

**GERMANOS SA**



GROUP OF COMPANIES

**Interim Financial Statements  
for the six-month period from  
January 1st to June 30th 2005**

It is confirmed that the attached Interim Financial Statements are those approved by the Board of Directors of "GERMANOS S.A." on 27/09/2005 and have been published with their posting on the internet, at the web page [www.germanos.gr](http://www.germanos.gr). It is noted that the published in the press brief financial data, aim at providing general financial information but do not provide a complete depiction of the Company's and Group's economic status and financial results, according to the International Accounting Standards. Also, it is noted that in order to simplify, the published in the press brief financial data include certain compressions and re-classifications of accounts.

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

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## AUDITORS REPORT

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

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

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

Athens September 27, 2005

THE CERTIFIED AUDITORS

LYMPERIS ANAGNOS

R.N S.O.E.L

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## Income Statements

		GROUP		COMPANY	
		1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
<b>Sales</b>		<b>429.587.404</b>	<b>366.500.162</b>	<b>326.388.242</b>	<b>299.732.303</b>
Cost of goods sold	6.22	(339.713.502)	(289.609.629)	(254.213.962)	(235.056.520)
<b>Gross Profit</b>		<b>89.873.902</b>	<b>76.890.533</b>	<b>72.174.280</b>	<b>64.675.783</b>
Other operating income	6.24	7.434.425	7.327.457	2.618.113	2.586.269
Distribution expenses	6.23	(48.823.998)	(42.529.711)	(35.502.893)	(31.214.825)
Administrative expenses	6.23	(16.144.085)	(13.657.630)	(10.533.569)	(9.918.061)
Research & Development Expenses		0	0	0	0
Other operating expenses	6.24	(2.057.885)	(2.326.303)	(757.872)	(1.165.384)
<b>Results Before Taxes Financing and Investment Results</b>		<b>30.282.358</b>	<b>25.704.346</b>	<b>27.998.058</b>	<b>24.963.783</b>
Financial Income	6.24	180.177	109.601	147.429	78.187
Financial Expenses	6.25	(3.679.659)	(3.412.071)	(2.767.394)	(2.423.996)
Other Financial Results	6.26	838.866	3.036.606	8.526.223	7.870.892
Earning from Acquisition of Company		0	0	0	0
Gains/Losses from associate companies	6.4	5.904.810	4.176.035	0	0
<b>Earnings before taxes</b>		<b>33.526.552</b>	<b>29.614.517</b>	<b>33.904.317</b>	<b>30.488.865</b>
Income tax	6.27	(5.960.902)	(5.655.757)	(6.370.552)	(6.739.807)
<b>Earnings after taxes</b>		<b>27.565.650</b>	<b>23.958.760</b>	<b>27.533.765</b>	<b>23.749.059</b>
Discontinued operations:					
Period earnings from discontinued operations		0	0		
Net earnings for the period		0	0		
<b>Allocated to:</b>					
<i>The Parent's shareholders</i>		27.683.386	24.057.472		
<i>Minority interest</i>		(117.735)	(98.712)		
<i>Basic Earnings per Share</i>	6.28	<i>0,68</i>	<i>0,59</i>	<i>0,68</i>	<i>0,59</i>
<b>Brief results for the period</b>					
Earnings Before Taxes Financing and Investment Results, Depreciations and Amortizations		41.335.905	36.263.467	36.538.573	33.186.853
Earnings Before Taxes Financing and Investment Results		30.282.358	25.704.346	27.998.058	24.963.783
Earnings before taxes		33.526.552	29.614.517	33.904.317	30.488.865
Earnings after taxes		27.565.650	23.958.760	27.533.765	23.749.059

## Balance Sheet

ASSETS	Note	GROUP		COMPANY	
		30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b>Non-current assets</b>					
Tangible Assets	6.1	162.754.909	163.907.541	144.488.375	146.777.661
Goodwill	6.2	15.741.207	10.252.128	0	0
Intangible Assets	6.3	9.909.538	8.195.254	4.075.270	3.278.501
Investments in Subsidiary Companies		0	(0)	43.723.176	42.026.399
Investments in associate companies	6.4	96.585.225	87.213.116	199.492.220	201.837.313
Deferred tax receivables	6.5	19.439.545	20.688.892	23.707.840	23.667.459
Financial assets available for sale	6.6	634.516	15.507.234	1.507.037	15.473.054
Other Long-term Receivables	6.7	812.423	1.166.725	329.102	341.079
		<b>305.877.364</b>	<b>306.930.889</b>	<b>417.323.019</b>	<b>433.401.465</b>
<b>Current assets</b>					
Inventories	6.8	73.699.460	54.554.255	55.770.885	39.438.537
Customers and other Trade Receivables	6.9	160.791.403	196.706.232	134.489.384	151.421.422
Other Receivables	6.10	14.053.505	18.956.821	10.424.318	11.724.408
Other Current Assets	6.11	58.757.691	25.752.609	49.176.086	19.467.682
Financial assets at fair value through results	6.12	5.047.607	5.053.388	5.047.607	5.047.388
Cash and cash equivalents	6.13	18.098.648	12.583.967	11.943.928	7.229.898
		<b>330.448.313</b>	<b>313.607.272</b>	<b>266.852.206</b>	<b>234.329.335</b>
<b>Fixed assets classified as held for sale</b>		0	0	0	0
<b>Total Assets</b>		<b>636.325.678</b>	<b>620.538.161</b>	<b>684.175.225</b>	<b>667.730.800</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	6.14	12.956.000	12.956.000	12.956.000	12.956.000
Share premium reserves	6.14	206.496.923	206.502.877	206.496.923	206.502.877
Fair value reserves	6.14	0	0	44.384.639	54.524.591
Other reserves	6.14	81.940.527	81.965.268	81.833.800	81.833.800
Translatio Reserve		(2.249.936)	0	0	0
Retained earnings		(16.881.321)	(26.366.301)	41.427.012	32.112.623
<b>Total equity attributed to the parent's shareholders</b>		<b>282.262.193</b>	<b>275.057.844</b>	<b>387.098.375</b>	<b>387.929.891</b>
<b>Minority interest</b>		2.285.589	2.159.397	0	0
<b>Total Equity</b>		<b>284.547.782</b>	<b>277.217.241</b>	<b>387.098.375</b>	<b>387.929.891</b>
<b>Long-term liabilities</b>					
Long-term bank liabilities	6.15	104.472.773	109.131.572	101.999.871	106.627.805
Deferred tax liabilities	6.5	11.663.635	13.378.121	31.799.840	36.716.364
Liabilities for pension plans	6.16	773.253	863.198	619.124	600.000
Other Long-term Liabilities	6.17	2.584.024	2.614.581	0	1.000
Provisions	6.18	119.419	110.138	0	0
<b>Total Long-Term Liabilities</b>		<b>119.613.104</b>	<b>126.097.610</b>	<b>134.418.835</b>	<b>143.945.169</b>
<b>Short-term liabilities</b>					
Suppliers and related liabilities	6.19	153.451.827	135.286.696	116.174.265	91.175.948
Current tax liabilities	6.20	14.319.393	20.000.924	13.760.422	18.404.437
Short-term bank liabilities	6.15	29.698.728	46.298.115	6.391	13.374.496
Long-term liabilities payable in the next period	6.15	9.061.211	9.050.809	9.000.000	9.000.000
Other Short-term liabilities	6.21	25.633.631	6.586.765	23.716.938	3.900.860
<b>Total Short-Term Liabilities</b>		<b>232.164.791</b>	<b>217.223.310</b>	<b>162.658.015</b>	<b>135.855.740</b>
<b>Total Liabilities</b>		<b>351.777.895</b>	<b>343.320.919</b>	<b>297.076.850</b>	<b>279.800.909</b>
<b>Liabilities directly linked to non-current Assets classified as held for sale</b>					
<b>Total Equity &amp; Liabilities</b>		<b>636.325.678</b>	<b>620.538.161</b>	<b>684.175.225</b>	<b>667.730.800</b>

## Consolidated statement of changes in equity

	Note	Share Capital	Share premium	Attributed to the parent's shareholders			Retained Earnings	Total	Minority Interest	Total
				Fair value Reserves	Other reserves	Translation Reserves				
<b>Balance as at January 1st 2004, according to previous accounting principles</b>		12.827.274	212.384.884	2.260.830	59.911.998	0	14.595.644	<b>301.980.630</b>	4.234.786	<b>306.215.416</b>
<i>IFRS Transition Adjustments</i>	6.30	0	(8.729.340)	(2.260.830)	30.791	0	(53.416.291)	<b>(64.375.670)</b>	(1.253.838)	<b>(65.629.507)</b>
<b>Balance as at January 1st 2004, according to IFRS</b>		<b>12.827.274</b>	<b>203.655.544</b>	<b>0</b>	<b>59.942.789</b>	<b>0</b>	<b>(38.820.646)</b>	<b>237.604.960</b>	<b>2.980.949</b>	<b>240.585.909</b>
<i>Change in Equity for the period 01/01 - 30/06/2004</i>										
Changes in Rights from changes in percentages							(148.948)	<i>(148.948)</i>	148.948	0
Recognition of Dividends Payable							(16.034.092)	<i>(16.034.092)</i>	(224.578)	(16.258.670)
Net Results for the Period 01/01-30/06/2004							24.057.472	<i>24.057.472</i>	(98.712)	23.958.760
<b>Total Recognized Profit/loss for the Period</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7.874.432</b>	<b>7.874.432</b>	<b>(174.342)</b>	<b>7.700.090</b>
<b>Balance of Equity as at June 30th 2004</b>		<b>12.827.274</b>	<b>203.655.544</b>	<b>0</b>	<b>59.942.789</b>	<b>0</b>	<b>(30.946.214)</b>	<b>245.479.392</b>	<b>2.806.607</b>	<b>248.285.999</b>
<b>Balance as at January 1st 2005, according to previous accounting principles</b>		12.956.000	215.232.956	5.574.633	80.775.721	0	18.121.666	<b>332.660.976</b>	3.589.077	<b>336.250.053</b>
<i>IFRS Transition Adjustments</i>	6.30	0	(8.730.079)	(5.574.633)	1.189.547	0	(44.487.967)	<b>(57.603.132)</b>	(1.429.680)	<b>(59.032.812)</b>
<b>Balance as at January 1st 2005, according to IFRS</b>		<b>12.956.000</b>	<b>206.502.877</b>	<b>0</b>	<b>81.965.268</b>	<b>0</b>	<b>(26.366.301)</b>	<b>275.057.844</b>	<b>2.159.397</b>	<b>277.217.241</b>
<i>Change in Equity for the period 01/01 - 30/06/2005</i>										
Capital Increase Expenses			(5.954)					<i>(5.954)</i>		(5.954)
Net Profit/Loss Recognized directly to equity					(24.742)	(2.249.936)	20.970	<i>(2.253.708)</i>	(739.850)	(2.993.558)
Recognition of Dividends Payable							(18.219.375)	<i>(18.219.375)</i>		(18.219.375)
Minority interest from Increase in Subsidiary capital								0	763.068	763.068
Minority interest from Consolidation of Subsidiary									220.709	220.709
Net Results for the Period 01/01-30/06/2005							27.683.386	<i>27.683.386</i>	(117.735)	27.565.650
<b>Total Recognized Profit/loss for the Period</b>		<b>0</b>	<b>(5.954)</b>	<b>0</b>	<b>(24.742)</b>	<b>(2.249.936)</b>	<b>9.484.981</b>	<b>7.210.302</b>	<b>126.193</b>	<b>7.330.541</b>
<b>Balance of Equity as at June 30th 2005</b>		<b>12.956.000</b>	<b>206.496.923</b>	<b>0</b>	<b>81.940.526</b>	<b>(2.249.936)</b>	<b>(16.881.320)</b>	<b>282.268.147</b>	<b>2.285.589</b>	<b>284.547.782</b>

## Statement of changes in the Parent Company's equity

	Note	Attributed to the parents shareholders				Retained Earnings	Total
		Share Capital	Above Par	Fair Value reserves	Other reserves		
<b>Balance as at January 1st 2004, according to previous accounting principles</b>		12.827.274	212.384.884	0	61.277.597	27.275.850	<b>313.765.605</b>
<i>IFRS Transition Adjustments</i>	6.30	0	(8.729.340)	39.109.456	(1.436.713)	(5.764.993)	<b>23.178.410</b>
<b>Balance as at January 1st 2004, according to IFRS</b>		<b>12.827.274</b>	<b>203.655.544</b>	<b>39.109.456</b>	<b>59.840.884</b>	<b>21.510.857</b>	<b>336.944.015</b>
<i>Change in Equity for the period 01/01 - 30/06/2004</i>							
Net Results for the Period 01/01-30/06/2004						23.749.059	23.749.059
Profit/loss transferred directly to Equity from valuation of assets available for sale				14.056.189			14.056.189
Payment of Dividends (Parent)						(16.034.092)	(16.034.092)
<b>Total Recognized Profit/loss for the Period</b>		0	0	14.056.189	0	7.714.967	21.771.156
<b>Balance of Equity as at June 30th 2004</b>		<b>12.827.274</b>	<b>203.655.544</b>	<b>53.165.645</b>	<b>59.840.884</b>	<b>29.225.824</b>	<b>358.715.171</b>
<b>Balance as at January 1st 2005, according to previous accounting principles</b>		12.956.000	215.232.956	0	85.110.166	35.072.179	<b>348.371.301</b>
<i>IFRS Transition Adjustments</i>	6.30	0	(8.730.079)	54.524.591	(3.276.366)	(2.959.556)	<b>39.558.590</b>
<b>Balance as at January 1st 2005, according to IFRS</b>		<b>12.956.000</b>	<b>206.502.877</b>	<b>54.524.591</b>	<b>81.833.800</b>	<b>32.112.623</b>	<b>387.929.891</b>
<i>Change in Equity for the period 01/01 - 30/06/2005</i>							
Net Results for the Period 01/01-30/06/2005						27.533.765	27.533.765
Profit/loss transferred directly to Equity from valuation of assets available for sale				(10.139.951)			(10.139.951)
Capital Increase Expenses			(5.954)				(5.954)
Payment of Dividends (Parent)						(18.219.375)	(18.219.375)
<b>Total Recognized Profit/loss for the Period</b>		0	(5.954)	(10.139.951)	0	9.314.390	(831.516)
<b>Balance of Equity as at June 30th 2005</b>		<b>12.956.000</b>	<b>206.496.923</b>	<b>44.384.639</b>	<b>81.833.800</b>	<b>41.427.012</b>	<b>387.098.375</b>

## Cash flow statement

Notes	GROUP 1st SEMESTER		COMPANY 1st SEMESTER	
	2005	2004	2005	2004
<b><u>Cash flows from operating activities</u></b>				
Cash flows from operating activities	28.475.360	19.427.322	25.172.796	22.418.884
Interest paid	(3.679.659)	(3.412.071)	(2.767.394)	(2.423.996)
Income tax paid	(2.628.806)	(3.573.886)	(2.628.806)	(3.573.886)
<b>Net cash flows from operating activities</b>	<b>22.166.894</b>	<b>12.441.365</b>	<b>19.776.596</b>	<b>16.421.002</b>
<b><u>Cash flows from investment activities</u></b>				
Purchases of tangible fixed assets	(9.996.046)	(23.605.439)	(6.495.546)	(22.283.558)
Purchases of intangible assets	(1.729.044)	(5.742.877)	(1.117.699)	(2.555.462)
Sales of tangible fixed assets	2.266.428	12.734.174	865.003	9.408.370
Dividends received	9.580.299	7.965.588	9.580.299	7.965.588
Loans given to affiliated parties	0	0	0	0
Purchase of financial assets available for sale	0	(9.261.300)	0	(9.261.300)
Purchase of financial assets at fair value through the results	0	(285.976)	0	(285.976)
Acquisition of associate companies	0	(0)	0	(0)
Acquisition of subsidiaries	(3.101.197)	(166.769)	(1.696.777)	(166.769)
Sale of financial assets available for sale	1.520.213	0	1.399.417	0
Sale of financial assets at fair value through the results	262.992	114.933	256.992	114.933
Interest received	0	0	0	0
Collections from loans granted to affiliated parties	0	0	0	0
Other	0	0	0	0
<b>Net cash flows from investment activities</b>	<b>(1.196.355)</b>	<b>(18.247.665)</b>	<b>2.791.688</b>	<b>(17.064.174)</b>
<b><u>Cash flows from financing activities</u></b>				
Issuance of common shares	1.904.256	0	0	0
Sale of own-shares	0	0	0	0
Dividends payable to the parent's shareholders	(5.645)	(34.220)	(5.645)	(34.220)
Received loans	(15.253.536)	5.062.966	(17.848.610)	3.021.562
Payment of loans	(1.556.931)	(14.254)	0	0
Payment of leasing capital	0	0	0	0
<b>Net Cash flows from financing activities</b>	<b>(14.911.856)</b>	<b>5.014.492</b>	<b>(17.854.254)</b>	<b>2.987.342</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>6.058.683</b>	<b>(791.809)</b>	<b>4.714.030</b>	<b>2.344.170</b>
Cash and cash equivalents at the beginning of the period	12.039.964	18.071.453	7.229.898	12.815.759
Foreign exchange differences in cash and cash equivalents				
<b>Cash and cash equivalents at the end of the period</b>	<b>18.098.649</b>	<b>17.279.644</b>	<b>11.943.928</b>	<b>15.159.929</b>
<b>Overdrafts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents</b>	<b>18.098.648</b>	<b>17.279.644</b>	<b>11.943.928</b>	<b>15.159.929</b>
<b>Net cash at the end of the period</b>	<b>18.098.647</b>	<b>17.279.644</b>	<b>11.943.928</b>	<b>15.159.929</b>

## **1. Information on the Group**

### **1.1 General Information**

The company Germanos is a societe anonyme and constitutes the group's parent company. It was established in 1989 in Athens and is managed by Mr. Panos Germanos along with a group of internationally trained professionals.

The Group's domicile is located at the Xanthi prefecture at Neo Olvio. The company's shares were listed on the Athens Exchange in 2000.

The financial statements for the period ending on June 30<sup>th</sup> 2005 (including the comparative data for the period June 30<sup>th</sup> 2004 and for the period ending on December 31<sup>st</sup> 2004) were approved by the Board of Directors of the company Germanos S.A. on September 27<sup>th</sup> 2005.

### **1.2 Nature of Activities**

In its 25 years of steady growth, the GERMANOS Group of Companies has established its leading position in the Greek market and at the same time has set the appropriate conditions for rapid and successful expansion in foreign markets.

With rapid growth rates and as one of the most important Greek Multinational Groups, we contribute to the prosperity of the societies we operate in whilst displaying a heightened sense of responsibility and consistency. With more than 4,800 employees in 8 countries we also contribute to the promotion of business dexterity.

Persisting in our Vision "to Connect the everyday People with Technology" as a reference point, we cover a vast rang of activities and at the same time maintain high standards of specialization and know-how.

**The Group's Activities can be divided in three main areas:**

#### **Retail Sales Network**

The GERMANOS Chain of Stores constitutes the Group's flagship with 884 stores in seven countries (Greece, Poland, Bulgaria, Romania, Cyprus, Former Yugoslavic Republic of Macedonia and Ukraine).

Through the GERMANOS Chain of Stores, we claim a leading position in the European market, in the sector of Specialized Chain Stores for Telecommunication Products and Services. The fact that GERMANOS is now operating in an area with a total population of over 150 million gives us the impulse to stand as one of the most successful business models connecting 150,000 consumers with technology on a daily basis.

## **Energy**

Our activities in the energy sector are spearheaded by the SUNLIGHT Industrial Complex. With a leading position in the global market, SUNLIGHT specializes in the Production & Distribution of Integrated Energy Systems and Batteries for Specialized Applications . The total number of specialized products and integrated energy systems produced by SUNLIGHT exceeds 1,500. The sectors in which these products apply to, correspond to fields characterized by particularly high specifications and standards such as Industry, Defense, Mobile Telephony, Structural Engineering and Transportation.

The SUNLIGHT Industrial Complex presently maintains an autonomous business presence in Romania, Bulgaria and Ukraine, while it has also set up sales offices in France, Spain and Russia. Distributing its products through an extensive network in 25 European countries, the Middle East and Africa, SUNLIGHT's exports now account for over 65% of its total sales.

## **Wholesale Trade**

The Distribution of Consumer Products was one of our first areas of activity back in the 1980s. Having built a strong presence in the wholesale trade also, GERMANOS subsequently undertook the exclusive distribution of Toshiba batteries (throughout all of Europe) as well as those produced by SUNLIGHT.

We are also engaged in the distribution of prepaid mobile phone, fixed phone and Internet cards.

We have managed to consolidate our position in this market with a share of over 30%, not only as regards to the distribution and promotion of products manufactured by the GERMANOS Group but also those products for which we are the main distributor.

## 2. Basis for preparation of the financial statements

The consolidated financial statements of **Germanos S.A.** as of June 30<sup>th</sup>, 2005 (the date of transition is January 1st, 2004) covering the period up to June 30<sup>th</sup>, 2005 have been compiled based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

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

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

	institutions
IAS 31	Financial presentation of rights in joint-ventures
IAS 32	Financial Instruments: Disclosures and Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Statements
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Valuation
IAS 40	Investments in Property
IAS 41	Agriculture
IFRS 1	First-Time adoption of International Financial Reporting Standards
IFRS 2	Payments with net worth items
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non current assets held for sale and discontinued operations

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

The policies mentioned below have been consistently applied throughout all the periods presented.

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

### **3. Basic accounting principles**

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

### **3.1 New accounting principles and interpretations of IFRIC**

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretation that are not included in the "IFRS Stable Platform 2005". The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1<sup>st</sup> 2006. The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

***-IFRS 7. Disclosures of Financial Instruments***

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

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

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

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

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

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

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

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

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

### **3.2 Segment reporting**

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions.

Geographically, the Group is active in the Greece, the Eurozone and Other Countries. Specifically the Group operates in Greece, Poland, Romania, Bulgaria, FYROM, Ukraine and Cyprus.

A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments.

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

### 3.3 Consolidation

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

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

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

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides

indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

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

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

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

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

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

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

### 3.4 Group Structure

	<b>COUNTRY-DOMICILE</b>	<b>PARTICIPATION %</b>	<b>RELATION</b>	<b>CONSOLIDATION METHOD</b>
<b>GERMANOS SA</b>	GREECE	Parent	Parent	Full Consolidation
<b>P. GERMANOS SA</b>	GREECE	90,16%	Direct	Full Consolidation
<b>E-VALUE S.A.</b>	GREECE	70,00%	Direct	Full Consolidation
<b>GERMANOS TELECOM A.D. SKOPJE</b>	FYROM	99,00%	Direct	Full Consolidation
<b>GERMANOS TELECOM ROMANIA SA</b>	ROMANIA	98,42%	Direct	Full Consolidation
<b>SUNLIGHT ROMANIA FILIALA S.R.L.</b>	ROMANIA	98,42%	Indirect	Full Consolidation
<b>GERMANOS TELECOM BULGARIA A.D.</b>	BULGARIA	90,00%	Direct	Full Consolidation
<b>SUNLIGHT UKRAINE S.R.L.</b>	UKRAINE	98,00%	Direct	Full Consolidation
<b>GERMANOS TELECOM UKRAINE CJSC</b>	UKRAINE	61,00%	Direct	Full Consolidation
<b>GERMANOS POLSKA Sp. Zoo</b>	POLAND	100,00%	Direct	Full Consolidation
<b>GTI POLSKA SP ZOO</b>	POLAND	100,00%	Direct	Full Consolidation
<b>TCM SP ZOO</b>	POLAND	100,00%	Indirect	Full Consolidation
<b>GERMANOS CYPRUS LTD</b>	CYPRUS	91,97%	Direct	Full Consolidation
<b>INFOTEL LTD</b>	CYPRUS	45,06%	Indirect	Full Consolidation
<b>HDFS</b>	GREECE	24,68%	Direct	Equity Consolidation
<b>SILKWAY HOLDING BV</b>	HOLLAND	20,00%	Direct	Equity Consolidation
<b>UNITEL L.L.C.</b>	UZBEKISTAN	20,00%	Indirect	Equity Consolidation

During the presented period, the Group for the first time went forward with the full consolidation, under the purchase method of accounting, of the company Germanos Cyprus Ltd in which it participates by 91.97%, due to gaining control of the latter on 1/4/2005. The control was established based on an agreement to hand over the management control of the company to GERMANOS S.A.

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

At the previous year's Group interim financial statements 1/1 – 30/6/2004, the company LASE SA (40% group participation) was Consolidated under the Purchase method with full consolidation of its accounts. At the present period LASE SA is not included in the Group Consolidated Financial Statements due to loss of management control from the parent Company.

Furthermore at the previous year's Group interim financial statements 1/1 – 30/6/2004, the company NG SYSTEMS SA was Consolidated under the Purchase method with full consolidation of its accounts. At the present period LASE SA is not included in the Group Consolidated Financial Statements due to absorption from the parent Company.

### **3.5 Foreign currency conversion**

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

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

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

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

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

### 3.6 Tangible assets

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

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

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

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

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

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

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

### 3.7 Intangible assets

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

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

After the initial recognition, the surplus value is valued at cost less the accumulated losses from the decrease in its cost. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value, if there are events that indicate such a loss according to IAS 36. In the case where the acquisition cost is less than the company's participation in the acquired company's equity, then the former recalculates the acquisition cost, values the assets, liabilities and contingent liabilities of the acquired company and directly recognizes in the results (as a profit), any difference than persists after the recalculation.

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

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

### 3.7 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any

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

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

### **3.9 Financial instruments**

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

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

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

These comprise assets that satisfy any of the following conditions:

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

#### **ii) Loans and receivables**

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

- a) Receivables from down payments for the purchase of goods or services,

- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

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

### **iii) Investments held to maturity**

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

The Group did not hold investments of this category.

### **iv) Financial assets available for sale**

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

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

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

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

The loans and receivables are recognized in the net book value based on the real interest rate method.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

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

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

### **3.10 Inventories**

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

### **3.11 Trade receivables**

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the

present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

### **3.12 Cash and cash equivalents**

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

### **3.13 Non-current assets classified as Held for sale**

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

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

The Group has not classified non-current assets as Held for sale.

### **3.14 Share capital**

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

During the acquisition of own-shares, the cost incurred, including the relevant expenses, is booked by charging the equity (Share Premium Reserve).

### **3.15 Income tax & deferred tax**

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

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

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

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

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

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

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

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

### **3.16 Employee benefits**

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

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

- **Defined contribution scheme**

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

- **Defined benefits scheme**

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial profit and losses are liability items for the company's benefits and for the expense that will be recognized in the results. Such that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average insurance time of the scheme's participants. The cost for the service time with the company is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is registered in the results with the straight line method with in the maturity period.

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

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

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

### 3.17 Grants

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

- a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

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

### 3.18 Provisions

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

### 3.19 Recognition of income and expenses

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

- **Construction Projects Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.

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

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

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

### 3.20 Leases

**Group company as Lessee:** Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

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

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

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

### **3.21 Construction contracts**

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

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

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

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

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized during the contract's duration, respectively as income and expense.

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

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

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

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

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

### **3.22 Dividend distribution**

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

## **4. Business Risk Management**

Today the management of business risks is of vital importance for a company irrespectively of its activity and size as the definition and extent of the risk have surely been broadened. Business risk constitutes a key factor the a company's access to capital and also to the maintenance of its good reputation in the market. In order to identify and evaluate risks, we apply a business risk management system, which gives the managers of all sectors the ability to minimize the risk in their projects.

It must be noted that business risks also include, apart from threats, the evasion of opportunities. Business risk is divided into strategic risk relating to decision taking and operation and financial risk. The management of operating and financial risks affects the respective transactions of the Group's companies.

### **Financial Risk Factors**

Based on its activities, our Group is exposed to risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks and liquidity risks. The management of such risks aims at providing for every unknown factor that stems from the financial market and that may affect the Group's economic status. The Finance Division is responsible for the risk management. This Division covers all the Group's operations and monitors the domestic and international capital markets. Amongst its responsibilities are the detection, evaluation and the effort to reduce and/or avoid financial risks for ever business sector we operate in. It is worth noting that the Management's role refers exclusively to our commercial activities discarding any transaction that is not related to such.

### **Foreign Exchange Risk**

Despite our broad activities in foreign countries, our exposures to foreign exchange rate fluctuations is relatively low since a very small number of transactions take place in currencies other than the euro. In the case where alternative currencies are used either for our purchases or for our sales, they almost exclusively refer to the US dollar. In this way the so called natural hedging is created, through which a matching of income – expenses in a specific currency is aimed and as a consequence our net exposure is negligible.

As regards to our subsidiaries abroad, according to the condition there is the possibility for borrowing in local currency, which operates as an offset to the specific exposure to the respective currency.

### **Interest Rate Risk**

In order to apply a preventive policy against interest rates, the Finance Division evaluates the relevant trends on a constant basis.

Decisions for the use of derivative products are made occasionally, according to the need for covering the exposure to changes in interest rates. Such coverage is evaluated towards the company's long-term bank liabilities and not for the short-term loans, which because of their short-term character are based on floating interest rates.

### **Credit Risk**

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

### **Liquidity Risk**

The positive working capital and the adequate credit lines essentially write off the Group's liquidity risk. Taking however into account the seasonality that characterizes the Group's activities, there are periods of limited liquidity for some months during the year. It is customary for such periods to be connected with increased purchases the company conducts to cover expected demand in periods with quite increased development, (i.e. Christmas period, Easter and beginning of summer). At the same time, due to positive cash flows and the ability to borrow with favorable terms, the company chooses to take advantage of discounts provided by large suppliers for direct payments (cash discounts) throughout the year. In the above two cases (seasonality and cash discounts) possible financing needs are covered by the approved borrowing lines from the cooperating banks.

## 5. Financial information by sector

### Primary information sector – Geographic segments

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

The Group is active in seven geographic segments:

The results for each segment for the six months ending on June 30<sup>th</sup> 2005 were the following:

1/1 - 30/6/2005

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	333.424.822	46.016.224	39.146.817	21.062.173	5.263.810	1.518.734	2.744.211	0	449.176.791
Internal sales								(19.589.387)	(19.589.387)
<b>Net sales</b>	<b>333.424.822</b>	<b>46.016.224</b>	<b>39.146.817</b>	<b>21.062.173</b>	<b>5.263.810</b>	<b>1.518.734</b>	<b>2.744.211</b>	<b>(19.589.387)</b>	<b>429.587.404</b>
Operating Results	37.339.275	966.296	2.307.769	1.824.227	264.334	(643.998)	(18.696)	(703.322)	41.335.885
Financial Results	5.831.019	(303.399)	(302.265)	(9.674)	(80.560)	(22.247)	(87.790)	(7.685.700)	(2.660.616)
Depreciations	(9.442.697)	(512.834)	(691.557)	(170.661)	(56.645)	(93.945)	(85.188)	-	(11.053.527)
Share in associate companies' results	-	-	-	-	-	-	-	5.904.810	5.904.810
<b>Earnings before taxes</b>	<b>33.727.597</b>	<b>150.063</b>	<b>1.313.947</b>	<b>1.643.892</b>	<b>127.129</b>	<b>(760.190)</b>	<b>(191.674)</b>	<b>(2.484.212)</b>	<b>33.526.552</b>
Income tax	(6.448.064)	30.731	594.105	(246.584)	(31.998)	140.908	0	0	(5.960.902)
<b>Net earnings</b>	<b>27.279.533</b>	<b>180.794</b>	<b>1.908.052</b>	<b>1.397.308</b>	<b>95.131</b>	<b>(619.282)</b>	<b>(191.674)</b>	<b>(2.484.212)</b>	<b>27.565.650</b>

The results for each segment for the six months ending on June 30<sup>th</sup> 2004 were the following:

1/1 - 30/6/2004

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	317.525.594	16.826.824	25.499.319	17.058.015	4.163.786	484.053	0	0	381.557.591
Internal sales								(15.057.429)	(15.057.429)
<b>Net sales</b>	<b>317.525.594</b>	<b>16.826.824</b>	<b>25.499.319</b>	<b>17.058.015</b>	<b>4.163.786</b>	<b>484.053</b>	<b>0</b>	<b>(15.057.429)</b>	<b>366.500.162</b>
Operating Results	34.247.652	475.469	1.307.784	602.901	254.961	(66.027)	0	(559.273)	36.263.467
Financial Results	5.234.161	(152.495)	(371.840)	(61.835)	(82.614)	3.044	0	(4.834.287)	(265.866)
Depreciations	(9.090.736)	(384.098)	(667.300)	(307.432)	(100.009)	(9.545)	0	-	(10.559.120)
Share in associate companies' results	-	-	-	-	-	-	-	4.176.035	4.176.035
<b>Earnings before taxes</b>	<b>30.391.077</b>	<b>(61.124)</b>	<b>268.644</b>	<b>233.634</b>	<b>72.338</b>	<b>(72.528)</b>	<b>0</b>	<b>(1.217.525)</b>	<b>29.614.516</b>
Income tax	(6.908.245)	476.067	793.113	334	(17.026)	0	0	0	(5.655.757)
<b>Net earnings</b>	<b>23.482.832</b>	<b>414.943</b>	<b>1.061.757</b>	<b>233.968</b>	<b>55.312</b>	<b>(72.528)</b>	<b>0</b>	<b>(1.217.525)</b>	<b>23.958.759</b>

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

**30/6/2005**

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
<i>Sector Assets</i>	429.211.063	38.235.766	37.410.898	15.539.557	3.035.374	5.272.845	11.034.949	96.585.225	636.325.677
Non classified Assets									0
<i>Consolidated Assets</i>	429.211.063	38.235.766	37.410.898	15.539.557	3.035.374	5.272.845	11.034.949		636.325.677
<i>Sector Liabilities</i>	266.706.396	30.008.617	31.891.861	8.020.252	2.326.450	4.431.780	8.392.539		351.777.895
Non classified Liabilities									0
<i>Consolidated Liabilities</i>	266.706.396	30.008.617	31.891.861	8.020.252	2.326.450	4.431.780	8.392.539		351.777.895

**31/12/2004**

	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
<i>Sector Assets</i>	436.688.390	43.562.881	33.377.885	14.655.512	3.304.835	1.735.542		87.213.116	620.538.161
Non classified Assets									0
<i>Consolidated Assets</i>	436.688.390	43.562.881	33.377.885	14.655.512	3.304.835	1.735.542			620.538.161
<i>Sector Liabilities</i>	157.780.068	34.486.093	28.663.451	8.627.999	2.669.398	1.962.339		109.131.572	343.320.919
Non classified Liabilities									0
<i>Consolidated Liabilities</i>	157.780.068	34.486.093	28.663.451	8.627.999	2.669.398	1.962.339	0	109.131.572	343.320.919

## Secondary information sector – Business segments

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

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

amounts in thousand €	1/1 - 30/6/2005	1/1 - 30/6/2004	% CHANGE
<b>Mobile and Fixed Line Telephony</b>	<b>219,7</b>	<b>198,2</b>	<b>10,8%</b>
Air Time Postpaid	25,1	19,6	28,1%
Air Time Prepaid	5,1	4,9	4,1%
Air Time Fixed Line	1,1	1,0	10,0%
<b>Total Air Time</b>	<b>31,3</b>	<b>25,5</b>	<b>22,7%</b>
Connection Fees Postpaid	79,7	73,1	9,0%
Connection Fees Prepaid	39,3	36,3	8,3%
<b>Total Connection Fees</b>	<b>119</b>	<b>109,4</b>	<b>8,8%</b>
Target Bonus Postpaid	11,2	10,2	9,8%
Target Bonus Prepaid	2,5	2,3	8,7%
<b>Total Target Bonus</b>	<b>13,7</b>	<b>12,5</b>	<b>9,6%</b>
Handset Revenues	45,4	39,5	14,9%
Accessories	7,4	8,6	-14,0%
Service	2,9	2,7	7,4%
<b>Products</b>	<b>32,1</b>	<b>27,2</b>	<b>18,0%</b>
Electronic Goods - H/W-Internet	29,3	23,9	22,6%
Retail Batteries	2,8	3,3	-15,2%
<b>TOTAL RETAIL SALES</b>	<b>251,8</b>	<b>225,4</b>	<b>11,7%</b>
<b>INDUSTRIAL BATTERIES</b>	<b>23,7</b>	<b>22,4</b>	<b>5,8%</b>
<b>Batteries Wholesale</b>	10,9	9,7	12,4%
<b>Prepaid cards Wholesale</b>	140,4	96,8	45,0%
<b>TOTAL WHOLESALE ACTIVITY</b>	<b>151,3</b>	<b>106,5</b>	<b>42,1%</b>
<b>TOTAL SALES CORE</b>	<b>426,8</b>	<b>354,3</b>	<b>20,5%</b>
<b>Other Sales</b>	<b>2,8</b>	<b>12,2</b>	<b>-77,0%</b>
E-Value	2,8	2,5	12,0%
Lase	0	8,6	
NG Systems	0	1,1	
<b>TOTAL CONSOLIDATED SALES</b>	<b>429,6</b>	<b>366,5</b>	<b>17,2%</b>

## 6. Notes on the Financial Statements

### 6.1 Tangible assets

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

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

	GROUP				
	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	79.223.369	57.099.351	42.941.043	10.916.480	190.180.243
Accumulated depreciation and value impairment	(5.044.286)	(23.539.650)	(14.416.629)	-	(43.000.565)
<b>Book value as at January 1st 2004</b>	<b>74.179.082</b>	<b>33.559.701</b>	<b>28.524.414</b>	<b>10.916.480</b>	<b>147.179.677</b>
Gross Book value	92.776.822	76.052.268	46.451.843	4.438.524	219.719.457
Accumulated depreciation and value impairment	(6.858.218)	(29.853.372)	(19.100.326)	-	(55.811.916)
<b>Book value as at December 31st 2004</b>	<b>85.918.604</b>	<b>46.198.896</b>	<b>27.351.517</b>	<b>4.438.524</b>	<b>163.907.541</b>
Gross Book value	94.619.417	80.548.072	46.995.892	5.596.851	227.760.232
Accumulated depreciation and value impairment	(8.135.708)	(33.468.190)	(23.401.425)	-	(65.005.324)
<b>Book value as at June 30th 2005</b>	<b>86.483.710</b>	<b>47.079.882</b>	<b>23.594.467</b>	<b>5.596.851</b>	<b>162.754.909</b>

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
<b>Book value as at January 1st 2004</b>	<b>74.179.082</b>	<b>33.559.701</b>	<b>28.524.414</b>	<b>10.916.480</b>	<b>147.179.677</b>
Additions	19.334.067	26.982.040	5.194.887	4.352.485	55.863.478
Sales - Reductions	(5.397.044)	(7.975.453)	(761.074)	(10.830.442)	(24.964.013)
Depreciations	(2.316.714)	(6.379.720)	(5.606.156)	-	(14.302.591)
Transfers	119.214	12.329	(554)	-	130.989
Net foreign exchange differences	-	-	-	-	-
<b>Book value as at December 31st 2004</b>	<b>85.918.605</b>	<b>46.198.896</b>	<b>27.351.518</b>	<b>4.438.523</b>	<b>163.907.542</b>
Additions from acquisition / consolidation of subsidiaries	848.143	182.190	(8.181)	68.534	1.090.686
Additions	1.862.824	4.609.817	2.067.787	1.455.618	9.996.046
Sales - Reductions	(604.875)	(723.292)	(572.437)	(365.824)	(2.266.428)
Depreciations	(1.284.078)	(3.506.832)	(5.245.537)	-	(10.036.448)
Transfers	(256.909)	13.395	1.318	-	(242.195)
Prepayments	-	305.707	-	-	305.707-
<b>Book value as at June 30th 2005</b>	<b>86.483.710</b>	<b>47.079.882</b>	<b>23.594.468</b>	<b>5.596.851</b>	<b>162.754.909</b>

	COMPANY				
	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	70.634.918	54.133.236	29.396.237	7.562.310	161.726.700
Accumulated depreciation and value impairment	(3.804.790)	(22.489.894)	(9.327.525)	-	(35.622.209)
<b>Book value as at January 1st 2004</b>	<b>66.830.129</b>	<b>31.643.342</b>	<b>20.068.712</b>	<b>7.562.310</b>	<b>126.104.492</b>
Gross Book value	85.029.365	72.460.032	32.164.382	4.036.314-	193.690.093
Accumulated depreciation and value impairment	(5.214.168)	(28.404.469)	(13.293.796)	-	(46.912.432)
<b>Book value as at December 31st 2004</b>	<b>79.815.198</b>	<b>44.055.563</b>	<b>18.870.586</b>	<b>4.036.314-</b>	<b>146.777.661</b>
Gross Book value	86.100.852	75.503.414	32.039.476	5.056.676-	198.700.419
Accumulated depreciation and value impairment	(6.133.295)	(31.641.026)	(16.437.723)	-	(54.212.044)
<b>Book value as at June 30th 2005</b>	<b>79.967.558</b>	<b>43.862.388</b>	<b>15.601.754</b>	<b>5.056.676-</b>	<b>144.488.375</b>

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
<b>Book value as at January 1st 2004</b>	<b>66.830.129</b>	<b>31.643.342</b>	<b>20.068.712</b>	<b>7.562.310</b>	<b>126.104.492</b>
Additions	18.663.457	26.098.300	3.097.276	4.036.314	51.895.347
Sales - Reductions	(4.269.010)	(7.751.690)	(212.478)	(7.562.310)	(19.795.487)
Depreciations	(1.409.378)	(5.934.389)	(4.082.924)	-	(11.426.691)
Transfers	-	-	-	-	-
Net foreign exchange differences	-	-	-	-	-
<b>Book value as at December 31st 2004</b>	<b>79.815.199</b>	<b>44.055.563</b>	<b>18.870.586</b>	<b>4.036.314-</b>	<b>146.777.661</b>
Additions from acquisition / consolidation of subsidiaries	-	-	-	-	-
Additions	1.080.123-	3.329.912	1.065.148	1.020.362-	6.495.546
Sales - Reductions	(8.636-)	(590.273)	(266.093)	-	(865.003)
Depreciations	(919.127)	(3.238.522)	(4.067.888)	-	(8.225.537)
Transfers	-	-	-	-	-
Prepayments	-	305.708	-	-	305.708
<b>Book value as at June 30th 2005</b>	<b>79.967.558</b>	<b>43.862.388</b>	<b>15.601.754</b>	<b>5.056.676</b>	<b>144.488.375</b>

## 6.2 Goodwill

The Group's goodwill is analyzed as follows:

	<b>Goodwill</b>
Gross Book Value	0
Accumulated depreciation and decrease of value	0
<b>Book Value as at January 1st 2004</b>	<b>0</b>
Gross Book Value	10.252.128
Accumulated depreciation and decrease of value	0
<b>Book Value as at January 1st 2005</b>	<b>10.252.128</b>
Gross Book Value	15.741.207
Accumulated depreciation and decrease of value	0
<b>Book Value as at June 30th 2005</b>	<b>15.741.207</b>

The allocation of the Goodwill is as follows:

	<b>Recognized Goodwill 30/6/2005</b>
GTI POLSKA SP ZOO	10.252.128
Germanos Cyprus	5.489.079
<b>TOTAL</b>	<b>15.741.207</b>

### 6.3 Intangible assets

The intangible assets as at 30/6/2005 are analyzed as follows:

The major part of intangible asset includes group's investment in software programs such as warehouse management, Erp-SAP, CRM and Retail Systems.

#### GROUP

	Licenses / Signals	Software	Other intangible assets	Total
Gross Book value	3.105.046	1.020.882	21.538	4.147.466
Accumulated depreciation and value impairment	(895.071)	(302.873)	(5.986-)	(1.203.930)
<b>Book value as at January 1st 2004</b>	<b>2.209.974</b>	<b>718.009</b>	<b>15.552</b>	<b>2.943.536</b>
Gross Book value	3.628.933	6.912.704	27.550	10.569.187
Accumulated depreciation and value impairment	(1.037.744)	(1.327.514)	(8.676-)	(2.373.933)
<b>Book value as at December 31st 2004</b>	<b>2.591.189</b>	<b>5.585.191</b>	<b>18.874</b>	<b>8.195.254</b>
Gross Book value	4.327.654	8.838.711	28.941	13.195.306
Accumulated depreciation and value impairment	(1.044.351)	(2.231.179)	(10.239)	(3.285.769)
<b>Book value as at June 30th 2005</b>	<b>3.283.303</b>	<b>6.607.532</b>	<b>18.702</b>	<b>9.909.538</b>

	Licenses / Signals	Software	Other intangible assets	Total
<b>Book value as at January 1st 2004</b>	<b>2.209.974</b>	<b>718.008</b>	<b>15.552</b>	<b>2.943.535</b>
Additions	776.425	5.891.823	6.012	6.674.260
Sales - Reductions	(165.443)	-	-	(165.443)
Depreciations	(229.081)	(8.246.085)	(2.690)	(8.477.856)
Transfers	(686)	7.221.444	-	7.220.758-
<b>Book value as at December 31st 2004</b>	<b>2.591.189</b>	<b>5.585.191</b>	<b>18.874</b>	<b>8.195.254</b>
Additions from acquisition of subsidiaries	-	514.435	-	514.435
Additions	854.281	873.372	1.391	1.729.044
Sales - Reductions	-	-	-	-
Depreciations	(168.469)	(847.067)	(1.563)	(1.017.099)
Transfers	6.302	481.602	-	487.904
<b>Book value as at June 30th 2005</b>	<b>3.283.303</b>	<b>6.607.533</b>	<b>18.702</b>	<b>9.909.538</b>

**COMPANY**

	Licenses / Signals	Software	Other intangible assets	Total
Gross Book value	202.715	1.020.881	0	1.223.596
Accumulated depreciation and value impairment	(144.184)	(302.873)	-	(447.057)
<b>Book value as at January 1st 2004</b>	<b>58.530</b>	<b>718.008</b>	<b>0</b>	<b>776.539</b>
Gross Book value	206.515	4.001.457	0	4.207.971
Accumulated depreciation and value impairment	(183.957)	(745.514)	-	(929.470)
<b>Book value as at December 31st 2004</b>	<b>22.558</b>	<b>3.255.943</b>	<b>0</b>	<b>3.278.501</b>
Gross Book value	53.310	5.110.925	0	5.164.236
Accumulated depreciation and value impairment	(34.138)	(1.054.828)	0	(1.088.966)
<b>Book value as at June 30th 2005</b>	<b>19.172</b>	<b>4.056.097</b>	<b>0</b>	<b>4.075.270</b>

	Licenses / Signals	Software	Other intangible assets	Total
<b>Book value as at January 1st 2004</b>	<b>58.530</b>	<b>718.008</b>	<b>-</b>	<b>776.539</b>
Additions	3.800	2.980.576	-	2.984.376
Sales - Reductions	-	-	-	-
Depreciations	(39.772)	(7.664.085)	-	(7.703.857)
Transfers	-	7.221.444	-	7.221.444
<b>Book value as at December 31st 2004</b>	<b>22.558</b>	<b>3.255.943</b>	<b>-</b>	<b>3.278.501</b>
Additions from acquisition of subsidiaries	-	-	-	-
Additions	1.954	1.115.746	-	1.117.699
Sales - Reductions	-	-	-	-
Depreciations	(5.321)	(309.656)	-	(314.977)
Transfers	(18)	(5.936)	-	(5.954)
<b>Book value as at June 30th 2005</b>	<b>19.172</b>	<b>4.056.097</b>	<b>-</b>	<b>4.075.270</b>

## 6.4 Investments in affiliated companies

	<b>GROUP</b>	
	<b>30/6/2005</b>	<b>31/12/2004</b>
<b>Beginning of period</b>	<b>87.213.116</b>	<b>81.194.856</b>
Acquisition of Associate	12.566.600	-
Share of profit / loss (after taxation and minority interest)	5.904.810	10.568.326
Reversal of received dividends	(9.099.300)	(4.550.067)
<b>Balance at end of period</b>	<b>96.585.225</b>	<b>87.213.116</b>

The participation in the profit from associate companies for the 1<sup>st</sup> half of 2004 amounted to € 4.176.035.

The book value of investments in affiliated companies on June 30<sup>th</sup> 2005 includes Goodwill of €49.245.637, which emerges from the companies HELLENIC DUTY FREE SHOPS SA (€43.084.000) and SILKWAY HOLDING BV (€6.161.637). The Goodwill is reviewed on an annual basis for possible impairment indications.

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

Company Name	Country of Domicile	Assets	Liabilities	Turnover <sup>(1)</sup>	Profit (loss) after taxes <sup>(1)</sup>	Participation percentage
<b>31/12/2004</b>						
HDFS	Greece	196.103	70.294			24,68%
		<u>196.103</u>	<u>70.294</u>	0	0	
<b>30/6/2005</b>						
HDFS	Greece	189.120	47.789	102.767	15.522	24,68%
SILKWAY HOLDING-UNITEL	Netherlands	61.357	18.958	15.674	5.949	20%
		<u>250.477</u>	<u>66.747</u>	<u>118.441</u>	<u>21.471</u>	

(1) The amounts referring to the results of the associated company HDFS for the year 2004, are not presented according to IFRS, due to the fact that have not been published till the issue of this report.

## 6.5 Deferred tax

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

	GROUP				COMPANY			
	30/6/2005		31/12/2004		30/6/2005		31/12/2004	
	Receivable	Liability	Receivable	Liability	Receivable	Liability	Receivable	Liability
<b>Non Current Assets</b>								
Intangible Assets	18.843.344	31.262	18.891.630	(365.003)	18.691.928	-	18.672.095	-
Tangible Assets	(31.712)	(8.794.535)	(5.069)	(10.649.302)	-	(8.795.325)	-	(10.146.551)
Participations	-	296	-	(156.175)	4.800.000	(21.770.370)	4.800.000	(26.542.112)
Long-term Receivables	-	7.346	-	(3.351)	-	-	-	-
<b>Current Assets</b>								
Inventories	25.657	(359.041)	(10.556)	(278.012)	-	-	-	-
Receivables	358.473	(2.176.296)	180.198	(1.882.561)	-	(1.151.648)	-	-
Financial assets at fair value	79	(63.511)	-	(893.826)	-	(82.308)	-	-
<b>Reserves</b>								
De-taxation of reserves	-	-	-	-	-	-	-	-
<b>Long-term Liabilities</b>								
Employee Benefits	48.320	-	76.876	-	-	-	-	-
Other Long-term Liabilities	-	-	34.811	-	-	-	-	-
<b>Short-term Liabilities</b>								
Provisions	215.912	(147)	192.000	(27.701)	215.912	(147)	192.000	(27.701)
Loans	-	(246.939)	4.644	1.014.502	-	(41)	3.364	-
Taxes	-	4.097	(79.702)	1.946	-	-	-	-
Other Short-term Liabilities	(20.526)	(66.167)	1.404.060	(138.638)	-	-	-	-
<b>Total</b>	<b>19.439.545</b>	<b>(11.663.635)</b>	<b>20.688.891</b>	<b>(13.378.121)</b>	<b>23.707.840</b>	<b>(31.799.840)</b>	<b>23.667.459</b>	<b>(36.716.364)</b>

The income tax rate to which the company is subject to, is equal to 32% for 2005.

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

## 6.6 Financial assets available for sale

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

	<b>GROUP</b>	
	<b>30/6/2005</b>	<b>31/12/2004</b>
<b>Balance at beginning of the period</b>	<b>15.507.234</b>	<b>2.111.817</b>
Additions		
- From acquisition of subsidiary company		13.425.589
- Other changes	(14.803.537)	-
Sales/write-offs	(69.180)	(30.172)
<b>Balance at end of the period</b>	<b>634.517</b>	<b>15.507.234</b>
Non-current assets	634.517	15.507.234
Current assets	-	-
<b>Total</b>	<b>634.517</b>	<b>15.507.234</b>

## 6.7 Other long-term receivables

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2005</b>	<b>31/12/2004</b>	<b>30/6/2005</b>	<b>31/12/2004</b>
Given Guarantees	812.423	1.166.815	329.102	341.079
<b>Total other long-term liabilities</b>	<b>812.423</b>	<b>1.166.815</b>	<b>329.102</b>	<b>341.079</b>

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

## 6.8 Inventories

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

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b>Merchandise</b>	54.264.801	43.668.366	33.836.226	26.052.648
<b>Finished and semi-finished products</b>	14.561.592	7.124.260	14.561.592	7.124.260
<b>Raw materials and packaging materials</b>	6.815.679	6.364.790	6.815.679	6.364.789
<b>Consumables</b>	306.177	139.715	306.177	139.715
<b>Other</b>	551.212	57.125	551.212	57.125
<b>Total</b>	<b>76.499.460</b>	<b>57.354.255</b>	<b>56.070.885</b>	<b>39.738.536</b>
Minus: Provisions for useless, belated and destroyed inventories:				
Merchandise	(2.800.000)	(2.800.000)	(300.000)	(300.000)
<b>Total net liquidation value</b>	<b>73.699.460</b>	<b>54.554.255</b>	<b>55.770.885</b>	<b>39.438.536</b>

## 6.9 Customers and other trade receivables

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

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Customers	126.634.480	144.828.608	98.813.452	105.323.324
Notes Receivable	0	59.500	0	8.500
Checks Receivable	37.087.932	56.305.144	36.575.932	48.189.599
Minus: Impairment provisions	(2.931.420)	(4.487.020)	(900.000)	(2.100.000)
<b>Net Trade Receivables</b>	<b>160.790.992</b>	<b>196.706.232</b>	<b>134.489.384</b>	<b>151.421.422</b>
Prepayments for inventory purchases	0	0	0	0
<b>Total</b>	<b>160.790.992</b>	<b>196.706.232</b>	<b>134.489.384</b>	<b>151.421.422</b>
Non-current assets	0	0	0	0
Current assets	160.790.992	196.706.232	134.489.384	151.421.422
	<b>160.790.992</b>	<b>196.706.232</b>	<b>134.489.384</b>	<b>151.421.422</b>
The fair values of receivables are as follows:				
	<b>30/6/2005</b>	<b>31/12/2004</b>	<b>30/6/2005</b>	<b>31/12/2004</b>
Customers	123.703.471	140.341.588	97.913.452	103.223.324
Notes Receivable	0	59.500	0	8.500
Checks Receivable	37.087.932	56.305.144	36.575.932	48.189.599
Prepayments for inventory purchases	0	0	0	0
<b>Net realisable value</b>	<b>160.791.403</b>	<b>196.706.232</b>	<b>134.489.384</b>	<b>151.421.422</b>

## 6.10 Other receivables

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

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Sundry Debtors	5.205.789	8.100.192	1.157.911	940.423
Receivables from the Greek State	6.178.381	9.603.758	6.100.009	9.051.866
Orders of current assets	1.749.782	1.732.119	1.749.782	1.732.119
Other receivables	2.937	20.752	0	0
Minus: Provisions for doubtful debtors	(500.000)	(500.000)	0	0
<b>Total Receivables from Debtors</b>	<b>12.636.889</b>	<b>18.956.821</b>	<b>9.007.702</b>	<b>11.724.408</b>
Non-current assets	0	0	0	0
Current assets	12.636.889	18.956.821	9.007.702	11.724.408
	<b>12.636.889</b>	<b>18.956.821</b>	<b>9.007.702</b>	<b>11.724.408</b>

The fair values of receivables are as follows:

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Sundry Debtors	6.122.405	7.600.192	2.574.527	940.423
Receivables from the Greek State	6.178.381	9.603.758	6.100.009	9.051.866
Orders of current assets	1.749.782	1.732.119	1.749.782	1.732.119
Other receivables	2.937	20.752	0	0
	<b>14.053.505</b>	<b>18.956.821</b>	<b>10.424.318</b>	<b>11.724.408</b>

## 6.11 Other current Assets

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

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Deferred charges	6.557.734	6.582.726	6.557.734	6.557.734
Accrued income	52.199.957	19.169.883	42.618.352	12.909.948
	<b>58.757.691</b>	<b>25.752.609</b>	<b>49.176.086</b>	<b>19.467.682</b>

The accrued income account at the 30/6/2005 mainly includes certain and accrued fees (connection fees and airtime fees) that have not been billed to operators.

The account accrued income also includes the amount of €3.598.901 which refers to receivables from the recognition of income according to the completion percentage of submarine battery construction contracts.

## 6.12 Financial assets valued at fair value through the income statement.

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

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b>Balance at the beginning of the period</b>	5.053.388	6.004.347	5.047.388	5.998.347
Additions	85.136	6.244.949	85.136	6.244.949
Sales	(348.128)	(7.253.667)	(342.128)	(7.253.667)
Fair value readjustments	257.211	57.758	257.211	57.758
<b>Balance at the end of the period</b>	<b>5.047.607</b>	<b>5.053.388</b>	<b>5.047.607</b>	<b>5.047.388</b>

## 6.13 Cash and cash equivalents

	GROUP		30/6/2005	31/12/2004
	30/6/2005	31/12/2004		
Cash in hand	591.513	636.094	58.059	82.819
Short-term bank deposits	17.507.135	11.947.874	11.885.868	7.147.079
<b>Total</b>	<b>18.098.648</b>	<b>12.583.968</b>	<b>11.943.928</b>	<b>7.229.898</b>

The real weighted average interest rate for bank deposits was 1,98% (1,95% in 2004)

The cash in hand and the bank over-withdrawals for the purposes of the cash flow statement, include the following:

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<i>Cash and cash equivalents</i>	<b>18.098.648</b>	<b>12.583.968</b>	11.943.928	7.229.898
<b>Total</b>	<b>18.098.648</b>	<b>12.583.968</b>	<b>11.943.928</b>	<b>7.229.898</b>

## 6.14 Total equity

### i) Share capital

	Number of shares	Common shares	Above par	Own shares	Total
<b>Balance as at 1/1/2004</b>	<b>40.085.230</b>	<b>12.827.274</b>	<b>203.655.544</b>		<b>216.482.818</b>
Issuance of new shares	402.270	128.726	2.847.333	-	<b>2.976.059</b>
Purchase of Parent's shares (Own Shares)	-	-	-	-	-
Sale of Parent's shares (Own Shares)	-	-	-	-	-
<b>Balance as at 31/12/2004</b>	<b>40.487.500</b>	<b>12.956.000</b>	<b>206.502.877</b>	<b>0</b>	<b>219.458.877</b>
Issuance of new shares	-	-	(5.954)	-	(5.954)
Purchase of Parent's shares (Own Shares)	-	-	-	-	-
Sale of Parent's shares (Own Shares)	-	-	-	-	-
<b>Balance 30/6/2005</b>	<b>40.487.500</b>	<b>12.956.000</b>	<b>206.496.923</b>	<b>0</b>	<b>219.452.924</b>

The share of GERMANOS GROUP OF COMPANIES S.A is freely traded on the Athens Exchange and participates in the following indices: Main Market General Index (FTSE/ASE 20), MSCI Standard Index and MSCI Small Cap.

The Group's share premium reserve emerged from the issuance of shares by cash at a value larger than their nominal value.

### ii) Fair Value Reserves

On 30/6/2005 the group has not formed fair value reserves.

The analysis of fair value reserves as regards to the company, is as follows:

	<b>COMPANY Valuation of associates at fair value</b>
<b>Balance as at January 1st 2004</b>	<b>39.109.456</b>
Revaluation	
Gross	19.897.879
Less: Tax	(4.482.745)
<b>Balance as at December 31st 2004</b>	<b>54.524.591</b>
Revaluation	
Gross	(14.911.693)
Less: Tax	4.771.742
<b>Balance as at June 30th 2005</b>	<b>44.384.639</b>

### iii) Other Reserves

The Group's other reserves are analyzed as follows:

	Ordinary reserve	Extraordinary reserves	Untaxed reserves	Financial instruments reserve	Other reserves	Total
<b>Balance as at January 1st 2004</b>	<b>7.517.105</b>	<b>2.787.968</b>	<b>55.977.120</b>	<b>(6.364.132)</b>	<b>24.727</b>	<b>59.942.789</b>
Changes during the period	29.564	0	21.992.916	0	0	<b>22.022.480</b>
<b>Balance as at December 31st 2004</b>	<b>7.546.669</b>	<b>2.787.968</b>	<b>77.970.036</b>	<b>(6.364.132)</b>	<b>24.727</b>	<b>81.965.269</b>
Changes during the period	(19.028)	0	0	0	(5.714)	<b>(24.742)</b>
<b>Balance as at June 30th 2005</b>	<b>7.527.641</b>	<b>2.787.968</b>	<b>77.970.036</b>	<b>(6.364.132)</b>	<b>19.013</b>	<b>81.940.527</b>

### 6.15 Loan liabilities

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b>Long-term loans</b>				
Bank loans	104.472.773	109.131.572	101.999.871	106.627.805
<b>Total long-term loans</b>	<b>104.472.773</b>	<b>109.131.572</b>	<b>101.999.871</b>	<b>106.627.805</b>
<b>Short-term loans</b>				
Bank loans	38.759.939	55.348.924	9.006.391	22.374.496
<b>Total short-term loans</b>	<b>38.759.939</b>	<b>55.348.924</b>	<b>9.006.391</b>	<b>22.374.496</b>
<b>Total loans</b>	<b>143.232.712</b>	<b>164.480.496</b>	<b>111.006.262</b>	<b>129.002.301</b>

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

	30/6/2005	31/12/2004
2 years or less	0	46.969.656
From 2 to 5 years	104.472.773	62.161.916
Over 5 years	-	-
	<b>104.472.773</b>	<b>109.131.572</b>

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

	30/6/2005			31/12/2004		
	€	US\$	Other	€	US\$	Other
Bank loans (short-term)	4,2%	2,710%	-	4,4%	2,550%	-
Bank loans (long-term)	3,270%		-	3,370%		-
Bank over-withdrawals						

The real weighted average borrowing rate for the group, as at the balance sheet date is as follows.

## 6.16 Employee benefit liabilities

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b>Balance Sheet liabilities for:</b>				
Pension benefits	773.253	863.198	619.124	600.000
Medical benefits after retirement	-	-		
<b>Total</b>	<b>773.253</b>	<b>863.198</b>	<b>619.124</b>	<b>600.000</b>
<b>Charges in the results:</b>				
Pension benefits (provisions and payments)	89.945	(152.198)	(19.124)	(100.000)
Medical benefits after retirement	-	-		
<b>Total</b>	<b>89.945</b>	<b>(152.198)</b>	<b>(19.124)</b>	<b>(100.000)</b>

	30/6/2005	31/12/2004
Present value of financed liabilities	-	-
Fair value of the scheme's assets	-	-
	-	-
Present value of non-financed liabilities	773.253	863.198
Non-registered actuarial profit / (loss)	-	-
Non-registered cost for service time	-	-
	773.253	863.198
<b>Balance Sheet Liability</b>	<b>773.253</b>	<b>863.198</b>

The main actuarial assumptions used are as follows:

	30/6/2005	31/12/2004
Technical Interest Rate	4,5%	4,5%
Future wage increases	3,5%	3,5%
Inflation	2,5%	2,5%

## 6.17 Other long-term liabilities

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

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
<b><i>Received guarantees - Grants-Leasing</i></b>				
Balance at beginning of period	2.614.581	1.420.570	1.000	1.000
<b>Additions:</b>				
Guarantees	4.535	0	0	0
Grants	48.115	1.125.296	0	0
Leasing	0	217.659	0	0
<b>Reductions:</b>				
Guarantees	(1.000)	0	(1.000)	0
Leasing	(82.206)	(148.944)	0	0
<b>Balance at end of period</b>	<b>2.584.024</b>	<b>2.614.581</b>	<b>0</b>	<b>1.000</b>

## 6.18 Provisions

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

The balance of the provisions account on 30/6/2005 amounting to € 119.419 refers to a provision amount for the payment of reimbursement to part of the staff for non-provided vacation time.

## 6.19 Suppliers and other liabilities

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

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Suppliers	115.576.019	103.415.031	78.384.279	59.306.843
Notes Payable	0	0	0	0
Checks Payable	37.875.807	31.871.665	37.789.986	31.869.104
Liabilities towards customers from the execution of projects	0	0	-	-
			0	0
<b>Total</b>	<b>153.451.826</b>	<b>135.286.696</b>	<b>116.174.265</b>	<b>91.175.947</b>

## 6.20 Current tax liabilities

The current tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Tax expense that corresponds to the period	6.792.169	12.488.290	6.546.292	11.670.249
Other tax liabilities	7.527.223	7.512.634	7.214.130	6.734.187
<b>Total</b>	<b>14.319.393</b>	<b>20.000.924</b>	<b>13.760.422</b>	<b>18.404.437</b>

## 6.21 Other short-term liabilities

The other short-term liabilities are analyzed as follows:

	GROUP		THE COMPANY	
	30/6/2005	31/12/2004	30/6/2005	31/12/2004
Social Security Funds	852.320	1.621.665	591.887	1.189.309
Sundry Creditors	3.401.382	2.028.360	3.401.382	1.513.534
Dividends payable	18.498.755	0	18.498.755	0
Deferred charges - Grants	1.158.306	1.198.035	1.158.306	1.198.035
Other liabilities	1.722.869	1.738.705	66.608	0
<b>Total</b>	<b>25.633.631</b>	<b>6.586.765</b>	<b>23.716.938</b>	<b>3.900.878</b>

## 6.22 Cost of goods sold

The cost of goods sold is analyzed as follows:

	GROUP		THE COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
Cost of inventories recognized as an expense	331.982.352	282.315.979	248.805.012	229.963.743
Employee remuneration and expenses	4.548.906	3.635.346	2.732.769	1.984.791
Third party remuneration and expenses	362.854	172.023	362.854	171.063
Third party Benefits	707.738	621.570	373.863	112.122
Taxes - Duties	13.920	8.274	9.693	3.743
Sundry expenses	289.163	246.807	270.380	217.634
Depreciations of fixed assets	1.808.569	2.609.630	1.659.391	2.603.424
	<b>339.713.502</b>	<b>289.609.629</b>	<b>254.213.962</b>	<b>235.056.520</b>

## 6.23 Administrative / distribution expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
Employee remuneration and expenses	9.888.085	8.164.124	5.703.865	5.676.425
Third party remuneration and expenses	4.219.642	2.045.651	4.114.896	1.973.060
Third party Benefits	19.040.673	15.857.673	15.024.619	12.709.531
Taxes - Duties	186.349	107.128	97.066	18.467
Other sundry expenses	9.115.420	11.544.326	5.813.290	7.491.375
Depreciations of fixed assets	6.373.829	4.810.809	4.749.157	3.345.967
<b>Total</b>	<b>48.823.998</b>	<b>42.529.711</b>	<b>35.502.893</b>	<b>31.214.825</b>

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
Employee remuneration and expenses	6.262.600	6.087.832	4.660.968	4.766.011
Third party remuneration and expenses	1.362.599	488.382	973.565	176.100
Third party Benefits	3.421.812	2.135.388	1.562.123	1.399.874
Taxes - Duties	290.395	56.231	155.530	33.465
Other sundry expenses	1.932.658	1.735.504	1.049.418	1.268.933
Depreciations	2.874.021	3.154.293	2.131.965	2.273.678
	<b>16.144.085</b>	<b>13.657.630</b>	<b>10.533.569</b>	<b>9.918.061</b>

## 6.24 Other operating income / expenses

The other operating income and expenses for the 1<sup>st</sup> quarter of 2005 and 2004 are as follows:

	GROUP		COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
<b>Other operating income</b>				
Depreciation of received grants	119.099	319.646		200.000
Income from rendering of Admin. Services	1.686.222	1.556.768	1.376.599	1.457.976
Grants and sundry sales income	529.090	448.507	518.818	394.659
Profit from foreign exchange differences	2.566.684	1.046.847		
Profit from sale of fixed assets	2.165	39.221	2.165	-
Income from concessions	514.947	222.168	199.252	176.064
Income from equipment of new stores	-	959.424		-
Other	2.016.218	2.734.876	521.279	357.570
<b>Total</b>	<b>7.434.425</b>	<b>7.327.457</b>	<b>2.618.113</b>	<b>2.586.269</b>
<b>Other operating expenses</b>				
Losses from foreign exchange differences	858.072	833.544	-	509.108
Destruction of unfit inventory	-	320.000	-	-
Loss from sale of fixed assets	247.684	74.826	226.705	5.263
Other	854.799	876.056	512.212	436.137
Expenses brought forward	97.330	221.877	18.955	214.876
<b>Total</b>	<b>2.057.885</b>	<b>2.326.303</b>	<b>757.872</b>	<b>1.165.384</b>

## 6.25 Financial income / expenses

	GROUP		COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
<b>Interest income from:</b>				
-Banks	49.360	109.601	16.612	78.187
Other credit interest	130.817	0	130.817	0
	<b>180.177</b>	<b>109.601</b>	<b>147.429</b>	<b>78.187</b>
<b>Interest expenses from:</b>				
-Bank loans	3.387.684	3.159.435	2.525.099	2.171.360
- Factoring	120.877	148.238	120.877	148.238
- Other Bank Expenses	171.098	104.398	121.418	104.398
	<b>3.679.659</b>	<b>3.412.071</b>	<b>2.767.394</b>	<b>2.423.996</b>

## 6.26 Other financial results

	GROUP		COMPANY	
	1/1 - 30/6/2005	1/1 - 30/6/2004	1/1 - 30/6/2005	1/1 - 30/6/2004
Profit / loss from absorption of subsidiary	0	0	(1.413.600)	0
Profit / (loss) from fair value of other financial assets through results	0	0	0	0
-Fair value profit	357.211	0	357.211	0
-Fair value losses	0	(90.347)	0	(90.347)
Profit / (loss) from the sale of financial assets	(1.657)	(4.349)	0	(4.349)
Income from dividends	483.312	3.131.302	9.582.612	7.965.588
	<b>838.866</b>	<b>3.036.606</b>	<b>8.526.223</b>	<b>7.870.892</b>

## 6.27 Income tax

	GROUP		COMPANY	
	30/6/2005	30/6/2004	30/6/2005	30/6/2004
Tax for the current period	(6.831.629)	(6.207.164)	(6.546.292)	(6.100.148)
Deferred tax	870.727	551.407	175.740	(639.659)
<b>Total</b>	<b>(5.960.902)</b>	<b>(5.655.757)</b>	<b>(6.370.552)</b>	<b>(6.739.807)</b>

## 6.28 Earnings per share

	GROUP		COMPANY	
	30/6/2005	30/6/2004	30/6/2005	30/6/2004
Earnings that correspond to the parent's shareholders	27.683.386	24.057.472	27.533.765	23.749.059
Weighted average number of shares	40.487.500	40.085.230	40.487.500	40.085.230
Basic earnings per share (Euro per share)	0,68	0,60	0,68	0,59

## 6.29 Cash flows from operating activities

	Notes	GROUP		COMPANY	
		1st SEMESTER		1st SEMESTER	
		2005	2004	2005	2004
<b><u>Cash flows from operating activities</u></b>					
<b><u>Earnings for the Period</u></b>		27.565.650	23.958.760	27.533.765	23.749.059
<b><u>Adjustements for:</u></b>					
Tax		5.960.902	5.656.091	6.370.552	6.739.807
Depreciations of tangible fixed assets		10.036.448	8.911.896	8.225.537	7.215.838
Depreciations of intangible assets		1.017.099	1.647.224	314.977	1.007.232
Impairments		0	190.347	0	90.347
Profit/(loss) from sale of tangible assets (see below)		0	(9.258)	0	(9.258)
Fair value losses of other financial items at fair value through results		(257.211)	0	(257.211)	0
Interest income		(180.173)	(109.599)	(147.429)	(78.187)
Interest expenses		3.679.659	3.412.071	2.767.394	2.423.996
Dividend income		(480.999)	(3.131.302)	(9.580.299)	(7.965.588)
Depreciation of grants - provided rights		0	(119.646)	0	0
Share of result in affiliated companies		(5.904.810)	(4.176.035)	0	0
		<b>41.436.566</b>	<b>36.230.550</b>	<b>35.227.285</b>	<b>33.173.246</b>
<b><u>Changes in Working capital</u></b>					
Increase/(decrease) of inventories		(19.819.765)	(13.289.878)	(16.332.348)	(10.690.425)
Increase/(decrease) of receivables		20.125.813	6.824.749	18.234.535	8.872.081
Increase/(decrease) of other current asset accounts		(33.333.274)	(17.765.686)	(29.708.404)	(16.810.598)
Increase/(decrease) of liabilities		20.062.890	7.427.587	17.751.727	7.874.579
Outflow of liability for employee benefits for retirement		3.129	0	0	0
		<b>(12.961.206)</b>	<b>(16.803.228)</b>	<b>(10.054.489)</b>	<b>(10.754.362)</b>
<b>Net cash flows from operating activities</b>		<b>28.475.360</b>	<b>19.427.322</b>	<b>25.172.796</b>	<b>22.418.884</b>

### 6.30 Analysis of IFRS first implementation adjustments

CHANGES IN EQUITY	Note	GROUP			COMPANY		
		1-Iav-2004	31-Δεκ-2004	30-Iouy-2004	1-Iav-2004	31-Δεκ-2004	30-Iouy-2004
<b>Total Equity, as has previously been presented according to Greek GAAP</b>		<b>215.489.250</b>	<b>238.793.552</b>	<b>240.452.308</b>	313.765.605	348.371.301	341.887.873
<b><i>Adjustments of International Financial Reporting Standards</i></b>							
Reclassification of Grants from equity to long-term liabilities (accrued income)		(2.271.894)	(2.269.173)	(1.952.248)	(1.094.585)	(698.057)	(894.585)
Effect from the valuation of tangible assets	i	24.949.169	27.037.237	26.733.331	24.949.169	27.106.569	26.733.331
Effect from the recognition of intangible fixed assets and the write-off of formation expenses	ii	(46.396.790)	(50.395.871)	(46.150.319)	(45.239.127)	(49.705.548)	(45.168.147)
Transfer of payable dividends' recognition to their approval time from the G.M.	vii	16.569.239	17.965.755	0	16.034.092	18.219.375	0
Impairment of Subsidiaries' Value	ix	0	0	0	(15.000.000)	(15.000.000)	(15.000.000)
Valuation of associate companies at fair value	iii	0	0	0	39.109.456	54.524.591	53.165.645
Consolidation adjustments of accosiate companies under equity method		42.339.424	41.132.372	41.115.782			
Valuation of Financial Assets at Fair Value through p&l	iii	(1.144.784)	0	(1.095.010)	(1.144.784)	0	(1.095.010)
Recognition of accrued employee benefits due to retirement	iv	(711.000)	(818.124)	(761.000)	(500.000)	(600.000)	(550.000)
Recognition of accrued expenses		(49.000)	(107.000)	(49.000)			
Provision for Doubtful Receivables	x	(1.219.427)	(1.487.020)	(1.269.427)	(700.000)	(900.000)	(700.000)
Foreign Exchange Differeces from translation		0	0	0			
Recognition of deferred taxation		6.749.071	7.310.770	8.257.913	13.540.954	13.420.567	12.901.295
Recognition of goodwill from 1st consolidation of companies	v	0	10.252.128	0			
Impairment of assets	ix	(11.446.106)	(11.546.106)	(11.496.106)	(6.746.106)	(6.746.106)	(6.746.106)
Effect from the consolidation of Subsidiaries		(2.240.583)	1.411.522	425.919			
Calculation of Interest from Bond Loan according to the Internal Rate of Return	iii	(31.119)	(149.368)	(57.978)	(31.119)	(149.368)	(57.978)
Recognition of analogous current income tax and tax audit differeces		0	0	(5.868.164)			(5.761.148)
Recognition of credit foreign exchange valuation differences in the results	viii	459	86.566	0	459	86.566	0
<b>Total Adjustments</b>		<b>25.096.659</b>	<b>38.423.689</b>	<b>7.833.692</b>	<b>23.178.410</b>	<b>39.558.590</b>	<b>16.827.297</b>
<b>Invested capital, according to International Accounting Standards</b>		<b>240.585.909</b>	<b>277.217.241</b>	<b>248.285.999</b>	<b>336.944.015</b>	<b>387.929.891</b>	<b>358.715.171</b>

## CHANGES IN RESULTS

	Note	GROUP		COMPANY			
		1-Iav-2004	31-Δεκ-2004	30-Iouy-2004	1-Iav-2004	31-Δεκ-2004	30-Iouy-2004
<b>Total Results Before Tax, as has previously been presented according to Greek GAAP</b>			<b>66.954.687</b>	<b>29.363.761</b>		<b>59.954.910</b>	<b>28.805.739</b>
<b><i>Adjustments of International Financial Reporting Standards</i></b>							
Effect from the non-recognition of formation expenses as intangible assets			(7.402.062)	(881.396)		(7.221.444)	(783.232)
Effect on the period depreciation of tangible fixed assets, from the differentiation of depreciation rates and depreciated value			5.522.735	1.784.162		5.522.735	1.784.162
Reversal of Formation Expenses' Depreciations that had been capitalized in previous fiscal years			3.312.292	1.127.866		2.755.762	854.212
Valuation of Financial Assets at Fair Value through p&l			15.631	(94.696)		15.631	(94.696)
Recognition of accrued employee benefits due to retirement			(107.124)	(50.000)		(100.000)	(50.000)
Calculation of Interest from Bond Loan according to the Internal Rate of Return			(118.250)	(26.860)		(118.250)	(26.860)
Effect from the consolidation of associate companies with the equity consolidation method			25.126	(1.223.641)		0	0
Provision of doubtfuls			(367.592)	(100.000)		(200.000)	0
Recognition of deferred taxation			111.699	1.052.551		(120.387)	(639.659)
Effect from consolidation of subsidiary companies			(1.047.152)	(875.227)		0	0
Recognition of accrued expenses			(58.000)	(13.493)		0	0
Other IFRS adjustments			(284.220)	(284.220)		0	0
Recognition of analogous current income tax and tax audit differences			(13.123.364)	(5.819.587)		(11.946.290)	(6.100.148)
Recognition of credit foreign exchange valuation differences in the results			86.107	(459)		86.107	(459)
<b><i>Total Adjustments</i></b>			<b>(13.434.175)</b>	<b>(5.405.001)</b>		<b>(11.326.136)</b>	<b>(5.056.680)</b>
<b><i>Results after Tax, according to International Accounting Standards</i></b>			<b>53.520.513</b>	<b>23.958.760</b>		<b>48.628.774</b>	<b>23.749.059</b>

### (i) – Effects from the valuation of tangible fixed assets

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

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

	<b>GROUP</b>	<b>COMPANY</b>
<i>Tangible Assets valued at fair value (implied cost)</i>		
Fair value as implied acquisition cost for IFRS	17.558.604	17.404.257
Book value according to previous accounting principles	6.844.914	6.690.567
<b>Total adjustment to Book Value</b>	<b>10.713.690</b>	<b>10.713.690</b>
<i>Tangible assets valued at initial cost less accumulated depreciation</i>		
Book value on transition date according to IFRS (depreciations based on useful life)	72.110.174	64.739.756
Book value on transition date according to previous accounting principles IFRS (depreciations PD 100/98)	57.874.695	50.504.277
<b>Changes</b>	<b>14.235.479</b>	<b>14.235.479</b>
<b>Total Changes</b>	<b>24.949.169</b>	<b>24.949.169</b>

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

- to the readjustment the Group conducted on the previous accounting principles based on the provisions of L. 2065.
- to the recalculation of depreciations for fiscal year 2004 and for the interim period until 30/6/2004 based on the new acquisition values and the real expected useful lives of the fixed assets.

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

The Group applied the recognition criteria of IAS 38 "Intangible Assets" in order to present, during the transition date, intangible assets in its financial statements. As a consequence of this

procedure, during the transition date the Group wrote-off formation expenses and intangible assets that did not meet the recognition criteria and it recalculated the depreciations of intangible assets based on their useful life. Furthermore, the Group proceeded with a reclassification of accounts, which according to the previous accounting principles were booked in intangible asset accounts in other asset accounts based on the demands of secondary principles.

Specifically the effects from the transition to intangible assets are briefly presented in the following table:

	<b>GROUP</b>	<b>COMPANY</b>
<b><i>Tangible assets and formation expenses according to previous accounting principles</i></b>	<b><i>57.672.727</i></b>	<b><i>48.563.517</i></b>
Non-recognition of formation expenses and intangible assets	(3.279.879)	(2.122.215)
Recalculation of depreciations based on useful life	(43.116.911)	(43.116.911)
<b>Total effects</b>	<b>-46.396.790</b>	<b>-45.239.127</b>
Transfer to deferred expenses of the deferred subscriber acquisition cost	(5.784.549)	
Transfer to other accounts	(2.547.852)	(2.547.852)
<b>Intangible assets and formation expenses according to IFRS</b>	<b>2.943.536</b>	<b>776.539</b>

### **(iii) – Valuation of Financial Instruments**

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

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

Any positive or negative difference resulting from the revaluation of "Financial Assets Available for sale" after the transition date to IFRS is transferred to a special reserve, while respective profit or losses from revaluation of "Financial Assets at Fair Value through the Results" are recognized in the period's results. From the revaluation at fair value, losses amounting to €1.144.784 resulted, which burdened the net worth as at 31/12/2003.

Furthermore, investments in associate companies were valued in the parent company's individual statements at fair value (according to IAS 39 as assets available for sale). From the valuation a readjustment to the fair value of the investment in HDFS S.A. emerged during the transition date, amounting to € 39.109.565. The readjustment amount was directly transferred to the company's equity and specifically to the equity account "fair value reserve".

#### **(iv) – Recognition of accrued staff retirement benefits**

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

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

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

#### **(v) – Non-recognition of consolidation differences as Goodwill**

The Group chose, based on IFRS 1, not to retrospectively apply the goodwill that emerged from acquisitions of subsidiaries before the transition date to the new standards.

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

A surplus value of € 10.252.128 that was recognized on 31/12/2004 emerged from the consolidation with IAS of the subsidiary company GTI POLAND.

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

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

The Group consolidates the associate company HDFS S.A. with the equity consolidation method. During the transition date, from the consolidation of the associate company according to IAS 28 "consolidations of associates", adjustments amounting to € 42.339.424 emerged, which increased the value of the Company's share in the associate company.

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

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

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

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

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

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

### **(ix) – Impairment of Assets**

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

From the impairment review, surcharges emerged in the financial statements' sub-accounts, such as inventories, and other current assets. The total surcharge for the group from the impairment of secondary assets amounted to € 11.446.106 (and to € 6.746.106 for the parent). Furthermore, the parent company has proceeded in its individual statements, with an impairment amounting to € 15.000.000, which refers to its participation in the subsidiary company P. Germanos S.A.

### **(x) – Provisions for doubtful receivables**

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

## 6.31 Obligations

	<b>30/6/2005</b>	<b>31/12/2004</b>
NBG Letters Of Guarantees	3.732.455	3.675.194
ALPHA Letters of Guarantees	5.504.088	4.826.755
GENIKI Letters Of Guarantees	1.788.836	857.270
ATTICA Letters Of Guarantees	5.658	5.658
PIRAEUS Letters Of Guarantees	28.892	36.933
EFG EUROBANK ERGASIAS Letters Of Guarantees	6.284.114	6.287.363
EGNATIA Letters Of Guarantees	112.050	112.050
ARAB BANK Letters Of Guarantees	286.294	400.379
ABN-AMRO Letters Of Guarantees	11.500.000	3.000.000
SOCIETE GENERAL Letters Of Guarantees	1.400.720	2.310.992
BNP Letters Of Guarantees	179.869	32.365
CYPRUS Letters Of Guarantees	50.140	50.140
CITIBANK Letters Of Guarantees	8.255	8.255
	<b>30.881.373</b>	<b>21.603.355</b>

## 6.32 Contingent receivables - liabilities

### Information regarding contingent liabilities

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.

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

	<b>UN-AUDITED TAX FISCAL YEARS</b>
<b>GERMANOS SA</b>	2004
<b>P. GERMANOS SA</b>	-
<b>E-VALUE S.A.</b>	2003-2004
<b>GERMANOS TELECOM A.D. SKOPJE</b>	2003-2004
<b>GERMANOS TELECOM ROMANIA SA</b>	2003-2004
<b>SUNLIGHT ROMANIA FILIALA S.R.L.</b>	2001-2004
<b>GERMANOS TELECOM BULGARIA A.D.</b>	2002-2004
<b>SUNLIGHT UKRAINE S.R.L.</b>	2001-2004
<b>GERMANOS TELECOM UKRAINE CJSC</b>	2004
<b>GERMANOS POLSKA Sp. Zoo</b>	2001-2004
<b>GTI POLSKA SP ZOO</b>	2004
<b>TCM SP ZOO</b>	2002-2004
<b>GERMANOS CYPRUS LTD</b>	1999-2004
<b>INFOTEL LTD</b>	2000-2004
<b>HDFS</b>	2003-2004
<b>SILKWAY HOLDING BV</b>	2004
<b>UNITEL L.L.C.</b>	-

## 6.33 Transactions with affiliated parties

### INTERCOMPANY BALANCES 30/6/2005 LIABILITIES

	GERMANOS													TOTAL
	GERMANOS SA	P.GERMANO S SA	E-VALUE SA	G.T.I POLSKA	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	
GERMANOS SA		6.696.536	16.313		819.524	207.019		1.828.836	184.936	217.646	1.504.670	863.060	652.266	12.990.806
P.GERMANOS SA													0	0
E-VALUE SA													0	0
G.T.I POLSKA					5.880									5.880
GERMANOS POLSKA				196.330		4.640.922		47.469	9.300				4.049	4.898.070
T.C.M.													309.450	309.450
SUNLIGHT FILIALA								9.323						9.323
G.TELECOM ROMANIA					46.769		396.237		24.827				58.777	526.610
G.TELECOM SKOPIA													0	0
GT /UKRAINE											1.771			1.771
SUNLIGHT UKRAINE										28.740				28.740
SUNLIGHT UKRAINE														0
SUNLIGHT UKRAINE														0
GERMANOS CYPRUS LTD/INFOTEL														0
G.TELECOM BULGARIA					3.496			7.470	640					11.606
<b>TOTAL</b>	<b>0</b>	<b>6.696.536</b>	<b>16.313</b>	<b>196.330</b>	<b>875.669</b>	<b>4.847.941</b>	<b>396.237</b>	<b>1.893.098</b>	<b>219.703</b>	<b>246.386</b>	<b>1.506.441</b>	<b>863.060</b>	<b>1.024.542</b>	<b>18.782.256</b>

### INTERCOMPANY SALES A-PURCHASES 1/1 - 30/6/2005 PURCHASES

	GERMANOS													TOTAL
	GERMANOS SA	P.GERMANO S SA	E-VALUE SA	G.T.I POLSKA	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	
GERMANOS SA		3.059.356	3.599		294.663		27.271	2.456.421	122.058	1.280	299.949	331.112	1.008.633	7.604.342
P.GERMANOS SA														0
E-VALUE SA														0
G.T.I POLSKA					801.894	1.839.394								2.641.288
GERMANOS POLSKA				21.385		6.797.537		2.600	8.356	1.845				6.831.723
T.C.M.					491.015								309.450	800.465
SUNLIGHT FILIALA														0
G.TELECOM ROMANIA							1.591.616		40.946				48.527	1.681.089
G.TELECOM SKOPIA														0
GT /UKRAINE											22.961			22.961
SUNLIGHT UKRAINE														0
GERMANOS CYPRUS LTD/INFOTEL														0
G.TELECOM BULGARIA					640			6.879						7.519
<b>TOTAL</b>	<b>0</b>	<b>3.059.356</b>	<b>3.599</b>	<b>21.385</b>	<b>1.588.212</b>	<b>8.636.931</b>	<b>1.618.887</b>	<b>2.465.900</b>	<b>171.360</b>	<b>3.125</b>	<b>322.910</b>	<b>331.112</b>	<b>1.366.610</b>	<b>19.589.387</b>

INTERCOMPANY SALES A-PURCHASES 1/1 - 31/12/2004  
PURCHASES

	GERMANOS SA	P.GERMANO S SA	E-VALUE SA	LASE A.E.	NG SYSTEMS A.E.	G.T.I ΠΟΛΩΝΙΑΣ	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TOTAL	
S	GERMANOS SA	6.160.709	1.547	259.308	630.823		560.501		48.425		207.058	24.060	716.849		3.604.756	12.214.036	
A	P.GERMANOS SA																
L	E-VALUE SA																
E	G.T.I POLSKA						1.275.410									1.275.410	
S	GERMANOS POLSKA							9.589	2.463.853						400.003	2.873.445	
	T.C.M.																
	SUNLIGHT FILIALA																
	G.TELECOM ROMANIA						1.590		6.086.536		70.391				9.125	6.167.642	
	G.TELECOM SKOPIA														154.967	154.967	
	GT /UKRAINE																
	SUNLIGHT UKRAINE											36.447				36.447	
	GERMANOS CYPRUS LTD/INFOTEL																
	G.TELECOM BULGARIA									364.563	114.982					479.545	
	TOTAL	0	6.160.709	1.547	259.308	630.823	9.589	4.301.354	0	6.134.961	364.563	392.431	60.507	716.849	0	4.168.851	23.201.492

INTERCOMPANY BALANCES 31/12/2004  
LIABILITIES

	GERMANOS SA	P.GERMANO S SA	E-VALUE SA	G.T.I POLSKA	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM SKOPIA	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TOTAL	
	GERMANOS SA	4.086.932				7.946			42.315		1.204.576			5.341.769	
	P.GERMANOS SA													0	
	E-VALUE SA												676.852	676.852	
	G.T.I POLSKA													0	
R	GERMANOS POLSKA			62.281		4.765.536							4.049	4.831.866	
E	T.C.M.			12.966									400.003	412.969	
C	SUNLIGHT FILIALA													0	
E	G.TELECOM ROMANIA				46.127	659.483							9.605	715.215	
I	G.TELECOM SKOPIA												50.000	50.000	
V	GT /UKRAINE													0	
A	SUNLIGHT UKRAINE									24.705				24.705	
B	SUNLIGHT UKRAINE													0	
L	SUNLIGHT UKRAINE									24.705				24.705	
E	GERMANOS CYPRUS LTD/INFOTEL													0	
S	G.TELECOM BULGARIA	38.654			3.500		146.583							150.083	
	TOTAL	38.654	4.086.932	0	75.247	49.627	4.773.482	659.483	146.583	42.315	49.410	1.204.576	0	1.140.509	12.266.818

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

### **6.34 Events after the balance sheet date**

Apart from the aforementioned events, there are no events after the balance sheet date, which concern either the Group or the Company and whose disclosure is required by the International Financial Reporting Standards.