

06

Annual Report



COSMOTE



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Message of the Chairman of COSMOTE's Board of Directors

Dear shareholders,

2006 has been an exceptional year for COSMOTE, the Company operating all OTE Group's mobile activities in the whole region of South East Europe.

During 2006, the first year of a new era, marked by the acquisition of GERMANOS, the Company has not only delivered but surpassed the ambitious targets it set in 2005, significantly contributing to the Group's results and setting solid foundations for its further growth in the years to come.

The strategic acquisition of GERMANOS, an integral driver of this future growth, is providing a vehicle for both COSMOTE and OTE Group to come even closer to their customers in four major markets in South East Europe. As a result, allowing for the more efficient management, servicing and, consequently, enhancement of their customer base. The latter, a prerequisite in order for COSMOTE to achieve the ambitious targets it has set for the next three years. Particularly significant was the contribution of the GERMANOS distribution network in COSMOTE ROMANIA's effort to establish its presence in the neighboring country.

I am positive that COSMOTE will yet again exceed expectations with its people leading the company to progress for the benefit of its more than 12 million customers and all other stakeholders.

Panagis Vourloumis

Chairman of the Board of Directors

Message of COSMOTE's Managing Director



Dear shareholders,

Having launched operations as the third mobile services provider in Greece only in 1998, COSMOTE is growing dynamically every year, continuously setting its goals even higher. During the last couple of years COSMOTE has evolved from the leader in the Greek mobile market to a dominant regional player in South East Europe with its presence spreading across 5 countries and its customer base exceeding, today, 12 million customers.

This successful course would not have been possible without our customers, our employees and our shareholders, whom I would like to thank for their continuous support and assure that our aspiration is to continue returning the trust they have placed on COSMOTE.

In the beginning of 2006, a milestone year for the Company, we set an ambitious target: to further strengthen our performance and competitive capacity in every market we operate, to further build the true and trustful relationship with our customers, to respond to the needs of the 46 million people we are addressing with top quality communication services.

To that direction, during the year we completed the strategic acquisition of GERMANOS, the best and most effective telecommunications retail network in Southeast Europe. With its own strong distribution network COSMOTE is now able to address its customer base directly and more effectively and, consequently, claim a significant share of new customers, further enhancing its performance. The benefits from the acquisition of GERMANOS are already evident in the significant increase of COSMOTE Group's customer base during the last quarter of the year.

In 2006, surpassing all set targets, we have maintained our leading position in Greece, introducing innovative products and services in the market, such as the first post and pre-paid hybrid service, the launch of HSDPA technology and services and the launch of the no-frills low-cost prepaid brand frog, which has met with great success. Again first in the Greek market, in the beginning of 2007, we launched the COSMOTE ADSL packages, combining fixed broadband internet and mobile communication services.

In Albania we continued our steady growth, consolidating our leading position in the market, whilst in Bulgaria, maintaining our strong performance, we offered our customers 3G and i-mode services, attracting the majority of new customers in the country. In FYROM, we expanded our market reach and in Romania we made our presence felt and achieved all goals, securing in record time significant competitive network quality and reaching, in the first months of 2007, the milestone of 2 million customers well ahead of expectations.

COSMOTE's dynamic course is clearly reflected in the financial performance of the Group for 2006, a year when we achieved our revenue and profitability growth targets, maintaining high returns for our shareholders. In particular, our revenues increased by 32.5% versus last year while Group EBITDA and net income increased by 16.1% and 6.1% respectively, rates of growth significantly higher than the sector average and than all the main telecommunication services carriers in the European Union. As a result, the dividend per share that the Board of Directors will propose to the Annual General Assembly is 12.3% higher than last year, whilst the share price during 2006 has risen by 19.3%. Taking into account the dividend paid in 2006 the total return to shareholders amounts to 22.7%.

The growth course that COSMOTE is set on is unique for the sector in Europe. Within the next three years we aim at exceeding 15 million customers, with GERMANOS as the main driver of this growth. With a comprehensive plan that projects more than 1,000 shops in South East Europe by the end of 2007, the GERMANOS distribution network is expected to significantly enhance COSMOTE's

Message of COSMOTE's Managing Director

momentum, so that we establish our presence in each and every market we operate today as the main mobile telecommunications provider in the region and to fuel our future growth.

With the vision for continuous progress inspiring the 7,500 employees of COSMOTE Group, with the commitment to responsibly participate in the social and environmental issues in every country where we operate, with our customers' needs always in mind, we continue on our growth course setting ambitious targets for the next three years.

Having opened, in 2006, a new chapter in the Company's history, 2007 finds us ready to once again reach our goals. Dynamically and responsibly. Aspiring for progress and innovation.

Evangelos Martigopoulos

COSMOTE Group CEO

Information on Drafting of the Annual Report



The drafting and distribution of this Annual Report is made in accordance with the provisions of Decision 5/204/14.11.2000 of the Hellenic Capital Market Commission (HCMC) Board of Directors, governing all Greek listed companies, as amended by the Decision 7/372/15.02.2006 of the HCMC Board of Directors.

The Annual Report is available in hard copy at "COSMOTE MOBILE TELECOMMUNICATIONS S.A." (COSMOTE or the Company) head office in Maroussi, 44, Kifissias Ave., 151 25, Athens and in electronic version on the Company's website: <http://www.cosmote.gr> (information: Ms Vassiliki Bilitsi, Investor Relations Manager, tel. +30 210 617 7777, +30 210 617 7986). Investors seeking any further information should contact the above mentioned person during working days and hours.

Responsible for the Annual Report and the accuracy of the information it contains are:

Evangelos Martigopoulos, Managing Director, 44 Kifissias Ave., tel.: +30 210 617 7777.

Elias Fotiadis, Chief Financial Officer, 44 Kifissias Ave., tel.: +30 210 617 7777.



1st CHAPTER

**Financial Statements
(Standalone and Consolidated)
for the Year ended 31 December 2006
in accordance to the International
Financial Reporting Standards**

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

FINANCIAL STATEMENTS
PARENT COMPANY AND CONSOLIDATED FOR THE YEAR ENDED
31 DECEMBER 2006
IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS

FREE TRANSLATION FROM THE GREEK ORIGINAL

The attached Financial Statements are those that have been approved by the Board of Directors of COSMOTE MOBILE TELECOMMUNICATIONS S.A on February 22, 2007 and have been published by posting on the Internet at the web site address www.cosmote.gr

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED) AS AT DECEMBER 31, 2006



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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

INCOME STATEMENTS (PARENT COMPANY AND CONSOLIDATED) FOR THE YEAR ENDED DECEMBER 31, 2006
(In thousands of EURO, unless otherwise stated)

	NOTE	THE GROUP		THE COMPANY	
		2006	2005	2006	2005
Operating revenues	4	2,382,349	1,797,608	1,630,614	1,517,464
Operating expenses	5.1	(1,824,791)	(1,272,264)	(1,100,055)	(1,047,983)
Gross profit		557,558	525,344	530,559	469,481
Other revenues	5.2	20,140	11,965	608	513
Other expenses	5.2	(18,753)	(14,538)	(1,848)	(2,886)
		1,387	(2,573)	(1,240)	(2,373)
Financial income	5.3	18,179	7,594	15,321	14,989
Financial expenses	5.3	(75,023)	(24,770)	(56,812)	(17,827)
		(56,844)	(17,176)	(41,491)	(2,838)
Profit before tax		502,101	505,595	487,828	464,270
Income tax expenses	5.4.3	(159,873)	(164,545)	(143,122)	(148,639)
Profit after tax		342,228	341,050	344,706	315,631
Attributable to:					
Parent Company		360,519	339,921	344,706	315,631
Minority interest		(18,291)	1,129	-	-
Basic earnings per share (in EURO)	8	1.08	1.02	1.03	0.95
Diluted earnings per share (in EURO)	8	1.08	1.02	1.03	0.95

The attached Financial Statements (pages 10 to 71) which have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, have been approved by the Board of Directors on February 22, 2007 and are signed, on its behalf, by:

Chairman of the BOD

Panagis Vourloumis

Chief Financial Officer

Elias Fotiadis

Managing Director

Evangelos Martigopoulos

Accounting Director

John Hohorelos

The attached notes on pages 18 to 71 are an integral part of these Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

BALANCE SHEETS (PARENT COMPANY AND CONSOLIDATED) FOR THE YEAR ENDED DECEMBER 31, 2006
(In thousands of EURO, unless otherwise stated)



	Notes	THE GROUP		THE COMPANY	
		2006	2005	2006	2005
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	1,695,688	1,462,856	718,385	737,827
Goodwill	11	530,610	62,415	-	-
Licences	11	382,211	391,405	209,775	223,276
Intangible assets	11	555,775	-	-	-
Investments	12	611	909	2,285,156	707,783
Deferred tax assets	7	11,443	11,332	-	1,067
Financial assets (from related companies)	23	-	-	160,000	-
Other non- current assets		33,868	3,205	31,370	3,013
Total Non-Current Assets		3,210,206	1,932,122	3,404,686	1,672,966
Current Assets					
Inventories	13	89,266	26,099	16,838	14,522
Trade receivables	14	393,203	205,307	142,488	125,833
Due from related companies	9	17,381	17,687	47,475	23,051
Investments	15	67,242	834	852	834
Financial assets available for sale	16	578	-	-	-
Other current assets	17	86,569	37,016	22,084	17,072
Cash and cash equivalents	18	823,669	330,113	551,350	217,487
Total Current Assets		1,477,908	617,056	781,087	398,799
TOTAL ASSETS		4,688,114	2,549,178	4,185,773	2,071,765
EQUITY AND LIABILITIES					
Equity					
Share capital	19	156,833	156,264	156,833	156,264
Share premium reserve	19	186,498	173,445	186,498	173,445
Legal reserve	20	55,377	52,751	52,278	52,088
Consolidation reserve	12	(441,873)	(185,688)	-	-
Translation reserve	22	41,102	3,766	28,187	34
Retained earnings		591,982	450,985	467,681	340,062
Total equity attributable to equity holders of the Parent Company		589,919	651,523	891,477	721,893
Minority interest		105,279	105,403	-	-
Total Equity		695,198	756,926	891,477	721,893
Long term liabilities					
Interest-bearing loans and borrowings	23	2,779,416	1,124,059	2,522,177	837,579
Employee retirement benefits	24	4,597	4,051	4,235	4,019
Deferred tax liabilities	7	122,698	7,712	5,540	-
Other long-term liabilities	25	6,764	19,285	3,409	17,809
Total Long-term Liabilities		2,913,475	1,155,107	2,535,361	859,407
Current liabilities					
Current portion of non current liabilities		15,576	16,189	15,576	16,141
Short-term borrowings	23	476,637	201,192	449,000	201,000
Trade payables	27	373,834	260,584	126,408	148,691
Due to related companies	9	48,164	12,248	53,344	5,688
Income tax payable		55,622	65,781	47,081	62,505
Other current liabilities	28	109,608	81,151	67,526	56,440
Total Current Liabilities		1,079,441	637,145	758,935	490,465
Total Liabilities		3,992,916	1,792,252	3,294,296	1,349,872
TOTAL EQUITY AND LIABILITIES		4,688,114	2,549,178	4,185,773	2,071,765

The attached notes on pages 18 to 71 are an integral part of these Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

STATEMENTS OF MOVEMENT IN SHAREHOLDERS EQUITY (PARENT COMPANY AND CONSOLIDATED) FOR THE YEAR ENDED DECEMBER 31, 2005
(In thousands of EURO, unless otherwise stated)

	THE GROUP						THE COMPANY								
	Share capital	Share premium reserve	Legal reserve	Consolidation reserve	Translation reserve and other	Retained earnings	Total equity	Minority interest	Total equity	Share capital	Share premium reserve	Legal reserve	Translation reserve and other	Retained earnings	Total equity
Balance 01/01/2005	155,658	160,708	45,717	-	3,194	606,838	972,115	27,364	999,479	155,658	160,708	45,054	-	520,205	881,625
Income statement effect															
Profit for the year	-	-	-	-	-	339,921	339,921	1,129	341,050	-	-	-	-	315,631	315,631
Direct equity effect															
Increase of share capital	606	11,833	-	-	-	-	12,439	-	12,439	606	11,833	-	-	-	12,439
Transfer to legal reserve	-	-	7,034	-	-	(7,034)	-	-	-	-	-	7,034	-	(7,034)	-
Dividend's distribution	-	-	-	-	-	(488,740)	(488,740)	-	(488,740)	-	-	-	-	(488,740)	(488,740)
Acquisition of new subsidiaries	-	-	-	(185,688)	-	-	(185,688)	75,714	(109,974)	-	-	-	-	-	-
Employee Stock Option Plan	-	904	-	-	-	-	904	-	904	-	904	-	-	-	904
Foreign exchange differences	-	-	-	-	572	-	572	1,196	1,768	-	-	-	34	-	34
Direct equity effect	606	12,737	7,034	(185,688)	572	(495,774)	(660,513)	76,910	(583,603)	606	12,737	7,034	34	(495,774)	(475,363)
Balance as at 31/12/2005	156,264	173,445	52,751	(185,688)	3,766	450,985	651,523	105,403	756,926	156,264	173,445	52,088	34	340,062	721,893

The attached notes on pages 18 to 71 are an integral part of these Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

STATEMENTS OF MOVEMENT IN SHAREHOLDERS EQUITY (PARENT COMPANY AND CONSOLIDATED) FOR THE YEAR ENDED DECEMBER 31, 2006
(In thousands of EURO, unless otherwise stated)

	THE GROUP						THE COMPANY						
	Share capital	Share premium reserve	Legal reserve	Consolidation reserve	Translation reserve and other	Retained earnings	Total equity	Share capital	Share premium reserve	Legal reserve	Translation reserve and other	Retained earnings	Total equity
Balance 01/01/2006	156,264	173,445	52,751	(185,688)	3,766	450,985	756,926	156,264	173,445	52,088	34	340,062	721,893
Income statement effect													
Profit for the year						360,519	342,228	-	-	-	-	344,706	344,706
Direct equity effect													
Increase of share capital	569	11,149				11,718	11,718	569	11,149			11,718	
Transfer to legal reserve			2,626			(2,626)	-			190		(190)	-
Dividends						(216,896)	(216,896)					(216,896)	(216,896)
Evaluation of derivatives and other					28,153	28,153	28,153				28,153	(1)	28,152
Acquisition of new subsidiaries				(256,185)		(256,185)	(255,080)						
Employee Stock Option Plan		1,904				1,904	1,904	1,904					1,904
Foreign exchange differences					9,183	17,062	26,245						
Direct equity effect	569	13,053	2,626	(256,185)	37,336	(219,522)	(403,956)	569	13,053	190	28,153	(217,087)	(175,122)
Balance as at 31/12/2006	156,833	186,498	55,377	(441,873)	41,102	591,982	695,198	156,833	186,498	52,278	28,187	467,681	891,477

The attached notes on pages 18 to 71 are an integral part of these Financial Statements.

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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

STATEMENTS OF CASH FLOW (PARENT COMPANY AND CONSOLIDATED) FOR THE YEAR ENDED DECEMBER 31, 2006
(In thousands of EURO, unless otherwise stated)

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Cash flows from operating activities				
Net profit before tax and minority interest	502,101	505,595	487,828	464,270
Adjustments to:				
Provisions & foreign exchange differences	21,000	5,928	12,432	12,139
Depreciation	318,650	229,190	171,537	169,826
Gain on investments	(18,179)	(7,594)	(15,321)	(14,989)
Interest and other financial expenses	75,023	24,770	56,812	17,827
	898,595	757,889	713,288	649,073
Trade Receivables	(92,559)	(9,265)	(26,255)	(22,643)
Due from related companies	(4,261)	7,817	(1,351)	4,424
Due to related companies	10,561	6,112	24,283	992
Inventories	(19,633)	(626)	(2,316)	1,041
Trade payables	(917)	75,447	(27,824)	42,625
Other non-current assets	(727)	(494)	(221)	(488)
Other current liabilities	28,849	1,695	11,467	(1,933)
Other current assets	147,091	(8,064)	(4,885)	(2,262)
Cash flows from operating activities	966,999	830,511	686,186	670,829
Income tax paid	(172,399)	(188,973)	(151,658)	(167,470)
Interest expenses paid	(50,951)	(20,536)	(33,438)	(13,594)
Net cash flows from operating activities	743,649	621,002	501,090	489,765
Cash flows from investment activities				
Purchase of property, plant and equipment and intangible assets	(442,418)	(259,332)	(140,609)	(110,656)
Disposal of property, plant and equipment and intangible assets	3,415	-	2,187	-
Acquisition of subsidiaries	(1,481,102)	(486,743)	(1,571,522)	(614,989)
Payment of 3G License	(16,141)	(16,141)	-	(16,141)
Acquisition of investments	(127,965)	-	-	-
Disposal of securities	88,492	9,559	-	-
Other long term liabilities	(523)	-	-	-
Interest income received/Dividends	17,204	7,594	12,269	14,989
Net cash in investing activities	(1,959,038)	(745,063)	(1,713,816)	(726,797)
Cash flows from financing activities				
Proceeds from the increase of share capital	11,718	12,439	11,718	12,439
Proceeds from borrowings	3,046,639	1,016,021	3,062,999	1,038,500
Repayments of borrowings	(1,137,546)	(349,956)	(1,311,672)	(347,226)
Dividends paid	(216,456)	(488,690)	(216,456)	(488,690)
Net cash used from financing activities	1,704,355	189,814	1,546,589	215,023
Net increase/(decrease) in cash and cash equivalents	488,966	65,753	333,863	(22,009)
Cash and Cash equivalents at beginning of the year	330,113	264,360	217,487	239,496
Exchange difference	4,590	-	-	-
Cash and Cash equivalents at the end of the year	823,669	330,113	551,350	217,487

The attached notes on pages 18 to 71 are an integral part of these Financial Statements.



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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).

(In thousands of EURO, unless otherwise stated)

1. Incorporation and activities of the Group

COSMOTE MOBILE TELECOMMUNICATIONS S.A. (hereinafter referred to as the "Company" or "COSMOTE") was incorporated in 1996 (located at 44, Kifissias Avenue, Maroussi, R.N. 36581/06/B/96/102) as a societe anonyme and mainly provides electronic communications services.

The Company's shareholding structure, is the following:

- OTE S.A. 67%
- Flee float and institutional investors 33%

The Consolidated Financial Statements of COSMOTE and its subsidiaries (hereinafter referred as "Group") are included in the Consolidated Financial Statements of OTE S.A. (located at 99, Kifissias Avenue, Maroussi, R.N 347/06/B/86/10).

The Group except of COSMOTE comprises from following subsidiaries:

Company	Activity	Location	Ownership Interest 31/12/2006	Ownership Interest 31/12/2005
31/12/2006				
COSMOBULGARIA MOBILE EAD (GLOBUL)	Services Company	Bulgaria	100,00%	100,00%
S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. (COSMOTE ROMANIA)	Services Company	Romania	70,00%	70,00%
COSMOFON MOBILE TELECOMMUNICATIONS SERVICES AD - SKOPJE (COSMOFON)	Services Company	Skopje	100,00%	100,00%
OTE MTS HOLDING BV (MTS)	Holding Company	Holland	100,00%	100,00%
COSMO - HOLDING ALBANIA	Holding Company	Greece	97,00%	97,00%
AMC	Services Company	Albania	82,45%	82,45%
COSMOHOLDING CYPRUS LTD	Holding Company	Cyprus	100,00%	-
GERMANOS S.A.	Commerce	Greece	99,03%	-
E-VALUE S.A.	Services Company	Greece	69,32%	-
GERMANOS TELECOM S.A. - SKOPJE	Commerce	Skopje	99,03%	-
GERMANOS TELECOM ROMANIA S.A.	Commerce	Romania	99,02%	-
SUNLIGHT ROMANIA SRL -FILIALA	Commerce	Romania	99,02%	-
GERMANOS TELECOM BULGARIA AD	Commerce	Bulgaria	99,03%	-
MOBILBEEEP LTD	Commerce	Greece	100,00%	-
GRIGORIS MAVROMICHALIS AND PARTNERS LIMITED COMPANY	Commerce	Greece	98,03%	-
GEORGIOS PROKOPIS AND PARTNERS LIMITED COMPANY	Commerce	Greece	49,51%	-
IOANNIS TSAPARAS AND PARTNERS LIMITED COMPANY	Commerce	Greece	50,50%	-
OTENET CYPRUS LTD	Services Company	Cyprus	19,80%	-
OTENET TELECOMMUNICATIONS LTD	Services Company	Cyprus	12,87%	-
COSMO-ONE HELLAS MARKET SITE S.A.	E-commerce	Greece	30,87%	30,87%
COSMO-MEGALA KATASTIMATA S.A.	Services Company	Greece	40,00%	40,00%

The Company's and Group's employees as at 31 December 2006 amounted to approximately 2,198 and 7,470 respectively.



2. Basis of preparation of the Financial Statements

2.1 Basis of preparation of the Financial Statements: The attached Parent and Consolidated Financial Statements (hereinafter referred to as the «Financial Statements») have been prepared on the historical cost basis, except for the valuation of various assets and liabilities which are at their fair value. As further explained in note 2.2 the Financial Statements have been prepared in accordance to the International Financial Reporting Standards (IFRS), by applying IFRS 1 «First Time Adoption of the International Financial Reporting Standards», with a transition date of 1 January 2004.

2.2 First Time Adoption of IFRS: The Company's Financial Statements until 31 December 2004 were prepared in accordance with the Codified Law 2190/1920 and Greek Accounting Principles (Greek GAAP), which in many cases differed from IFRS. In accordance with European Law 1606/2002 and based on the Law 3229/04 as amended by Law 3301/04, Greek companies that are listed on any Stock Exchange (domestic or foreign) must prepare their financial statements beginning with the year commencing 1 January 2005 and onwards in accordance with IFRS. In accordance with IFRS 1 and the above mentioned laws, the aforementioned companies must provide comparative financial statements in accordance with IFRS at least for one year.

The Financial Statements of 31 December 2005 were the first that were published under IFRS. The accounting policies presented below, are implemented on a consistent basis in all years and by all the companies of the Group.

2.3 Effect of recently issued accounting standards and interpretations: The Group applies the provisional regulations of IFRS 2 («Share-based payments»), that was issued in 19 February 2004 related to the stock options that have been granted to the employees subsequent to 7 November 2002 and have not matured until the date of the adoption of this standard.

In accordance with the relevant provisions of IFRS 1, a company while compiling the first financial statements based on the IFRS, should use the IFRS which will be in force during the closing date of the first financial statements for all the periods that are presented and for the transitory balance sheet as well. Consequently, since the date of the annual financial statements based on IFRS is the 31 December 2005 all revised or new issued standards discussed above were used for the preparation of the Financial Statements.

3. Significant Accounting Policies

The significant accounting policies adopted and followed for the preparation of the Financial Statements, in accordance with IFRS, are the following:

3.1 Management's Estimates: The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions which may affect the accounting principles and the amounts recorded in the financial statements. Those estimates and assumptions are revised on a continuous basis.

The revisions are recognized at the period they are made and effect the related reporting periods if the revision effects only the current period, or the revision period and the following periods, if the revision effects both the current and the future periods. The estimates and

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assumptions are based on the existing experience and on other factors that are considered reasonable, under the current circumstances. Those estimates are the basis of decision making related to the accounting value of assets and liabilities.

3.2 Basis of consolidation:

3.2.1 Subsidiaries: The Consolidated Financial Statements include the financial statements of COSMOTE and those of the subsidiaries it controls directly or indirectly. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of the subsidiaries so as to obtain benefits from them. The financial statements of the subsidiaries are consolidated based on the full consolidation method and are prepared at the same reporting date, using the same accounting policies as COSMOTE. Appropriate adjustments are made, when necessary, to ensure consistency in accounting policies used. Intragroup balances and transactions and any intercompany profit or loss are eliminated in the Consolidated Financial Statements. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

3.2.2 Associates: Associates are those entities, in which the Group has significant influence but not control over, the financial and operating policies. Significant influence is mainly assumed to exist when the parent company has the right to participate to the decisions of the financial and business policies, without exercising control over those decisions. The investments in associates are consolidated using the equity method. According to this method, investments initially are recognized at cost which is equal to fair value, and are adjusted to recognize the Group's share of the gains or losses after the date of the acquisition until the date that the ownership ceases and also for any changes in investment's equity. Furthermore the investment is adjusted for any accumulated impairment loss.

When the Group's share of losses, exceed the carrying amount of the investment over the associate company, the carrying amount is reduced to null and recognition of further losses is discontinued except to the extend that the Group has incurred obligations or has made payments on behalf of the associate.

Appropriate adjustments to the accounting policies of the associate are made when necessary to ensure consistency with the accounting policies of the Group.

At the Standalone Financial Statements of COSMOTE, the investments in subsidiaries and associates, are recognized at cost, less any accumulated impairment loss.

3.3 Investments on Financial Assets: Financial assets are classified as current assets and they are initially recognized at the fair value of the price paid while the resulted gains or losses are recorded in the Income Statement. Subsequent to initial recognition and according to the purpose for which the assets were acquired, they are classified as financial assets recorded at fair value and any changes are recognized in the income statement, as held-to-maturity and available for sale financial assets. Held-to-maturity investments are carried at amortized cost less any impairment loss.

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Investments which can be held to maturity or can be sold, in order to satisfy the company's cash liquidity or to achieve gain by the interest rates variation or by the exchange differences variation, are presented as available for sale investments. After the initial recognition, these investments are carried at their fair value. Gains or losses derived from the evaluation of the available for sale investments, are presented in a separate account in Equity, until the time where they will be sold or the time where an impairment of their value has been found out. In this case they are transferred to the income statement. In case of investments with interest, the interest which is calculated based on the effective interest method is recognized in the income statement.

For investments that are negotiable in active market, fair value is calculated in accordance with the quoted bid price at the balance sheet date. For investments that are not negotiable in active market, fair value is calculated by evaluation techniques.

Investments held for trading or are available for sale are recorded/written off at the date the Group is committed to purchase/sell the investments. Investments not held to maturity are recorded/written off at the transition date to/from the Group.

- 3.4 Foreign Currency Translation:** The Company maintains its books in Euro. Transactions in foreign currency are converted to Euro according to the foreign exchange rates ruling at the date of the transaction. At the balance sheet date, assets and liabilities which are denominated in foreign currencies, are translated to EURO using the foreign exchange rates at the balance sheet date. Gains or losses resulting from foreign exchange differences are recognized in the Income Statement.

Non monetary assets and liabilities, denominated in foreign currencies that are stated at cost are translated to EURO at foreign exchange rates ruling at that time and accordingly there are no exchange differences. Non monetary financial assets and liabilities denominated in foreign currencies that are stated at fair value are translated to EURO at foreign exchange rates ruling at the date the values were determined. In this case, exchange differences are part of gains or losses that derive from the evaluation of fair value and are presented in the Income Statement or in Equity, depending on the nature of the monetary asset.

Except for operations in highly inflationary economies, where the financial statements are restated to current purchasing power prior to translation to the reporting currency, the functional currency of the Group's operations outside of Greece is the local country's foreign currency. Assets and liabilities as well as the goodwill and the fair value adjustments arising on consolidation of operations outside Greece are translated to EURO using exchange rates ruling the Balance Sheet date. The revenues and expenses are translated at the average exchange rates prevailing during the year which approximate the foreign exchange rates ruling at the date of transaction. All exchange differences are recognized as a separate component directly in Equity and are transferred in the Income Statement of the Group when the subsidiaries are sold.

- 3.5 Goodwill:** Goodwill represents the difference between the cost of acquisition and the fair value of net assets acquired in business combinations at the date of the acquisition. Until December 31, 2003, goodwill was amortized on a straight-line basis. Since 1 January 2004, goodwill is no longer amortized, but is instead tested for impairment (at least annually). Impairment test is carried out in accordance with the provisions of IAS 36, "Impairment of Assets". As a result, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

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Goodwill resulting from acquisitions of subsidiaries is presented as an Intangible Asset. Goodwill arising from the acquisitions of associates is included in the investments' cost. In accordance with IFRS 1 "First Time Adoption of International Financial Reporting Statements", a company which implements IFRS for the first time can choose not to apply IAS 22 nor IFRS 3 which replaces it, retroactively, in consolidations which took place prior to the transition to IFRS. Practically, during the first adoption of IFRS, companies which are included in the consolidated financial statements, according to the previous accounting principles can deviate from IFRS 3 and IAS 22. The Company decided not to adopt IAS 22 and IFRS 3, retroactively. Consequently, the Company recognized all the assets and liabilities which arose in previous combinations except for a) financial assets and liabilities which had been written off in accordance with the previous accounting principles b) assets and liabilities which had not been recognized in the consolidated financial statements, according to IFRS c) wrote off any asset or liability which did not meet the criteria of recognition according to IFRS and d) recognized the book value of goodwill, at the transition date calculated according to the previous accounting principles. Furthermore, regarding the transaction of minority interest in companies that the Group has already obtained control, the difference between the cost of acquisition and the carrying amount of the acquired net assets, is presented within Equity as Consolidation Reserve. On 31 December 2006 the Company has carried out the required annual impairment test of goodwill and concluded that no impairment existed.

- 3.6 Property, Plant and Equipment:** Items of property, plant and equipment are stated at cost, plus interest costs incurred during the period of construction, less accumulated depreciation and impairment losses.

The cost and related accumulated depreciation of property, plant and equipment sold or retired are removed from the related accounts at the time of sale or retirement, and any gain or loss is included in the Income Statements.

Expenditure incurred to replace a component of an item of the property, plant and equipment are recognized as part of the cost of the asset, if it is probable that the future economic benefits embodied in the item will flow to the Group. All other expenditure is recognized in the Income Statement as an expense, as incurred.

The costs related to asset retirement obligations are recognized in the period in which they are generated, if a reasonable estimate of their fair value can be made. The related asset retirement costs are capitalized as part of the carrying amount of the property, plant and equipment and are amortized respectively.

- 3.7 Depreciation of property, plant and equipment:** Depreciation of property, plant and equipment is charged to the Income Statement on a straight-line basis over the estimated useful lives of items, which is re-estimated periodically.

In case that the residual value is material, it is reassessed on an annual basis.

- 3.8 Intangible assets:** Intangible assets acquired separately are stated at cost whereas intangible assets acquired through a business acquisition are stated at fair value as at the date of the acquisition. The useful life of intangible assets is assessed to be either finite or indefinite. The cost of intangible assets with a finite useful life is amortized with the straight-line method over their estimated useful life. The cost of intangible assets with an indefinite useful life is not amortized. No residual values are recognized. The useful life of intangible assets is reviewed

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on an annual basis. Intangible assets with indefinite useful life are tested for impairment at least annually in an individualized level or in a level of generating cash flow.

Licenses which are considered as an intangible asset are recorded at their acquisition cost and are amortized over their useful life and in any case, until the end of their legal duration.

The amortization of Intangible Assets with a finite useful life begins when the asset is available for use.

Subsequent expenditure on Intangible Assets, is capitalized only when it increases the future economic benefits embodied in the specific asset to which is related. All other expenditure is expensed as incurred.

- 3.9 Share capital issuance costs:** Share capital issuance costs, net of related deferred tax, are reflected as a deduction of Share Premium Reserve.
- 3.10 Cash and cash equivalents:** Cash and cash equivalents comprise cash balances and cash deposits. For purposes of the consolidated statements of cash flows, time deposits and other highly liquid investments with maturities of three months (at the date of acquisition) or less, are considered to be cash equivalents.
- 3.11 Long-term assets/liabilities:** Long-term assets or liabilities, which are interest free or have interest lower than market interest rates, are initially recognized at their net present value. The differences arising from discounting are presented as financial income/expenses in the Income Statement.
- 3.12 Inventories:** Group's inventories consisting of SIM cards, prepaid airtime cards, telephone handsets and other accessories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses. The amount of any reversal of any write-down of inventories, are recognized in the Income Statement in the period in which the reversal occurs.
- 3.13 Accounts receivable and allowance for doubtful accounts:** Accounts receivable (short term) are initially recognized at fair value. Subsequently, the related amounts are reduced for any impairment. At each balance sheet date, the collectibility of the accounts receivable is assessed based on historical trends and statistical information and a reserve is recorded for probable losses that can be quantified. Each year, the balance of this reserve is adjusted by recording a charge to the Income Statement. Receivables that are considered uncollectible are written off. Write offs of receivables' balances are written off against the provision.
- 3.14 Defined contributions plans:** Obligations for contributions to defined pension plans are recognized as an expense in the Income Statement as incurred.
- 3.15 Defined benefit plans:** The obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service at the date of the balance sheet. Those benefits are discounted to determine the present value after the deduction of the fair value of any plan

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asset. The discount rate is the yield at balance sheet date of the state bonds that have maturity date approximating the term of the obligation. These obligations are calculated on the basis of financial and actuarial studies which are carried out by an independent actuarial company. Net pension cost for the period that is measured based on the direct method, is recognized in the income statement and consists of the present value of the accrued benefits, interest cost on the benefits obligation, prior service cost and actuarial gains or losses. Prior service costs are recognized on a straight-line basis over the average period until the benefits become vested.

All actuarial gains or losses, after 1 January 2004, are recognised during the average future working life of active employees and are included in the service cost of the year, if -at the beginning of the year- they are above 10% of the estimated future obligation. Otherwise the actuarial gains or losses are not recorded.

- 3.16 Stock Based Compensation:** The fair value of the stock option plans, is accounted for as an expense during the vested period, when the benefits have already been recorded immediately at the inception or at the amendments of each plan, prior service cost is recorded immediately.

The fair value of the stock option is calculated based on the generally accepted methods, taking into consideration the terms and conditions (except of market conditions) under which these rights have been granted. As far as the stock option plan is concerned, the cost is settled, so that it reflects the real number of the registered rights, unless the restriction of the right is due to the fact that the price of the stocks did not manage to succeed the registration limit.

As far as the rest of the rights is concerned, the liability is reevaluated at each Balance Sheet date and at the deposit date, while changes in the fair value of the liability, are recognized as an expense.

- 3.17 Earnings per Share:** The basic and diluted earnings per share are calculated by dividing net profits after taxes by the weighted average number of shares of each year.

- 3.18 Dividends Payable:** The distribution of dividends is classified as a liability on the date the distribution is approved by the Shareholders' Meeting.

- 3.19 Leases:** Leases which transfer to the Company substantially all the risks and rewards of ownership are classified as financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability. In such case, lease payments are apportioned between the financial charges and the reduction of the lease liability. Financial expenses are recognized directly to income statement.

Financial leases are presented in the lower amount, between the fair and the present value of the minimum leased payments at the beginning of the lease, decreased by the accumulated depreciations and any impairment losses.

The lease is considered as an operating lease if based on the lease agreement the rights and obligations (risks) derived from the ownership of the asset are not transferred. In such a case the rental payments are recognized in the Income Statement as incurred based on the direct method depending on the duration of the lease.

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3.20 Related Parties: Transactions and balances with related party are presented separately in the financial statements. Those related parties represent mainly the main shareholders and management of a company and or its subsidiaries.

3.21 Loans: Loans are initially recognized at their fair value less any costs related to the loans. Subsequent to the initial recognition, loans are valued at their amortized cost. Gains or losses are recognized in the Income Statement through the amortization during the duration of the loans, using the effective interest rate.

3.22 Provisions: Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time, is recognized as a borrowing cost. Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. Provisions are used only for the purpose for which they were originally recognized. Provisions are not recognized for future operating losses. Contingent assets and liabilities are not recognized.

3.23 Revenue: Group Revenues consist mainly of the sale of goods and services, net of value-added tax, discounts and sales returns.

Revenues are recognized as follows:

Sales of goods: Sales of goods reduced with the discounts offered are recognized as income, when the significant risks and rewards of ownership are transferred to the buyers and collectibility of the related receivables is reasonably assured. Retail sales are usually made either through cash payments or credit cards. In this case the income recorded is gross, including credit cards' fees. The related credit cards' fees are recognized as distribution expenses.

Sales of services: The income from provision of services is recorded in the period in which the services are provided and are analyzed in the following basic categories:

- **Monthly subscription fees:** Revenues related to the monthly subscription fees are recognized in the month that the telecommunication service is provided.
- **Revenues from network usage:** Call fees consist of fees based on airtime and traffic generated by the caller, the destination of the call and the service utilized. Interconnection fees for mobile to mobile and fixed to mobile calls are recognized based on incoming traffic generated from other operators' networks during the period where the service is offered. Unbilled revenues, from the billing cycle date to the end of each period, are estimated based on traffic and are recorded at the end of each month.

Revenues from the sale of pre-paid airtime cards and the pre-paid airtime, net of discounts allowed, included in the pre-paid services packages, are recognized based on usage. Discounts given represent the difference between the price of pre-paid cards and packages (consisting of handsets and prepaid airtime) to the Group's Master Dealers and

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the retail sale price to the end customers. Unused airtime is included in "Unbilled revenue" in the balance sheet. Upon the expiration of pre-paid airtime cards, any unused airtime is recognized as income.

Income from dividends: Income from dividends is recognized at the date that these dividends are approved by the General Assembly of Shareholders'.

Interest income: Interest income is recognized on an accrued basis (using the effective interest method).

3.24 Advertising costs: Advertising costs are expensed as incurred.

3.25 Borrowing costs: Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are recorded in the income statement using the effective interest rate method over the period of the debt. Borrowing costs incurred during the construction period of tangible assets attributable to these assets, are capitalized to the cost of these assets. All other borrowing costs are recognized as an expense as incurred.

3.26 Income tax: Income tax for the year comprises current and deferred income tax. Income tax is recognized in the Income Statement, except to the extent that it relates to the items recognized directly to equity in which case the tax is also recognized.

Current income taxes are measured on the taxable income at the balance sheet date using enacted tax rates at the balance sheet date.

Deferred income taxes are provided using the balance sheet liability method, providing for temporary timing differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

The following temporary differences are not provided for: goodwill, non deductible for tax purposes, the initial recognition of assets and liabilities that effect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

The value of deferred income taxes is reviewed at each balance sheet date and is reduced by the extent that future taxable income will not be available against the asset can be utilized.

3.27 Derivatives: Derivative financial instruments include foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

Derivatives for trading purposes: Derivative that do not qualify for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

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Fair value of interest rate swaps is the amount that the Group estimates it will collect or pay in order to end the swap at the balance sheet date, taking into consideration the current rates and the current creditability of the related parties. The fair value of the forward rate swaps is the share price as at the balance sheet date, which is the present value of the quoted forward price.

Changes in the fair value of derivatives are recorded in the income statement.

For the derivatives that are used for hedging purposes, the Group does not apply hedge accounting and the gains or losses are recorded in the income statement.

3.28 Offsetting of receivables – payables: The offsetting of financial assets and liabilities and the presentation of the net amount in the Financial Statements is permitted only if there is a legal right for offsetting and there is an intention for the settlement of the net amount which derives from the offsetting or for the settlement.

3.29 Impairment of Assets: According to IAS 36 the recoverable amount of an asset should be valued when there is an indication that this asset will probably be impaired with the exception of Goodwill and Intangible Assets with indefinite useful life which are tested for impairment at least annually. When the carrying amount of an asset is greater than its recoverable amount the impairment loss is recorded in the income statement for assets that are valued at cost whereas it is considered as a reduction of the equity for assets that are presented at the revaluated amount. For the purposes of the process of the impairment test, in order to assure the existence of the indication that an asset may be impaired, at least the external and internal sources of information are taken into account.

When the carrying amount exceeds the estimated recoverable amount, an impairment loss is recognized and is recorded directly in the Income Statement. The recoverable amount is defined as the higher of the cash-generating units fair value less costs to sell and its value in use. Net selling price is the amount that can be received from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties after deducting the direct cost of disposal. For the estimation of the value of use, the estimated cash flows are discounted in the present value, using a before tax interest rate, which reflects the present estimations of the market, for the time value of money and for the risks related to these assets. For an asset that does not return significantly independent cash flow, the recoverable amount is defined for the production unit of the cash flow the asset belongs to.

An impairment loss for goodwill is not reversed in subsequent periods. In all other assets, the impairment loss is reversed when the estimation used for the calculation of the recoverable amount has been changed.

3.30 Segment Reporting: IAS 14 ("Segment Reporting") sets criteria for the determination of the business and geographical segments. Segments are determined based on Group's structure, provided that the Group's financial decision makers review the financial information separately, as presented by the parent company and each of the Group's consolidated subsidiaries, which are included in the consolidated financial statements. The segments that should be reported separately are determined using the quantitative characteristics set by the IAS 14. Further information is presented in Note 6.

3.31 Effect on new standards and interpretations: The IASB and the Interpretations Committee have issued a range of new accounting standards and interpretations. The new I.F.R.S. and the I.F.R.I.C. concern accounting periods beginning after 1st January 2006. The management's estimation in relation to the effect of the new standards and interpretations is as follows:

IFRS 7 Financial Instruments Disclosures (effective for accounting periods beginning on or after 1 January 2007): Introduces more disclosures with the purpose of the improvement of the omitted information in relation with the financial instruments. Requires the disclosure of the qualitative and the quantitative information of the financial statements in relation to all risks arising from financial instruments. Specifically predetermines the least required disclosures which are related with the credit risk, the cash risk and the purchase risk (imposes the sensitivity analysis in relation with the purchase risk). The IFRS 7 replaces the IAS 30 (Disclosures to the Financial Statements of the Banks and Financial Institutions) and the demands of disclosures of IAS 32 (Financial Instruments: Disclosures and Presentation). It has implementation to all the companies that compose their Financial Results in accordance with IFRS. The Group will adopt IFRS 7 for the financial statements of the year 2007 thereon and the amount of disclosures in the financial statements will not be affected, with few exceptions (i.e. application of sensitivity analysis).

Amendment to IAS 1 Capital Disclosures (Effective for accounting periods beginning on or after 1 January 2007): The adjustment to IAS 1 introduces disclosures in relation with the level of a company's capital such as the way of its management. The Group estimated the effect of the related adjustment to IAS 1 and concluded that more disclosures in relation with the capital will be required.

IFRS 8 Operating Segments (Effective for accounting periods beginning on or after 1 January 2009): The Standard requires the descriptive information which is related with the operating segments to be the one that the management is informed about in order to distribute the disposable revenues and to estimate the attribution. Upon adoption of IFRS 8, the identification of the entity's segments will not change.

Revised Guidance on Implementing IFRS 4 Insurance Contracts (Effective for accounting periods beginning on or after 1 January 2007): The interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (Effective for accounting periods beginning on or after 1 March 2006): The interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 8 Scope of IFRS 2 (Effective for accounting periods beginning on or after 1 May 2006): The interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 9 Reassessment of Embedded Derivatives (Effective for accounting periods beginning on or after 1 June 2006): The interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 10 Interim Financial Reporting and Impairment (Effective for accounting periods beginning on or after 1 November 2006): The interpretation concludes that where an entity has recognized an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements or in annual financial statements. The Group will adopt the interpretation for the financial statements of the year 2007 and thereon.

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IFRIC 11 Group and Treasury Share Transactions (Effective for accounting periods beginning on or after 1 March 2007).

IFRIC 12 Service Concession Arrangements (Effective for accounting periods beginning on or after 1 January 2008): The interpretation does not apply to the Group and it will not affect the financial statements.

4. Operating revenues

The analysis of Operating Revenues is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Airtime	837,278	707,348	605,377	569,801
Interconnection	532,308	472,240	390,363	395,248
Monthly service fees	490,148	355,986	405,747	325,603
SMS and other services	162,340	150,086	128,367	135,209
Roaming	69,147	50,451	43,592	39,135
Sales of products	271,055	49,306	43,654	35,687
Other	20,073	12,191	13,514	16,781
Total Revenues	2,382,349	1,797,608	1,630,614	1,517,464

5. Analysis of expenses

5.1 Operating expenses

The analysis of Operating Expenses is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Interconnection charges	423,294	356,961	333,492	311,053
Distribution expenses	433,098	345,531	315,866	309,434
Depreciation	318,650	229,190	171,537	169,826
Network operating expenses	165,173	124,881	88,117	86,496
Payroll and related cost	143,544	99,627	91,541	85,571
Cost of goods sold	240,662	50,709	37,998	30,231
Data (content) Services	22,476	20,808	19,113	20,808
Provision of bad debt	18,543	10,527	9,600	8,531
Other expenses	59,351	34,030	32,791	26,033
Total of operating expenses	1,824,791	1,272,264	1,100,055	1,047,983

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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).

(In thousands of EURO, unless otherwise stated)

5.1.1 Payroll Expenses

The analysis of Payroll Expenses is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Payroll	103,657	71,658	66,415	62,118
Social security	26,220	18,114	17,718	16,093
Benefits and staff expenses	11,057	7,786	5,558	5,291
Other	2,610	2,069	1,850	2,069
Total	143,544	99,627	91,541	85,571

5.2 Other Revenues - Expenses

The analysis of other Revenues - Expenses is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Foreign exchange differences				
Gains	17,318	11,311	284	209
Loss	(11,850)	(10,974)	(55)	(737)
Total	5,468	337	229	(528)
Penalties	(1,740)	(1,967)	(1,601)	(1,840)
Other expenses	(5,163)	(1,597)	(192)	(309)
Other revenues	2,822	654	324	304
Total	(4,081)	(2,910)	(1,469)	(1,845)
Total Revenues	20,140	11,965	608	513
Total Expenses	(18,753)	(14,538)	(1,848)	(2,886)
	1,387	(2,573)	(1,240)	(2,373)

5.3 Financial Revenues - Expenses

The analysis of the Financial Revenues - Expenses is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Financial Revenues				
Interest income	13,088	7,394	10,853	4,474
Dividends and Other	5,091	200	4,468	10,515
Total financial revenues	18,179	7,594	15,321	14,989
Financial Expenses				
Interest expense	(69,948)	(22,854)	(53,311)	(16,552)
Other financial expenses	(5,075)	(1,916)	(3,501)	(1,275)
Total financial expenses	(75,023)	(24,770)	(56,812)	(17,827)
Financial Income/ (expenses) (Net)	(56,844)	(17,176)	(41,491)	(2,838)

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

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5.4 Income tax

5.4.1 Greek Companies

In accordance with the provision of Greek tax law, the income tax rate applicable to companies up to December 31, 2006, was 29%. In accordance with Law 3296/2004 the income tax rate decreases to 25% from the fiscal year 2007 and onwards.

Greek tax legislation and relevant regulation are subject to interpretations by the tax authorities. Tax returns are filed annually to the tax authorities but the profits or losses declared for tax purposes remain provisional until the time when the tax authorities examine the returns and the books of the taxpayer and based on that examination a final assessment is issued. Tax losses, to the extent they are recognized by the tax authorities, may be used to set-off profits of the following five fiscal years.

COSMOTE has not been audited by the tax authorities for the fiscal years 2004 to 2006. Consequently, the Company's tax liabilities for these tax years, have not yet been finalized.

Regarding its subsidiaries in Greece, COSMO-HOLDING ALBANIA has not been audited since its establishment, GERMANOS S.A. has not been audited from 2004 to 2006, E-VALUE S.A. has not been audited from 2003 to 2006 and MOBILBEEEP LTD has not been audited from 2005 to 2006.

5.4.2 Foreign Subsidiaries

The following subsidiaries have not been audited for the following years and consequently their tax liabilities for these years have not yet been finalized.

Company's name	Unaudited tax years
AMC	2001-2006
COSMOTE ROMANIA	2004-2006
COSMOFON	2001-2006
GLOBUL	2005-2006
OTE MTS Holding BV	2001-2006
COSMOHOLDING CYPRUS LTD	2006
GERMANOS TELECOM S.A. - SKOPJE	2003-2006
GERMANOS TELECOM BULGARIA AD	2005-2006
GERMANOS TELECOM ROMANIA S.A.	2003-2006
SUNLIGHT ROMANIA SRL/FILIALA	2001-2006
OTENET CYPRUS LIMITED	2000-2006
OTENET TELECOM LIMITED	2001-2006

It is noted a tax audit for AMC for the years 2001-2005 is in progress.

Regarding the unaudited tax years there is a possibility of imposition of additional taxes or penalties, by the time that these years will be examined by the tax authorities.

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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).

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5.4.3 Income tax

Income tax recorded in the Income Statement is analysed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Current Income tax	(151,729)	(166,068)	(136,515)	(147,195)
Deferred income tax	(8,144)	1,523	(6,607)	(1,444)
Total	(159,873)	(164,545)	(143,122)	(148,639)

The Group's average tax rate for 2006 is approximately 27.38% and for 2005 approximately 29%. The above mentioned reduction of the average tax rate is due to the fact that the Company's tax rate is 29% for the year 2006 and for the year 2005 was 32%.

The reconciliation between income taxes as presented in the Income Statement with those resulting by the application of the enacted tax rates on the income before taxes, has as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Net Income before income taxes	502,101	505,595	487,828	464,270
Tax calculated based on the local tax rate effective in each country	(143,483)	(146,259)	(141,470)	(148,566)
Tax reformation of revenues and expenses	(442)	(3,433)	384	1,802
Tax derived from the distribution of reserves and dividends	10,042	-	-	-
Non taxable losses of consolidated companies	(15,857)	(7,116)	-	-
Change of tax rate	(1,521)	648	(7)	648
Other	(8,612)	(8,385)	(2,029)	(2,523)
	(159,873)	(164,545)	(143,122)	(148,639)

6. Segment Information

The following information refers to the segments of the Group's companies which should be reported separately in the Financial Statements.

Segments are determined based on the Group's structure and on the fact that the financial decision makers review the financial information separately, as presented by the parent company and each of its subsidiaries, which are included in the consolidated financial statements.

Using the quantitative criteria set by the related IAS, COSMOTE and the rest of the companies which are based in the Balkans, have been defined as segments, that must be presented separately in the Financial Statements.

The accounting policies of the segments are the same with those followed for the preparation of the Financial Statements. Management evaluates the effect of the segments based on the operating and net result.

Information concerning the segments and the reconciliation with the Group's consolidated financial statements are as follows:

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	GREECE	CYPRUS	ALBANIA	BULGARIA	ROMANIA	FYROM	Total	Consolidation entries	Group
2006									
Revenues from customers	1,755,810	-	149,051	351,976	70,395	55,117	2,382,349	-	2,382,349
Intercompany sales	76,261	-	1,959	8,258	5,456	2,423	94,357	94,357	-
Financial income	17,507	2,278	2,503	166	137	143	22,734	(4,555)	18,179
Financial expenses	57,913	-	66	14,241	943	3,363	76,526	(1,503)	75,023
Depreciation of tangible/intangible assets	177,197	-	25,000	73,208	28,388	14,869	318,662	(12)	318,650
Gains / (losses) before income taxes	501,642	2,278	67,991	39,293	(91,937)	(8,444)	510,823	(8,722)	502,101
Gains / (losses) after income taxes attributable to parent company	362,732	1,936	49,898	32,502	(92,304)	(8,444)	346,320	(4,092)	342,228
Investments in affiliated companies	762	-	-	-	-	-	762	(151)	611
Assets	3,455,865	36,635	277,264	598,829	487,181	141,031	4,996,805	(308,691)	4,688,114
Investments for the acquisition of assets	137,540	-	24,563	96,956	160,384	17,624	437,067	-	437,067
2005									
Revenues from customers	1,507,985	-	137,272	129,711	5,027	17,613	1,797,608	-	1,797,608
Intercompany sales and dividends	9,479	-	355	308	79	59	10,280	(10,280)	-
Financial income	15,136	-	1,276	161	1,335	111	18,019	(10,425)	7,594
Financial expenses	17,827	-	162	5,557	49	839	24,434	336	24,770
Depreciation of tangible/intangible assets	169,826	-	22,585	22,615	10,128	4,047	229,201	(11)	229,190
Gains / (losses) before income taxes	464,164	-	59,367	17,572	(20,951)	(3,649)	516,503	(10,908)	505,595
Gains / (losses) after income taxes attributable to parent company	320,234	-	41,462	14,862	(20,951)	(3,649)	351,958	(12,037)	339,921
Investments in affiliated companies	801,355	-	49,700	-	-	-	851,055	(850,146)	909
Assets	2,169,854	-	218,460	543,691	289,168	128,120	3,349,293	(800,115)	2,549,178
Investments for the acquisition of assets	109,612	-	9,853	60,846	73,039	9,044	262,394	-	262,394

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7. Deferred income taxes

Deferred income taxes which result from the temporary differences between the book value and the tax base of assets and liabilities are estimated using the current income tax rate and are analyzed as follows:

	Calculation in the Balance Sheet as of 31/12/2006	Effect in the Income Statement 2006	Acquisition of subsidiary	Balance in the Balance sheet as of 31/12/2006	Calculation in the Balance Sheet as of 31/12/2006	Effect in the Income Statement 2006	Balance in the Balance sheet as of 31/12/2006
Receivables from deferred taxation							
Tax differences carried forward	709	(6,665)	-	7,374	-	-	-
Provision for doubtful accounts	1,586	336	-	1,250	-	-	-
Provision for staff retirement indemnities	1,789	217	157	1,415	1,654	239	1,415
Temporary tax differences	4,591	667	-	3,924	4,591	667	3,924
Deferred revenue	1,221	251	-	970	-	-	-
Provisions for asset retirement obligation	408	77	-	331	408	77	331
Write off of capitalized expenses	14,414	24	14,390	-	-	-	-
Acquisition of subsidiary	48	(94)	142	-	-	-	-
Other	5,561	(1,484)	2,387	4,658	1,904	(192)	2,096
	30,327		17,076	19,922	8,557		7,766
Liabilities from deferred taxation							
Adjustment of depreciation due to re-estimation of the useful life of property, plant and equipment	(14,161)	(3,553)	(6,879)	(3,729)	(7,989)	(4,260)	(3,729)
Unbilled revenue	(639)	(233)	-	(406)	-	-	-
Loan expenses	(2,141)	(1,815)	-	(326)	(2,141)	(1,815)	(326)
Interests capitalization	(1,718)	407	-	(2,125)	(1,718)	407	(2,125)
Readjustment of the value of land	(2,498)	400	(2,898)	-	-	-	-
Repatriation of earnings	(3,041)	4,671	-	(7,712)	-	-	-
Evaluation of brand name of GERMANOS Group	(91,738)	-	(91,738)	-	-	-	-
Evaluation of fair value of GERMANOS Group	(22,127)	909	(23,036)	-	-	-	-
Other	(3,519)	(2,259)	744	(2,004)	(2,249)	(1,730)	(519)
	141,582		(123,807)	(16,302)	(14,097)		(6,699)
Offsetted amount in Income Statement		8,144				(6,607)	
Offset of receivable/(liability) of deferred taxation	(111,255)		(106,731)	3,620	(5,540)		1,067

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Deferred income taxes are presented in the Balance Sheet as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Deferred income tax (as an asset)	11,443	11,332	-	1,067
Deferred income tax (as a liability)	(122,698)	(7,712)	(5,540)	-
	(111,255)	3,620	(5,540)	1,067

The movement of deferred income taxes is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Balance at the beginning of the year	3,620	(8,612)	1,067	2,511
Exchange differences	(909)	10,709	-	-
Fair values of GERMANOS Group evaluation	(113,865)	-	-	-
Acquisition of subsidiaries	8,043	-	-	-
Amount presented in the Income Statement	(8,144)	1,523	(6,607)	(1,444)
Balance at the year end	(111,255)	3,620	(5,540)	1,067

8. Earnings, after Income taxes, per share

The earnings, after Income taxes, per share are calculated by dividing the profit attributable to the Shareholders of the Company by the weighted average number of issued and outstanding shares during the year.

The earnings, after Income taxes, per share are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Profits after taxes & minority interests	360,519	339,921	344,706	315,631
Weighted average number of shares outstanding (in thousands)	333,598	332,430	333,598	332,430
Earnings per share (in EURO)	1.08	1.02	1.03	0.95
Diluted earnings per share (in EURO)	1.08	1.02	1.03	0.95

9. Transactions with related companies

Related parties of the Group, are considered COSMOTE, the subsidiaries, the associated companies, the Group's Management and its Key Management Personnel and OTE Group.

The Company purchases goods and services from affiliated entities and provides services to them. The related companies are companies that have common ownership status and/or management with the Company and affiliates of such companies.

Sales to related companies related mainly to merchandise sales (e.g. COSMOKARTA, air time cards, SIM cards etc). The prices are determined on the basis of cost plus profit. The sales of services related mainly to interconnection, technical and personnel allowance, leased lines, renting, roaming services etc.

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Rentented services from related parties are an arms length transactions and are mainly related to interconnection services and building rents, leased lines, receiving and printing bills, sales commissions etc.

At the table below, there is an analysis of the receivables and payables at 31 December 2006 and 31 December 2005 respectively.

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Receivables from				
OTE	378	10,725	-	10,725
COSMOFON	-	-	7,803	5,018
COSMOTE ROMANIA	-	-	11,340	3,529
AMC	-	-	3,763	2,685
GLOBUL	-	-	23,445	
COSMO-HOLDING ALBANIA	-	-	637	634
ROM TELECOM	1,531	520	-	-
TELECOM SERBIA	153	-	76	-
OTEGLOBE	12,732	5,947	42	-
Other	2,587	495	369	447
Total	17,381	17,687	47,475	23,051
Payables to				
HELLASCOM	215	1,275	-	-
ROM TELECOM	1,954	765	-	-
OTENET	785	194	318	194
OTE ESTATE	191	227	191	227
OTE plc	25,637	6,642	23,374	4,127
OTE	4,878	541	3,903	-
OTEGLOBE	1,699	911	-	3
AMC	-	-	-	894
OTE INTERNATIONAL INVESTMENTS	18	731	-	-
GERMANOS	-	-	23,115	-
SYSTMATA SUNLIGHT	12,228	-	1,925	-
Other	558	962	519	243
Total	48,164	12,248	53,344	5,688

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Related parties transactions, are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Revenues				
Interconnection fees	149,432	152,447	123,524	138,022
Sales of prepaid airtime cards and SIM cards	16,372	14,180	41,818	14,180
Management fees	-	8,385	12,065	15,845
Sales of prepaid packages and handsets	3,805	6,662	11,887	8,298
Loans interests	-	-	2,925	-
Other	3,447	4,339	3,552	2,019
Total	173,056	186,013	195,771	178,364
Expenses				
Subscribers' Commissions	75,124	81,046	100,107	81,046
Interconnection Costs	27,029	29,489	26,954	26,408
Leased lines	31,153	30,371	22,683	25,712
Enveloping, Postage and collection of accounts receivable expenses	15,653	11,619	16,107	11,619
Network expenses	3,457	3,589	3,457	3,589
Rents	7,458	5,858	6,785	5,858
Interest expenses	58,465	19,132	45,985	9,846
Payroll expenses	4,683	6,749	4,683	5,842
Other	9,565	9,759	6,133	8,763
Total	232,587	197,612	232,894	178,683

Intercompany transactions of Property, Plant and Equipment are analyzed as follows:

	2006	2005
Sales from AMC to COSMOTE	-	20
Sales from COSMOTE to AMC	95	259
Sales from COSMOTE to COSMOTE ROMANIA	141	33
Sales from COSMOTE to COSMOFON	15	-
Sales from GERMANOS to COSMOTE	9	-
Sales from SYSTMATA SUNLIGHT to GERMANOS	4,601	-
Sales from GERMANOS to SYSTMATA SUNLIGHT	3,807	-
Sales from SYSTMATA SUNLIGHT to COSMOTE	2,141	-

Intercompany loans as of 31/12/2006 are:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Loans from related companies	252,200	261,000	49,700	49,700
Bond loans from related companies	2,926,477	988,879	2,921,477	988,879
	3,178,677	1,249,879	2,971,177	1,038,579

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Intercompany loans granted as of 31/12/2006 are:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Loans to related companies	-	-	180,150	-

The above loans are analyzed per company in Note 23.

Fees paid to the members of the Board of Directors of the companies of COSMOTE which have been charged to the Income Statements for the fiscal year 2006 amounted to EURO 547, of which EURO 164 related to the Company.

Total fees paid to the non executive members of the Board of Directors of the Company amounted to EURO 111 while total fees paid to the non executive members of the Board of Directors of the Group's subsidiaries amounted to EURO 131.

Benefits to the Key Management Personnel are analyzed as follows:

	THE GROUP	THE COMPANY
Short term benefits to Key Management Personnel	10,737	4,19
Post employment benefits to Key Management Personnel	-	-
Other long term benefits to Key Management Personnel	-	-

Share-based benefits regarding the Company and the Group are analysed as follows:

The number of COSMOTE's stock option rights granted in 2006 to COSMOTE's Key Management Personnel is 99,590 shares at EURO 18.84 per share.

The number of COSMOTE's stock option rights granted in 2006 to COSMOTE's subsidiaries' abroad Key Management Personnel is 144,350 shares at EURO 18.84 per share.

The number of GERMANOS' stock option rights granted in 2006 to GERMANOS Group of companies' Key Management Personnel is 455,400 shares at EURO 9 per share.

Following a relevant resolution of the General Shareholders Meeting of the Company, the Company shall pay to the Company's Key Management Personnel compensation, in case of termination of the employment agreement on behalf of the Company on the grounds not due to employee's default, equal to at least one (1) annual salary. Note 24 provides further details on these issues.

According to article 23 of CL 2190/1920, loans, guarantees or credit given by the Company to its Key Management Personnel, are prohibited.

It is also noted that the 9th Ordinary General Shareholders Meeting of COSMOTE, held on 09/06/2006, following the expiration of the term of the Board of Directors has elected the new Board of Directors, which consists of nine members, as follows:

P. Vourloumis	Chairman - Non executive member
K. Apostolides	Vice Chairman - Independent Non executive member
E. Martigopoulos	Managing Director - Executive member
I. Vezanis	Independent Non executive member
E. Despotou	Non executive member
G. Ioannidis	Non executive member
G. Mavrakis	Non executive member
C. Economou	Non executive member
Y. Sarantitis	Non executive member

The term of the above mentioned Board of Directors expires on 08/06/2009.

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10. Property, Plant and Equipment

Property, Plant and Equipment are analyzed as follows:

	THE GROUP						
	Buildings & constructions	Land	Machinery-installations-miscellaneous equipment	Transportation equipment	Furniture & miscellaneous equipment	Construction in progress	Total
01/01/2005							
Cost	18,709	103	1,397,750	1,648	70,524	74,073	1,562,807
Accumulated depreciation	(5,174)	-	(601,829)	(801)	(53,167)	-	(660,971)
Net book value	13,535	103	795,921	847	17,357	74,073	901,836
2005							
Subsidiaries acquisition (acquisition cost)	20,060	574	634,639	2,958	9,990	65,227	733,448
Subsidiaries acquisition (accum,depreciation)	(3,172)	-	(211,712)	(1,165)	(3,747)	-	(219,796)
Additions	5,943	42	142,950	1,426	6,684	94,456	251,501
Disposals	-	-	(582)	(72)	(109)	-	(762)
Exchange difference of acquisition cost	219	3	(4,428)	(11)	83	(1,405)	(5,540)
Exchange difference of accumulated depreciation	(37)	-	11,272	9	(65)	-	11,179
Depreciation for the year	(4,515)	-	(197,078)	(491)	(6,926)	-	(209,010)
31/12/2005							
Cost	44,931	722	2,170,329	5,949	87,172	232,351	2,541,454
Accumulated depreciation	(12,898)	-	(999,347)	(2,448)	(63,905)	-	(1,078,598)
Net book value 31/12/2005	32,033	722	1,170,982	3,501	23,267	232,351	1,462,856
2006							
Subsidiaries acquisition (acquisition cost)	34,910	20,722	4,218	2,917	48,430	1,884	113,081
Subsidiaries acquisition (accum,depreciation)	(7,228)	-	(4,408)	(712)	(27,593)	-	(39,941)
Additions	12,910	156	282,791	2,715	7,077	114,464	420,113
Disposals	(82)	-	(488)	(1,083)	(1,762)	-	(3,415)
Exchange difference of acquisition cost	299	4	12,387	123	372	10,443	23,628
Exchange difference of accumulated depreciation	(27)	-	5,165	(57)	(105)	-	4,976
Depreciation for the year	(5,805)	-	(270,341)	(799)	(10,110)	-	(287,055)
Disposal of depreciated	16	-	606	742	81	-	1,445
31/12/2006							
Cost	92,968	21,604	2,469,237	10,621	141,289	359,142	3,094,861
Accumulated depreciation	(25,942)	-	(1,268,325)	(3,274)	(101,632)	-	(1,399,173)
Net book value 31/12/2006	67,026	21,604	1,200,912	7,347	39,657	359,142	1,695,688

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THE COMPANY						
	Buildings & constructions	Machinery-installations-miscellaneous equipment	Transportation equipment	Furniture & miscellaneous equipment	Construction in progress	Total
01/01/2005						
Cost	11,477	1,235,149	1,102	67,602	64,686	1,380,016
Accumulated depreciation	(4,143)	(542,248)	(509)	(51,023)	-	(597,923)
Net book value	7,334	692,901	593	16,579	64,686	782,093
2005						
Additions	5,474	66,003	2	5,760	31,928	109,167
Disposals	-	(292)	-	-	-	(292)
Depreciation for the year	(3,165)	(143,599)	(110)	(6,267)	-	(153,141)
31/12/2005						
Cost	16,951	1,300,860	1,104	73,362	96,614	1,488,891
Accumulated depreciation	(7,308)	(685,847)	(619)	(57,290)	-	(751,064)
Net book value 31/12/2005	9,643	615,013	485	16,072	96,614	737,827
2006						
Additions	775	72,280	-	4,752	60,867	138,674
Disposals	-	(421)	-	(1,766)	-	(2,187)
Depreciation for the year	(1,583)	(147,933)	(112)	(8,277)	-	(157,905)
Disposal of depreciated assets	-	220	-	1,756	-	1,976
31/12/2006						
Cost	17,726	1,372,719	1,104	76,348	157,481	1,625,378
Accumulated depreciation	(8,891)	(833,560)	(731)	(63,811)	-	(906,993)
Net book value 31/12/2006	8,835	539,159	373	12,537	157,481	718,385

It is noted that property, plant and equipment are not pledged.

The depreciation rates have as follows:

	Depreciation rates	Useful life (years)
Telecommunication Systems and installations	10%-25%	4-10
Furniture and miscellaneous	14%-20%	5-7
Transportation equipment	14%	7
Software -Licenses	10%	10
Software - (upgrades, improvements)	20%-33%	3-5

Leasehold improvements are amortized over the term of the lease.

The investments, per company, are analyzed as follows:

Explanation of additions of property, plan and equipment	
COSMOTE	(136,487)
GLOBUL	(96,956)
COSMOTE ROMANIA	(160,384)
AMC	(24,563)
COSMOFON	(17,624)
GERMANOS Group (fourth quarter)	(1,053)
	(437,067)

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11. Goodwill -Telecommunications Licenses and Intangible Assets

Goodwill - Telecommunications Licenses and Intangible Assets, are analyzed as follows:

	THE GROUP			THE COMPANY
	Telecommunication licenses	Intangible assets	Goodwill	Telecommunication licenses
01/01/2005				
Cost	265,520	-	77,987	265,520
Accumulated depreciation	(28,113)	-	(17,258)	(28,113)
Net book value	237,407		60,729	237,407
Year 2005				
Subsidiaries acquisition (acquisition cost)	224,671	-	-	-
Subsidiaries acquisition (accum, depreciation)	(61,381)	-	-	-
Additions	11,655	-	-	737
Exchange difference of acquisition cost	(823)	-	-	-
Exchange difference of accumulated depreciation	467	-	1,686	-
Depreciation for the year	(20,591)	-	-	(14,868)
31/12/2005				
Cost	501,023	-	79,673	266,257
Accumulated depreciation	(109,618)	-	(17,258)	(42,981)
Net book value 31/12/2005	391,405	-	62,415	223,276
2006				
Additions	20,369	-	-	131
Acquisition of subsidiaries (Note 12.1)	-	554,820	463,841	-
Transfer from GERMANOS	-	6,670	4,845	-
Evaluation of AMC goodwill	-	-	(640)	-
Exchange difference of acquisition cost	4,093	-	149	-
Depreciation for the year	(31,595)	(3,818)	-	(13,632)
Depreciation form subsidiaries' acquisition	-	(1,897)	-	-
Exchange difference of depreciation	(2,061)	-	-	-
31/12/2006				
Cost	525,485	561,490	547,868	266,388
Accumulated depreciation	(143,274)	(5,715)	(17,258)	(56,613)
Net book value 31/12/2006	382,211	555,775	530,610	209,775

Intangible Assets are analyzed as follows:

	Acquisition cost	Depreciation	Net book value
Fair value of GERMANOS brand name	417,300	-	417,300
Franchise Agreements for GERMANOS network	121,700	(3,597)	118,103
Software of GERMANOS network	22,490	(2,118)	20,372
Total	561,490	(5,715)	555,775

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12. Investments

Investments are analyzed as follows:

COMPANY'S NAME	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
COSMO-HOLDING ALBANIA	-	-	91,715	91,672
COSMOHOLDING CYPRUS LTD	-	-	1,577,063	-
COSMOTE ROMANIA	-	-	121,914	121,834
GLOBUL	-	-	402,444	402,282
OTE MTS HOLDING B.V.	-	-	91,258	91,233
COSMO-ONE HELLAS MARKET SITE A.E.	429	578	528	528
COSMO-MEGALA KATASTIMATA SA	182	331	234	234
	611	909	2,285,156	707,783

The movement of Investments is analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Balance at the beginning of the year	909	1,710	707,783	92,794
Subsidiaries acquisition	-	-	1,577,063	615,349
Granting of Company's stocks to subsidiaries	-	-	310	-
Evaluation of affiliates	(298)	(441)	-	-
Dividends	-	(360)	-	(360)
	611	909	2,285,156	707,783

The summary financial information of the Group's affiliates is analyzed as follows:

Company's name	Country	Ownership percentage	Assets	Liabilities	Revenues	Gains/ (Losses)
31/12/2006						
COSMO-ONE HELLAS MARKET SITE A.E.	Greece	30.87%	1,956	568	1,748	(482)
COSMO-MEGALA KATASTIMATA S.A.	Greece	40.00%	587	133	236	(252)
			2,543	701	1,984	(734)
31/12/2005						
COSMO-ONE HELLAS MARKET SITE A.E.	Greece	30.87%	2,331	461	2,101	(866)
COSMO- MEGALA KATASTIMATA S.A.	Greece	40.00%	1,449	742	646	204
			3,780	1,203	2,747	(662)

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12.1 Acquisition of Subsidiaries

Acquisition of GERMANOS S.A. and MOBILBEEEP

During this period, the Company acquired through its subsidiary, the majority of shares of the listed in the Athens Exchange company, GERMANOS S.A. mainly specialized in the sale of telecommunications products and services, and the limited liability company MOBILBEEEP TELECOMMUNICATIONS LIMITED LIABILITY COMPANY (MOBILBEEEP), commercial partner of GERMANOS S.A.

Specifically, on May 9th, 2006 COSMOTE concluded an agreement with Mr. Panos Germanos, major shareholder and founder of GERMANOS S.A., and other shareholders of the company, for the acquisition of a strategic stake of 42% in the above company, and for a consideration of EURO 19 (absolute figure) per share, subject to receipt of all necessary approvals by the competent authorities. According to the agreement, the non-core to COSMOTE activities of GERMANOS S.A. would be transferred to Mr. Panos Germanos or a company controlled by him.

In execution of the above, on 29 August 2006, COSMOTE founded its 100% owned subsidiary in Cyprus, a holding company under the trade name COSMOHOLDING CYPRUS LIMITED which, on 02/10/2006 acquired a stake of 42% of GERMANOS S.A. and a stake of 100% in MOBILBEEEP.

Before the above mentioned acquisition, COSMOTE had received the unconditional approvals of the competition authorities of Bulgaria, FYROM, Ukraine and Romania, for the completion of the transaction, as well as the approval of the National Telecommunications and Post Commission (NTPC) subject to specific conditions that relate to issues of confidentiality, non-discriminatory treatment of OTE Group's products and maintenance of the brand name "GERMANOS" for as long as agreements between GERMANOS S.A. and OTE Group's competitors are still valid, issues of maintaining separate price lists for each of COSMOTE' s products, the offering of segregated COSMOTE' s products and services and finally issues relating to NTPC's right to evaluate and verify the adherence to these conditions anytime, to review the impact of the concentration on the specific markets and to impose additional conditions in the future.

Furthermore, the non-core to COSMOTE activities of GERMANOS S.A. had been transferred, in the days immediately prior to the above mentioned acquisition, to Mr. Panos Germanos and/or companies controlled by him (industrial sector including the subsidiaries in Serbia and Germany relevant activities in Bulgaria and Romania, participations of GERMANOS S.A. in companies in Ukraine, Poland and Cyprus (except OTENET CYPRUS Ltd), countries where COSMOTE does not have a commercial presence).

In parallel, by the date of the mentioned acquisition, COSMOTE had already directly acquired, through the Athens Stock Exchange, a percentage of 20.75% of GERMANOS S.A.

On 20 October 2006 and following the acquisition of 42% of GERMANOS S.A., COSMOHOLDING CYPRUS LTD announced the submission of a mandatory Public Tender Offer for the acquisition of all the remaining shares of GERMANOS S.A. for a price of EURO 19 (absolute figure) per share and filed with the Hellenic Capital Market Commission (HCMC) for its approval, a draft Information Circular.

The Public Tender Offer was successfully completed on 29 December 2006. On 31/12/2006, COSMOTE owned through COSMOHOLDING CYPRUS a percentage of 99.03% of GERMANOS S.A.

COSMOTE financed the acquisition of the 42% of GERMANOS S.A. as well as the Public Tender Offer through borrowing, with the issuance on August 2006 of a bond for an amount of up to EURO 1.5 billion (absolute figure) with JP MORGAN as arranger, which has been refinanced on November 2006, through

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the issuance of two new bonds for the above mentioned amount, fully subscribed by OTE's 100% subsidiary company, OTE plc.

On 2 October 2006 the company acquired control of GERMANOS S.A. with total percentage of participation of 62.75% and by applying IFRS 3 consolidated the reasonable values of GERMANOS S.A. The adjustment from the accounting values to reasonable values was made by the application of a study by an independent firm. Because of the short period between the acquisition date until 31/12/06, when the first consolidation occurred the reasonable values are only temporary and not finalized.

The adjustment to fair values amounted to EURO 408,231 and was related to the presentation of other intangible assets, mainly the "GERMANOS" brand name (Note 11), in the Consolidated Financial Statements and of other items.

The total price paid for the acquisition of the 62.75% of GERMANOS S.A.'s share capital amounted to EURO 979,620 and net assets of EURO 515,779 have been acquired (after the minority interests). The difference amounted to EURO 463,841 is presented as goodwill in the consolidated balance sheet (Note 11).

From 03/10/2006 onwards, GERMANOS S.A., was considered as a company under common control and for the rest of the participation percentage acquired by COSMOTE (36.28%), during the period from 03/10/2006 to 31/12/2006, IFRS 3 was not applied and the additional goodwill that arised, amounting to EURO 256,185, was transferred to consolidation reserve, in the consolidated balance sheet.

The increase of the Consolidation Reserve derived as follows:

Balance 31/12/2005	185,688
Acquisition of subsidiaries	256,185
Balance 31/12/2006	441,873

Total assets and liabilities that have been acquired from new subsidiaries, at the acquisition date, are as follows:

	Book value	Adjustment to fair value	Fair value
Cash	58,361	-	58,361
Stocks	24,787	-	24,787
Inventory	45,507	-	45,507
Short term receivables	329,398	(19,370)	310,028
Property, plant and equipment (acquisition cost)	132,264	542,494	674,758
Property, plant and equipment (accumulated depreciation)	(42,340)	(3,635)	(45,975)
Long term receivables	1,793	-	1,793
Short term liabilities	(110,447)	-	(110,447)
Loans	(20,587)	-	(20,587)
Long term liabilities	(2,266)	-	(2,266)
Deferred taxes	8,358	(111,258)	(102,900)
	424,828	408,231	833,059
Minority interest			(8,081)
Acquired assets			824,978
Acquisition price/cost			1,545,004
Acquired goodwill			720,026

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Acquired goodwill is analyzed as follows:

Transfer to goodwill (Note 11)	463,841
Transfer to consolidation reserve	256,185
	720,026

The effect to cash flow is as follows:

Acquired assets of the subsidiaries	824,978
Minus acquired cash	(58,361)
Minus expenses related to the subsidiaries acquisition	(5,541)
Acquired goodwill	720,026
Effect to cash flow from the subsidiaries acquisition	1,481,102

12.2 Information on subsidiaries-affiliates

12.2.1 COSMO - HOLDING ALBANIA

COSMO-HOLDING ALBANIA was incorporated as a holding company on July 14, 2000. COSMOTE participates to the share capital of COSMO-HOLDING ALBANIA with a percentage of 97% and TELENOR MOBILE COMMUNICATIONS A.S. with a percentage of 3%. COSMO-HOLDING ALBANIA' s paid in share capital amounted to EURO 94,507 and consisted of 3,220,000 nominal registered shares with a nominal value of EURO 29.35 per share. COSMO-HOLDING ALBANIA holds the 85% of the share capital of Albanian mobile telecommunication company "Albanian Mobile Communications Sh. A." (AMC), which was acquired during an international tender announced by the Albanian State, in August 2000.

12.2.2 AMC

AMC operates since 1996 and was the first mobile telephony company in Albania until August 2001, when Vodafone group began its operations. Its registered office is in Tirana, Rrura Giergi Legisi, Laprake and its share capital amounts today to 813,822,000 ALL (approx. EURO 6,660), divided in 813,822 nominal shares of a nominal value of 1,000 ALL each.

Before the acquisition of 85% of its share capital by COSMO-HOLDING ALBANIA, the Ministry of Economy and Privatization of Albania owned 100% of the shares of AMC. It is noted that a third mobile telecommunication company, "EagleMobile Sha" a 100%-owned subsidiary of Albtelecom, has been founded in Albania, which however is not yet operational.

12.2.3 GLOBUL

GLOBUL was founded by OTE on 23/01/2001 in Bulgaria. Its registered office is in Sofia Bulgaria, 4, Mladost st., Business Park, Sofia. The company's full name is COSMO BULGARIA MOBILE EAD. Its share capital amounts to BGN 490,664,220 (EURO 250,873), divided in 49,066,422 common shares of BGN 10 (EURO 5) each.

The company's main subject of activity is to provide telecommunications services in Bulgaria. GLOBUL holds one of the three mobile telephony licenses in Bulgaria and one of the three third generation licenses (UMTS). The company started its commercial activities in September 2001.

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12.2.4 OTE MTS HOLDING BV (MTS)

OTE MTS Holding B.V. was incorporated by OTE S.A. in The Netherlands on 31/12/2001 and its registered office is in Amsterdam. Its full paid up share capital amounts to EURO 77,073 divided in 31,551 common shares of EURO 1,000 (absolute figure) each and 56,000 common shares class A of EURO 812.9 (absolute figure) each. OTE MTS Holding B.V. is a holding company having only one asset, the 100% of COSMOFON stocks.

12.2.5 COSMOFON

COSMOFON was incorporated by OTE in FYROM on 07/11/2001 seated in Skopje, under the initial name MTS Mobile Telecommunications Services AD - Skopje. The new company's name is COSMOFON Mobile Telecommunications Services AD - Skopje and its registered office is in 15, Kuzman Josifovski Pitu str. Skopje, while its share capital amounts to EURO 116,131 (116,130,566 common shares of EURO 1 each, in absolute figures). COSMOFON's main purpose is the operation of network and provision of mobile telephony services. In May 2002, OTE transferred the 100% of COSMOFON's shares to OTE MTS Holding BV. In August 2005 COSMOTE acquired the 100% of OTE MTS Holding shares. COSMOFON started its business activity in June 2003 as the owner of the second mobile telephony license in FYROM.

12.2.6 COSMOTE ROMANIA

COSMOTE ROMANIA was incorporated by ROMTELECOM in Romania on 15 January 1999 under the initial name COSMOTE ROMANIA S.A. The company started its operations in May 2000 and is the third mobile telecommunications provider (GSM) in Romania. Its current company name is COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. and its registered office is in Bucharest, 4-8 Nicolae Titulescu Street, District 1. Its share capital amounts to RON 1,536,256,606 (EURO approximately 454,285), divided in 113,062,250 shares of RON 10 each. COSMOTE ROMANIA owns a license for second generation mobile telecommunications services, with the right to use EGSM 900 and GSM 1800 frequency spectrum.

12.2.7 COSMOHOLDING CYPRUS

On 29 August 2006, COSMOTE incorporated in Cyprus its 100% subsidiary holding company under the trade name COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS"), in order to acquire GERMANOS S.A. COSMOHOLDING CYPRUS owned on 31/12/2006 (a) a percentage of 99.03% of the shares of GERMANOS S.A. and (b) a percentage of 100% of the limited liability company MOBILBEEEP TELECOMMUNICATIONS LIMITED LIABILITY COMPANY.

The authorized share capital of COSMOHOLDING CYPRUS, amounts to EURO 100,000 (absolute figure) and is divided in 900 common shares (Class A) of EURO 100 (absolute figure) each, which have been issued on the name of COSMOTE and 100 common shares (Class B) of EURO 100 (absolute figure) each, which on 31/12/2006 had not been yet issued. Its equity (fully paid up share capital and share premium reserve) amounted to EURO 1,568,982 (Note 29.1, Subsequent events).

12.2.8 GERMANOS S.A.

GERMANOS S.A. was incorporated in 1989 as a societate anonyma under the Greek Law (Number of Registry for Societate Anonimes 20523/06/B/89/45) and its registered office is in the Municipality of Agios Stefanos, (23rd klm of the Athens-Lamia National Road). According to its Articles of Association its duration is for 90 years, until 31/12/2079.

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GERMANOS's paid in share capital amounted to EURO 29.600 and consisted of 82.224.700 nominal registered shares (with a nominal value of EURO 0.36 per share).

GERMANOS's shares started trading on the Athens Stock Exchange in February 2000, and on 31/12/2006 are trading in the High Cap Category of the Athens Stock Exchange.

The activities of the company are focused in the sectors of specialised networks of shops and distribution of products and services of telecommunications and digital technology in Greece, Bulgaria, Romania and FYROM. More specifically, via the GERMANOS Shops network, they are represented and distributed (retail sale) products and services of mobile telephony, fixed telephony and Internet, as well as products and services of digital technology, and also services of technical support of electronic appliances. Furthermore, the company is active in the wholesale sale (distribution and promotion) of products of wide consumption, related to the telecommunications, as, for example, connection packs and pre-paid cards of fixed telephony, mobile telephony and Internet.

12.2.9 MOBILBEEEP LTD

Its full trade name is «MOBILBEEEP TELECOMMUNICATIONS LIMITED LIABILITY» and its main activity is the trade of electric and electronic apparatus and equipment. The company was incorporated in 2005 with main shareholder the Cypriot company LIMALON CO Ltd and under the initial name «MOBITREND TELECOMMUNICATIONS LIMITED LIABILITY COMPANY». On 02/10/2005 the 100% subsidiary of COSMOTE, COSMOHOLDING CYPRUS, acquired a stake of 100% in MOBILBEEEP. Its corporate capital amounts to EURO 20 and is divided into 670 shares of EURO 30 (absolute figure) each.

12.2.10 GERMANOS TELECOM-BULGARIA AD (GTB)

GERMANOS TELECOM-BULGARIA AD is a 100% subsidiary of GERMANOS S.A. The company was incorporated in 2000 as a limited liability company, with unlimited duration and seat in Sofia, Bulgaria. The company is registered before the competent Court of Sofia under the registration number 6177/2000.

According to its Articles of Association, its main activity is, among others, the import and export of products, the trade of products and services regarding piles, mobile phones, computers, computer accessories and other similar products, devices for the reproduction of digital sound and picture, information carrying and providing technological media, trading representation and mediation, commission, hotel management, advertising services, provision of repair of products, building or equipment of real estates.

Its share capital amounts to BGN 5,400,000 (EURO 2,761) and is divided into 1,080 common shares of BGN 5,000 (EURO 2.556) each.

12.2.11 GERMANOS TELECOM-ROMANIA S.A. (GTR)

GERMANOS TELECOM-ROMANIA S.A. is a 99.99% subsidiary of GERMANOS S.A. The company was incorporated in 2000 as a limited liability company, with unlimited duration and seat in Bucharest, Romania. The company is registered to the Chamber of Commerce and Industry under the registration number J40/2941/2000.

According to its Articles of Association, its main activity is the import and export of products, the trade of products and services regarding electric and electronic appliances, piles, mobile phones, computers,

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computer accessories and other similar products, devices for the reproduction of digital sound and picture, information carrying and providing technological media, provision of repair and preservation of products.

Its share capital amounts to RON 37,896,290 (EURO 11,158) and is divided into 3,789,629 common shares of RON 10 (EURO 2.943) each.

12.2.12 SUNLIGHT ROMANIA FILIALA BUCURESTI S.R.L.

The company was incorporated in 2002 (under registration number J40/2180/20.3.2002) initially as the subsidiary of SUNLIGHT ROMANIA S.R.L. Subsequent to the absorption of SUNLIGHT ROMANIA S.R.L. by GERMANOS TELECOM ROMANIA S.A., SUNLIGHT ROMANIA FILIALA BUCURESTI S.R.L. is the 100% subsidiary of the last. Its seat is in Bucharest, Romania and its main activity is the wholesale of mobile services. Its share capital amounts to RON 727,099,195 (EURO 21.5).

12.2.13 GERMANOS TELECOM S.A.-SKOPJE

GERMANOS TELECOM S.A.-SKOPJE is a 100% subsidiary of GERMANOS S.A. The company was incorporated in 2002 as a limited liability company, with unlimited duration and seat in Skopje, FYROM. The company is registered before the competent Trade Registry under the registration number 649/2002.

According to its Articles of Association, its main activity is the import and export of products, the trade of products and services regarding electric and electronic appliances, piles, mobile phones, computers, computer accessories and other similar products, devices for the reproduction of digital sound and picture, information carrying and providing technological media, provision of repair and preservation of products.

Its share capital amounts to EURO 500 and is divided into 500,000 common shares of EURO 1 (absolute figure), each.

12.2.14 OTENET (CYPRUS) LTD

GERMANOS S.A. participates in OTENet (Cyprus) Ltd with a percentage of 20%. The company was incorporated on 2000 as a limited liability company and its seat is in Nicosia (Old road Nicosia-Limassol-Siakolas Building). The company is registered before the competent Trade Registry under the registration number H.E. 115981.

According to its Articles of Association, its main activity is the provision and exploitation of telecommunications services.

Its share capital is divided into 1,500,000 common shares of CYP 1 each.

12.2.15 OTENET TELECOMMUNICATIONS LTD

OTENet (Cyprus) Ltd participates in OTENET Telecommunications Ltd with a percentage of 65.01%. The company was incorporated in 2001 as a limited liability company and its seat is in Nicosia (Agias Paraskevis 20, Strovolos) The company is registered before the competent Trade Registry under the registration number H.E. 118815.

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According to its Articles of Association, its main activity is the provision of telecommunications services.

Its share capital is divided into 1,055,680 common shares of CYP 1 each.

12.2.16 E-VALUE SOCIETE ANONYME OF PROVISION OF SERVICES DIRECT MARKETING AND OF SUPPORT OF CUSTOMERS

GERMANOS S.A. participates in the "E-VALUE SOCIETE ANONYME OF PROVISION OF SERVICES DIRECT MARKETING AND OF SUPPORT OF CUSTOMERS" with a percentage of 70%. On January 1, 2007 GERMANOS S.A. acquired an extra 30% of E-VALUE (Note 29.9). The Company was founded on 13/09/1999. It has duration of 90 years, its registered office is the Municipality of Xanthi and is registered at the Register for Société Anonymes of the Prefecture of Drama- Kavala and Xanthi, under number 43813/66/B/99/014.

The main activity of the Company according to its Articles of Association, is the provision of services of direct marketing (Direct Marketing) via any telecommunications network (including the internet) to individuals or legal entities, the provision of services of support (Help desk) for electric and electronic appliances, products of information technology as well as products of technology of communications, the growth, installation, operation, management and exploitation of new services based on the technological developments in the sector of telecommunications, information technology and telematics, as well as any other service which can be provided via any network, the provision of services of electronic treatment of data (including advisory services) to third parties as well as the foundation by the Company or with others of websites, as well as the research, development, implementation and execution of any kind of projects or the provision of advisory services and the undertaking, development and provision to the private or public sector of completed studies and applications in the sectors of telecommunications and direct marketing, the production, treatment, marketing, import, export and installation of software. The paid in share capital of E-VALUE SA amounted in EURO 4,745 and consisted of 1,619,475 nominal registered shares (with a nominal value of EURO 2.93 per share).

12.2.17 GEORGIOS PROKOPIS AND PARTNERS LIMITED COMPANY

GERMANOS S.A. participates in GEORGIOS PROKOPIS LIMITED COMPANY with a percentage of 50%. The company was founded as a limited company in 1999. It has a duration of 20 years, its registered office is the Municipality of Patras and the address of its shop (GERMANOS shop) is 70 Maizonos street. It is registered at the Registry of companies kept in the Court of First Instance in Patras under number 274/LTD 46/2.6.1999. The main activity of the Company according to its Articles of Association is the marketing and the promotion of all kinds batteries, clocks, electric, electronic appliances and relevant items, mobile or wireless telephony items, the provision of services to its customers regarding the installation, maintenance, repair, leasing etc of all the items that the Company sells. The paid in capital of the company amounted to EURO 60 and consisted of 2,000 nominal stakes (with a nominal value of EURO 30 per stake). Administrator of the company is George Prokopis.

12.2.18 IOANNIS TSAPARAS AND PARTNERS LIMITED COMPANY

GERMANOS S.A. participates in the company under the name "IOANNIS TSAPARAS AND PARTNERS Limited Company" with a percentage of 51.00%. The company was founded as a limited company in 2003. It has a duration of 12 years, its registered office is the Municipality of Athens and the address of

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its shop (GERMANOS shop) is at 2 Ifaistou street and Monastiraki Square. It is registered at the Registry of companies kept in the Court of First Instance in Athens under number general number 13311 and special 3976. The main activity of the company according to its Articles of Association is the foundation and operation at 2 Ifaistou street and Monastiraki Square in Athens of the GERMANOS shop and the exercise of rights that the company acquired pursuant to the franchising agreement signed with GERMANOS S.A. on the exclusive distribution of products of GERMANOS S.A. via the aforementioned shop. The paid in capital of the company amounted in EURO 18 and consisted of 600 nominal stakes (with a nominal value of EURO 30 per stake). Administrator of the company is Ioannis Tsaparas.

12.2.19 GRIGORIS MAVROMICHALIS AND PARTNERS LIMITED COMPANY

GERMANOS S.A. participates in the company under the name "GRIGORIS MAVROMICHALIS AND PARTNERS LIMITED COMPANY" with a percentage of 98,99%. The company was founded as a limited company in 2006. It has a duration of 12 years, its registered office is the Municipality of N. Ionias Attica and the address of its shop (GERMANOS shop) is at 288-290 Heraklion Avenue. It is registered at the Registry of companies kept in the Court of First Instance in Athens under number general number 17438 and special 4769. The main activity of the company according to its Articles of Association is the exercise of rights that the company acquired pursuant to the franchising agreement signed with GERMANOS S.A. on the exclusive distribution of products of GERMANOS S.A. via the aforementioned shop. The paid in capital of the company amounted in EURO 705 and consisted of 23,500 nominal stakes (with a nominal value of EURO 30 per stake). Administrator of the company is Grigoris Mavromichalis.

12.2.20 MOBILE TELECOMMUNICATIONS ALBATROS AND PARTNERS LIMITED COMPANY

GERMANOS S.A. participates in the company under the name "MOBILE TELECOMMUNICATIONS ALBATROS LTD" with a percentage of 98.99%. The company was founded as a limited company in 2006. It has a duration of 12 years, its registered office is the Municipality of Patras and the address of its shop (GERMANOS shop) is at 208 Korinthos street. The main activity of the company according to its Articles of Association is the exercise of rights that the company acquired pursuant to the franchising agreement signed with GERMANOS S.A. on the exclusive distribution of products of GERMANOS S.A. via the aforementioned shop. The paid in capital of the company amounted in EURO 705 and consisted of 23,500 nominal registered stakes (with a nominal value of EURO 30 per share). Administrator of the company is George Prokopis.

12.2.21 COSMO-ONE Hellas Market Site S.A.

COSMO-ONE Hellas Market Site S.A. ("CosmoONE") was founded in June, 2000. The main activity of CosmoONE is the establishment and provision of B2B e-commerce services. CosmoONE's paid in share capital amounted to EURO 5,391 and consisted of 3,718,000 nominal registered shares with a nominal value of EURO 1.45 per share. COSMOTE participates in the share capital of CosmoONE with a percentage of 30.87%, OTE S.A. with a percentage of 30.87%, the NATIONAL BANK of GREECE with a percentage of 10.08%, ALPHA BANK with a percentage of 15% and the DINEKIS INFORMATION TECHNOLOGY S.E. with a percentage of 13.18%. This investment was consolidated with the method of Net Equity.

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12.2.22 COSMO-MEGALA KATASTIMATA S.A.

COSMO-MEGALA KATASTIMATA S.A. was founded in September 2000. COSMO-MEGALA KATASTIMATA S.A.'s paid in share capital amounted to EURO 587 and consisted of 20,000 nominal registered shares with a nominal value of EURO 29.35 per share. COSMOTE participates in the share capital of the company, with a percentage of 40% and the company VIVERE ENTERTAINMENT S.A. with a percentage of 60%. The object of company is the e-commerce of music products and services, related to music, sound and other services. This investment was consolidated with the method of Net Equity.

13. Inventories

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Merchandise	86,082	24,911	14,049	12,957
Packaging materials and consumables	6,911	2,576	2,789	1,565
Provision for obsolete inventories	(3,727)	(1,388)	-	-
Total	89,266	26,099	16,838	14,522

14. Trade receivables

Trade receivables are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Customers	385,565	237,512	171,110	141,788
Unbilled Revenues	34,775	38,138	23,678	24,062
Receivable from collection agencies	5,949	8,861	5,046	8,861
Cheques receivable and other	65,091	430	1,563	431
Provision for doubtful debts	(98,177)	(79,634)	(58,909)	(49,309)
Total	393,203	205,307	142,488	125,833

The movement of the provision for doubtful debts is as follows:

	THE GROUP	THE COMPANY
Balance 01/01/2005	(44,323)	(40,778)
Additions for the year	(10,527)	(8,531)
Additions due to subsidiaries' acquisition	(24,714)	-
Bad debts write off	968	-
Exchange differences	(1,038)	-
Balance 31/12/2005	(79,634)	(49,309)
Balance 01/01/2006	(79,634)	(49,309)
Additions for the year	(18,543)	(9,600)
Additions due to subsidiaries' acquisition	(219)	-
Bad debts write off	500	-
Exchange differences	(281)	-
Balance 31/12/2006	(98,177)	(58,909)

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15. Investments

Investments are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Stocks	6,924	834	852	834
Bonds	60,318	-	-	-
Total	67,242	834	852	834

The Group's stocks have been evaluated in fair value, net profit has been recognized in the income statement and comprise the following stocks:

- Emporiki Bank (listed in ASE)
- Woolworth (Cyprus) properties public ltd (listed in CSE)
- Woolworth (Cyprus) properties public ltd war (listed in CSE)
- Cyprus trading corporation public ltd (listed in CSE)

The Group's Bonds are analyzed as follows:

INTEREST RATE %	PURCHASE PRICE
3,3290%	2,017
4,0610%	3,033
3,8500%	10,000
3,7780%	19,936
3,9760%	5,078
4,1640%	20,254
	60,318

Management intends to hold the bonds until their maturity, thus they have not been evaluated in their fair value and provision for the accrual interest is made.

16. Financial assets available for sale

The Group's financial assets available for sale, consist of investment in OTENET CYPRUS LTD, amounting to EURO 578, which has been evaluated in purchase price, which, according to Management's estimation, does not differ from its fair value.

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17. Other current assets

Other current assets are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Advance payments to third parties	32,912	17,578	19,624	14,598
VAT receivable	13,375	13,367	-	-
Accrued income	24,700	586	149	253
Advance for Income tax	8,166	3,999	-	-
Other Receivable	7,416	1,486	2,311	2,221
	86,569	37,016	22,084	17,072

18. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Cash	3,544	1,128	1,128	777
Demand and time deposits	820,125	328,985	550,222	216,710
Total	823,669	330,113	551,350	217,487

During 2006 the average deposit interest rate was 2.85% and the average duration of time deposits was 7 days.

19. Share Capital

On December 31, 2005, the Company's Share Capital amounted to EURO 156,264 divided in 332,476,500 registered shares with nominal value of EURO 0.47 (amount in EURO) each. On the Extraordinary General Meeting of Shareholders, the Company's Share Capital was increased by EURO 569 in cash and with the issue of 1,211,610 registered shares with nominal value of EURO 0.47 (amount in EURO) each, due to the stock options plan. Therefore, subsequent to the above mentioned increase the total paid in share capital at 31 December, 2006 amounted to EURO 156,833 divided in 333,688,110 shares, with nominal value of EURO 0.47 (amount in EURO) each.

The full payment and verifications of the above mentioned increase of the Company's share took place in January 2006.

20. Legal Reserve

Under Greek corporate law, the creation of a legal reserve, through the transfer to such a reserve at least an amount equal of the 5% of the annual after tax profits, which is used compulsory to utilize to off-set accumulated losses. The creation of legal reserve ceases to be compulsory as soon as the

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balance of legal reserve amounts the 1/3 of the share capital. At 31 December 2005 and 2006 the Company's legal reserve amounted to 1/3 of the Share Capital.

21. Dividends

In accordance with Greek corporate law, companies are required each year to declare from profits, dividends of at least 35% of after-tax profit, after allowing for legal reserve, or a minimum of 6% of the paid-in share capital, whichever is greater.

Pursuant to a relevant decision of the 9th Annual General Assembly of Shareholders, which took place on 09/06/2006, the total amount of EURO 216,897 (EURO 0.65 per share, in EURO) was distributed as dividend for the fiscal year 2005.

The Board of Directors of the Company intends to propose to the 10th Annual General Assembly of Shareholders the distribution of dividend for the fiscal year 2006 of the total amount of EURO 224,391 (EURO 0.73 per share in EURO).

The holders of shares are entitled to receive dividends as declared and are entitled to one vote per share at the meetings of the Company.

22. Translation reserve of foreign subsidiaries

Translation reserve derived from the conversion of the Financial Statements of the consolidated subsidiaries, which are based abroad, is reflected directly in the Group's Equity.

23. Loans

The analysis of the loans has as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Long term debt				
Bank loans without guarantees	806,056	1,124,059	499,117	787,879
Bond loans without guarantees from related companies	1,973,360	-	1,973,360	-
Loans from related companies	-	-	49,700	49,700
Total	2,779,416	1,124,059	2,522,177	837,579
Short term debt				
Short term part of long term loans without guarantees	5,000	48		
Bank loans without guarantees	471,637	201,144	449,000	201,000
Total	476,637	201,192	449,000	201,000
Total loans	3,256,053	1,325,251	2,971,177	1,038,579

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Group's loans, per category of loan, as of 31 December 2006 are as follows:

Company	Lender	Currency	Nominal interest rate	Repayment year	31/12/2006			31/12/2005						
					Nominal value	Loans expenses	Book value	Due to subsidiaries' acquisition	New loans	Repayment of loans	Nominal value	Loans' expenses	Book value	
GLOBUL	Bank Austria Creditanstalt AG	EURO	Ibor + 1.25%	12/05/2008	55,000	-	55,000	-	-	-	-	-	-	55,000
GLOBUL	Bank Austria Creditanstalt AG	EURO	Ibor + 1.25%	12/05/2008	4,741	-	4,741	-	-	(15,000)	19,741	-	-	19,741
GLOBUL	HVB Bank Biochim AD	EURO	Ibor + 1.25%	10/10/2009	-	-	-	-	-	(596)	596	-	-	596
GLOBUL	OTE plc	EURO	5.52%	10/10/2009	180,000	-	180,000	-	-	(20,000)	200,000	-	-	200,000
GLOBUL	COSMOTE	EURO	Euribor + 0.5%	10/10/2007	20,000	-	20,000	-	20,000	-	-	-	-	-
Total of loans					259,741	-	259,741	-	20,000	(35,596)	275,337	-	-	275,337
COSMOFON	OTE	EURO	6.50%	2007, 2008, 2009, 2010	22,000	-	22,000	-	-	-	22,000	-	-	22,000
COSMOFON	OTE	EURO	6.50%	2007, 2008, 2009, 2010, 2011, 2012	34,200	-	34,200	-	11,200	-	23,000	-	-	23,000
Total of loans					56,200	-	56,200	-	11,200	-	45,000	-	-	45,000
COSMOTEROMANIA	OTE International	EURO	3.65%	05/07/2010	16,000	-	16,000	-	-	-	16,000	-	-	16,000
COSMOTEROMANIA	COSMOTE	EURO	Euribor + 0.5%	2006	-	-	-	-	30,000	(30,000)	-	-	-	-
COSMOTEROMANIA	COSMOTE	EURO	Euribor + 0.5%	02/07/2007	160,000	-	160,000	-	160,000	-	-	-	-	-
COSMOTEROMANIA	Various banks	EURO		2006	-	-	-	-	-	(36)	36	(1)	-	35
Total of loans					176,000	-	176,000	-	190,000	(30,036)	16,036	(1)	(1)	16,035
COSMOTEROMANIA	OTE MTS	EURO	Euribor + 0.5%	31/12/2007	150	-	150	-	150	-	-	-	-	-
HOLDING BV	COSMOTE	EURO	Euribor + 0.5%	31/12/2007	150	-	150	-	150	-	-	-	-	-
Total of loans					150	-	150	-	150	-	-	-	-	-
COSMOTEROMANIA	AMC	EURO	Euribor + 0.30%	30/12/2012	40,000	-	40,000	-	-	-	40,000	-	-	40,000
COSMOTEROMANIA	AMC	EURO	Euribor + 0.30%	16/12/2012	9,700	-	9,700	-	-	-	9,700	-	-	9,700
COSMOTEROMANIA	OTE plc	EURO	Euribor + 0.235%	06/09/2010	500,000	(883)	499,117	-	-	-	500,000	(1,121)	-	498,879
COSMOTEROMANIA	OTE plc	EURO	Euribor	09/11/2011	500,000	(14,360)	485,640	-	500,000	-	-	-	-	-
COSMOTEROMANIA	OTE plc	EURO	Euribor + 0.30%	19/05/2016	900,000	(10,490)	889,510	-	900,000	-	-	-	-	-
COSMOTEROMANIA	OTE plc	EURO	Euribor	20/11/2009	600,000	(1,790)	598,210	-	600,000	-	-	-	-	-
COSMOTEROMANIA	OTE plc	EURO	Euribor + 0.3%	07/02/2007	-	-	-	-	-	(289,000)	289,000	-	-	289,000
Total of long term loans					2,549,700	(27,523)	2,522,177	-	2,000,000	(289,000)	838,700	(1,121)	(1,121)	837,579
COSMOTEROMANIA														

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Company	Lender	Currency	Nominal interest rate	Repayment year	31/12/2006				31/12/2005				
					Nominal value	Loans expenses	Book value	Due to subsidiaries' acquisition	New loans	Repayment of loans	Nominal value	Loans' expenses	Book value
COSMOTE	OTE plc	EURO	Euribor + 0.3%	2006	-	-	-	-	-	(201,000)	201,000	-	201,000
COSMOTE	OTE plc	EURO	Euribor + 0.3%	07/02/2007	289,000	-	289,000	-	-	289,000*	-	-	-
COSMOTE	OTE plc	EURO	Euribor + 0.30%	07/02/2007	160,000	-	160,000	-	160,000	-	-	-	-
COSMOTE	JP Morgan PLC	EURO	Euribor + 0.16%	2006	-	-	-	-	223,000	(223,000)	-	-	-
COSMOTE	JP Morgan PLC	EURO	Euribor + 0.16%	-	-	-	-	-	650,000	(650,000)	-	-	-
Total of short term loans					449,000	-	449,000	-	1,033,000	(785,000)	201,000	-	201,000
GTR	Citibank Romania	EURO	Euribor + 1.5%	25/05/2007	3,608	-	3,608	3,425	183	-	-	-	-
GTR	Romania	EURO	Euribor + 1%	25/05/2007	5,140	-	5,140	4,033	1,106	-	-	-	-
GTR	Romania	EURO	Euribor + 1.25%	15/02/2007	1,089	-	1,089	352	738	-	-	-	-
GTR	Alpha Bank	EURO	Euribor + 1.15%	14/07/2007	1,985	-	1,985	1,990	-	(5)	-	-	-
GTR	EFG Private Lux	EURO	Euribor + 0.95%	31/01/2007	2,985	-	2,985	2,990	-	(7)	-	-	-
Total of loans GTR					14,807	-	14,807	12,790	2,027	(12)	-	-	-
GTS	Alpha Bank Skopje	Denars	8.00%	23/03/2007	226	-	226	226	-	-	-	-	-
GTS	Stopanska Bank	Denars	f treasury bills + 2.25%	31/01/2007	294	-	294	294	-	-	-	-	-
Total of loans GTS					520	-	520	520	411	-	-	-	-
GTB	Citibank Sofia	Leva	Sofibor + 1.5%	31/08/2007	544	-	544	133	411	-	-	-	-
Total of loans GTB					544	-	544	133	411	-	-	-	-
FILIALA	Romania	EURO	Euribor + 1%	25/05/2007	4,114	-	4,114	4,493	-	(379)	-	-	-
Total of loans FILIALA					4,114	-	4,114	4,493	-	(379)	-	-	-
E-Value	EFG Eurobank	EURO	Euribor + 1.2%	15/02/2011	2,200	-	2,200	2,200	-	-	-	-	-
E-Value	EFG Eurobank	EURO	Euribor + 1.2%	15/02/2011	450	-	450	450	-	-	-	-	-
Total of loans E-VALUE					2,650	-	2,650	2,650	-	-	-	-	-
Total					3,513,426	(27,523)	3,485,903	20,586	3,256,788	(1,140,023)	1,376,073	(1,122)	1,374,951
Elimination of intercompany loans					(229,850)	-	(229,850)	-	(210,150)	30,000	-	-	49,700
					3,283,576	(27,523)	3,256,053	-	3,046,638	(1,110,023)	-	-	1,325,251

*long term loan converted to short term

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The analysis of Company's borrowing per loan category at 31 December 2006 is as follows:

Company	Lender	Currency	Nominal interest rate	Repayment year	Nominal value	New loans	Repayment of loans	Balance 31/12/2005
COSMOTE ROMANIA	COSMOTE	EURO	Euribor + 0.5%	2006	-	30,000	(30,000)	-
COSMOTE ROMANIA	COSMOTE	EURO	Euribor + 0.5%	7/2/2011	160,000	160,000	-	160,000
GLOBAL	COSMOTE	EURO	Euribor + 0.5%	10/10/2007	20,000	20,000	-	20,000
OTE MTS HOLDING	COSMOTE	EURO	Euribor + 0.5%	31/12/2007	150	150	-	150
					180,150	210,150	(30,000)	180,150

24. Staff Retirement Indemnities

In accordance with the Greek labor law, employees are entitled to compensation in the event of dismissal or retirement, the amount of which varies based on the employee's monthly salary, the duration of his service and the way of termination of his employment agreement (dismissed or retired). Employees who resign or are dismissed with cause are not entitled to compensation. The amount payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause.

Furthermore, according to a relevant decision of the General Meeting of the Company's shareholders in case of termination of the employment agreement: a) of the Managing Director without an essential cause or in case this agreement is not renewed at its expiration, the Company must pay the Managing Director compensation equal to at least one (1) annual salary. In case the amount of the above-mentioned benefits contractual compensation is less than the total amount of salaries, with any relevant increment included, that the employee will be entitled until the expiration of his employment agreement, then the Company shall pay to him simultaneously with the termination of his employment agreement that additional amount, b) in case of termination of the employment agreement of the General Directors or the Legal Counsel's of the Company on behalf of the Company on the ground not due to employee's default, the Company shall pay to them compensation equal to at least one (1) annual salary. In case that the compensation provided by law exceeds the prementioned compensation of one year salaries, the Company shall pay to them this higher compensation, and c) in case of termination of the employment agreement of the Directors on behalf of the Company on the ground not due to employee's default, the Company shall pay to them compensation equal to at least 6 months salary. In case that the compensation provided by law exceeds the above compensation of 6 months salaries, the Company shall pay to them this higher compensation. The Managing Director of the Company, has the right, at his discretion, to increase the minimum level of the above compensation of 6 months to 12 months on a case by case basis.

The reserve for Staff Retirement Indemnities is reflected in the attached financial statements according to IAS 19 and is based on an independent actuarial study.

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Provision for staff retirement indemnities based on actuarial studies, is as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Present value of obligations	5,649	5,262	5,283	5,262
Fair Value of plan Assets	-	-	-	-
	5,649	5,262	5,283	5,262
Unrecognized net Gain/(Loss)	(1,052)	(1,211)	(1,048)	(1,243)
Net Liability/(Asset) in BS	4,597	4,051	4,235	4,019
Service Cost	1,244	958	1,161	958
Interest Cost	237	159	210	159
Effect of termination benefit	(1,141)	-	(1,141)	-
Amortization of Unrecognized Net (Gain)/Loss	457	11	27	11
Regural P&L Charge	797	1,128	257	1,128
Settlement/Curtailment/Termination Cost	-	37	-	37
Total P&L Charge	797	1,165	257	1,165
Movements in Net Liability/(Asset) in BS				
Net Liability/(Asset) in BS at the beginning of the period	4,051	2,902	4,019	2,902
Benefits paid directly from the Company	(251)	(49)	(41)	(49)
Total expense recognized in the income statement	797	1,198	257	1,166
Net Liability/(Asset) in BS	4,597	4,051	4,235	4,019
DBO at start of period	5,262	3,549	5,262	3,549
Service cost	1,244	988	1,161	958
Interest cost	237	161	210	159
Benefits paid directly from the Company	(251)	(49)	(41)	(49)
Effect of termination benefit	(1,141)	-	(1,141)	-
Extra Payments or Expenses / (Income)	-	36	-	36
Actuarial Loss/(Gain)	298	577	(168)	609
DBO at the end of period	5,649	5,262	5,283	5,262
Assumptions				
Discount Rate	4.40%	4.00%	4.40%	4.00%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Average future working life	26.35	26.48	26.35	26.48

25. Other long-term liabilities

Other long-term liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Present value of unpaid part of 3G license	-	14,737	-	14,737
Asset retirement obligation	5,019	4,456	3,409	3,072
Other	1,745	92	-	-
	6,764	19,285	3,409	17,809



26. Management Stock Option Plan

The Company has established a Management Stock Option Plan (the "Plan") for the purchase of Company shares to a discounted price. The Plan was approved by resolution of the General Meetings held on 31 July 2000 and 6 September 2000 and amended by resolutions of the General Meetings held on 12 June 2001, 21 February 2002 and on 27 January 2006.

The Plan, as valid on 31 December 2006, allowed that the Board of Directors would grant options to participants every year, which gradually (40% upon the completion of a year of the grant, 30% upon the completion of the second year and 30% upon the completion of the third year) would be converted to final grant for the acquisition of ordinary shares with an aggregate value of, at maximum, 2-5 times their respective annual gross salaries, depending on the position, for the executives of the Company in Greece and, at maximum, 1-2 annual gross salaries for the subsidiaries' abroad executives, provided that the participants continue to work efficiently for the Company (Basic Options). Further grants of options may be made by the Board of Directors to participants at the end of each year in respect of ordinary shares for the acquisition of ordinary shares with an aggregate value of, at maximum, one of their respective annual gross salary, depending on the position, for the executives of the Company in Greece and, at maximum, 0.75 of their annual gross salary for the subsidiaries' abroad executives (Additional Options). The Basic Options granted to the Chairman of the Company vest in full after one year. Additional Options vest after three years.

Basic Options, once vested, can be exercised in whole or in part until the fourth year from their grant, while the Additional Options, once vested, can be exercised in whole or in part during their maturity year or the year after. Share options expire if the beneficiary leaves the company or is fired before the options vest, irrespective of their exercise date.

The total number of the Company' shares, which may be acquired under this Plan or under any other ongoing plan, cannot exceed 5% of the Company' share capital on a five-year period on a rotation basis, and, in any case, the maximum number of shares, which may be issued if the participants exercise their options, cannot exceed 10% of the number of shares existing at the time of the approval of the Plan.

At 1 January 2005 the Company applied IFRS 2 «Share - based payment». According to the transitional regulations, this standard is eligible for the stock options that have been granted to the employees subsequent to 7 November 2002 and have not matured until 1 January 2005.

The Company evaluates the issued shares in their fair value at the deliverance date.

Fair value is recognized in the Income Statement uniformly during the period of insuring of the employee's right.

Fair value has been calculated based on the Black Scholes model. The significant data input in this model is the stock price, the exercise price, the dividend yield, the discount rate and the volatility of the stock.

Volatility (standard variation of the stock's price) is calculated based on statistical analysis of the daily stock's price for the last 12 months.

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The following table provides information regarding the Stock Option plan.

	2006		2005	
	Stock option (number of stocks)	Weighted average exercise price in EURO	Stock option (number of stocks)	Weighted average exercise price in EURO
Non granted shares at the beginning of the year	3,151,820	13.48	3,266,990	11.00
Granted shares during the year	1,079,580	18.84	1,282,020	15.95
Forfeited during the year	(149,860)	13.15	(185,580)	11.76
Exercised during the year	(1,094,090)	11.10	(1,211,610)	9.67
Lapsed during the year	2,987,450	16.30	3,151,820	13.48
Exercise at the end of the year	869,069	14.46	655,596	11.10

Data input for the mathematical evaluation model is as follows:

	2006	2005
Weighted average stock price	19.03	15.73
Weighted average exercise price	18.84	15.95
Volatility	24.79%	25.08%
Volatility of exercising the right	3 years	3 years
Free risk interest	3.97%	2.98%
Stock' yield	3.37%	7.62%

The expected volatility has been calculated with the standard deviation of the Company's stock during the respective year.

Following a relevant resolution of GERMANOS S.A. General Shareholders Meeting, that took place on June 24, 2005, a Stock Option Plan for GERMANOS Group of companies' executives was approved. The exercise of the rights by the entitled executives depends on the retention of their position as the company's executives.

The fair value of the rights that have been granted to the executive members of GERMANOS, has been determined based on the Black & Scholes valuation model.

	2006	
	Stock option (number of stocks)	Weighted average exercise price in EURO
Non granted shares at the beginning of the year	1,475,500	9.00
Granted shares during the year	32,000	9.00
Forfeited during the year	(858,300)	9.00
Exercised during the year	(649,200)	9.00
Lapsed during the year	-	-
Exercise at the end of the year	-	-

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Data input for the mathematical evaluation model of GERMANOS is as follows:

	2006
Weighted average stock price	18.23
Weighted average exercise price	9.00
Expected volatility	5.00%
Expected duration of exercising the right	1 year
Free risk interest	3.50%
Stock' yield	26.67%
Model used	Black & Scholes

27. Trade Payables

Trade payables represent balances payable to the dealers, fixed assets suppliers, roaming and other suppliers.

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Fixed asset suppliers	168,480	138,613	56,760	71,301
Due to International Operators (roaming)	25,125	11,202	16,327	11,062
Accrued expenses	11,594	31,081	8,756	20,572
Dealers	104,873	25,712	14,541	19,770
Other	63,762	53,976	30,024	25,986
	373,834	260,584	126,408	148,691

28. Other current liabilities

Other current liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	2006	2005	2006	2005
Taxes	35,080	23,340	27,253	21,872
Deferred revenues	46,098	35,515	25,775	20,008
Customers' Guarantees	6,418	5,814	3,261	3,248
Social Security	7,658	5,116	5,150	4,675
Dividends payable	1,571	1,084	1,042	583
Other debtors	12,783	10,282	5,045	6,054
	109,608	81,151	67,526	56,440

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29. Subsequent Events**29.1 Re-investment of Mr. Panos Germanos in COSMOHOLDING CYPRUS LTD**

On 15/01/2007 Mr. Panos Germanos acquired a participation of 10% in the share capital of the subsidiary of COSMOTE, COSMOHOLDING CYPRUS LTD, subscribing for 100 common shares (Class B) for the total amount of EURO 144,545, through the 100% controlled by him holding company, MICROSTAR Ltd. According to the issuance terms of the Class B shares, the compliance to which was guaranteed by COSMOTE, these shares will not be entitled to dividend, return of capital, or any distribution of capital or profit or other type of distribution.

The above shares will be redeemable by COSMOHOLDING CYPRUS or by any person indicated by COSMOTE on 31/12/2009 or, at the discretion of the controlling shareholder of Microstar Ltd, on 31/12/2011, at a price that will also depend on the achievement of certain business targets until the date of redemption. In addition, the Class B shares may be early redeemed upon request (i) of the owner of these shares in case of change of control of COSMOTE or OTE or (ii) of COSMOHOLDING CYPRUS or the owner of these shares in case COSMOTE decides to sell COSMOHOLDING CYPRUS's shares owned by it to third persons not controlled by it directly or indirectly.

Following the acquisition of the above mentioned participation by Mr. Panos Germanos, the percentage of the indirect participation of COSMOTE in the fully paid up share capital of GERMANOS S.A. through COSMOHOLDING CYPRUS LTD, was at 15/01/2007 of approximately 89.23%.

29.2 Decision for the submission to the Hellenic Capital Market Commission of a request for the delisting of the shares of GERMANOS S.A. from the Athens Stock Exchange

On 09/02/2007 the extraordinary General Shareholders Meeting of GERMANOS S.A. decided upon the request of its shareholder COSMOHOLDING CYPRUS, to submit to the Hellenic Capital Market Commission a request for the delisting of the shares of GERMANOS S.A. from the Athens Stock Exchange.

29.3 Loan Agreements of COSMOTE ROMANIA

On 07/02/2007, the existing loan between COSMOTE and its subsidiary COSMOTE ROMANIA of an amount of EURO 160 million, with an initial duration until 07/02/2007, has been renewed until 07/02/2011. Additionally, on 16/02/2007 a new loan agreement has been signed between COSMOTE and COSMOTE ROMANIA for an amount of EURO 140 million with a five years duration.

29.4 Grant of a third mobile license in FYROM

On 31 October 2006, the Regulatory Authority of FYROM launched a bid for the granting of a third mobile licence in FYROM. On 13/02/2007 the Regulatory Authority announced that the third mobile license has been granted to the company Mobilkom Austria Aktiengesellschaft ("Mobilkom Austria"), for an amount of EURO 10,000. It is noted that, the above mentioned company has been the only company participating in the tender. According to the Regulatory Authority's announcement the successful bidder must launch its activities until the end of August 2007.

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29.5 Issuance of a bond by E-VALUE

In February 2007 GERMANOS S.A.'s subsidiary E-VALUE, issued a bond loan of an amount of EURO 3,000, with a duration of 18 months for the repayment and refinancing of its short term financing. Subscription to the bond took place with private placement.

29.6 Share Capital increase

The Board of Directors decided the increase of the capital for EURO 514 with cash payment and simultaneously issuing 1,094,090 new nominal shares with a EURO 0.47 nominal value (absolute amount) per share, because of the exercise of stock option rights according to par. 9 art. 13 of C.L. 2190/1920. The full payment and verification of the Share Capital's increase took place in January 2007. The Share premium from the issued shares amounted to EURO 11,635. Following this increase, the paid in share capital amounts to EURO 157,347, divided to 334,782,000 nominal shares with registered value EURO 0.47 (absolute amount) for each one.

29.7 Stock Option Plan

The Board of Directors of the Company at its meeting of 15/12/2006 decided to propose to the Extraordinary General Assembly of Shareholders that has been convened for the 28/02/2007 the modification of the Company's Stock Option Plan mainly in relation with:

- (a) The participation in the Plan of GERMANOS in Greece and abroad executives, according to the terms which govern the participation of COSMOTE Greece and abroad executives, accordingly, in the Plan. The number of Stock Option Rights which will be granted will be defined in correspondence with the level of responsibility of GERMANOS executives' positions, considering their correspondence to the level of the responsibility of COSMOTE's executives' positions, as defined by COSMOTE, as follows: (a) Basic Rights to amount up to 2-5 annual gross salaries and (b) Additional Rights to amount up to 1 annual gross salary.
- (b) October 2007 and on, in case the annual performance appraisal of a participant for the year of grant of Basic or Additional Stock Option Rights is evaluated lower than the level "fully meets the requirements of the position", then the participant will lose the Rights granted to him/her during October of the year of his/her evaluation.
- (c) Concerning Rights granted in October 2006 and on, the entitled executives to be in a position to exercise them at a discount, considering the hierarchical level of the executive, under the condition of (a) the achievement of COSMOTE's Group of companies specific targets as set by COSMOTE's BoD, based on COSMOTE's Group strategic and operational priorities and challenges, and (b) the achievement of high individual performance (higher than the level "fully meets the requirements of the position").

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29.8 New legal framework for the licensing of the electronic communication providers

The new law on electronic communications 3431/2006 sets a new framework for the licensing of the electronic communication providers. Accordingly the NTPC has issued a new Regulation on General Authorisations and it is now in the process of the transposition of the existing special licenses of COSMOTE to the new framework of general licenses. The process is expected to be completed soon. At the same time, COSMOTE has filed a registration declaration for engaging in electronic communication activities under a general authorization regime (13/02/2007). Following the above, COSMOTE holds the required general licenses for engaging in the following electronic communication activities: Fixed public telephone network Fixed Wireless Access Network, Microwave core network, Fiber optic network, Leasing of dark fibers, Wired network (excluding optical network), 2G Mobile Network, 3G Mobile Network, Wideband Data Transmission Systems including Radio Local Area Networks (RLANs), Leased Lines provision (via Fixed and Mobile Access Network), Leasing part of (bandwidth) capacity (via Fixed and Mobile Access Network), Virtual Private Network (VPN) provision (via Fixed and Mobile Access Network), Broadband access provision (via Fixed and Mobile Access Network), Data transmission (via Fixed and Mobile Access Network), SMS (Short Messaging Service) / MMS (Multimedia Messaging Service) (via Fixed and Mobile Access Network), Added Value Data Transmission (via Fixed and Mobile Access Network), Telemetry - telematic - radio location service provision (via Fixed, Mobile and Satellite Access Network), Audiotext (via Fixed and Mobile Access Network), Videotext (via Fixed and Mobile Access Network), Added Value SMS / Added Value MMS (via Fixed and Mobile Access Network), Operation of network for closed user groups (via Fixed and Mobile Access Network), Provision of gateways between networks of different providers (via Fixed and Mobile Access Network), Internet Access service provision (via Fixed and Mobile Access Network), Service ancillary to Broadcasting (audio, video signal transmission between different premises of broadcasting companies) (via Fixed Access Network), Signal Repeaters Services used for Broadcasting (via Fixed Access Network), Distribution of broadcast signals (via Fixed and Mobile Access Network), Publicly available telephone service (via Fixed and Mobile Access Network), Voice service over Internet Protocol Services (VoIP) (via Fixed and Mobile Access Network), Voice Services via the Internet (via Fixed and Mobile Access Network), Publicly available telephone service at fixed locations via pre-paid cards (via Fixed Access Network), Call-shop services (via Mobile Access Network), Directory enquiry services (via Fixed and Mobile Access Network).

29.9 Acquisition of an additional 30% stake of E-VALUE S.A.

On 11 January 2007, the subsidiary of the Company, GERMANOS S.A. acquired the totality of the shares of E-VALUE S.A., namely 340,090 shares owned by Mr. Panos Germanos, 97,169 shares owned by the company Tradetoria Limited and 48,585 shares owned by the company DLX Co. Limited and in total 485,844 ordinary shares with a nominal value of EURO 2.93 each, representing a percentage of 30% of the fully paid up share capital of E-VALUE S.A., for a total price of EURO 10,000 (absolute figure). Following the above mentioned transfers of shares, GERMANOS S.A. owns 1,619,475 ordinary shares of E-VALUE S.A. representing a percentage of 100% of the company's fully paid up share capital.

30. Commitments and contingent liabilities

The Company's most significant commitments, at 31 December 2006 have as follows:



30.1 Telecommunication Licenses

30.1.1 COSMOTE

30.1.1.1 Special License for Second Generation: In November 1995 OTE was granted a 2G License which has a duration of 25 years. This license was transferred by OTE to COSMOTE in 1997 pursuant to Law 2465/97. The 2G license cannot be sold or transferred without the prior written consent of the Minister of Transport.

30.1.1.2 Special License for Third Generation: On 6 August 2001, the Company was granted a 3G Special License, which has a duration of twenty years. In this respect, the Company was assigned exclusive use of the 2 X 15 MHz paired spectrum and 2 X 5 MHz non-paired spectrum. The license cannot be sold or transferred without the prior written consent of the Minister of Transport.

30.1.1.3 Fixed Wireless Access Special License (LMDS): In March 2002 the NTPC approved the transfer of OTE's 25GHz Fixed Wireless Access Special License to COSMOTE. As a result the Company was assigned a radio frequency section of 24969 - 25025 MHz and 25977 - 26033 MHz. The license will expire on December 10, 2015 subject to renewal pursuant to an NTPC resolution.

30.1.1.4 Special License for Wireless Lan Services (W-Lan): On 30 October 2002, the Company was granted a Special License for the use of spectrum zone 2,4 GHz and the provision of W-Lan Public Mobile Communications Services. This Special License has a duration of 15 years and can be renewed pursuant to a resolution of NTPC.

30.1.1.5 General Licenses: The Company also holds General Licenses for the exercise of telecommunications activities. The relevant information is found herein above in Note 29.8.

30.1.2 GLOBUL

30.1.2.1 GSM License: The initial GSM license was issued on 23/08/2001 for a term of 15 years and subsequently reissued on 4 November 2004. Presently, the term of duration of the License is until 23 January 2021. The sale or transfer of such license is not allowed without the prior consent of the Regulatory Authority (CRC).

30.1.2.2 Leased Lines License: On 4 November 2004, GLOBUL was granted a leased lines license of a duration until 23 January 2016, in order to provide "leased lines" services (parts of the telecommunications network). The sale or transfer of such license is not allowed without the prior consent of the Regulatory Authority (CRC).

30.1.2.3 Carrier pre-selection License: On 21 April 2005, GLOBUL was granted a License for access to voice telephony service through the service of selection of operator of a duration of 20 years. The sale or transfer of such license is not allowed without the prior consent of the Regulatory Authority (CRC).

30.1.2.4 UMTS License: On 25 April 2005, GLOBUL was granted a UMTS License of a duration of 20 years for the provision of 3G services. The sale or transfer of such license is not allowed without the prior consent of the Regulatory Authority (CRC) and before the expiration of a 2-year period of the date of issue of the license.

30.1.2.5 Fixed telephony license: On 12 September 2005, GLOBUL was granted a License for carrying out of telecommunications through a public fixed telecommunications network and

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provision of fixed voice telephony of a duration until 21 April 2025. The sale or transfer of such license is not allowed without the prior consent of the Regulatory Authority (CRC).

30.1.2.6 General Licences: GLOBUL also owns two (2) General Licenses for carrying out of telecommunications through a public telecommunications network RLAN and for data transfer without using scarce resources. The sale or transfer of such licenses is not allowed without the prior consent of the Regulatory Authority (CRC).

30.1.3 COSMOFON

30.1.3.1 GSM License: On 22 November 2001, COSMOFON was granted a mobile telecommunications license for GSM 900 and DCS 1800 frequencies of a duration of 22 years. The sale or transfer of such licenses is not allowed without the prior consent of the Minister of Transport and Communications and its harmonisation with the telecommunication law of FYROM is under process.

30.1.4 AMC

30.1.4.1 GSM License: On 19 August 1999, AMC was granted a GSM mobile telephony license and a license for the use of radiofrequencies until 2014. The sale or transfer of such license is not allowed without the prior consent of the Telecommunications Regulatory Authority (TRE) of Albania.

30.1.4.2 License for transfer of data: In 2003, AMC was granted a license for the transfer of data of a duration of five (5) years. The sale or transfer of such license is not allowed without the prior consent of the Telecommunications Regulatory Authority (TRE) of Albania.

30.1.4.3 Internet License: In 2005, AMC was granted an internet license of a duration until 2009. The sale or transfer of such license is not allowed without the prior consent of the Telecommunications Regulatory Authority (TRE) of Albania.

30.1.5 COSMOTE ROMANIA

30.1.5.1 GSM 1800 and EGSM 900 Licence: On 30 June 2003, COSMOTE ROMANIA was granted by the Transportation and Communications Ministry of Romania, a license for the use of radiofrequencies in GSM 1800. In 2005, this license was modified to include the right of use of radiofrequencies in EGSM 900, while its duration was extended until 5 April 2014. The sale or transfer of such license is not allowed without the prior consent of the General Inspectorate of Communications and Information Technology (IGCTI).

30.1.5.2 Radio Relay Links Licence: In March 2005 COSMOTE ROMANIA was granted licenses for the use of Radio Relay links in frequencies 15GHz, 23 GHz and 38 GHz, of a duration until 16 December 2008. The assignment or transfer of such license is not allowed without the prior consent of the General Inspectorate of Communications and Information Technology (IGCTI).

30.1.5.3 Numbering Resources Usage Licence: On 2 August 2006, COSMOTE ROMANIA was granted a License for Numbering Resources Usage of a duration until 14 February 2013. The

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assignment or transfer of such license is not allowed without the prior consent of the Telecommunications Regulatory Authority (ANRC).

30.2 Capital commitments

The Group has a number of outstanding capital commitments on supplier contracts, which on 31 December 2006, amounted to approximately EURO 25,127 as well as a number of lease agreements relating to the rental of buildings and other sites, whose future payments amounted to approximately EURO 500,723.

The Group's Capital commitments are analyzed as follows:

Capital commitments	In a year	2-5 years	Over 5 years	Total
Fixed assets orders as of 31/12/2006	25,127	-	-	25,127
Rents for sites	18,458	3,495	2,426	24,379
Rents for buildings	17,499	154,657	262,868	435,024
Other	41,212	108	-	41,320
	102,296	158,260	265,294	525,850

Letters of guarantees of the Group are analyzed as follows:

Letters of guarantees	Long term	Short term	Total
Special licenses	293	3,522	3,815
Good execution	8,620	84	8,704
Participation in an auction	2	3	5
Payments and tariffs	212	230	442
Shops' leasing	91	101	192
Loan agreement	-	3,490	3,490
	9,218	7,430	16,648

31. Financial instruments

31.1 Foreign exchange risks

The Group operates in Greece and in other countries in the Balkans and therefore is exposed to an exchange risk, arising from the translation of the related foreign currencies to EURO. The foreign exchange risk related to cash and cash equivalents and the borrowings of the Group is not considered significant since the liabilities, are mainly denominated in EURO.

31.2 Credit risks

The Group has a clearly defined credit policy, which is followed consistently. Furthermore, due to the spreading of the Group's customers, the exposure to credit risks is limited as far as these receivables are concerned.

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31.3 Interest rate risks

Most of the Group's interest-bearing receivables and liabilities are related to floated rates, which are adjusted to the conditions of the market. As at 31 December 2006, the Group did not have interest rate swaps.

31.4 Risk hedging for fluctuations of interest

On 27 January 2006 the Company's General Assembly of Shareholders approved the Company's ability to contract with third parties, among others also with OTE plc, regarding derivative agreements (swaps) for the hedging of risks arising from the borrowings of the Company's due to eventual fluctuations of EURIBOR rate.

31.5 Liquidity risk

Liquidity risk is maintained at low levels by the availability of cash and cash equivalents and the credit limits.

32. Litigation and claims

The most significant lawsuits and administrative disputes of COSMOTE and of its subsidiaries at 31 December 2006 are analyzed as follows:

32.1 COSMOTE

The Company is a party to various lawsuits and administrative disputes the majority of which related to the operation of base stations. These disputes arose during its normal course of business. The most significant disputes have as follows:

- 32.1.1 On 06/11/2001 a claim for damages was served to COSMOTE, which was brought on 28/10/2001 before the Court of First Instance of Athens by the Monastery of Prophet Iliia (Santorini) against COSMOTE and OTE. The claim concerned damages at the monastery due to the installation of the base station for EURO 1,760. The Monastery limited its claim to EURO 1,051,000 with its motions on 20/01/2003. The case was discussed during the hearing of 01/06/2006 and was rejected due to vagueness with the decision under number 6127/2006.
- 32.1.2 The Company has filed a petition of annulment before the Council of State, against the decision of NTPC number 275/72B/07.02.2003, pursuant to which the Company was nominated as an Organization with Significant Market Power (SMP) in the national interconnection market. The hearing took place on 13/06/2006 before the Council of State and because of a change in the jurisdiction (new law 3431/2006) there was a suggestion for transfer of the case to the Administrative Court of Appeals. The decision is pending.
- 32.1.3 NTPC has notified to COSMOTE the no. 213542/F391/12.05.05 Transaction of Hearing Procedure based on which, after the relevant demand of the Minister of Development, has called COSMOTE as well as TIM and VODAFONE on a hearing on 18 May 2005, to investigate whether the announced increases on tariffs for the SMS¹ are contrary to the

¹ On 14/04/2005 COSMOTE announced its new price policy concerning the post paid subscribers, which involves among others the offer of new packages of bundled free minutes (SMS 30, SMS 60, SMS 120) and the increase of the basic price of each SMS from 0,085 to 0,09 EURO per SMS.

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provisions of telecommunication law and law for the protection of free competition. The hearing has been held on 23/05/2005. A new hearing took place on 03/11/2005 due to the change of the members of NTPC. The NTPC issued the decision which imposed a fine of EURO 1,000 to each company (COSMOTE, TIM and VODAFONE) for concerted practice contrary to competition law. COSMOTE appealed to the Administrative Court of Appeals. The hearing was for 27/09/2006 but it was postponed for 16/05/2007.

32.2 AMC

- 32.2.1** On 26 April 2006, the Regulatory Authority of Albania issued the no.286/26.4.2006 decision according to which AMC was designated as operator with significant market power in the call termination market and in the mobile telephony market for the period from 1 May 2006 to 1 May 2007, which entails, among others, the right of the Regulatory Authority to regulate the call termination rates of AMC and the obligation of AMC to provide to the other operators equal treatment. AMC has accepted the designation as OSMP in the call termination market, but has filed a complaint against its designation as OSMP in the mobile telephony market. The Regulatory Authority rejected AMC's claim, so subsequently AMC has filed a lawsuit before the Tirana District Court against TRE's decision.
- 32.2.2** In May 2004, the Regulatory Authority of Albania has also declared invalid the interconnection agreements between Albtelecom with AMC and Vodafone. AMC appealed the Regulatory Authority's decision in front of the Tirana District Court, which decided to declare the absolute invalidity of the above decision of TRE. TRE has presented an appeal against such decision. The hearing had been set for 12 July 2006 and again postponed for September 2006. The Court accepted the appeal and ruled that the case, for procedural reasons, should be again examined by the First Instance Court. The case is still pending. Meanwhile, AMC and Albtelecom have reached an agreement for the tariffs applying for the years 2005, 2006 and until 31/07/2007.
- 32.2.3** On 12 December 2005 the Albanian Competition Commission imposed a fine to AMC of approximately EURO 1,400 (1% of the company's turnover for 2004) on the ground of allegedly delaying in responding to a request for information and provision of documents. On 4 January 2006 AMC filed in front of Tirana District Court 2 (two) Law Suits versus the Competition Authority, demanding the annulment of the decision requesting information and opening of investigation procedure as well as of the decision imposing the fine, since the requested information had timely been dispatched to the Competition Authority. On 7 July 2006, the Tirana District Court rejected the requests of AMC and AMC presented an appeal regarding the decision imposing the fine. The case is still pending.
- 32.2.4** The Albanian fixed telephony company Albtelecom owes AMC the amount EURO 36,533 for interconnection fees since January 2001. Albtelecom also owes to AMC an amount of approximately EURO 10,500 due to discrepancies in measurements of interconnection fees, as well as due to transit of rural operators' traffic terminated by Albtelecom to AMC. According to the terms of the interconnection agreement eventual differences between the parties are solved by arbitration in front of the International Chamber of Commerce in Paris.

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32.2.5 In May 2006, the Albanian Parliament decided the formation of an investigative parliamentary commission, to investigate the competition in the Albanian mobile market and the compliance to the relevant legislation by all involved parties, companies and authorities. During 2006, AMC has provided the Parliamentary Commission with all information requested and the investigation has been closed.

32.3 COSMOFON

The fixed line incumbent operator of FYROM, Maktel, has unilaterally attempted to reduce the interconnection rates for the termination of voice calls since August 2005. COSMOFON has not accepted such reductions claiming that it is not in accordance with the interconnection agreement in force between the parties. Since no agreement between the parties has been reached, in February 2006, COSMOFON appealed in front of the Regulatory Authority. In July 2006, the Regulatory Agency for Electronic Communications rejected COSMOFON's request in first instance and COSMOFON appealed in front of the second level Commission of the Agency, which also rejected COSMOFON's Appeal. COSMOFON appealed in front of the Supreme Court against the Commission's decision.

32.4 GLOBUL

On 20 June 2006, the Regulatory Authority of Bulgaria (CRC) designated GLOBUL as an operator with significant market power in the mobile telecommunications and services market. Following such designation and according to the legislation in force, GLOBUL has obligations for equal treatment of the other operators, transparency and confidentiality. On 11 July 2006, GLOBUL appealed the decision before the Supreme Administrative Court and the first court hearing was appointed for 27 November 2006. GLOBUL also appealed the preliminary execution of the decision. As of 5 October 2006 the Supreme Administrative Court rejected the preliminary execution of the decision. However, on 27 November 2006 it was subsequently reinstated by the higher court. As a result, until a final court decision on the case, the CRC decision, which announced GLOBUL as a SMP operator, is preliminary enforced.

32.5 COSMOTE ROMANIA

On July 2006 the Board of Directors of COSMOTE ROMANIA approved the participation of the company to a tender initiated by the Romanian General Inspectorate for Communications and Information Technology (IGCTI) for the award of two 3G licenses in Romania, with a duration of 15 years, a possibility of renewal for ten more years and for an amount of 35 million dollars each. On 13 October 2006, the Romanian General Inspectorate for Communications and Information Technology (IGCTI) announced the result of the selection process, according to which COSMOTE ROMANIA has not been awarded a license. On 20 October 2006 COSMOTE ROMANIA appealed before the IGCTI and requested the cancellation of the above mentioned decision, but its appeal has been rejected. Therefore, on 6 November 2006, COSMOTE ROMANIA appealed before the competent courts.

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32.6 GERMANOS S.A.

The legal proceeds brought by GERMANOS S.A. against MOBITEL ELECTRONIC AND TELECOMMUNICATIONS SYSTEMS S.A. filed on 12/11/1996 under deposition number 9646/96 had been found initially as legally valid and definite as to its demands and after the Interlocutory decision 9739/21/11/97 of the Athens Multi-member Court of First Instance requiring witness testimonies. Already, after the completion of the witness testimonies, the case was to be heard on 16/10/2003 (after the initial hearing date was postponed) and following, after the cancellation of the above, the hearing took place on 05/02/2004.

It was deemed necessary by the Company's Management to waive the reconnaissance request of the above mentioned suit forfeiting the corresponding sum and to file a new suit against MOBITEL S.A., which was in fact brought before the Athens Multi-member Court of First Instance for the adjudication of a) GRD 1,340,572,713 or EURO 3,934 as "positive damage to us" and b) GRD 309,979,200 or EURO 910 as "future positive damage to us", payable in four installments on 30/06/2002 GRD 63,209,799 the first, on 30/06/2003 GRD 101,133,072 the second, on 30/06/2004 GRD 80,909,076 the third, and GRD 64,727,253 the fourth. The hearing date of this new suit was set for 16/10/2003 in order to be arranged at the same time with the hereinabove mentioned suit dated 12/11/1996, but at this hearing the dispute was cancelled.

Nevertheless, pertaining to the suit of 12/11/1996, on 05/07/2004 the Multi-member Court of First Instance of Athens issued the final decision under number 4558/2004, which obligates the defendant MOBITEL S.A. to disburse to GERMANOS S.A. the amount of EURO 134 legally submitted to interest from the attainment of the suit until its full disbursal. Moreover, the same decision recognizes that MOBITEL S.A. is obligated to disburse to GERMANOS S.A. on April 30th, July 31st, October 31st and January 31st of each year its commission from the percentage of 7% on the paid bills from the use of air-time beginning from July 1st 1996 and following, concerning all the connections of its clients with the STET HELLAS (already TIM) network that were activated and for the whole time period the activation is sustained.

MOBITEL S.A. filed an appeal against this decision, which was heard by the Athens Court of Appeal on 26/05/2005. The Decision No. 5329/2005 of the Athens Court of Appeal was issued, due to the self-exemption of a member of the Court, which also participated in the issuance of the first instance decision. The cash has not been re-called. It must be noted that the, until recently, attorneys of the case, Messieurs Economopoulos and Koulouris, have filed a suit under deposition number 151428/2003, which according to the Decision No. 142/30.5.2005 by the Athens Multi-member Court of First Instance has been accepted by a very small portion and specifically according to which GERMANOS S.A. is obligated to disburse to the plaintiff attorneys (Ch. Economopoulos and S. Koulouris), the amount of EURO 16 legally submitted to interest from 20/02/2002, as well as a percentage of 12% on the interest of the aforementioned amount (EURO 16) for claims included in their aforementioned suit, namely:

- a) the judicial recognition of the Company's violation of its liabilities based on the contracting order that has been granted to it,
- b) the obligation of the Company to render a statement of accounts,
- c) the payment, as a contracting exchange, of the amount of EURO 613
- d) payment of expense equal to 12% on every excess amount from the total amount of EURO 4,834+EURO 260.

An appeal was filed by the aforementioned attorneys against the first instance decision, which will be heard before the Athens Court of Appeal on 17/04/2007.

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



2nd CHAPTER

**Condensed Financial Statements
and Information for the period
1 January 2006 to 31 December 2006**



COSMOTE MOBILE TELECOMMUNICATIONS S.A.

Condensed data and Informations of the year from 1 January 2006 to 31 December 2006

Published in accordance with L.2190, article 135 for companies that prepare annual consolidated and non consolidated financial statements,

according to IFRS. This information contained below is only for general information purposes regarding the financial position and the results of COSMOTE

MOBILE TELECOMMUNICATIONS S.A. Therefore we recommend to users of this information, before making any investment or proceeding to any other transaction with the Company to obtain the necessary information from the internet address (www.cosmote.gr), where the annual Financial Statements prepared in accordance with International Financial Reporting Standards, together with the Auditor's Limited Review Report are posted.



INFORMATION CONCERNING THE COMPANY

Registered office: 44, Kifissias avenue, Marousi Attica

R.N.: 36551/06/B/06/102

Authority in charge: Ministry of Commerce and Development

Date of approval of the Interim Financial statements (from which this information has derived): 22/02/2007

Certified Auditor Accountant: Mike Kokkinos

Auditing firm: KPMG Kyriakou Certified Auditors S.A.

Type of report: Unqualified audit opinion

Company's website: www.cosmote.gr

Board of Directors

CHAIRMAN
VICE PRESIDENT
MANAGING DIRECTOR
MEMBERS

PANAGIS VOURLIOMIS
KONSTANTINOS APOSTOLIDIS
EVANGELOS MARTIGOPOULOS
ELLI DESPOTOU
JOHN VEZANIS
CHRISTOS OIKONOMOU
GEORGE IOANNIDES
JOHN SARANTITIS
GEORGE MAURAKIS

(non executive member of BOD)
(independent, non executive member of BOD)
(executive member of BOD)
(independent, non executive member of BOD)
(non executive member of BOD)

BALANCE SHEET (AMOUNTS IN THOUSANDS OF EURO)

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS				
Property, plant and equipment	3,164,284	1,916,676	928,160	961,103
Inventories	89,266	26,099	16,838	14,522
Trade receivables	393,203	205,307	142,488	125,833
Other assets	1,041,361	401,096	3,098,287	970,307
Total Assets	4,688,114	2,549,178	4,185,773	2,071,765
LIABILITIES AND SHAREHOLDERS' EQUITY				
Long-term liabilities	2,913,475	1,155,107	2,635,381	859,407
Short-term borrowings	476,837	201,192	449,000	201,000
Other current liabilities	602,804	435,953	309,935	289,465
Total Liabilities (a)	3,992,916	1,792,252	3,294,296	1,349,872
Equity				
Share Capital	156,833	156,264	156,833	156,264
Other accounts related to Shareholders' Equity	433,086	495,259	734,644	565,629
Total Shareholders' Equity attributable to Shareholders of the Parent Company (b)	589,919	651,523	891,477	721,893
Minority Interest (c)	105,279	105,403	0	0
Total Shareholders' Equity (d) = (b) + (c)	695,198	756,926	891,477	721,893
Total Liabilities and Shareholders' Equity (e) = (a) + (d)	4,688,114	2,549,178	4,185,773	2,071,765

STATEMENT OF SHAREHOLDERS' EQUITY (AMOUNTS IN THOUSANDS OF EURO)

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Shareholders' Equity at the beginning of year (01.01.2006 & 01.01.2005 respectively)	756,926	999,479	721,893	881,625
Profit after taxes	342,228	341,050	344,706	315,631
	1,099,154	1,340,529	1,066,599	1,197,256
Increase of share capital	11,718	12,439	11,718	12,439
Dividends	(216,896)	(488,740)	(216,896)	(488,740)
Exchange Differences and others	28,149	2,672	1,904	938
Acquisition of new Subsidiaries	(255,080)	(109,974)	0	0
Valuation of financial derivatives and others	28,153	0	28,152	0
Direct equity movements	(198,778)	(107,302)	30,056	938
Shareholders' Equity at the end of the period 31.12.2006 & 31.12.2005 respectively	695,198	756,926	891,477	721,893

ADDITIONAL INFORMATION

1. The Companies which are consolidated in the above financial statements are the following

NAME OF THE COMPANY

	REGISTERED OFFICE	SHARE OF INTEREST
(a) Full consolidation method		
COSMOTE MOBILE TELECOMMUNICATIONS S.A.	Marousi Attiki	100.00%
COSMOHOLDING ALBANIA S.A.	Marousi Attiki	97.00%
COSMOHOLDING ALBANIA S.A., participates in ALBANIAN MOBILE COMMUNICATIONS Sha (AMC)	Tirana Albania	82.45%
COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A.	Bucharest Romania	70.00%
OTE MTS HOLDING B.V	Amsterdam Netherlands	100.00%
OTE MTS HOLDING B.V., participates in COSMOFON MOBILE TELECOMMUNICATIONS SERVICES AD - SKOPJE	Skopje	100.00%
COSMOBULGARIA MOBILE EAD (GLOBUL)	Sofia Bulgaria	100.00%
COSMOHOLDING CYPRUS LIMITED	Limassol Cyprus	100.00%
COSMOHOLDING CYPRUS LIMITED, participates in GERMANOS S.A.	Agios Stefanos Athens	99.03%
MOBILEEPP MONOPROSOP LTD	Athens	100.00%
GERMANOS S.A., participates in:		
E - Value AE	Xanthi	69.32%
GERMANOS TELECOM S.A. Skopje	Skopje	99.03%
GERMANOS TELECOM ROMANIA S.A.	Bucharest Romania	99.02%
GERMANOS TELECOM ROMANIA S.A., participates in SUNLIGHT ROMANIA SRL-FILIALA	Bucharest Romania	99.02%
GERMANOS TELECOM BULGARIA AD	Sofia Bulgaria	99.03%
GRIGORIOS MAVROMICHALIS & PARTNERS LTD	Athens	99.03%
GEORGIOS PROKOPIS & PARTNERS LTD	Patra	49.51%
IOANNIS TSAPARAS & PARTNERS LTD	Athens	50.50%

(b) Equity method

COSMO ONE HELLAS MARKET SITE S.A.	Iraklio Attiki	30.87%
COSMO-MEGALA KATASTIMATA S.A.	Chalandri Attiki	40.00%
OTENET CYPRUS LIMITED, which participates in OTENET-TELECOM LIMITED	Nicosia Cyprus	19.80%
	Nicosia Cyprus	12.87%

2. The most significant Company's and Group's legal and regulatory dispute cases are included in the Notes to the Financial Statements as at 31 December 2006, which have been submitted to the Athens Stock Exchange and have been posted in the web site www.cosmote.gr.

3. There are not any mortgages on the property, plant and equipment.

4. As at 31 December 2006 the number of personnel employed by the Company and the Group was 2,198 and 7,470 respectively, while on 31 December 2005 the number of personnel employed was 2,182 and 4,121 respectively.

5. COSMOTE has been audited from the tax authorities up to year 2003, AMC has been audited up to year 2000, COSMOHOLDING ALBANIA has not been audited since its incorporation, 2000, COSMO-MEGALA KATASTIMATA S.A. has been audited up to year 2002 and COSMO ONE HELLAS MARKET SITE S.A. has been audited up to 2001, COSMOTE ROMANIA S.A. has been audited up to year 2003 COSMOFON has not been audited since its incorporation, 2001 and GLOBUL has not been audited since 2005 and COSMOHOLDING Cyprus has not been audited since 2006, Germanos S.A. has not been audited since 2004, Germanos Telecom S.A. - Skopje has not been audited since 2003, Germanos Telecom Bulgaria AD has not been audited since 2005, Germanos Telecom Romania S.A. has not been audited since 2003, Sunlight Romania SRL/Filiala has not been audited since 2001, E-Value has not been audited since 2003, Mobileeep S.A. has not been audited since 2005.

6. The amounts of sales and purchases of the Group to and from related companies for the year of 2006 are Euro 173,056 and Euro 232,587 respectively while the related amounts concerning the Company are Euro 195,771 and Euro 232,894 respectively. The receivables and payables balances of the Group to and from related companies are Euro 17,381 and Euro 48,164 respectively, while the balances concerning the Company are Euro 47,475 and Euro 53,344 respectively. Furthermore, Group's intercompany loans liabilities as of 31 December 2006 amounted to Euro 3,178,677 and the company had respectively intercompany loans liabilities of 2,971,177 Euro and intercompany receivables from loans of 180,150 Euro. Fees paid to the members of the Board of Directors of the Group which have been charged to the Income Statement of the year of 2006 amounted to EURO 547, of which EURO 164 are related to the Company. The fees of the non executive members of the BOD of the company is up to 111 Euro, while the fees of the non executive members of the BOD of the Group's subsidiaries companies is up to 131 Euro.

INCOME STATEMENT (AMOUNTS IN THOUSANDS OF EURO)

	The Group		The Company	
	01/01-31/12/2006	01/01-31/12/2005	01/01-31/12/2006	01/01-31/12/2005
Operating revenues	2,382,349	1,797,608	1,630,614	1,517,464
Gross profit	557,558	525,344	500,559	469,481
Income before taxes, financial and investment results				
depreciation and amortization	877,595	751,961	700,856	636,934
Income before taxes, financial and investment results	568,945	522,771	529,319	467,108
Income before taxes	502,101	505,595	487,828	464,270
Minus taxes	(159,873)	(164,545)	(143,122)	(148,639)
Income after taxes	342,228	341,050	344,706	315,631
Profits are distributed to:				
Company's shareholders	360,519	339,921	344,706	315,631
Minority interest	(18,291)	1,129	0	0
Earnings per share after taxes - basic (in Euro)	1.08	1.02	1.03	0.95
			0.73	0.65

STATEMENT OF CASH FLOWS (AMOUNTS IN THOUSANDS OF EURO)

	The Group		The Company	
	01/01-31/12/2006	01/01-31/12/2005	01/01-31/12/2006	01/01-31/12/2005
Cash flows from operating activities				
Profit before tax and minority interest	502,101	505,595	487,828	464,270
Plus / Minus adjustments to:				
Depreciation	318,650	229,190	171,537	169,826
Provisions & foreign exchange differences	21,000	5,928	12,432	12,139
Gain on investments	(18,179)	(7,594)	(15,321)	(14,989)
Interest and other financial expenses	75,023	24,770	56,812	17,827
	688,595	757,889	713,288	649,073
Plus / Minus adjustments to variations of accounts related to working capital or operating activities:				
Decrease / (increase) of inventories	(19,633)	(626)	(2,316)	1,041
Decrease / (increase) of trade receivables	49,544	(10,006)	(32,712)	(20,969)
(Decrease) / increase of liabilities (other than borrowings)	38,493	83,254	7,926	41,684
Minus: Cash inflows from operating activities	966,999	830,511	686,186	670,829
Interest expenses paid	(50,951)	(20,536)	(33,438)	(13,594)
Income tax paid	(172,399)	(188,973)	(151,056)	(167,470)
Net cash inflows from operating activities (a)	743,649	621,002	501,690	489,765
Cash flows from investment activities				
Purchase of property, plant and equipment and intangible assets	(442,418)	(259,332)	(140,609)	(110,656)
Sale of property, plant and equipment and intangible assets	3,415	0	2,187	0
Subsidiaries Acquisition	(1,481,102)	(486,743)	(1,571,522)	(614,989)
Payment of 3G Licence	(16,141)	(16,141)	(16,141)	(16,141)
Securities Acquisition	(127,965)	0	0	0
Securities Sale	88,492	9,559	0	0
Other Long Term Liabilities	(523)	0	0	0
Interest income received/Dividends	17,204	7,594	12,269	14,989
Net cash outflows from investing activities (b)	(1,959,038)	(745,063)	(1,713,816)	(726,797)
Cash flows from financing activities				
Proceeds from the increase of share capital	11,718	12,439	11,718	12,439
Repayments of borrowings	3,046,639	1,016,021	3,062,999	1,038,500
Proceeds from borrowings	(1,137,546)	(349,956)	(1,311,672)	(347,226)
Dividends paid	(216,456)	(488,690)	(216,456)	(488,690)
Net cash inflows/(outflows) used from financing activities (c)	1,704,355	189,814	1,546,589	215,023
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	488,966	65,753	333,863	(22,009)
Cash and cash equivalents at beginning of the year	330,113	264,360	217,487	239,496
Exchange Difference from Cash	4,590			
Cash and cash equivalents at the end of the period	823,669	330,113	551,350	217,487

The Benefits that are related to the shares value for the Company and the Group are analyzed as follows: The stock option plan that was granted in 2006 to the Executive Committee of COSMOTE is 99,590 shares at 18.84 Euro per share. The stock option plan that was granted to the Executive Committee of COSMOTE's mobile subsidiaries abroad is 144,350 shares at 18.84 Euro per share. The stock option plan of GERMANOS that was granted in 2006 to the Executive Committee of Germanos Group is 455,400 shares at 9.00 Euro per share. According to a relevant decision of the General Meeting of the Company's shareholders, the Executive Committee members, in case of termination of their employment agreement without culpability, are entitled to compensation equal to at least one year salary.

7. The profits per share were calculated based on the average weighted number of shares.

8. The Annual Financial Statements of the Company are included, by the full consolidation method, to the Organisation of Greek Telecommunications S.A. consolidated financial statements. OTE's registered offices are located in Greece. OTE participates in COSMOTE's Share Capital with a stake of 67.00%.

9. The accounting principles which have been followed during the preparation of the year financial statements as of 31 December 2006, are those followed in the annual financial statements as of 31 December 2006 which have been posted in the web site www.cosmote.gr and have been submitted to the Athens Stock Exchange.

10. On 15 January 2007, Microstar LTD (Cyprus Holding Company) controlled 100% by Mr P.Germanos acquired participation with 10% percentage to the share capital of Cosmote's subsidiary COSMOHOLDING CYPRUS LTD.

11. On 16 January 2007 Cosmote and Cosmote Romania signed between for the grant to the last loan of 140 million Euro and with five years duration while on 07/02/2007 restored until 07/02/2011 the duration of the already existed loan of 160 million Euro with initial termination of 07/02/2007.

12. On 11 January 2007 the COSMOTE's subsidiary GERMANOS S.A. acquired the total of "E-VALUE" shares (100%)

13. On 29 August 2006, COSMOTE founded its 100% subsidiary in Cyprus, a holding company with the trade name COSMOHOLDING CYPRUS LIMITED, ("COSMOHOLDING CYPRUS"), which on 02/10/2006 acquired a percentage of 42% such as the total shares of MOBILEEPPP. On 31/12/2006 COSMOTE holds through Cosmoholding Cyprus Ltd after of submission of public proposal of the last one, 99.03% percentage of GERMANOS S.A.

Athens, 22 February 2007

THE CHAIRMAN
OF THE BOARD OF DIRECTORS
PANAGIS VOURLIOMIS

THE MANAGING DIRECTOR
EVANGELOS MARTIGOPOULOS

THE GENERAL FINANCIAL OFFICER
ELIAS FOTIADIS

THE CHIEF ACCOUNTING OFFICER
JOHN HOHORELOS

The Benefits to the executive committee are analyzed as follows:

	GROUP	COMPANY
Short Term Benefits to the Executive Committee	10,737	4,199
Benefits after Retirement	-	-
Other Long Term Benefits to the Executive Committee	-	-



3rd

CHAPTER

Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

3

Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

BOARD OF DIRECTORS REPORT OF COSMOTE MOBILE TELECOMMUNICATIONS S.A. ON THE STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2006 AND EXPLANATORY REPORT

The Board of Directors of COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE" or the Company) presents its Report on the Annual Standalone and Consolidated Financial Statements for the year ended on 31 December 2006, according to article 136 of Codified Law 2190/1920 and article 11a of L.3371/2005.

The Financial Statements were prepared in accordance with the International Financial Reporting Standards.

A. 2006 ACHIEVEMENTS

2006 has been a year with important developments for COSMOTE and is the year that set the basis for the Group's further growth.

During 2006 the Company, continuing on the successful strategy it laid out in 2005, with the acquisition and integration of three new companies in the Balkans, targeting to become a leading mobile operator in South East Europe, completed the strategic acquisition of GERMANOS S.A. The acquisition is an integral part of the strategy of geographical expansion achieved in 2005 and sets the foundations for the Group's further growth in all markets of common presence, namely Greece, Romania, Bulgaria and FYROM. With this acquisition COSMOTE Group obtained the largest and most effective distribution network in 4 out of the 5 markets it operates. With a total network of 645 retail outlets in South East Europe and the expertise that has rendered it the top telecommunications retailer in the region, GERMANOS is going to be pivotal in accelerating the targets management has set since 2006, namely to improve market position in all countries the Group operates, to exploit rapid penetration in the Balkan markets, to expand the distribution network and maximize free cash flow generation on Group level.

In 2006, continuing on its dynamic course in the Greek market, COSMOTE introduced first in the Greek market commercial services through the HSDPA technology, that allows data transfer in very high speed, while it continued introducing new innovative offerings, such as the combination of post and pre paid benefits in one offering and the promotion of the successful range of bundled packages and the "family pack" scheme, further stimulating its customers' usage and traffic on its network. During the third quarter of the year 2006 it launched frog, which has been met with considerable success. In February 2007 COSMOTE first in the Greek market began offering integrated fixed broadband (ADSL) and mobile communications services.

AMC in Albania undertook several commercial initiatives such as lower tariffs on on-net and intra-Group international calls, while it launched specific products and services targeting corporate customers. In Bulgaria GLOBUL unveiled its new corporate logo, within the Group corporate identity, while during the third quarter, pioneering in the value added services sector, it launched the i-mode service for both its contract and post paid customers. COSMOTE ROMANIA, in its first year of



commercial operation, launched for the first time in the market innovative products with simple and clear tariffs and invested in the strengthening of its brand name, while since December 2006 it also offers competitive corporate services.

The Company's successful strategic planning is evident in its financial and operational performance for 2006, which proves its ability to achieve and surpass its targets. The Group's total subscriber base expanded substantially reaching over 11 million customers, a 35.4% increase compared to 2005. Overall in 2006 COSMOTE succeeded in achieving its revenue and profitability growth targets, maintaining high returns for its shareholder. Group operating revenues for 2006 posted an annual increase of 32.5%. Turnover growth was driven by higher usage and the expansion of the subscriber base in Greece, the ongoing growth in the Balkan markets and the consolidation of GERMANOS for the fourth quarter of 2006. COSMOTE Group net income, after tax and minority interests, increased by 6.1% compared to 2005.

COSMOTE Greece continues to enjoy growth above the sector's European average mainly from higher usage and subscriber growth while at the same time improving its profitability, despite the intense competitive environment and the maturity of the market. AMC, introducing new commercial policies, in order to attract new subscribers, increased its customer base while sustaining its profitability levels. GLOBUL, focusing on a competitive commercial policy, even more directly during the second half of the year post the GERMANOS acquisition, continues its impressive performance on all fronts, within an intensifying competitive environment and new challenges, due to the launch of the third operator in the Bulgarian mobile market and the accelerated growth of its subscriber base. COSMOFON, for the first time with positive net income on a quarterly basis in the third quarter, is steadily gaining ground. Finally, COSMOTE ROMANIA in its first year of commercial operations continued on its strategy of investing on its telecommunications network, achieving its set targets for 2006 for geographical and population coverage as well as its operational and financial targets.

The diverse profile of COSMOTE's mobile operations in South East Europe, their promising outlook and the integration of GERMANOS, which has the potential to significantly expand the Group's customer base in all four markets of common presence, are expected to provide the ground for continuing the Group's profitable growth over the coming years.

B. SOURCES AND USES OF CAPITAL

During 2006, COSMOTE Group capital expenditure reached approximately EURO 437 million, mainly due to the investments made in Romania and Bulgaria, according to the management's stated targets. COSMOTE ROMANIA invested approximately EURO 160 million in enhancing its telecommunications network. In Bulgaria GLOBUL invested approximately EURO 97 million in order to further enhance its telecommunication network coverage and capacity so as to accommodate the requirements of its expanding customer base and high usage growth. In Greece capex reached EURO 136 million. AMC and COSMOFON invested EURO 25 and EURO 18 million respectively in network improvements.

During 2006 the Group increased its debt by approximately EURO 1.9 billion, mainly through the issuance of bond loans, fully subscribed by OTE plc, which were principally used for the GERMANOS acquisition. Total Group net debt¹ as at 31/12/2006 was approximately EURO 2.4 billion, including the EURO 1.5 billion for the GERMANOS acquisition. The Group's free cash flow for 2006 amounted to approximately EURO 489 million.

¹ Net Debt: Total of long term and short term borrowings minus cash and cash equivalents

3

Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

The relevant net debt to equity ratio for the Group is:

	31/12/2006	31/12/2005
Net Debt to Equity	349.88%	131.5%

C. DIVIDEND POLICY

The Board of Directors intends to recommend to the 10th Annual General Shareholders Assembly the distribution of an annual dividend for the fiscal year 2006 of a total amount of EURO 244,391 (EURO 0.73 per share).

D. 2007 OUTLOOK

2007 will be a challenging year both in Greece and abroad. With the strategy of geographical expansion already paying off and the completion of the GERMANOS acquisition COSMOTE is targeting a period of solid sustainable profitable growth.

Specifically, the acquisition of GERMANOS S.A., is expected to generate significant new dynamics for the Group. The impact is expected to be faster revenue growth across the four common markets at both the COSMOTE parent and consolidated levels as well as EBITDA margin improvement in the telecommunication services business, resulting from GERMANOS' potential to add a significant number of incremental subscribers to COSMOTE Group, policies to reduce churn and promote commercial initiatives, as well as distribution and other synergies. The impact of the GERMANOS acquisition is expected to be accretive from the first full year of integration, i.e. 2007. The benefits for COSMOTE are expected to be cumulative over the years.

The Management's main targets for 2007 are:

- Improve market position in all countries the Group operates
- Emphasis on contract customers in all countries of operation
- Exploitation of market dynamics and opportunities in the Balkan markets and usage growth in all markets it operates
- Further expansion of distribution network
- Maximize profitability and free cash flow generation on Group level by exploiting synergies and CAPEX savings
- Maintain dividend policy
- Sustain an optimal capital structure in the medium term



E. INFORMATION ACCORDING TO ARTICLE 11a, L. 3371/2005

a. Share capital structure

As at 31/12/2006 the Company's share capital amounted to EURO 156,833,411.70 and consisted of 333,688,110 ordinary registered shares with a nominal value of EURO 0.47 per share.

According to the Company's share registry on 31/12/2006 the Company's shareholding structure was as follows:

Shareholder	Number of Shares	%
OTE S.A.	223,572,294	67%
Free float	110,115,816	33%
TOTAL	333,688,110	100%

The total of the Company's shares are common, nominal and indivisible and there are not special categories of them. The rights and obligations that derive from the shares are those mentioned in C.L. 2190/1920.

Further information and explanations are included in the Explanatory Report that is included in this Report (Section F).

b. Restrictions in the transfer of the Company's shares

b1. According to the Company's Articles of Association:

The transfer of the shares is free and is materialized according to art. 8b of the Codified Law 2190/1920.

There is a right of preference in favor of old shareholders, under specified conditions and procedures as follows:

- a.** Before the listing of the Company's shares to the Athens Exchange, in case that any shareholder wishes to transfer, by one or more transfer deeds, to the same buyer, a percentage of more than 0.5% of the total paid up share capital.
- b.** After the listing of the Company's shares to the Athens Exchange the right of preference shall apply only in respect of a transfer of shares representing a percentage equal or greater than 30% of the total paid up share capital from one seller to one buyer.

b.2. According to article 4, L. 3016/2002, as in force, the independent non-executive members of the Board of Directors can not, among others, hold shares of the Company representing a percentage greater than 0.5% of the Company's paid-in share capital.

b.3. According to article 26, L. 3431/2006 regarding Electronic Communications, a change of control in the Company cannot occur unless approved by the Greek National Telecommunications and Post Commission (NTPC). NTPC' s approval can be also required under L.703/1997 on the control of monopolies and oligopolies and on the protection of free competition (article 12 par. f L.3431/2006 regarding Electronic Communications).

Further information and explanations are included in the Explanatory Report that is included in this Report (Section F).

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Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

c. Important direct or indirect participations according to Presidential Decree 51/1992

On 21/02/2007, Hellenic Telecommunications Organization S.A. (OTE S.A.) held 66.8% of the Company's share capital.

COSMOTE is not aware of any other shareholder, who has a direct or indirect interest in 5% or more of COSMOTE's paid in share capital.

It is noted that on 21/02/2007 COSMOTE is participating in the share capital of GERMANOS S.A., a listed company in the Athens Exchange, through its 90% subsidiary COSMOHOLDING CYPRUS Ltd (shareholder of over 99% of GERMANOS S.A.'s paid in share capital).

d. Owners of shares that offer special control rights

There are no issued shares of the Company that offer special control rights.

e. Restrictions in voting rights - Deadlines in exercising those rights

There are no restrictions in voting rights.

Further information with regards to the procedure of resolutions of the General Meeting of Shareholders is included in the Explanatory Report that is included in this Report (Section F).

f. Shareholder agreements for restrictions in the transfer of shares or in the exercising of voting rights

There are no shareholder agreements regarding restrictions in the transfer of shares or in the exercising of voting rights that are known to the Company.

g. Rules of appointment and replacement of the members of the Board of Directors and amendment of the Company's Articles of Association if they differ from the provisions of Codified Law 2190/1920

There is no difference from what is statutory according to C.L. 2190/1920. In particular, regarding the resolutions of the General Assembly and the amendments of the Company's Articles of Association, for which, according to C.L. 2190/1920 simple quorum is required, the Articles of Association defines that the General Meeting is at quorum and meets validly on the agenda when shareholders representing at more than third (1/3) of the paid up share capital are present or represented thereat, deviating from Codified L. 2190/1920, which states that for simple quorum shareholders representing a fifth (1/5) of the paid up share capital need to be present or represented.

Further information and clarifications are included in the Explanatory Report that is included in this Report (Section F).



h. Jurisdiction of the Board of Directors for the issuance of new shares/share buybacks according to article 16 of Codified Law 2190/1920

h.1. During the first five-year period from its incorporation, the Board of Directors by resolution taken by majority two thirds (2/3) of the total number of its members, may increase the share capital in whole or in part by issue of new shares. The amount of such increases cannot exceed the original share capital. The above-mentioned resolution of the Board of Directors is subject to the publicity formalities of article 7b of Codified Law 2190/1920 as in force. The above authority of the Board of Directors may be renewed by the General Meeting of the Shareholders for a period of time which cannot exceed five years for every renewal and its validity begins from the termination of every five year period. The resolution of the Shareholders General Meeting is subject to the publicity formalities of article 7b of Codified Law 2190/1920.

The above authority has not been granted to the Board of Directors by the General Assembly.

By exception, if the Company's reserves exceed one fourth (1/4) of the paid up share capital, a resolution of the General Meeting is always required in order to increase the capital.

h.2. Under the same conditions as described in h.1. above, the Board of Directors may decide on the issuance of convertible in shares bonds.

The above authority has not been granted to the Board of Directors by the General Assembly.

h.3. In accordance to paragraph 9, article 13 of C.L.2190/1920, as in force, the Board of Directors in December of each year increases the Company's share capital, with no amendment of the Articles of Association, by issuing new shares in the framework of the annual materialization of the approved by the General Meeting, Stock Option Plan.

COSMOTE's Shareholders' General Assembly as of 31/07/2000 has approved a Stock Option Plan, as in force, following its amendments by COSMOTE's Shareholders' General Assembly as of 12/06/2001, 21/02/2002 and 27/01/2006.

Further information and clarifications regarding the Stock Option Plan are included in the Explanatory Report that is included in this Report (Section F).

h.4. It is forbidden to the Company to acquire its own shares except in the cases and under the conditions imposed by the legislation in force from time to time.

i. Significant agreements of the Company that become valid/are amended / expire in case of a change in the Company's control following a Public Tender Offer

i.1. The agreement between COSMOTE and the Japanese service provider of mobile communications, NTT DoCoMo, by virtue of which COSMOTE and its subsidiaries offer wireless internet i-mode services.

Result of a change in control: Termination of the agreement if the parties do not agree otherwise.

The above subject is further expanded and explained in the Explanatory Report, which is included in this Report (Section F).

i.2. The 10% participation of MICROSTAR Ltd in the share capital of COSMOTE's subsidiary holding company COSMOHOLDING CYPRUS Ltd.

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Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

Result of a change in control: MICROSTAR's right to request from COSMOHOLDING CYPRUS Ltd, or any other entity suggested by COSMOTE, to proceed to an early acquisition of the 10%.

The above subject is further expanded and explained in the Explanatory Report, which is included in this Report (Section F).

i.3. The two bonds of EURO 900 and EURO 600 million that were issued by COSMOTE on 21/11/2006.

The above subject is further expanded and explained in the Explanatory Report, which is included in this Report (Section F).

j. Agreements regarding compensation of members of the Board of Directors or personnel in case of resignation, termination of their employment agreement without an essential cause or expiration of their term/ agreement due to public tender offer

According to relevant decision of the General Meeting of the Company's shareholders:

j.1. In case of termination of the employment agreement of the Managing Director without an essential cause or in case this agreement will not be renewed at its expiration, the Company will pay to the Managing Director compensation equal to at least one (1) annual salary. In case the amount of the above-mentioned contractual compensation is less than the total amount of salaries, with any relevant increment included, that the employee will be entitled until the expiration of his employment agreement, then the Company shall pay to him simultaneously with the termination of his employment agreement that additional amount.

j.2. In case of termination of the employment agreement of the General Directors or of the Legal Counsel of the Company on behalf of the Company on the grounds not due to employee's default, the Company shall pay to them compensation equal to at least one (1) annual salary. In case the compensation provided by law exceeds the above compensation, the Company shall pay to them this higher compensation.

j.3. In case of termination of the employment agreement of the Directors on behalf of the Company on the grounds not due to employee's default, the Company shall pay to them compensation equal to at least six (6) months of their annual salary. In case the compensation provided by law exceeds the above compensation, the Company shall pay to them this higher compensation. The Managing Director of the Company has the right, at his discretion, to increase the minimum level of the above compensation of 6 months to 12 months on a case by case basis.



F. EXPLANATORY REPORT TO THE ANNUAL GENERAL ASSEMBLY FOR THE INFORMATION ACCORDING TO ARTICLE 11a, L. 3371/2005

It is deemed appropriate to bring to the attention of the 10th Annual General Shareholders Meeting the following additional information regarding the information of article 11a, L.3371/2005 described in Section E of this Report.

a. Share capital structure

Regarding the structure of the Company's share capital it is noted that following the company's share capital increase by the Board of Directors resolution on 22/12/2006 by EURO 514,222.30 as a result of the exercise of stock options. The 1,094,090 new ordinary registered shares that resulted from the aforementioned share capital increase started trading on the Athens Stock Exchange on 01/02/2007.

As at 21/02/2007 the Company's share capital amounted to EURO 157,347,634.00 divided into 334,782,200 ordinary registered shares with a nominal value of Euro 0.47 per share.

According to the Company's share registry on 21/02/2007 the Company's shareholding structure was as follows:

Shareholder	Number of Shares	%
OTE S.A.	223,572,294	66.8%
Free float	111,209,906	33.2%
TOTAL	334,782,200	100.0%

The main rights and obligations that stem from the share according to the Company's Articles of Association and Codified Law 2190/1920 are as follows:

1. Each share entitles its owner to participate in the product of the liquidation of the Company's estate in case of dissolution of the Company and in the distribution of its profits pro rata of the ratio of the paid up capital of the share to the total paid up share capital.
2. In any case of increase of the share capital that is not effected by (a) contribution in nature or (b) issue of bonds with a right to convert them into shares or (c) participation in the Stock Option Plan an option on the new capital or the bonded loan as a whole is granted to the persons who are shareholders at the time of issue, pro rata of their participation in the existing share capital.
3. At the request of shareholders representing one twentieth (1/20) of the paid up share capital, (a) the Board of Directors is obliged to convoke an extraordinary General Meeting (b) The Chairman of the Meeting is obliged to adjourn only once resolutions of the General Meeting, ordinary or extraordinary, for all or certain issues (c) the Board of Directors is obliged to announce to the General Meeting of shareholders the amounts that were paid within the last two years for any reason whatsoever by the Company to members of the Board of Directors or Managers or other employees, as well as any other grants by the Company to such persons or any agreement between the Company and such persons for any reason whatsoever and to give the requested specific information on the Company's affairs to the extent that such information is useful for the real evaluation of the issues of the agenda (d) a decision on an issue of the agenda of the General Meeting is made by nominal invitation. Additionally Shareholders representing at least one twentieth (1/20) of the paid up share capital are entitled to request audit of the Company by the One-Member Court of First Instance of the region of the Company's seat.

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Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

4. Shareholders representing one third (1/3) of the Company's paid up share capital are entitled to (a) request to the Board of Directors and the Board of Directors is obliged to give such shareholders at the General Meeting, or at its discretion before the Meeting to their representative, information on the course of the Company's affairs and estate and (b) request audit of the Company by the One-Member Court of First Instance of the region of the Company's seat, if the whole course of the Company's affairs implies that the administration of the Company's affairs is not exercised according to the principles of good and wise management.
5. In the clauses 3 and 4 described above the applicant shareholders must keep deposited the titles of the shares of which they are the owners that entitle them to the above rights, for the time period that is set according to Codified L.2190/1920.
6. In order to be entitled to attend and vote at the General Meeting, a shareholder must keep deposited the titles of the shares of which they are the owner.
7. The liability of the shareholders is limited to their contribution, i.e. to the nominal capital of their shares.

b. Restrictions in the transfer of the Company's shares

Regarding the right of preference described in paragraph B.b.1 of Section E, it is noted that since the Company's shares are trading in the Athens Exchange, the relevant case is b, according to which the right of preference in favour of the existing shareholders, shall apply only in respect of a transfer of shares representing a percentage equal or greater than 30% of the total paid up share capital from one seller to one buyer.

e. Restrictions in voting rights - Deadlines in exercising those rights

1. According to the Company's Articles of Association the ownership of one (1) share entitles to one vote. The number of votes always increases by one for each share.
2. The General Meeting is at quorum and meets validly on the agenda when shareholders representing at more than third (1/3) of the paid up share capital are present or represented thereat.

If such quorum is not achieved, the General Meeting convenes again within twenty (20) days of the date of the adjourned meeting, by invitation sent at least ten (10) days in advance. The repeat meeting is at quorum and decides validly on the questions of the original agenda regardless of the percentage of the paid up share capital represented thereat.

The resolutions of the General Meeting at the above-mentioned ordinary quorum are made by absolute majority of the votes represented at the Meeting.

In exceptional cases, in case of resolutions related to the change of the Company's nationality, a change in the object of its business, an increase in the obligations of the Shareholders, an increase of the share capital not provided by the Statutes according to article 5, par. 2 and 3 of the Articles of Association or imposed by provisions of laws or effected through capitalisation of reserves, a reduction of the share capital, a change in the mode of distribution of net profits, the merger, dissociation, conversion, revival, extension of the duration or winding-up of the Company, the conversion of shares, the granting to the Board of Directors the power to increase the share capital or renewal of such power in accordance with



article 5 par. 2 of the Articles of Association, the waiver of the pre-emption rights (rights of preference) provided for in Article 13 paragraph 5 of the Codified Law 2190/1920, conclusion or amendment of any of the agreements mentioned in article 23a of the Codified Law 2190/1920 and in any other case in which the law and these Articles of Association provide that extraordinary quorum is required for a particular resolution of the General Meeting, the General Meeting is at quorum and deliberates validly when shareholders representing at least two thirds (2/3) of the paid up share capital are present thereat. Should this quorum be not achieved, the General Meeting convenes again following an invitation according to the provisions of article 13 par. 2 of the present Articles of Association and is at quorum and validly deliberates and resolves on the issues of the original agenda if at least ½ of the paid up share capital are represented. If this quorum is not achieved the General Meeting is convoked and convenes again following the same procedure as immediately above mentioned and is at quorum and validly deliberates and resolves on the issues of the original agenda if at least one third (1/3) plus one of the paid up share capital is represented thereat.

The resolutions of the General Meeting that require the above described extraordinary quorum are made by majority of two thirds (2/3) of the votes represented thereat.

3. According to the Company's Articles of Association, in order to be entitled to attend and vote at the General Meeting, a shareholder must deposit at least five (5) days in advance of the date fixed for the Meeting his shares or provisional titles with the Company's Cashier's Office or at the Deposits and Loans Fund or with any bank in Greece against receipt that will also be deposited with the Company at least five (5) days in advance of the meeting.

Eventual representation documents must also be deposited at the Company's premises, as specified in paragraph 1 of this article, within the same 5-day deadline.

Upon presentation of the above documents, the shareholder or his representative is given the receipt that serves as an entrance ticket for the Meeting.

Forty-eight (48) hours in advance of each General Meeting a list of the persons entitled to vote, with mention of their eventual representatives and number of shares and each one's voting rights and the addresses of the shareholders and of their representatives must be displayed at a conspicuous place in the Company's premises.

Any objection against the list is raised, sub poena of non-acceptability, at the beginning of the meeting and before the Meeting begins deliberation on the agenda.

The General Meeting, before starting deliberation on the agenda, may permit participation in its meetings of shareholders or representatives of shareholders who have not deposited their shares or powers of attorney (authorisations) in time.

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Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

g. Rules of appointment and replacement of the members of the Board of Directors and amendment of the Company's Articles of Association if they differ from the provisions of Codified Law 2190/1920

According to articles 18 and 19 of the Company's Articles of Association:

1. The Board of Directors consists of nine (9) members, which are appointed by the General Meeting of shareholders.

The term of office of the Board of Directors is three (3) years and is automatically extended until the first ordinary General Meeting after expiry of their term of office that will appoint the new Board of Directors for the following three-year period, but cannot exceed four years.

The members of the Board of Directors whose term of office has expired may be elected again without any restriction and may be recalled freely.

In case of death, resignation or loss of membership for any reason of one or several members of the Board of Directors, the remaining members of the Board provided that they are at least three (3) appoint the replacements of the members of the Board of Directors who have died, resigned or lost their membership for the remaining of their term of office. This appointment of new members of the Board of Directors is submitted for approval to the first General Meeting that will follow. In case the General Meeting does not approve of the appointment, the validity of any action effected in the period from the appointment to the realisation of the General Meeting is not affected.

The Director appointed to replace another and approved by the General Meeting retains his capacity for the remaining term of office of the replaced person.

The Directors appoint among themselves the Chairman and the Vice Chairman of the Board.

In case the Chairman is absent or cannot exercise his functions, he is replaced by the Vice Chairman. The Vice Chairman is replaced in the same cases by another member of the Board of Directors who is appointed during the meeting of the Board of Directors in view of its formation into a body. The capacity of Managing Director may coincide with that of another officer of the Board of Directors and in particular with the capacity of the Chairman of the Board of Directors.

The meeting of the Board of Directors in view of its formation into a body is effected within 8 days from its election by the General Meeting. During the meeting the Chairman, the Vice Chairman and the Managing Director of the Company are elected.

The Chairman, Vice-Chairman and Managing Director may be re-elected without any restriction.

2. According to article 9 of the Company's Articles of Association the General Meeting is the sole responsible to decide on amendment of the Articles of Association. In particular, regarding the resolutions of the General Assembly and the amendments of the Company's Articles of Association, for which, according to C.L. 2190/1920 simple quorum is required, the Articles of Association defines that the General Meeting is at quorum and meets validly on the agenda when shareholders representing at more than third (1/3) of the paid up share capital are present or represented thereat, deviating from C.L. 2190/1920, which states that for simple quorum shareholders representing a fifth (1/5) of the paid up share capital need to be present or represented. All the other rules concerning the amendment of the Articles of Association are no different to those set by C.L. 2190/1920.



h. Jurisdiction of the Board of Directors for the issuance of new shares/share buybacks according to article 16 of Codified Law 2190/1920

With regards to the current Stock Option Plan that is mentioned in paragraph h.3. of Section E, it is noted that the total number of the Company's shares, which may be acquired under this Plan or under any other ongoing plan, cannot exceed 5% of the Company's share capital on a five-year period on a rotation basis, and, in any case, the maximum number of shares, which may be issued if the participants exercise their options, cannot exceed 10% of the number of shares existing at the time of the approval of the Plan.

i. Significant agreements of the Company that are become valid /are amended/expire in case of a change in the Company's control following a Public Tender Offer

With regards to the significant agreements that are mentioned in paragraph (i) of Section E, the following clarifications should be noted:

i.1. The agreement between COSMOTE and the Japanese mobile telecommunications company NTT DoCoMo

The agreement between COSMOTE and the Japanese mobile communications service provider, NTT DoCoMo, which expires on 31/12/2010 (automatically renewed for a further period of one (1) year for five additional years, unless otherwise notified by either of the parties to the other party in writing at least six (6) months prior to the expiration of the agreement or any extension thereof), by virtue of which COSMOTE and its subsidiaries provide the mobile Internet i-mode services, provides that in case of a change of either party's (COSMOTE or NTT DoCoMo) control occurs, COSMOTE and NTT DoCoMo shall discuss the treatment of the agreement resulting from such party's change of control and if the parties cannot reach an agreement as to how this agreement shall be treated within sixty (60) days from the commencement date of the discussion period, this agreement shall be automatically terminated on the expiration date of such discussion period.

It is noted that for the purposes of the abovementioned agreement, a change of control regarding a party occurs whereby any person other than the shareholders, directors, or officers of such party who is considered by the other party to be its competitor, becomes the beneficial owner, directly or indirectly, of the shares of such party representing more than fifty percent (50%) of the combined voting power of such party's then outstanding shares.

In case of termination of this cooperation, COSMOTE and its subsidiaries will cease using i-mode brand and NTT DoCoMo's relevant know-how and will focus to the further development of their existing portals for providing mobile Internet.

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Board of Directors' Report on the Standalone and Consolidated Financial Statements and Explanatory Report

i.2. The 10% participation of MICROSTAR Ltd in the share capital of COSMOTE's subsidiary holding company COSMOHOLDING CYPRUS Ltd

In case of a change in control of COSMOTE or OTE (under the relevant agreements consists in the reduction of the Greek State's shareholding in OTE S.A. to a percentage of below 20% of OTE's paid in share capital) MICROSTAR Ltd, an 100% controlled entity by Mr. Panos Germanos, which having invested EURO 144,545,952 participates by 10% in COSMOTE's subsidiary holding company COSMOHOLDING CYPRUS Ltd (shareholder of above 99% of the paid in share capital of GERMANOS S.A. and sole owner of the limited liability company Mobilbeep Ltd) has the right to demand from COSMOHOLDING CYPRUS Ltd or from any other entity suggested by COSMOTE the early redemption of the shares that MICROSTAR Ltd owns in COSMOHOLDING CYPRUS Ltd. Taking into consideration that MICROSTAR's participation in COSMOHOLDING CYPRUS is of limited duration until 31/12/2009 (unless it is requested by the controlling shareholder extension of the participation for two additional years, that is until 31/12/2011), for the aforementioned purpose, early redemption is considered the redemption that might take place before the expiration of the duration described above.

The right of early redemption shall be exercised in writing within 10 working days from MICROSTAR's notification to COSMOTE of the above described event and its exercise shall be irrevocable and binding. The acquisition of the shares shall take place within 60 days from the date of exercising the right of early redemption, in a price that will depend on the achievement of certain business objectives until the date of early redemption.

In case of early redemption of the above mentioned shares, Mr. Panos Germanos ceases to participate in the Board of Directors of COSMOHOLDING CYPRUS Ltd and GERMANOS S.A.



i.3. The two bonds issues of EURO 900 million and EURO 600 million that were issued by COSMOTE on 21/11/2006

On 21/11/2006 COSMOTE issued two bonds of EURO 600 million and EURO 900 million expiring on 20/11/2009 and 19/05/2016 respectively, which were fully subscribed by OTE's 100% subsidiary, OTE plc.

These bonds include a clause for change of control in accordance with the bonds issued by OTE plc for equivalent amounts in November 2006, under the Program of Issuance of Medium to Long Term Bonds.

In particular, the clause refers to the legal entity of OTE S.A. and is coming to effect whenever any person or group of persons (with the exception of the Greek State) acquires directly or indirectly above 50% of OTE's share capital or voting rights and as a consequence thereof, OTE's investment grade falls below BB+/Ba1 or their equivalent (non Investment grade) within a certain deadline and under specific conditions.

According to the clauses of the bonds, in case OTE change of control clause is activated, OTE plc or any other bond holding related company to OTE plc, shall have the right to demand the early redemption of the notes. This right must be exercised within a period of 46 days from the written notification of the change of control and the downgrading, provided and to the extent that one or more bondholders of OTE plc have exercised their similar right and demanded the early redemption of the above Notes.

In such an occurrence COSMOTE will have to repay the above described bonds within 2 working days from the expiration of the above period without any additional costs to COSMOTE.

Maroussi, February 22, 2007

For the Board of Directors

Chairman of the BOD

Panagis Vourloumis

Managing Director

Evangelos Martigopoulos



4th CHAPTER

Independent Auditor's Report

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
COSMOTE MOBILE TELECOMMUNICATIONS S.A.

Report on the Financial Statements

We have audited the accompanying Stand Alone and Consolidated Financial Statements (the "Financial Statements") of COSMOTE MOBILE TELECOMMUNICATIONS S.A. (the "Company"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, as they have been adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are based on International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as they have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Director's Report is consistent with the accompanying Financial Statements.

Athens, 22 February 2007

KPMG Kyriacou Certified Auditors S.A.

Michael Kokkinos

Certified Auditor Accountant

A.M. SOEL 12701



5th CHAPTER

Annual Report of the Board
of Directors on Inter-Company
Transactions

5 Annual Report of the Board of Directors on Inter-Company Transactions

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF COSMOTE MOBILE TELECOMMUNICATIONS S.A. ON INTERCOMPANY TRANSACTIONS

Capital Investments

The Company participates in the Share Capital of COSMO-MEGALA KATASTIMATA S.A. (40%), COSMO-ONE HELLAS MARKET SITE S.A. (COSMO-ONE) (30.87%), COSMO-HOLDING ALBANIA (97%) - which holds 85% of the share capital of Albanian Mobile Communications Sh. A. (AMC), COSMOBULGARIA MOBILE EAD (GLOBUL) (100%), OTE MTS HOLDING BV (MTS) (100%) - which holds 100% of the share capital of COSMOFON Mobile Telecommunications Services AD - Skopje (COSMOFON), and COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. (COSMOTE ROMANIA) (70%).

During 2006, COSMOTE founded COSMOHOLDING CYPRUS Ltd. (COSMOHOLDING), a special purpose entity and a 100% subsidiary of COSMOTE S.A., in order to acquire all shares of "GERMANOS INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC TELECOMMUNICATION MATERIAL AND SUPPLY OF TELECOMMUNICATION SERVICES S.A." (GERMANOS S.A.) and MOBILBEEEP TELECOMMUNICATIONS LIMITED LIABILITY COMPANY (MOBILBEEEP). At 31/12/06, COSMOHOLDING owned approximately 99.03% of GERMANOS S.A., following a block purchase transaction, market purchases and the submission of a mandatory Public Tender Offer, (and at 14/02/07, approximately 99.35%), and 100% of MOBILBEEEP.

On 15/01/07, Mr. Panos Germanos acquired 10% of COSMOHOLDING, through MICROSTAR Ltd., a Cypriot investment company he controls by 100%. The transaction was completed as described by the relevant announcements already made by COSMOTE. All relevant information is included in the issued Information Circular regarding the mandatory public tender offer that COSMOHOLDING (paragraph 5.10.2), submitted and completed for the acquisition of the remaining GERMANOS S.A.'s shares.

The income from investments for 2006 amounts to € 4.4 million from GERMANOS S.A. and € 0.3 million from COSMO-MEGALA KATASTIMATA S.A.

During 2006 COSMOTE paid dividend amounting to € 145 million to OTE S.A.

Table 4 includes in detail the acquisition costs of the abovementioned investments.

Loans

During 2006, COSMOTE issued four bond loans amounting to a total of € 2,160 million, which have been fully subscribed by, OTE S.A.'s subsidiary, OTE plc. The repayment of the two bond loans, amounting to € 789 million, which were subscribed by OTE plc in 2005, is continued.

In November 2005, COSMOTE and its subsidiary AMC signed an agreement for the granting of a loan to COSMOTE for an amount of up to € 50 million, in order to finance the Company's working capital requirements. Up until 31/12/2006, COSMOTE had received the amount of € 49.7 million.

During 2006 COSMOTE granted COSMOTE ROMANIA a short term loan for an amount of € 30 million (which was repaid in full during 2006) and a long term loan for an amount of € 160 million. Moreover, during 2006 COSMOTE granted MTS a short term loan for an amount of € 150 thousand and GLOBUL a short term loan for an amount of € 20 million.

An analysis of intercompany loans is provided in Table 5.



Intercompany Transaction Analysis

Table 1, presented at the end of this report, includes all the related companies with which transactions occurred during the year ended 31/12/2006. Table 2 presents all related companies with which no transactions occurred during 2006. Finally, Table 3 presents the companies in which OTE S.A. holds less than 20% of their share capital.

A detailed analysis of Intercompany Transactions for the period 1 January to 31 December 2006 (type, related company, annual amount) is presented in Table 6.

Transactions from related companies

Total intercompany expenses, including capital and operational, came up to approximately € 232.9 million during 2006.

A total of € 146 million, which represents 63% of total intercompany expenses, relate to transactions with OTE S.A. Following an analytical review we concluded that from the total expenses to OTE S.A.:

- a percentage of 53.2% comprise commissions for the sale of COSMOTE products and for the collection of bills,
- 17.2% (€ 25.2 million) are expenses charged by OTE for interconnection services which are offset by € 121.6 million charged by COSMOTE for the corresponding services,
- 15% concern leased lines expenses,
- 6.5% represent payments, relating to bill shipment expenses incurred by OTE
- 3.2% represent payroll expenses for personnel secondments,
- 2.5% are expenses in respect to Base Stations (maintenance, rents, electric power),
- 1.1% represent expenses regarding printing and shipment of COSMOTE subscribers' bills.

Analysing expenses regarding other related companies, 11.6% of total expenses represent commissions paid to GERMANOS S.A. (€ 26.4 million commissions and € 0.4 million bill collection commission), and 2.8% concern OTE Estate rents. Finally, 0.7% of total expenses represent interconnection expenses to AMC.

Transactions to related companies

Revenue from intercompany transactions, for the year 2006 was approximately € 195.8 million.

Out of the total revenue, € 138.6 million (70.8%) came from OTE S.A. Following an analytical review we concluded that from the total revenues from OTE S.A.:

- a percentage of 87.7% represents interconnection revenue,
- 8.5% (€ 11.8 million) regards revenue from the sale of vouchers,
- 2% concerns revenue from the sale of goods,
- 1.3% represent revenue from the sale of SIM cards,
- 0.1% represent revenue from portability,
- 0.1% concerns revenue from employee payroll.

From the total intercompany revenue, 14.3% represents vouchers' sales to GERMANOS S.A., while 6% represents management fee collected from COSMOTE's subsidiaries AMC (€ 3.1 million), GLOBUL (€ 2.1 million), COSMOFON (€ 1.5 million) and COSMOTE ROMANIA (€ 5.1 million). Finally, 2.7% out of the total intercompany revenue represents sales of goods to GERMANOS S.A., while 1.4% comes from collections of loan interest from COSMOTE ROMANIA.

5 Annual Report of the Board of Directors on Inter-Company Transactions

Open Balances

An analysis of the related companies' open balances at year end 31/12/2006, both as accounts receivables and payables, is provided in Table 7. Regarding accounts receivable, the highest balances relate to OTE S.A. (€ 33.9 million), to GLOBUL (€ 23.4 million), to COSMOTE ROMANIA (€ 11.3 million), to COSMOFON (€ 7.9 million), and to GERMANOS S.A. (€ 6.7 million). Regarding accounts payable, the highest balances relate to OTE S.A. (€ 37.8 million), OTE plc (€ 23.3 million), and to GERMANOS S.A. (€ 29.8 million). Finally, as far as loan obligations are concerned the highest open balances relate to OTE plc (€ 2,949 million) and AMC (€ 49.7 million).

TABLE 1
COSMOTE Related Companies with which transactions occurred
during the year ended 31/12/2006

1.	OTE S.A.
2.	GERMANOS S.A.
3.	OTE ESTATE
4.	MARITEL/ OTESAT
5.	OTENET
6.	OTE GLOBE
7.	OTE INTERNATIONAL INVESTMENTS
8.	HELLAS COM
9.	COSMO-ONE
10.	AMC
11.	INFOTE
12.	COSMO-HOLDING ALBANIA
13.	COSMO-MEGALA KATASTIMATA S.A.
14.	OTEPLUS
15.	MTS
16.	OTE ACADEMY
17.	COSMOFON
18.	COSMOTE ROMANIA
19.	GLOBUL
20.	TELECOM SERBIA
21.	OTE plc
22.	E-VALUE
23.	SABAFON YEMEN
24.	VOICENET
25.	SYSTMATA SUNLIGHT

Note:

Although transactions with Armentel occurred during 2006, the company is not included in the above table, since on 16/11/2006 the company's percentage previously held by OTE S.A. was sold.

SYSTMATA SUNLIGHT, in which Mr. P. Germanos and his wife E. Kopola hold an interest, is mentioned above as a related company due to the fact that Mr. Germanos is the President of GERMANOS S.A.'s BoD.



TABLE 2
COSMOTE Related Companies with which no transactions occurred
during the year ended 31/12/2006

1.	OTENET CYPRUS LTD
2.	HELLAS - SAT CONSORTIUM LTD
3.	HELLAS - SAT S.A.
4.	EOS
5.	TEMAGON BULGARIA EAD
6.	TEMAGON ROMANIA SRL
7.	DIERGASIA S.A.
8.	OTE ASFALISTIKIS PRAKTOREYSIS
9.	COSMOHOLDING CYPRUS
10.	ROMTELECOM
11.	CABLE VISION ROMANIA
12.	CONSORTIUM HELLASCOM - ARGOTEL
13.	DONBASS TELECOM
14.	HELLASCOM ROMANIA SRL
15.	SCORTEL - FMS LTD
16.	MONTECARD LTD
17.	CGC's TELECOM
18.	SUNLIGHT ROMANIA SRL. FILIALA
19.	TELECARD BOSNIA
20.	TRANSJORDAN COMMUN. SERVICES
21.	LOFOS PALLINI
22.	ELLTEKA S.A.
23.	EDEKT - OTE S.A.
24.	MULTICOM A.E.
25.	HATWAVE LTD
26.	UKRANIAN WAVE
27.	MOBILBEEEP LTD
28.	IOANNIS TSAPARAS & PARTNERS LTD
29.	GEORGIOS PROKOPIS & PARTNERS LTD
30.	GERMANOS TELECOM ROMANIA S.A.
31.	GERMANOS TELECOM BULGARIA AD
32.	GERMANOS TELECOM S.A. - SKOPJE
33.	GRIG. MAVROMICHALIS & PARTNERS LTD
34.	ALBATROS MOBILE TELECOMS

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Annual Report of the Board of Directors on Inter-Company Transactions

TABLE 3
Companies in which OTE S.A. holds less than 20% of their share capital

1.	OTENET TELECOM LTD	7%
2.	OETA PANKRITIOS TRAPEZA	€4,220
3.	EN DRASI Consortium	€300
4.	PUBLIC PAYPHONE COMPANY YEMEN	
5.	INA S.A.	
6.	NEW ICO GLOBAL COMMUN.	0.12%
7.	PARKO AKROPOLIS	0.21%
8.	TECHNOPOLIS SALONICA	6,420 shares

Note: Tables 1, 2 and 3 were prepared based on data received from OTE S.A and GERMANOS S.A. (regarding their characterization as related companies).

TABLE 4
A) Investments (cost value) in the share capital of related companies (euro)

Company	Investment 2005	Investment 2006	Increase	% Investment
COSMO-ONE	3,151,682	3,151,682	-	30.80%
COSMO MEGALA KATASTIMATA S.A.	234,800	234,800	-	40%
COSMO-HOLDING ALBANIA	91,671,790	91,671,790	-	97%
COSMOTE ROMANIA	121,833,618	121,833,618	-	70%
GLOBUL	402,282,423	402,282,423	-	100%
MTS	91,232,847	91,232,847	-	100%
COSMOHOLDING CYPRUS	0	1,568,982,000	1,568,982,000	100%
Total	710,407,160	2,279,389,160	1,568,982,000	

Note: Acquisition expenses are included.

Moreover, as of 15/01/2007, investment in COSMOHOLDING decreased to 90%, due to the sale of 10% to MICROSTAR Ltd.

B) Dividend from related companies (euro)

Company	31/12/2006
COSMO MEGALA KATASTIMATA S.A.	367,604
GERMANOS S.A.	4,403,204

C) Dividend to related companies (euro)

Company	31/12/2006
OTE S.A.	145,321,991



TABLE 5
Loans from related companies ('000 euros)

OTE plc			
Loan	Loan Date	Maturity Date	Amount 31/12/2006
BOND	13/07/2005	06/02/2007	289,000
BOND	06/09/2005	02/09/2010	500,000
BOND	06/11/2006	09/11/2011	500,000
BOND	21/11/2006	20/11/2009	600,000
BOND	21/11/2006	19/05/2016	900,000
BOND	16/06/2006	06/02/2007	160,000
ISSUE COST			-6,530
FACE VALUE & REIMBURSEMENT VALUE DIFFERENCE			-20,993
TOTAL			2,921,477

AMC			
Loan	Loan Date	Maturity Date	Amount 31/12/2006
LONG TERM	30/11/2005	30/11/2012	40,000
LONG TERM	16/12/2005	16/12/2012	9,700
TOTAL			49,700

Loans to related companies ('000 euros)

COSMOTE ROMANIA			
Loan	Loan Date	Maturity Date	Amount 31/12/2006
LONG TERM	09/08/2006	07/02/2011	160,000
TOTAL			160,000

MTS			
Loan	Loan Date	Maturity Date	Amount 31/12/2006
SHORT TERM	08/09/2006	31/12/2007	150
TOTAL			150

GLOBUL			
Loan	Loan Date	Maturity Date	Amount 31/12/2006
SHORT TERM	10/10/2006	10/10/2007	20,000
TOTAL			20,000

TABLE 6

Table of Intercompany Transactions	OTES.A.	GERMANOS S.A.	OTE ESTATE	MARTEL-OTEA7	OTENET	OTE Globe Investments	OTE PLUS	VOICENET	OTE ACADEMY	OTEPIK	HELLAS COM	TELECOM SERBIA	E-VALUE	COSMO-ONE	INFOTE	COSMO HOLDING ALBANIA	COSMO MEGALA KATASTIMATA AEE	GLOBUL	SYSTIMATA SUNLIGHT	SABAFON	COSMOTE ROMANIA	MIS	AMC	COSMOPON	TOTAL
COMMISSIONS	73,607,206.55	26,407,192.58		92,312.65																					100,106,711.78
BILL COLLECTION																									
COMMISSION	4,201,265.74	453,521.56											151,425.67												4,806,212.97
PAYROLL	4,682,837.31																								4,682,837.31
BASE STATION																									
RENTAL EXPENSE	188,029.69	6,593,211.96												4,185.74											6,785,427.39
OFFICE RENTAL EXPENSE																									0.00
STAMPING EXPENSES	9,608,446.86																								9,608,446.86
POSTAGE																									0.00
CUSTOMER	1,692,196.31																								1,692,196.31
ENVELOPES	22,090,180.39																								22,090,180.39
LEASED LINES						592,518.58																			592,518.58
SIGNALING & LEASED LINES FEES																									0.00
TELEPHONE																									0.00
BASE STATION	2,932,471.40																								2,932,471.40
ELECTRICITY																									0.00
INTERCONNECTION						52,800.00																			52,800.00
CHARGE	25,205,781.89											247,237.52						524,076.47							25,205,781.89
TEAM ROAMING																									0.00
FURNITURE																									0.00
MAINTENANCE	517,031.64													7,440.30											517,031.64
NETWORK MAINTENANCE																									0.00
LEAFLETS																									0.00
SUBSCRIPTION- LICENSE FEES						620,881.84																			620,881.84
INTEREST										44,363,651.43															44,363,651.43
FIXED ASSETS																									0.00
ACQUISITIONS		9,223.00																							9,223.00
IM-ODE SERVICES FEE						67,235.97																			67,235.97
ADVERTISING EXPENSES						71,852.62																			71,852.62
HOSPITALITY EXPENSES																									0.00
DATA PROVISION FEE																									0.00
OTHER THIRD PARTY FEES																									0.00
PURCHASE OF GOODS		146,700.00																							146,700.00
CONSORTIUM EXPENSES																									0.00
ROAMING																									0.00
OTHER EXPENSES	1,306,877.76								18,437.29																1,306,877.76
TOTAL EXPENSES	146,032,325.54	27,016,637.14	6,593,211.96	92,312.65	950,277.68	645,318.58	0.00	0.00	18,437.29	44,363,651.43	0.00	247,237.52	151,425.67	11,626.04	129,671.88	0.00	371,757.72	524,076.47	2,141,301.95	10,919.47	152,329.89	0.00	3,584,151.38	191,434.12	232,893,522.38
SALES OF GOODS	2,818,380.86	5,439,315.26																	2,141,301.95						2,818,380.86
VOUCHERS SALES	11,881,925.02	28,111,337.00				251.23	134.08		1,205.69					22.94	8,882.51			1,016,885.00							11,881,925.02
SIM CARDS SALES	1,824,827.92																								1,824,827.92
INTERCONNECTION																									0.00
REVENUE	121,676,772.58					383,666.67		487,441.48																	121,676,772.58
MANAGEMENT FEE																									0.00
PAYROLL	184,333.74																								184,333.74
RENTAL INCOME						591,156.10																			591,156.10
NEWS/BSR																									0.00
DEACTIVATION CHARGE																									0.00
ADVERTISING INCOME																									0.00
LEASED LINES																									0.00
PORTABILITY	212,429.21																								212,429.21
ROAMING (NON-EU)																									0.00
ROAMING (EU)																									0.00
LOAN INTEREST																									0.00
OTHER INCOME	1,477.20	2,310.00				539,476.98																			1,477.20
TOTAL INCOME	138,600,146.03	35,550,652.26	2,310.00	108,958.90	705,656.05	443,074.00	9,992.72	264,602.49	1,205.69	0.00	205,156.53	416,378.43	0.00	102,583.47	8,882.51	4,235.09	0.00	3,810,524.64	0.00	500.00	8,183,970.83	2,017.13	5,699,477.87	3,103,677.90	195,770,583.61
TOTAL INCOME	138,600,146.03	35,550,652.26	2,310.00	108,958.90	705,656.05	443,074.00	9,992.72	264,602.49	1,205.69	0.00	205,156.53	416,378.43	0.00	102,583.47	8,882.51	4,235.09	0.00	3,810,524.64	0.00	500.00	8,183,970.83	2,017.13	5,699,477.87	3,103,677.90	195,770,583.61
(INCOME - EXPENSES)	-7,432,178.91	6,534,015.12	-6,590,901.96	16,646.25	-244,419.03	-202,244.58	9,992.72	264,602.49	-17,231.00	-44,363,651.43	205,156.53	169,140.91	-151,425.67	90,957.43	-120,789.37	4,235.09	-371,757.72	3,286,448.17	-2,141,301.95	-104,194.47	8,031,640.94	2,017.13	2,115,326.48	2,912,443.78	-37,122,938.76

Notes:

The transaction amounts presented above were received from COSMOTE's Accounting Department. Armentel is not included in the above table, since on 16/11/06 the company's 90% share capital previously held by OTE was sold.



TABLE 7
Balances of related companies 31/12/2006 ('000 euros)

Company	Accounts Receivable	Accounts Payable	Loan obligations	Net Amount (Without Loan obligations)
AMC	5,622	-1,859	-49,700	3,763
GERMANOS S.A.	6,781	-29,896		-23,115
GLOBUL	23,445	-91		23,354
MTS (COSMOFON)	7,953	-40		7,913
COSMO-HOLDING ALBANIA	637	0		637
COSMO-ONE	1	-26		-25
COSMOTE ROMANIA	11,340	0		11,340
INFOTE	13	-111		-98
OTE ESTATE	2	-191		-189
OTE INTERNATIONAL	1	0		1
OTENET	21	-318		-297
OTEPLUS (TELEGLOBE)	4	0		4
OTESAT	39	0		39
TELECOM SERBIA	76	-93		-17
VOICENET	134	0		134
OTE S.A.	33,993	-37,896		-3,903
OTE GLOBE	42	-130		-88
OTE plc	0	-23,374	-2,949,000	-23,374
E-VALUE	0	-30		-30
SYSTMATA SUNLIGHT	0	-1,925		-1,925
TOTAL	90,104	-95,980	-2,998,700	-5,876

Note: GLOBUL and MTS (COSMOFON) amounts include € 20 million and € 150 thousand respectively, which relate to short term loan receivables.



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CHAPTER

Information of Article 10

Law 3401/2005

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Information of Article 10 Law 3401/2005

The table below incorporates by reference the information of Article 10 Law 3401/2005 regarding the Company, its shares and the securities market, which information the Company has published and made available to the public during year 2006 in compliance with its obligations under Community and national legislation.

Date	Type of information	Location on the company's website
Invitations and Decisions of General Shareholders' Meetings		
28/02/2007	Decisions of the Extraordinary General Meeting of 28/02/07	Services/ General Meetings www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
26/01/2007	Invitation to an Extraordinary General Meeting.	Services/ General Meetings www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
09/06/2006	Decisions of the 9th Ordinary General Meeting.	Services/ General Meetings www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
12/05/2006	Invitation to the 9th Ordinary General Meeting.	Services/ General Meetings www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
27/01/2006	Decisions of the Extraordinary General Meeting of 27/01/06.	Services/ General Meetings www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
22/12/2005	Invitation to an Extraordinary General Meeting.	www.cosmote.gr/Investor Relations /Shareholders' Services/ General Meetings
Dividends		
23/02/2007	Proposed dividend distribution for the fiscal year 2006, ex dividend date and commence of payment date.	www.cosmote.gr/Investor Relations /Announcements
09/06/2006	Announcement for the dividend payment for the fiscal year 2005.	www.cosmote.gr/Investor Relations /Shareholders' Services/Dividends
08/06/2006	COSMOTE will recommend to the 9th Annual General Shareholders' Meeting, which will be convened on June 8th, 2006 the fiscal year 2005 dividend distribution of a total amount of euro 216,897,271.5 (€ 0.65 per share).	www.cosmote.gr/Investor Relations/Announcements
07/03/2006	Proposed dividend distribution for the fiscal year 2005, ex dividend date and commence of payment date.	www.cosmote.gr/Investor Relations /Announcements
Corporate Actions		
	Share Capital Evolution.	www.cosmote.gr/Investor Relations /Shareholders' Services/ Share Capital Evolution
30/01/2007	Commencement of trading of new shares issued after exercise of stock options.	www.cosmote.gr/Investor Relations/Announcements



Date	Type of information	Location on the company's website
22/12/2006	Share Capital Increase.	www.cosmote.gr/Investor Relations/Announcements
27/01/2006	Commencement of trading of new shares issued after exercise of stock options.	www.cosmote.gr/Investor Relations/Announcements
Information Memoranda - Documents for the Provision of Information		
18/01/2007	Documents for the provision of information under L. 3401/2005 (Regarding the Stock Option Plan).	www.cosmote.gr/Investor Relations/Other Information/Information Memoranda
21/11/2006		
22/11/2006	Information Circular regarding a public tender offer by "COSMOHOLDING CYPRUS LIMITED".	www.cosmote.gr/Investor Relations/Other Information/Information Memoranda
24/03/2006	Information Memorandum article 10 law 3401/2005 - March 2006.	www.cosmote.gr/Investor Relations/Other Information/Information Memoranda
19/01/2006	Documents for the provision of information under L. 3401/2005 (Regarding the Stock Option Plan).	www.cosmote.gr/Investor Relations/Other Information/Information Memoranda
28/11/2005		
Insiders' Transactions according to L3340/2005.		www.cosmote.gr/Investor Relations/Other Information/Insiders' Transactions
Other Announcements published on ASE's Daily Official List.		www.cosmote.gr/Investor Relations/Other Information/Announcements to ASE and HCMC
Announcements		
09/03/2007	Hellenic Capital Market Commission approves the request for the squeeze-out of the remaining shares of GERMANOS S.A. by COSMOTE's subsidiary, COSMOHOLDING CYPRUS.	www.cosmote.gr/Investor Relations/Announcements
23/02/2007	Submission of request for the squeeze-out of the remaining shares of GERMANOS S.A. by COSMOTE's subsidiary, COSMOHOLDING CYPRUS.	www.cosmote.gr/Investor Relations/Announcements
23/02/2007	Schedule of Intended Company Actions.	www.cosmote.gr/Investor Relations/Investor Calendar
07/02/2007	Loan agreements between COSMOTE S.A. and COSMOTE ROMANIA.	www.cosmote.gr/Investor Relations/Announcements
16/01/2007	On Monday 15 January 2007, Mr. Panos Germanos, acquired a 10% participation in the share capital of COSMOTE's subsidiary COSMOHOLDING CYPRUS Ltd.	www.cosmote.gr/Investor Relations/Announcements
11/01/2007	COSMOTE subsidiary COSMOHOLDING CYPRUS LIMITED files request for GERMANOS' shareholders EGM to decide on GERMANOS S.A. delisting from the Athens Exchange.	www.cosmote.gr/Investor Relations/Announcements

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Information of Article 10 Law 3401/2005

Date	Type of information	Location on the company's website
27/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Friday 22 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired 23,778,130 common shares of GERMANOS S.A. at the price of € 19 per share.	www.cosmote.gr/Investor Relations/Announcements
22/12/2006	Announcement regarding the results of the mandatory public tender offer of «COSMOHOLDING CYPRUS LIMITED» for the purchase of common registered shares of "GERMANOS INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC TELECOMMUNICATION MATERIAL AND SUPPLY OF TELECOMMUNICATION SERVICES S.A."	www.cosmote.gr/Investor Relations/Announcements
22/12/2006	COSMOTE's subsidiary successfully completes the Tender Offer for the acquisition of GERMANOS' shares.	www.cosmote.gr/Investor Relations/Announcements
21/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
21/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Wednesday 21 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 39,631 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
20/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
20/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Wednesday 20 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 71,488 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
19/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
19/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Tuesday 19 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 96,110 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements



Date	Type of information	Location on the company's website
18/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
18/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Monday 18 December 2006 its 100% subsidiary COSMOHOLDINGCYPRUS LTD acquired, through stock exchange transactions, 71,065 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
15/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
15/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Friday 15 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 344,396 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
14/12/2006	COSMOTE ROMANIA customers exceed 1 million in only one year of operations.	www.cosmote.gr/Investor Relations/Announcements
14/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
14/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Thursday 14 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 122,111 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
13/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
13/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Wednesday 13 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 257,328 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements

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Information of Article 10 Law 3401/2005

Date	Type of information	Location on the company's website
12/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
12/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Tuesday 12 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 57,644 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
11/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
11/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Monday 11 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 53,965 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
08/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
08/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Friday 8 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 33,582 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
07/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
07/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Thursday 7 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 330,066 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
06/12/2006	1 year of successful operations for COSMOTE ROMANIA.	www.cosmote.gr/Investor Relations/Announcements
06/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements



Date	Type of information	Location on the company's website
06/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Wednesday 6 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 50,095 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
05/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
05/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Tuesday 5 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 147,300 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
04/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
04/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Monday 4 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 136,469 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
01/12/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
01/12/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Friday 1 December 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 249,992 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
30/11/2006	COSMOTE further cuts the cost of terminating calls to COSMOTE network. Consumers to benefit from 11% average reduction in charges.	www.cosmote.gr/Investor Relations/Announcements
30/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements

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Information of Article 10 Law 3401/2005

Date	Type of information	Location on the company's website
30/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Thursday 30 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 986,328 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
29/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
29/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Wednesday 29 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 925,360 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
28/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
28/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Tuesday 28 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 155,936 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
27/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
27/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Monday 27 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 791,540 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
24/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Friday 24 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 2,140,741 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
24/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements



Date	Type of information	Location on the company's website
23/11/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that on Thursday 23 November 2006 its 100% subsidiary COSMOHOLDING CYPRUS LTD acquired, through stock exchange transactions, 15,662,341 common registered shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
23/11/2006	Notification to the Hellenic Capital Market Commission and the Athens Exchange pursuant to paragraph 2 (a) and (b) of article 24 of L.3461/2006.	www.cosmote.gr/Investor Relations/Announcements
22/11/2006	Announcement regarding the approval of the information circular and the setting of the acceptance period for the mandatory public tender offer by «COSMOHOLDING CYPRUS LIMITED» for the purchase of common registered shares of "GERMANOS INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC TELECOMMUNICATION MATERIAL AND SUPPLY OF TELECOMMUNICATION SERVICES S.A.".	www.cosmote.gr/Investor Relations/Announcements
22/11/2006	Approval by the Hellenic Capital Markets Commission of the Information Circular for the mandatory public tender offer for the acquisition of GERMANOS' shares by COSMOTE's subsidiary, COSMOHOLDING CYPRUS.	www.cosmote.gr/Investor Relations/Announcements
21/11/2006	Approval of the issuance, within November 2006, of two inter-company bonds.	www.cosmote.gr/Investor Relations/Announcements
13/11/2006	Financial targets for the Group for the next three years.	www.cosmote.gr/Investor Relations/Announcements
06/11/2006	Approval of the issuance of a 5-year bond of a face value of €500m that will be fully undertaken by OTE's subsidiary OTE plc.	www.cosmote.gr/Investor Relations/Announcements
20/10/2006	Announcement of a mandatory public tender offer of "COSMOHOLDING CYPRUS LIMITED" for the purchase of common registered shares of "GERMANOS INDUSTRIAL AND COMMERCIAL COMPANY OF ELECTRONIC TELECOMMUNICATION MATERIAL AND SUPPLY OF TELECOMMUNICATION SERVICES S.A." in accordance with article 10§2 of law 3461/2006.	www.cosmote.gr/Investor Relations/Announcements
20/10/2006	Announcement of a mandatory public tender offer for the acquisition of GERMANOS' shares by COSMOTE's subsidiary, COSMOHOLDING CYPRUS.	www.cosmote.gr/Investor Relations/Announcements
13/10/2006	The Romanian General Inspectorate for Communications and Information Technology (IGCTI) announced today the result of the selection process for the award of two 3G licenses in Romania.	www.cosmote.gr/Investor Relations/Announcements

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Information of Article 10 Law 3401/2005

Date	Type of information	Location on the company's website
02/10/2006	COSMOTE's 100% subsidiary COSMOHOLDING CYPRUS Ltd., acquired today a 42% stake of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
18/09/2006	GLOBUL launches i-mode® in Bulgaria.	www.cosmote.gr/Investor Relations/Announcements
01/09/2006	The Romanian Competition Council has unconditionally approved the acquisition of a controlling stake in GERMANOS S.A. regarding its subsidiaries in Romania, by COSMOTE.	www.cosmote.gr/Investor Relations/Announcements
17/08/2006	COSMOTE received the approval of the National Telecommunications and Post Commission (EETT) for the acquisition of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
04/08/2006	COSMOTE has signed the agreements for the bridge financing of the acquisition of GERMANOS S.A., up to 1.5 billion Euro.	www.cosmote.gr/Investor Relations/Announcements
31/07/2006	Unconditional approval from the Bulgarian and Former Yugoslavian Republic of Macedonia competition authorities, to proceed to the acquisition of control of GERMANOS S.A. regarding its subsidiaries in the respective countries, namely GERMANOS TELECOM BULGARIA A.D. and GERMANOS TELECOM SKOPJE S.A.	www.cosmote.gr/Investor Relations/Announcements
28/07/2006	Loan Agreement between COSMOTE S.A. and COSMOTE ROMANIA.	www.cosmote.gr/Investor Relations/Announcements
27/06/2006	COSMOTE among the top information technology companies in the world according to BusinessWeek.	www.cosmote.gr/Investor Relations/Announcements
23/06/2006	GLOBUL, member of the COSMOTE Group, unveils new corporate logo.	www.cosmote.gr/Investor Relations/Announcements
15/06/2006	Approval of a short term bond loan of €160 million, which will be fully subscribed by OTE's subsidiary company OTE plc.	www.cosmote.gr/Investor Relations/Announcements
06/06/2007	COSMOTE leads mobile broadband with HSDPA technology.	www.cosmote.gr/Investor Relations/Announcements
24/05/2006	COSMOTE announces the issuance of a bond loan for the bridge financing of the acquisition of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
16/05/2006	Agreement for financing COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A.	www.cosmote.gr/Investor Relations/Announcements
10/05/2006	Following COSMOTE's announcement of 9.5.2006, regarding the agreement to acquire a strategic stake in GERMANOS S.A., COSMOTE - MOBILE TELECOMMUNICATIONS S.A. informs the investment public.	www.cosmote.gr/Investor Relations/Announcements



Date	Type of information	Location on the company's website
09/05/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that it acquired 6,500,000 common shares of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
09/05/2006	COSMOTE agrees to acquire strategic stake in GERMANOS S.A., the top mobile retailer in South East Europe.	www.cosmote.gr/Investor Relations/Announcements
05/05/2006	COSMOTE - MOBILE TELECOMMUNICATIONS S.A. announces that it is in exclusive negotiations with Mr. Panos Germanos, for the acquisition of a controlling shareholding stake of GERMANOS S.A.	www.cosmote.gr/Investor Relations/Announcements
19/04/2006	COSMOTE makes major cuts in its call termination charges to its network.	www.cosmote.gr/Investor Relations/Announcements
Financial Results		
22/02/2007	COSMOTE Group full year 2006 financial performance: Impressive growth across the board.	www.cosmote.gr/Investor Relations/Announcements
09/11/2006	COSMOTE Group 9 Month 2006 financial performance: Setting New records. COSMOTE Group's customer base has reached almost 10 million.	www.cosmote.gr/Investor Relations/Announcements
24/08/2006	COSMOTE Group first half 2006 Financial Results: Growth Dynamics with Strong Financial Performance.	www.cosmote.gr/Investor Relations/Announcements
23/05/2006	COSMOTE Group first quarter 2006 Financial Results: Growth in all markets.	www.cosmote.gr/Investor Relations/Announcements
Financial Statements		
02/03/2007	Condensed financial statements and information of the year from 1 January 2006 to 31 December 2006.	www.cosmote.gr/Investor Relations/Financial Results
02/03/2007	Full Year 2006 IFRS Report (Parent and Consolidated).	www.cosmote.gr/Investor Relations/Financial Results
09/11/2006	Condensed financial statements and information from 1 January 2006 to 30 September 2006.	www.cosmote.gr/Investor Relations/Financial Results
09/11/2006	Nine Months 2006 IFRS Report (Parent and Consolidated).	www.cosmote.gr/Investor Relations/Financial Results
24/08/2006	Condensed financial statements and information from 1 January 2006 to 30 June 2006.	www.cosmote.gr/Investor Relations/Financial Results
24/08/2006	H1 2006 IFRS Report (Parent and Consolidated).	www.cosmote.gr/Investor Relations/Financial Results
23/05/2006	Condensed financial statements and information from 1 January 2006 to 31 March 2006.	www.cosmote.gr/Investor Relations/Financial Results
23/05/2006	Q1 2006 IFRS Report (Parent and Consolidated).	www.cosmote.gr/Investor Relations/Financial Results



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CHAPTER

**Annual Financial Statements
of the Consolidated Subsidiaries**

7 Annual Financial Statements of the Consolidated Subsidiaries

The Financial Statements of the Company's subsidiaries that are included in the Consolidated Financial Statements, accompanied by their Audit Report and the Director's Report, are available at the website: <http://www.cosmote.gr>

