/12/2007 at a consideration of 1,200,000 euro above book value, or after 31/12/2007 at a multiple of Profits before Taxes. According to the same contract, the Company has an option to acquire 20% of shares for an amount of 677,500 euro on the second anniversary of the contract date.

Financial commitments from leases of property and vehicles on 31/12/2005 were as follows:

In thd euro	Group	Company
Short -term commitments	8,557	8,019
Long -term commitments (2 to 5 years)	31,882	30,425
Long -term commitments (more than 5 years)	15,089	15,089
	55,528	53,533

The below mentioned income tax declarations of the Group's Greek companies have not been audited by the tax Authorities as a result of which it is possible that additional taxes may become payable in the year when such an audit will take place. The results of the tax audits cannot be estimated at this stage and, therefore, no provisions have been made in the financial statements.



Company	Un-audited tax years
NOTOS COM HOLDINGS S.A.	2003-2005
PALLIS STORES S.A.	1999-2005
PALLIS OFFICE SUPPLIES S.A.	2001-2005
LANCASTER GROUP HELLAS S.A.	2001-2005
BELA LTD	2005
APIVITA S.A.	2004-2005
Y.S.L. BEAUTE S.A.	2005
REMEK PHARMACEUTICALS S.A.	2005

The same is true for the subsidiary companies abroad.

27. Post Balance Sheet Events

Further to the aforementioned events, there are no other events, related to either the Group or the Company, that have occurred after 31 December 2005, to which reference is compulsory under the International Financial Reporting Standards.



INTRACOMPANY TRANSACTIONS

INTRACOMPANY BALANCES 2005

COMPANY WITH RECEIVABLES									
in €	NOTOS COM HOLDINGS S.A.	YSL BEAUTE S.A.	LANCASTER GROUP HELLAS S.A.	BELA EPE	PALLIS STORES S.A.	PALLIS OFFICE SUPPLIES S.A.	APIVITA S.A.	NOTOS INTERNA-TIONAL LTD	TOTAL
COMPANY WITH LIABILITY									
NOTOS COM HOLDINGS S.A.		173,483.78	145,356.95	1,128,477.89	29,543.99	18,027.90	3,030.85		1,497,921.36
YSL BEAUTE S.A.	193,208.79								193,208.79
LANCASTER GROUP HELLAS S.A.	46,495.22								46,495.22
NOTOS BULGARIA Ltd	11,076.33	4,139.24	28,196.42					32,334.28	75,746.27
NOTOS CYPRUS Ltd	759,741.74								759,741.74
NOTOS COM CZ sro	465,264.34							119,132.88	584,397.22
NOTOS SLOVAKIA sro	21,134.57								21,134.57
NOTOS POLSKA spzoo	1,313,147.42							55,305.53	1,368,452.95
NOTOS ROMANIA srl	52,874.14							35,067.49	87,941.63
NOTOS HUNGARY kft	177,104.73								177,104.73
NOTOS TEXTILHANDEL GmbH	942,297.48							627,802.81	1,570,100.29
NOTOS SKOPJE sro	95,440.29								95,440.29
NOTOS SLOVENIA	17,579.94								17,579.94
NOTOS CROATIA	407,747.54							23,647.01	431,394.55
DARNEKS S.A.	599,111.11								599,111.11
TOTAL	5,102,223.64	177,623.02	173,553.37	1,128,477.89	29,543.99	18,027.90	3,030.85	893,290.00	7,525,770.66

INTRACOMPANY PURCHASES / SALES 2005

MERCHANDISE-SERVICES- OTHER INCOME

SELLER							
in €	NOTOS COM HOLDINGS S.A.	YSL BEAUTE S.A.	LANCASTER GROUP HELLAS S.A.	BELA EPE	PALLIS STORES S.A. PALLIS OFFICE SUPPLIES S.A.	NOTOS INTERNA-TIONAL LTD	TOTAL
BUYER							
NOTOS COM HOLDINGS S.A.		571,460.43	579,438.85	1,900,677.86	146,798.52		3,198,375.61
PALLIS STORES S.A.	213,728.46						213,728.46
PALLIS OFFICE SUPPLIES S.A.	41,653.95				21,307.00		62,960.95
AIAKOS S.A.	346,364.54						346,364.54
YSL BEAUTE S.A.	613,905.88				5,312.13		619,218.01
LANCASTER GROUP HELLAS S.A.	946,029.52				8,347.59		954,377.11
APIVITA S.A.	84,991.95						84,991.95
NOTOS CYPRUS Ltd	1,329,448.03						1,329,448.03
NOTOS BULGARIA Ltd	264,909.11	97,638.73	105,924.70			115,791.00	584,263.54
NOTOS COM CZ sro	1,022,968.96					106,071.48	1,129,040.44
NOTOS SLOVAKIA sro	148,056.93						148,056.93
NOTOS POLSKA sp zoo	560,627.61						560,627.61
NOTOS ROMANIA srl	169,859.22					13,438.00	183,297.22
NOTOS HUNGARY kft	120,252.90						120,252.90
NOTOS TEXTILHANDEL GmbH	407,933.19						407,933.19
NOTOS SKOPJE sro	123,734.87						123,734.87
NOTOS SLOVENIA	68,138.77						68,138.77
NOTOS CROATIA	1,197,523.64						1,197,523.64
DARNEKS S.A.	670,357.75						670,357.75
TOTAL	8,330,485.28	669,099.16	685,363.55	1,900,677.86	181,765.24	235,300.48	12,002,691.51



BDO Hellenic Auditing Company AE
Certified and Registered Auditors

AUDITORS' REPORT

To the Shareholders of Notos Com Holdings AEBE

We have audited the accompanying financial statements as well as the consolidated financial statements of Notos Com Holdings AEBE, 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 and that of the Group (of which this Company is the holding company), as of 31 December 2005, and of the results of its operations and those of the Group and their cash flows and 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.

Without qualifying our report, we draw attention to the reference made in Note 8 to the financial statements to the pending tax returns of the Company and of certain of its subsidiaries. These returns have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Maroussi, 2 March 2006
John Tentis
Certified Registered Auditor
Registration #17061



REPORT OF THE BOARD OF DIRECTORS On the Financial Results for the period 1/1/2005-31/12/2005

Dear shareholders,

Financial year 2005 once again justified the entrepreneurial choices of Notos Com management since all figures show a noteworthy improvement, while the company's presence both in and outside Greece has been strengthened. It is impressive that the figures show marginal deviations from those budgeted.

More specifically, the basic financial figures for FY 2005 and those of 2004 were as follows (in euro mln):

	31.12.2005	31.12.2004	%
Turnover	276,89	258,62	7,06
Gross profit	129,16	119,09	8,50
EBITDA	44,70	41,69	7,22
Profits before taxes	32,10	27,07	18,58
Profits after taxes	21,24	15,17	40,00

Turnover exhibited a 7% increase compared to 8% predicted as a result of the following combination of circumstances

- The increased competition in the traditional department store business which limited growth in our Notos Galleries Lambropoulos stores, combined however with the exceptional performance of the Notos Galleries Home store which had a 40% growth in turnover
- The increase in turnover of the wholesale and retail of apparel business (8.86% and 10.62% respectively) as well as cosmetics (8.05%)
- The 64.67% turnover increase in foreign operations, which from a 3.43% contribution to consolidated turnover in 2004, contributed 5.27% in 2005 due primarily to new acquisitions

Gross profits grew faster than turnover, primarily due to the increases in wholesale apparel (13.3%), retail apparel (10.6%) and of course foreign subsidiaries (70.7%). The gross profit margin also improved by 1.3%, at 46.65% on consolidated turnover.

EBITDA was stable at 16.04% on turnover, up from 15.98% in 2004. The difference in profits after taxes reflects the application of the lower corporate tax rate.

Aiming at strengthening its position, Notos Com proceeded with a series of entrepreneurial actions both in Greece and abroad. Presence in the new Athens Mall was established through



4 stores, 2 of which are monobrand apparel and footwear boutiques, 1 is a multibrand boutique under the name Notos Exclusive and 1 is a cosmetics store selling exclusively represented L'Occitane cosmetics. Stores in Greece reached 54. Abroad, new representations were acquired, in particular the already successful in Greece GANT brand, for the bi Turkish market and the promising, due to high tourism, Croatian market. The total number of stores abroad reached 50, from 31 in December 2004.

PROSPECTS

It is Notos Com management policy to dynamically penetrate both the domestic and international markets. Thus, beyond the interest in acquiring new international brands (always on an exclusive basis), which is standard strategy, the company plans to open new retail stores at a rate of 4-5 per year in Greece and another so many abroad. Especially in Greece, already an expansion is taking place in cities other the big ones of Athens, Thessaloniki and Patras. A new store is about to open in Kalamata adopting the Notos Exclusive concept while another is being planned for Larissa.

A much stronger position in the department store business will be achieved through the recent signing of a long-term lease for property known as the Hirs Arcade located in the trade center of Thessaloniki. The plan is to reconstruct and increase the existing building in size, in order to create the most modern and largest department store in Northern Greece under the established Notos Galleries name, of a total area of 10 thd sq.meters. The store should be operational by the end of 2007.

Financing requirements will be covered from own funds as well as bank borrowing which is readily available since the company has credit lines in place above those needed to cover short-term requirements. In addition, there are important prospects from taking advantage of the company's fixed assets, which are not being used for operations.

DIVIDEND POLICY

The Notos Com Board of Directors, taking the results of FY 2005 into consideration, will propose a 0.12 euro dividend to the General Meeting of Shareholders, scheduled to take place on June 14th, 2006. It has been standard policy over the past few years to gradually increase dividend each year. The fact that the absolute amount of dividend proposed is not higher than in 2004 is due to the incorporation of losses recorded by subsidiary AIAKOS SA, the company managing the Notos Galleries Home department store, merged by absorption by Notos Com in October.

Kifissia, February 28th, 2006
The Board of Directors

The following table, lists the press releases and announcements of the company, following the information required of article 10 of Law 3401/2005 and article 8 paragraph 6, of the 7/372/15.02.2006 Decision of the Capital Markets Committee.

Subject	Date
Announcement of appointment of Mr. Konstantinos Paschos as Chief Financial Officer	19/1/2005
Date of announcement of financial results for 2004	18/2/2005
Press release on the financial statements for the fiscal year 2004	24/2/2005
Financial Statements for the fiscal year 2004 (company and consolidated)	24/2/2005
Submission of additional financial data of the 2004 F.S. (company and consolidated)	25/2/2005
Schedule of intended company actions for 2005	28/2/2005
Submission of additional financial data of the 2004 F.S. (company and consolidated)	9/3/2005
Sale of own shares	21/3/2005
Announcement of change in Shareholder's ownership percentage, due to the 5.8% private placement	23/3/2005
Press Release about the participation of Foreign institutional Investors in the share capital from the private placement	23/3/2005
Submission of additional financial data on the 2004 FS (company and consolidated)	30/3/2005
Commencement of merger by absorption procedures of subsidiary AIAKOS SA	31/3/2005
Submission of additional financial data of the 2004 F.S. (company and consolidated)	7/4/2005
Response to the inquiry (no. 13949/28.3.05) of the Athens Stock Exchange re adjustments in owners equity and 2004 results	7/4/2005
Announcement of financial Statements for the 1st quarter 2005	8/4/2005
Response to the inquiry (no 17425/20.04.2005) of the Athens Stock Exchange regarding the merger of AIAKOS S.A.	21/4/2005
Pre-announcement of Regular General Meeting of Shareholders (25/5/2005)	27/4/2005
Announcement for the decision to buy owns shares in the upcoming General Meeting	27/4/2005
Submission of Annual Report 2004	11/5/2005
Signing of Agreement for the " HIRS ARCADE" in Thessaloniki	19/5/2005
Response to the inquiry (no 12487/20.05.2005) of the Capital Markets Commission regarding the agreement for the HIRS ARCADE in Thessaloniki	23/5/2005
Press release on the financial statements for the 3 months 2005	23/5/2005
Announcement of payment date of the dividend for the year 2004	25/5/2005
Termination of approved period for the right for own shares buy back	26/5/2005
Resolutions of the Regular General Meeting of Shareholders (25/5/2005)	27/5/2005
Comments on press articles in the newspapers ISOTIMIA and ELEFTHEROTIPIA	31/5/2005
Announcement re registration of the Merger by Absorption contract	10/6/2005
Consolidated Financial Statements for the 3 months 2005 based on IFRS	22/6/2005
Company Financial Statements for the 3 months 2005 based on IFRS	22/6/2005



Submission of additional financial data	27/6/2005
Beginning date of 2004 dividend payments (25/7/2005)	5/7/2005
Announcement of Extraordinary General Meeting (31/8/2005)	9/8/2005
Submission of the valuation report and opinion on the acceptability of the proposed share exchange between the merging companies	9/8/2005
Date of announcement of financial results for semi-annual results 2005	24/8/2005
Transactions of company-related legal entity	1/9/2005
Announcement of Repetition of the Extraordinary General Meeting (20/9/2005)	1/9/2005
Company Financial Statements for the 6 months 2005 based on IFRS	6/9/2005
Consolidated Financial Statements for the 6 months 2005 based on IFRS	6/9/2005
Press release on the financial statements for the 6 months 2005	6/9/2005
Resolutions of the Extraordinary General Meeting on 20/9/2005	21/9/2005
Alterations to additional information for the 6 months 2005 statements	28/9/2005
Transactions on shares by person(s) related to management	21/10/2005
Transactions on shares by person(s) related to management	24/10/2005
Transactions on shares by person(s) related to management	25/10/2005
Transactions on shares by person(s) related to management	31/10/2005
Announcement of final decision for merger by absorption of AIAKOS SA	2/11/2005
Consolidated Financial Statements for the 9 months 2005 based on IFRS	16/11/2005
Company Financial Statements for the 9 months 2005 based on IFRS	16/11/2005
Press release on the financial statements for the 9 months 2005	16/11/2005
Clarifications of press article in IMERISIA newspaper regarding Croatia activities	21/11/2005
Transactions of company-related legal entity	23/11/2005
Transactions of company-related legal entity	19/12/2005
Announcement of an extraordinary General Meeting on 11/1/2006	20/12/2005
Announcement of availability of Document No 4 of Law 3401/2005 re the increase in share capital due to the absorption of subsidiary AIAKOS SA	30/12/2005



Documents at the disposal of the Public

The Financial Statements of 2005 of Notos Com Holdings SA, based on European Union and Capital Markets Commission Regulations, are available at the Company's Head Office (6 Menexedon Str, 14564 Kifissia), and in the Company's website: *www.notoscom/ Investor Relations/ Basic Financial Data*

The published financial Statements of the first quarter, semi-annual and third quarter are available at the Company's Head Office (6 Menexedon Str, 14564 Kifissia) and in the Company's website *www.notoscom/ Investor Relations/ Basic Financial Data*

ANNEX

PALLIS STORES S.A.

BELA EPE

NOTOS INTERNATIONAL LTD

NOTOS CYPRUS LTD

Y.S.L. BEAUTE S.A.

LANCASTER GROUP HELLAS S.A.

APIVITA S.A.

DARNEKS S.A.



NOTOS INTERNATIONAL LTD
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2005
ACCOUNTING PERIOD 1/1/2005 - 31/12/2005
AMOUNTS IN EURO

	31 December 2005	31 December 2004		31 December 2005	31 December 2004
CAPITAL EMPLOYED			INCOME		
Share Capital			Profit on Sale of Investments	0	74,060
Authorised, issued and fully paid			Services Rendered	210,358	181,533
2,170,000 shares of CY 1 pound each	<u>3,759,691</u>	<u>2,259,691</u>	Bank interest received	5	84
Income and Expenditure account			Loan interest	12,856	20,022
Credit Balance 31/12/2005	1,416,196	1,467,775	Exchange difference	41,928	1,273
	<u>5,175,887</u>	<u>3,727,466</u>	Royalties from Bulgaria	24,942	23,293
				<u>290,090</u>	<u>300,265</u>
EMPLOYMENT OF CAPITAL			EXPENDITURE		
<i>Investments, at cost</i>			Commission	273,943	211,739
BMS Overseas, Cyprus	200,595	410,595	Bank charges and interest	7,632	6,150
Sportsman CZ, Czechia	4,316	4,315	Legal and professional fees	3,007	659
Helinvest Constructions LTD,Cyprus	0	444,404	Audit & Accountancy fees	10,774	862
LUNA SRO, Czechia	231,655	231,655	Loss on Investments	4,886	14,118
NOTOS PL, Poland	425,637	425,637	Loss on Exchange difference	21,845	72,649
Global Capital Invest Fund	260,289	309,828	Other Operating Expenses	7,600	5,440
NOTOS SL, SLOVAKIA	109,721	55,720		<u>329,687</u>	<u>311,617</u>
NOTOS ROMANIA	38,410	38,410			
NOTOS BULGARIA LTD	1,512,467	1,068,064	Excess of Expenditure over Income	<u>-39,597</u>	<u>-11,352</u>
NOTOS HUNGARY KFT	101,642	101,642			
NOTOS TEXTILEHANTEL Gmbh	290,000	40,000			
NOTOS SKOPJIE	102,003	0			
NOTOS SLOVENIA	5,000	0			
NOTOS CROATIA	420,000	0			
NOTOS MALTA	5,000	0			
	<u>3,706,735</u>	<u>3,130,270</u>			
<i>Loans Receivable</i>					
NOTOS ROMANIA	33,907	29,366			
NOTOS PL, Poland	55,306	53,505			
NOTOS TEXTILEHANTEL Gmbh	627,803	510,747			
	<u>717,016</u>	<u>593,618</u>			
<i>Current Assets</i>					
Komerčni Bank, Czechia	17,036	16,326			
Omega Bank, Greece	721,380	71,862			
Omega Bank-USD, Greece	15,860	0			
PIRE AUS BANK, Bulgaria	1	1			
Cash, Greece	1	1			
<i>Accruals</i>					
NOTOS BULGARIA LTD	32,334	32,070			
NOTOS ROMANIA	3,673	2,396			
LUNA SRO, Czechia	108,161	68,536			
Others	0	109,708			
Income Tax Refundable	422	818			
	<u>898,868</u>	<u>301,718</u>			
Total	<u>5,322,619</u>	<u>4,025,606</u>			
<i>Current Liabilities</i>					
Accrued Expenses - Audit Fees	872	862			
Provision for Exchange Differences	0	7,903			
Other creditors	145,860	289,375			
	<u>146,732</u>	<u>298,140</u>			
	<u>5,175,887</u>	<u>3,727,466</u>			



NOTOS CYPRUS LTD
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2005
AMOUNTS IN CYPRUS POUNDS

ASSETS	December 31 2005	December 31 2004	LIABILITIES & EQUITY	December 31 2005	December 31 2004
Fixed Assets			Owner's Equity & Reserves		
Fixed Assets	309,679	321,805	Share Capital	80,000	80,000
Trademarks	237,590	287,652	Retained Earnings	<u>489,722</u>	<u>322,028</u>
Foundation & Establishment expenses	<u>5,605</u>	<u>6,854</u>		<u>569,722</u>	<u>402,028</u>
	<u>552,874</u>	<u>616,311</u>			
Current Assets			Short-Term Liabilities		
Reserves	204,799	165,540	Debtors	450,378	387,595
Trade Debtors and payments in advance	186,023	110,244	Taxes	57,661	31,124
Cash On Hand and in Banks	<u>134,065</u>	<u>83,711</u>	Loans	<u>0</u>	<u>155,059</u>
	<u>524,887</u>	<u>359,495</u>		<u>508,039</u>	<u>573,778</u>
TOTAL ASSETS	<u>1,077,761</u>	<u>975,806</u>	TOTAL LIABILITIES & EQUITY	<u>1,077,761</u>	<u>975,806</u>
PROFIT AND LOSS ACCOUNT					
1 /1/ 2005 - 31/12/2005					
	December 31 2005	December 31 2004			
<i>Turnover (Sales)</i>	1,402,452	1,118,576			
Less: Cost of sales	<u>-689,923</u>	<u>-619,955</u>			
Gross Operating Profit	<u>712,529</u>	<u>498,621</u>			
Plus: Other operating income	<u>3,521</u>	<u>1,261</u>			
	<u>716,050</u>	<u>499,882</u>			
Less: Administrative expenses	-170,827	-171,005			
Less: Selling expenses	<u>-314,975</u>	<u>-269,863</u>			
Operating Profit	<u>230,248</u>	<u>59,014</u>			
Financial expenses	-23,969	-37,464			
Net income before taxes	<u>206,279</u>	<u>21,550</u>			
Less: Income tax	25,993	7,065			
Net income after taxes	<u>180,286</u>	<u>14,485</u>			
Minority rights	88,340	7,098			
NOTOS COM minority rights	<u>91,946</u>	<u>7,387</u>			
	<u>180,286</u>	<u>14,485</u>			

CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS IN EURO[illegible]

PROFIT AND LOSS ACCOUNT				APPROPRIATION OF PROFITS			
as at December 31 2005 (February 1, 2005 - December 31, 2005)							
	1/2/2005-31/12/2005		1/2/2004-31/1/2005			1/2/2005-31/12/2005	1/2/2004-31/1/2005
Turnover (Sales)		7,124,649.18		7,256,796.19	Net Income before taxes	940,645.75	901,922.90
Less: Cost of sales		<u>1,908,963.64</u>		<u>1,896,114.83</u>	Retained earnings from previous periods	706,278.57	707,714.27
Gross Operating Profit		5,215,665.54		5,360,681.36	Differences in tax audits of previous years	<u>(58,023.75)</u>	<u>(22,486.00)</u>
Plus: Other operating income		<u>33,513.06</u>		<u>30,405.45</u>	Total	1,588,900.57	1,587,151.17
Total		<u>5,249,178.60</u>		<u>5,391,086.81</u>	Less: Income tax	<u>293,937.15</u>	<u>305,243.88</u>
Less: Administrative expenses	424,198.02		680,335.16		Net Income after taxes	<u>1,294,963.42</u>	<u>1,281,907.31</u>
Selling expenses	3,766,844.26	<u>4,191,042.28</u>	3,822,465.90	<u>4,502,801.06</u>			
Operating Profit		<u>1,058,136.32</u>		<u>888,285.75</u>			
					Appropriation of profits		
Plus: Interest and related income	6,700.72		9,886.89				
Less: Interest charges and related expenses	<u>25,260.08</u>	<u>-18,559.36</u>	<u>32,596.65</u>	<u>-22,709.76</u>	Statutory Reserves	29,434.24	29,515.72
Total operating income		<u>1,039,576.96</u>		<u>865,575.99</u>	Dividends payable	432,000.00	396,000.00
Plus: Extraordinary results					Non taxed reserves	4,251.62	7,126.71
Extraordinary income	816.49		509.42		Retained earnings	<u>829,277.56</u>	<u>849,264.88</u>
Previous period income	<u>0.00</u>	<u>816.49</u>	<u>79,348.07</u>	<u>79,857.49</u>		<u>1,294,963.42</u>	<u>1,281,907.31</u>
Less: Extraordinary expenses	16,768.95		5,052.00				
Extraordinary losses	47,425.12		38,458.58				
Provisions for extraordinary contingencies	<u>35,553.63</u>	<u>99,747.70</u>	<u>0.00</u>	<u>43,510.58</u>			
Operating and Extraordinary Results		<u>940,645.75</u>		<u>901,922.90</u>			
Less: Total depreciation	186,789.54		197,709.64		Athens, April 27, 2006		
Less: Non depreciation included in the operating cost	<u>186,789.54</u>	<u>0.00</u>	<u>197,709.64</u>	<u>0.00</u>			
Net income before taxes		<u>940,645.75</u>		<u>901,922.90</u>			

Vice Chairman and Managing Director	A Member of the BoD	Tax Consultant	Accounting Director
Christos Papaeflavin	Michalis Papaeflavin	Konstantinos Paschos	George Michos
ID number C242039	ID number E119045	ID number LO56533	ID number M479788

Addressed to the Shareholders of YSL BEAUTE S.A.

We have audited the Balance Sheet and Profit & Loss statements as well as the relevant Annex of the corporation YSL BEAUTE SA, pertaining to the corporate financial period that was terminated on December 31st 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. These standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. We also require the auditors to disclose in the financial statements the amounts and nature of any uncertainties. An audit also includes assessing the accounting principles used and 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.

The Company's inventories include items held over a prolonged period amounting to 32 thousand €, for which no provision exists for obsolescence. In our opinion, apart from the above note, the aforementioned financial statements give a true and fair view of the financial position of the Company as of December 31st 2005, and of the results of its operations and their cash flows and 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.

Without qualifying our report, we draw attention to the fact that the company has made a provision for personnel compensation due to retirement, based on an actuarial study, for an amount of € 143 thousand for periods up to 31.12.2005 which was charged to "Retained earnings".

To the fact that the company has been tax audited until the fiscal year of 2004, thus tax audits for the year 2005 are pending and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 4 May 2006
The Certified Registered Auditors

Andreas Barlikas
Registration # 13991

Hatzipavlou Sofianos & Kabanis SA
Registration #17061

CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2005
AMOUNTS IN EURO

BALANCE SHEET	01/07/2004-30/06/2005			01/07/2003-30/06/2004					
	Acquisition Cost	Depreciation	Net Value	Acquisition Cost	Depreciation	Net Value			
ASSETS							LIABILITIES & EQUITY		
ESTABLISHMENT EXPENSES							OWNERS EQUITY		
Other foundation expenses	26,800.68	20,312.80	6,287.88	26,800.68	14,992.48	11,608.20	Share Capital (Euro 20 x 113,000 shares)		
FIXED ASSETS							Paid In Capital	2,260,000.00	2,260,000.00
Intangible Assets							Reserves		
Other Intangible Assets	31,119.62	28,392.76	2,726.86	31,119.62	22,401.94	8,717.68	Statutory Reserve	130,395.00	114,781.00
Tangible Assets							Trust-Fee Reserves	39,847.33	24,447.29
Transportation Equipment	14,674.00	9,587.06	5,086.94	14,674.00	6,652.22	8,021.78		170,242.33	139,228.29
Furniture and Other Equipment	1,594,520.28	613,836.78	980,683.50	1,189,296.22	337,026.37	832,269.85	Results Carried Forward		
	1,605,194.28	623,425.85	985,768.43	1,183,970.22	343,678.59	840,291.63	Retained Earnings	290,652.61	9,392.53
Total	1,640,313.90	651,818.61	988,495.29	1,215,089.84	366,080.53	849,009.31	Total Owners Equity	2,720,894.94	2,408,620.82
Investments and Other Long-term Financial Assets									
Other Long-term Claims			2,945.00			2,151.40	PROVISIONS		
Total Fixed Assets			991,440.29			851,160.71	Personnel Dismissal & Retirement Compensation Provision	217,798.28	0.00
CURRENT ASSETS							LIABILITIES		
Stocks	452,859.08			620,347.30			Short-Term Liabilities		
Merchandise	0.00	452,859.08		37,314.39	657,661.69		Trade Creditors	488,276.11	547,175.49
Down payments							Cheques Payable	227,619.27	225,353.03
Receivables							Banks	575,000.00	0.00
Trade Debtors	1,857,453.09			1,910,516.20	1,856,370.92		Customers Advance payments	5,231.78	34,284.85
Less: Allowances for bad debts	22,454.00	1,834,999.09		54,145.28	2,071,250.52		Taxes - Duties	526,844.08	777,559.18
Cheques Receivable		2,160,468.82			3,866.27		Insurance Dues	82,576.25	73,628.39
Doubtful and Under arbitration customers		4,136.77			286,613.92		Dividends Payable	0.00	904,000.00
Sundry Debtors		229,340.99			0.00		Sundry Creditors	136,631.27	747,460.99
Advances and Credit Control Accounts		290.00			4,218,101.63		Total Liabilities	2,042,178.66	3,309,461.93
		4,229,145.67							
Cash							TRANSIT CREDIT BALANCES		
Cash On Hand	1,671.64			1,290.76			Accrued Expenses	562,848.47	255,119.97
Sight and Time Deposits	94,844.24	96,515.88		402,789.31	404,090.07		Other Credit Transit Balances	234,134.25	172,424.00
Total Current Assets		4,778,520.63			5,279,853.39			796,982.72	427,543.97
TRANSIT DEBIT BALANCES							TOTAL LIABILITIES & EQUITY	5,777,852.70	6,145,626.72
Prepaid Expenses		1,603.90			3,004.42				
TOTAL ASSETS		5,777,852.70			6,145,626.72		CREDIT MEMO ACCOUNTS	4,000.00	0.00
DEBIT MEMO ACCOUNTS		4,000.00			0.00				

PROFIT AND LOSS ACCOUNT				APPROPRIATION OF PROFITS			
AS AT JUNE 30, 2005							
	01/07/2004-30/06/2005		01/07/2003-30/06/2004			01/07/2004-30/06/2005	01/07/2003-30/06/2004
Turnover (Sales)		10,148,066.09		9,946,581.85	Net income before taxes	746,434.30	1,479,087.68
Less: Cost of sales		1,464,077.10		1,484,105.73	Retained earnings from previous periods	9,392.53	5,574.54
Gross Operating Profit		8,683,988.99		8,462,476.12	Total	<u>755,826.83</u>	<u>1,484,662.22</u>
Plus: Other operating income		97,725.84		113,105.54			
		8,781,714.83		8,575,581.66	Less: Income tax	420,623.86	514,868.71
Less: Administrative expenses	934,301.32		1,242,854.41		Other nonoperating taxes	<u>13,536.32</u>	<u>0.00</u>
Selling expenses	6,824,530.16	7,758,831.48	5,758,213.74	7,001,068.15		<u>434,160.18</u>	<u>514,868.71</u>
Operating Profit		1,022,883.35		1,574,513.51	Net income after taxes	<u>321,696.65</u>	<u>969,793.51</u>
Plus: Securities income and profit	0.00		1,857.96		Statutory Reserves	15,614.00	48,211.00
Interest and related income	24,279.88		13,517.33		Dividends payable	0.00	804,000.00
	24,279.88		13,375.29		Non taxed reserves	15,400.04	8,189.98
Less: Interest charges and related expenses	11,639.45	12,640.43	2,419.50	12,955.79	Retained earnings	<u>290,652.61</u>	<u>9,392.53</u>
Total operating income		1,035,523.78		1,587,469.30	Net income after taxes	<u>321,696.65</u>	<u>969,793.51</u>
Plus: Extraordinary income	6,965.25		8,200.98				
Previous period income	54,145.28		0.00				
	61,110.53		8,200.98				
Less: Extraordinary expenses	4,997.86		18,247.11				
Extraordinary losses	51,555.85		98,179.73				
Previous period expenses	240,548.70		0				
Provisions for extraordinary contingencies	53,097.60	350,200.01	155.76	116,582.60			
				-108,381.62		24, October, 2005	
Operating and Extraordinary Results		746,434.30		1,479,087.68			
Less: Total depreciation	291,058.40		200,623.72				
Less: Non depreciation included in the operating cost	291,058.40	0.00	200,623.72	0.00			
Net income before taxes		<u>746,434.30</u>		<u>1,479,087.68</u>			
Chairman of the BoD and CEO	Member	Tax Consultant	Accounting Director				
Michailis Papaellinas	Christos Papaellinas	Konstantinos Paschos	George Michos				
ID number E119045	ID number C242039	ID number L056533	ID number M479788				

AUDITORS' REPORT
Addressed to the Shareholders of LANCASTER GROUP HELLAS S.A.



We have audited the Balance Sheet and Profit & Loss statements as well as the relevant Annex of the corporation Lancaster Group Hellas S.A., pertaining to the corporate financial period that was terminated on June 30th 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. These 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.

Up until the previous period, the company (based on the consolatory response No 205/1998 of the plenary session of the Legal Advisors to Management) did not form any provisions for personnel compensation due to leave. In the current period, the Company decided to form such a provision, basing it on an analogical study, with which provisions reached € 271 thousand, which concerns previous periods.

As a result of the previous accounting handling, the profits of the period are reduced by € 271 thousand, which is leveraged by the equal increase in the retained earnings account of the previous year.

On our opinion, apart from the financial note, the aforementioned financial statements give a true and fair view of the financial position of the Company as of 30 June 2005, and of the results of its operations and their cash flows and changes in shareholders' equity for the year ended on 30 June 2005. The consolidated Financial Statements have been adopted by the European Union of Directors. The Report is consistent with the aforementioned financial statements.

Without qualifying our report, we draw attention to the reference made in Note 7c to the financial statements to the pending tax returns of the Company for the years 2002 through 2005. These returns have not been examined by the tax authorities as yet, and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect. Moreover we note that the Company has not tax adjusted for the current period the provision for Doubtful and under arbitration cases amounting to 22,454 Euro.

Athens, 26 October 2005
The Certified Registered Auditor

Savvas Andreou
Registration #17481
Ernst & Young Hellas
Certified and Registered Auditors

John Tentis
Registration #17061
BDO Hellenic Auditing Company AB
Certified and Registered Auditors



APIVITA S.A. Cosmetics – Dieting Pharmaceuticals

FINANCIAL STATEMENTS AS AT DECEMBER 31, 2005
AMOUNTS IN EURO

ASSETS				LIABILITIES & EQUITY			



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