INFO-QUEST S.A.

Financial Statements for the year ended 31 December 2005
in accordance with International Financial Reporting Standards («IFRS»)

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

Contents

Balance Sheet

Amounts in Euro thousands	Notes	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
ASSETS					
Non-current assets					
Property, plant and equipment	7	102.684	93.762	28.706	78.884
Intangible assets	8	25.571	27.344	361	27.096
Investments in subsidiaries	9	-	-	71.379	20.517
Deferred income tax asset	11	6.524	10.175	2.917	7.752
Available for sale financial assets	10	17.667	16.283	17.650	16.265
Other receivables	13	270	-	-	-
		152.716	**147.564**	**121.013**	**150.514**
Current assets					
Inventories	12	24.561	20.969	20.939	19.453
Accounts receivable	13	198.932	147.947	144.332	124.264
Other receivables	13	12.913	16.444	10.637	18.248
Current income tax asset		1.344	1.329	862	956
Cash and cash equivalents	14	2.531	1.832	742	649
		240.281	**188.521**	**177.512**	**163.570**
Total assets		**392.997**	**336.085**	**298.525**	**314.084**
EQUITY					
Capital and reserves attributable to the Company's shareholders					
Share capital	15	157.020	155.792	157.020	155.792
Other reserves	16	14.858	13.034	14.789	12.989
Retained earnings / (Accumulated losses)		(94.074)	(104.840)	(75.130)	(87.100)
		77.804	63.986	96.679	81.681
Minority interest		735	389	-	-
Total equity		**78.539**	**64.375**	**96.679**	**81.681**
LIABILITIES					
Non-current liabilities					
Borrowings	17	24.071	30.485	3.250	28.924
Retirement benefit obligations	18	1.537	1.162	817	779
Government Grants	19	155	230	137	194
Other liabilities	20	191	-	-	-
Provisions	21	4.469	4.202	4.469	4.062
		30.423	**36.079**	**8.673**	**33.959**
Current liabilities					
Accounts payable	20	75.303	83.652	35.222	77.972
Other liabilities	20	42.576	31.759	20.919	20.330
Current income tax liability		2.580	734	-	704
Borrowings	17	163.501	119.352	137.032	99.438
Provisions	21	75	134	-	-
		284.035	**235.631**	**193.173**	**198.444**
Total liabilities		**314.458**	**271.710**	**201.846**	**232.403**
Total equity and liabilities		**392.997**	**336.085**	**298.525**	**314.084**

The notes on pages 6 to 50 are an integral part of these financial statements.

Income Statement

Amounts in Euro thousands	Notes	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Sales		**536.979**	**474.788**	**435.286**	**380.191**
Cost of sales	22	(454.240)	(421.192)	(362.546)	(333.450)
Gross profit		**82.739**	**53.596**	**72.740**	**46.741**
Selling expenses	22	(37.945)	(30.469)	(36.417)	(29.131)
Administrative expenses	22	(20.753)	(19.916)	(13.500)	(10.819)
Other operating income / (expenses) - net	26	2.848	(469)	3.435	2.045
Operating profit		**26.889**	**2.742**	**26.258**	**8.836**
Finance costs - net	24	(7.622)	(6.493)	(7.574)	(5.671)
Profit before income tax		**19.267**	**(3.751)**	**18.684**	**3.165**
Income tax expense	25	(6.856)	(564)	(5.486)	(1.873)
Profit for the period from continuing and discontinued operations (Note 36)		**12.411**	**(4.315)**	**13.198**	**1.292**
Attributable to :					
Equity holders of the Company		11.994	(1.947)	13.198	1.292
Minority interest		417	(2.368)	-	-
		12.411	**(4.315)**	**13.198**	**1.292**
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic and diluted	33	0,25	(0,04)	0,27	0,03

The notes on pages 6 to 50 are an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro thousands	Notes	Share capital	Other reserves	Retained earnings	Minority Interests	Total Equity
		Attributable to equity holders of the Company				
GROUP						
Balance 1 January 2004		**154.087**	**13.636**	**(101.570)**	**2.480**	**68.633**
Adjustment to prior period earnings	30	-	-	(222)	-	(222)
Balance 1 January 2004 as restated		**154.087**	**13.636**	**(101.792)**	**2.480**	**68.411**
Currency translation differences	16	-	(146)	-	(10)	(156)
Net profit / (loss) recognised directly in equity	16	-	(456)	(8)	-	(464)
Net profit for the period		-	-	(1.947)	(2.368)	(4.315)
Total recognised net profit for the period		-	(602)	(1.955)	(2.378)	(4.935)
Sale of treasury shares	15	1.705	-	(748)	-	957
Increase of shareholding in subsidiary				(345)	345	-
Share capital increase in subsidiary		-	-	-	15	15
Dividend relating to 2003		-	-	-	(73)	(73)
		1.705	-	(1.093)	287	899
1 January 2005		**155.792**	**13.034**	**(104.840)**	**389**	**64.375**
Currency translation differences	16	-	24	-	73	97
Net profit / (loss) recognised directly in equity	16	-	1.800		-	1.800
Net profit for the period		-	-	11.994	417	12.411
Total recognised net profit for the period		-	1.824	11.994	490	14.308
Cancellation of treasury shares	15	1.228	-	(1.228)	-	-
Dividend relating to 2004		-	-	-	(144)	(144)
		1.228	-	(1.228)	(144)	(144)
31 December 2005		**157.020**	**14.858**	**(94.074)**	**735**	**78.539**

Amounts in Euro thousands	Notes	Share capital	Other reserves	Retained earnings	Total Equity
		Attributable to equity holders of the Company			
COMPANY					
Balance 1 January 2004		**154.087**	**13.453**	**(87.421)**	**80.119**
Adjustment to prior period earnings	30	-	-	(222)	(222)
Balance 1 January 2004 as restated		**154.087**	**13.453**	**(87.643)**	**79.897**
Net profit / (loss) recognised directly in equity	16	-	(464)	-	(464)
Net profit for the period		-	-	1.292	1.292
Total recognised net profit for the period		-	(464)	1.292	828
Sale of treasury shares	15	1.705	-	(748)	957
Dividend relating to 2003		-	-	-	-
		1.705	-	(748)	957
Balance 1 January 2005 as restated		**155.792**	**12.989**	**(87.100)**	**81.681**
Net profit / (loss) recognised directly in equity	16	-	1.800	-	1.800
Net profit for the period		-	-	13.198	13.198
Total recognised net profit for the period		-	1.800	13.198	14.998
Cancellation of treasury shares	15	1.228	-	(1.228)	-
Dividend relating to 2004		-	-	-	-
		1.228	-	(1.228)	-
31 December 2005		**157.020**	**14.789**	**(75.130)**	**96.679**

The notes on pages 6 to 50 are an integral part of these financial statements.

Cash Flow Statement

		GROUP		COMPANY	
Amounts in Euro thousands	**Notes**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Cash flows from operating activities					
Cash generated from operations	27	(6.909)	39.002	(8.733)	39.978
Interest paid		(7.594)	(7.571)	(6.505)	(6.448)
Income tax paid		(1.460)	(1.514)	(607)	(858)
Net cash generated from operating activities		**(15.963)**	**29.917**	**(15.845)**	**32.672**
Cash flows from investing activities					
Purchase of property, plant and equipment	7	(20.478)	(19.197)	(19.957)	(18.676)
Purchase of intangible assets	8	(2.590)	(5.802)	(2.530)	(5.632)
Proceeds from sale of property, plant and equipment		18	31	-	-
Proceeds from investments		781	1.170	781	1.170
Acquisition of available for sale financial assets	9, 10	(154)	(55)	(7)	(1.470)
Disposals of available for sale financial assets	9, 10	510	80	510	80
Interest received		984	941	222	554
Net cash used in investing activities		**(20.929)**	**(22.832)**	**(20.981)**	**(23.974)**
Cash flows from financing activities					
Sale of treasury shares	15	-	957	-	957
Borrowings received		39.019	10.000	37.570	10.000
Repayment of borrowings		(650)	(19.126)	(650)	(20.685)
Capital repayments of finance leases		(1.044)	(1.164)	-	-
Dividends paid to minority interest		(144)	(73)	-	-
Net cash used in financing activities		**37.181**	**(9.406)**	**36.920**	**(9.728)**
Net (decrease) / increase in cash and cash equivalents		291	(2.321)	94	(1.032)
Cash and cash equivalents at beginning of the period		1.832	3.612	649	1.681
Cash and cash equivalents at end of the period	14	**2.123**	**1.291**	**742**	**649**

The notes on pages 6 to 50 are an integral part of these financial statements.

Notes upon financial statements

1. General information

The transition report contains the financial statements of Info-quest S.A. (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2005, according to International Financial Reporting Standards (“IFRS”). The names of the Group’s subsidiaries are presented in Note 9 of these statements.

The main activities of the Group are the distribution of information technology and telecommunications products, the design, application and support of integrated systems and technology solutions, and the supply of various telecommunication services and express mail services.

The Group operates in Greece, Albania and Cyprus and the Company’s shares are traded in Athens Stock Exchange.

The address of the Company is Al. Pantou str. 25-27, Kallithea Attikis, Greece. Its website address is ***www.quest.gr*****.**

The financial statements have been approved for issue by the Board of Directors on 22 February 2006.

2. Summary of significant accounting policies

2.1. Preparation framework of the financial statements

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), including International Reporting Standards (“IAS”), and the interpretations issued by the International Financial Reporting Interpretations Committee, that have been approved by the European Union, and IFRS that have been issued by the International Accounting Standards Board (“IASB”).

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been accepted by the European Council following an approval process undertaken by European Commission (“EC”), except for IAS 39 “Financial Instruments: Recognition and Measurement”. Following this process and as a result of representations made by Accounting Regulatory Committee of the European Council issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1st January 2005, except for specific sections that relate to hedging of deposit portfolios.

As the Group and the Company are not impacted by the sections that relate to hedging of deposit portfolios, as reflected in the IAS 39 approved by the EC, these financial statements have been prepared in compliance with IFRS that has been approved by the EC and IFRS that have been issued by the IASB.

IFRS 1 “First-time Adoption of International Financial Reporting Standards”, has been applied in preparing the financial statements with effect from 1st January 2004. IAS 1 “Presentation of Financial Statements” requires the presentation of comparative information for at least the prior corresponding period to the current period being presented. Therefore the Group’s and Company’s first time adoption balance sheet under IFRS is that of the 1st January 2004 (date of first adoption of IFRS).

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Group’s equity and its net income are given in Note 5.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, it is required the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the real results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2. New standards, interpretations and amendments to published standards

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Group's current and subsequent accounting periods. Managements estimation of the impact of these new standards, interpretations and amendments is as follows:

- **IAS 19 (Amendment), Employee Benefits (effective from 1 January 2006).**

  This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and looses and as the Group does not participate in any multi-employer plans, the adoption of this amendment will only impact the format and extent of disclosures presented in the accounts. The Group and the Company will apply this amendment from annual periods beginning 1 January 2006.

- **IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from 1 January 2006)**

  The amendment allows the foreign currency risk of a highly probable forecast intra-group transaction to qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect consolidated profit or loss. This amendment is not relevant to the Group's operations, as the Group does not have any intra-group transactions that would qualify as a hedged item in the consolidate financial statements.

- **IAS 39 (Amendment), The Fair Value Option (effective from 1 January 2006)**

  This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. The Group and the Company believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group and the Company does not have any financial instruments that are classified at fair value through profit or loss.

- **IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006).**

  This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Group and the Company.

- **IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources (effective from 1 January 2006)**

  These amendments are not relevant to the Group's operations, as the Group does not carry out exploration for and evaluation of mineral resources.

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)**

  IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. IFRS 7 replaces IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions", and disclosure requirements in IAS 32 "Financial Instruments: Disclosure and Presentation." It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

- **IFRIC 4, Determining whether an Arrangement contains a Lease (effective from 1 January 2006)**

  IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Management is of the view that this IFRIC will not impact the current accounting of applicable arrangements.

- **IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006).**

  IFRIC 5 is not relevant to the Group's operations.

- **IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective from 1 December 2005).**

  IFRIC 6 is not relevant to the Group's operations.

2.3. Consolidated financial statements

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The purchase method of accounting is used to account for the acquisition by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement

When the Group increases its shareholding in a subsidiary, the difference between the price paid and the book value of the net assets of that subsidiary is recorded directly in equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for its investment in subsidiaries, in its stand alone accounts, on the cost less impairment basis.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Although the Group has certain investments in which its share is between 20% and 50%, it does not exercise significant influence, since the other shareholders either individually or collectively have the control. For this reason, the Group classifies the above investments as available for sale financial assets (Note 2.9).

2.4. Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The nature and the source of the Group's income are used as the basis of determining its primary and secondary segments. The Group has concluded that its primary segment should be based on the nature of its products and services and its secondary segment should be based on the geographic location of its operations.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and

iii. All resulting exchange differences are recognised as a separate component of equity and transferred in Income Statement with the sale of those entities.

Exchange differences arising from the translation of the net investment in foreign entities' are recognised in equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings (and leasehold improvements)	4 – 25	Years
- Machinery, technical installations & other equipment	1 – 7	Years
- Transportation equipment	5 – 8	Years
- Telecommunication equipment	9 – 13	Years
- Furniture and fittings	7 – 10	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the Income Statement. (Note 2.8)

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

2.7. Intangible Assets

(a) Concessions and industrial rights

Concessions and industrial rights include the telecommunication licenses and are carried at cost less any depreciation. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its estimated useful life, which is 14 years.

(b) Computer software

The computer software licenses are carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its estimated useful life, which is 4 years.

Expenditures for the maintenance of software are recognized as expenses in the income statement when they occur.

When the carrying amount of the intangible assets is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the Income Statement. (Note 2.8)

2.8. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised as an expense to the Income Statement, when they occur.

2.9. Financial assets

The Group classifies its financial assets into the categories detailed below and depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(b) Financial assets at fair value through profit or loss

This category has three sub-categories: financial assets held for trading, those designated at fair value through profit or loss at inception and derivatives unless they are designated as hedges. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. The Group did not hold any investments in this category during the year.

(c) Investments held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group did not hold any investments in this category during the year.

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Investments are initially recognized at fair value plus any transaction cost.

Available for sale financial assets and financial assets at fair value through profit or loss are presented at fair value.

Realized and unrealized gains or losses from changes in fair value of financial assets at fair value through profit or loss are recorded in the income statement when they occur.

Unrealized gains or losses from changes in fair value of financial assets that classified as available for sale are recognized in revaluation reserve. In case of sale or impairment of available for sale financial assets, the accumulated fair value adjustments are transferred to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.10. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

2.11. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.12. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

2.13. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

2.14. Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.15. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16. Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.17. Employee benefits

(a) Short-term benefits

Short-term employee benefits in cash and in items are recognized as an expense when they become accrued.

(b) Retirement benefits

The Group participates in retirement schemes in accordance with the Greek practices and conditions by paying into applicable social security schemes. These schemes are both funded and unfunded.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate social security fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan comprise retirement benefit plans according to which the Group pays to the employee an amount upon retirement that is based on the employee's period of service, age and salary.

The liability in respect of defined benefit plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the compounded obligation, are charged or credited to income over the average remaining service lives of the related employees.

Past service costs are recognised in the profit and loss account; with the exception of movements in the related obligation that are based on the average remaining service lives of the related employees. In this instance the past service cost are amortised to the profit and loss account on a straight-line basis over the vesting period.

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

In case of termination of employment where there is weakness to determine the number of employees that will use these benefits, they are not accounted for but disclosed as a contingent liability.

2.18. Grants

Government grants are recognised at fair value when it is virtually certain that the grant will be received and the group will comply with anticipated conditions.

Government grants relating to expenses are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.19. Provisions

Provisions are recognized when:

i. There is present legal or constructive obligation as a result of past events
ii. It is probable that an outflow of resources will be required to settle the obligation
iii. The amount can be reliably estimated

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date (see Note 4.1). The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.20. Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sale of goods

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured. In cases of guarantees of money returns for sale of goods, returns are counted at each financial year-end as a reduction of income, according to prior period statistical information.

(b) Sale of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Afterwards, interests are calculated by using the same rate on the impaired value (new carrying amount).

(δ) Dividends income

Dividend income is recognised when the shareholder's right to receive payment is established.

2.21. Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period.The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.22. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23. Comparative figures and rounding

Certain prior year amounts have been reclassified to conform to the current year presentation. Differences between amounts presented in the financial statements and corresponding amounts in the notes results from rounding differences.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange price, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk and credit risk.

(a) Market risk

The Group operates in Europe and consequently the major part of the Group's transactions are denominated in Euros. Nevertheless, part of the Group's purchases of goods are denominated in us dollar. The prompt payment of these trade payables decreases significantly the exchange rate risk. Moreover, a small part of current borrowings is contracted in Swiss francs which can be converted into Euros. The Group's firm policy is to avoid purchasing foreign currency in advance and contracting FX future contracts with external parties.

(b) Credit risk

The Group has set and applies procedures of credit control in order to minimize the bad debts and cover receivables with securities. No customer exceeds 10% of sales and therefore commercial risk is allocated in a large number of customers. The wholesales are made mainly in customers with an assessed credit history. Credit control management sets credit limits for each customer and applies certain conditions on sales and receipts. Whenever necessary, the Group requests customers to provide security for outstanding receivables.

(γ) Liquidity risk

Liquidity risk is keeping in low levels by having adequate cash and cash equivalent and by using adequate credit limits with collaborating banks.

(δ) Interest fluctuation risk

The Group's borrowings are related to floating rates which according to the market conditions can either remain floating or can be converted to fixed. The Group does not use financial derivatives.

3.2. Determination of fair values

The fair value of financial instruments traded in active markets (stock exchanges) (e.g. derivatives, shares, debentures, mutual funds) is determined by quoted market prices at the balance sheet date. The quoted market price for financial assets is the bid price and for the financial liabilities is the ask price (Note 10).

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques and assumptions refined to reflect the market's specific circumstances at the balance sheet date (Note 10).

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months concern the income tax.

Significant judgement is required by the Group in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.2. Critical management estimates in applying the entity's accounting policies

There are no areas that require management estimates in applying the Group's accounting policies.

5. Transition to IFRS

5.1. Basis of transition to IFRS

5.1.1 Application of IFRS 1

The Group's financial statements are the first annual financial statements that comply with IFRS. These financial statements have been prepared as described in Note 2.1. The Group's IFRS adoption date is 1 January 2004. The Group has applied the IFRS to prepare its opening balance sheet at this date of transition.

In preparing these financial statements in accordance with IFRS 1, the Group has applied the mandatory exemptions, as well as certain of the optional exemptions from full retrospective application of IFRS.

5.1.2 Exemptions from full retrospective application of IFRS elected by the Group

The Group has elected to apply the following optional exemptions from full retrospective application:

(a) Business combinations exemption

The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Employee benefit exemption

The Group has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

(c) Cumulative translation differences exemption

The Group has elected to set the previously accumulated cumulative translation to zero at 1 January 2004. This exemption has been applied to all subsidiaries in accordance with IFRS 1.

(d) Designation of financial assets and financial liabilities exemption

The Group reclassified various securities as available-for-sale investments at the opening balance sheet date of 1 January 2004.

5.1.3 Exceptions from full retrospective application followed by the Group

The Group has applied the following mandatory exceptions from retrospective application:

(a) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS.

(b) Estimates exception

Estimates under IFRS at 1 January 2004 should be consistent with estimates made for the same date under Greek GAAP, unless there is evidence that those estimates were in error.

(c) Assets held for sale and discontinued operations exception

The Group applies IFRS 5 prospectively from 1 January 2005. Any assets held for sale or discontinued operations are recognised in accordance with IFRS 5 only from 1 January 2005.

5.2. Reconciliations between IFRS and GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS. The first reconciliation provides an overview of the impact on equity of the transition at 1 January 2004 and 31 December 2004. The following reconciliations provide details of the impact of the transition on:

- Equity at 1 January 2004 and 31 December 2004 (note 5.2.1)
- Balance sheet at 1 January 2004 (note 5.2.2)
- Balance sheet at 31 December 2004 (note 5.2.3)
- Net income for 12 months ended 31 December 2004 (Note 5.2.4)
- Profit and loss account for 12 months ended 31 December 2004 (Note 5.2.5)

5.2.1 Reconciliation of equity at 1 January 2004 and 31 December 2004

5.2.1(a) Group

(Amounts in Euro thousands)	1.1.2004	31.12.2004
Total equity under Greeek GAAP	**84.704**	**74.170**
IFRS transition adjustments		
Restatement of value of investments	2.712	2.239
Provision for doubtful receivables	(10.226)	(8.306)
Present value of trade and other receivables	(987)	(607)
Provision for guarantee payment obligation to subsidiary	(4.202)	(4.202)
Revenue recognition	(3.924)	(7.507)
Adjustment relating to revenue recognition (Note 30)	(222)	(1.194)
Write-off of income tax asset	(266)	(186)
Deferred tax adjustments	10.226	9.397
Reversal of Law 2065 - Restatement of land - buildings	(806)	(1.061)
Benefits from the restatement of accumulated depreciation to reflect PPE's useful lives rather than their tax lives	5.142	6.263
Write-off of intangible assets that do not meet the IFRS definition and restatement of accumulated depreciation to reflect intangibles' useful lives rather than their tax lives	(11.277)	(6.441)
Transfer of the provision for foreign currency translation liability to retained earnings	596	262
Retained translation differences equal to zero	2	2
Restatement of exchange differences	-	18
Reclassification of grants from equity to liabilities	(496)	(266)
Restatement of grants to reflect useful lives of the related PPE	34	(61)
Write-off of grants that relate to intangible assets which are written-off	98	98
Restatement of employee termination benefits based on the project unit credit method and recognition of actuarial gains and losses	591	1.274
Loss due to obsolete inventories	(116)	(112)
Cancellation of dividends payable until their approval by the Board of directors	69	140
Recognition of finance lease	1.022	1.466
Net equity of companies that are not consolidated	(4.069)	(1.257)
Other adjustments	(196)	247
Total adjustments	**(16.293)**	**(9.795)**
Total equity under IFRS	**68.411**	**64.375**

5.2.1(b) Company

(Amounts in Euro thousands)	1.1.2004	31.12.2004
Total equity under Greeek GAAP	**93.619**	**99.034**
IFRS transition adjustments		
Restatement of investments' value	(9.515)	(9.283)
Provision for doubtful receivables	(2.255)	(3.665)
Present value of trade and other receivables	(647)	(434)
Provision for guarantee payment obligation to subsidiary	(4.062)	(4.062)
Revenue recognition	(3.798)	(7.361)
Adjustment relating to revenue recognition (Note 33)	(222)	(1.194)
Write-off of income tax asset	(266)	(266)
Deferred tax adjustments	9.504	7.190
Reversal of Law 2065 - Restatement of land - buildings	(806)	(1.061)
Benefits from the restatement of accumulated depreciation to reflect PPE's useful lives rather than their tax lives	5.441	6.800
Write-off of intangible assets that do not meet the IFRS definition and restatement of accumulated depreciation to reflect intangibles' useful lives rather than their tax lives	(7.544)	(4.463)
Reclassification of grants from equity to liabilities	(396)	(226)
Restatement of grants to reflect useful lives of the related PPE	94	33
Restatement of employee termination benefits based on the project unit credit method and recognition of actuarial gains and losses	191	397
Other adjustments	557	242
Total adjustments	**(13.724)**	**(17.353)**
Total equity under IFRS	**79.896**	**81.681**

5.2.2 Reconciliation of balance sheet at 1 January 2004

5.2.2(a) Group

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	76.789	2.545	79.334
Intangible assets	45.918	(16.132)	29.786
Deferred income tax assets	-	10.534	10.534
Available-for-sale financial assets	9.705	7.076	16.781
Other receivables	741	(741)	-
	133.153	**3.283**	**136.436**
Current assets			
Inventories	25.093	1.316	26.410
Trade and other receivables	190.179	(13.783)	176.396
Current income tax asset	-	1.894	1.894
Cash and cash equivalents	3.584	28	3.612
	218.857	(10.546)	208.311
Total assets	**352.010**	**(7.263)**	**344.747**
EQUITY AND LIABILITIES			
Equity			
Share capital	170.622	(16.536)	154.087
Other reserves	(65.880)	79.516	13.636
Retained earnings / (losses)	(32.869)	(68.923)	(101.792)
	71.874	**(5.943)**	**65.931**
Minority interest	12.830	(10.351)	2.480
Total equity	**84.704**	**(16.293)**	**68.411**
Non-current liabilities			
Borrowings	20.089	1.911	22.000
Employee retirement benefit obligations	1.799	(595)	1.204
Grants	526	(163)	364
Provisions	606	3.596	4.202
	23.020	**4.750**	**27.770**
Current liabilities			
Trade and other payables	100.422	7.952	108.373
Current income tax liabilities	8.863	(6.258)	2.606
Borrowings	135.000	2.587	137.587
	244.285	**4.281**	**248.566**
Total liabilities	**267.305**	**9.030**	**276.336**
Total equity and liabilities	**352.010**	**(7.263)**	**344.747**

5.2.2(b) Company

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	54.739	7.241	61.981
Intangible assets	39.782	(10.165)	29.617
Deferred income tax assets	-	9.624	9.624
Investments	45.319	(9.464)	35.855
Other receivables	142	(142)	-
	139.982	**(2.906)**	**137.077**
Current assets			
Inventories	20.817	(34)	20.784
Trade and other receivables	150.411	1.448	151.859
Current income tax asset	-	1.536	1.536
Cash and cash equivalents	1.500	181	1.681
	172.728	**3.131**	**175.859**
Total assets	**312.710**	**225**	**312.936**
EQUITY AND LIABILITIES			
Equity			
Share capital	170.622	(16.536)	154.087
Other reserves	(48.682)	62.135	13.453
Retained earnings / (losses)	(28.321)	(59.322)	(87.643)
Total equity	**93.619**	**(13.724)**	**79.896**
Non-current liabilities			
Borrowings	19.563	-	19.563
Employee retirement benefit obligations	981	(191)	790
Grants	396	(94)	302
Provisions	557	3.505	4.062
	21.497	**3.219**	**24.716**
Current liabilities			
Trade and other payables	77.611	9.086	86.697
Current income tax liabilities	6.245	(4.103)	2.142
Borrowings	113.738	5.746	119.484
	197.594	**10.729**	**208.324**
Total liabilities	**219.091**	**13.949**	**233.040**
Total equity and liabilities	**312.711**	**225**	**312.936**

5.2.3 Reconciliation of balance sheet at 31 December 2004

5.2.3(a) Group

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets	83.181	10.581	93.762
Property, plant and equipment	37.411	(10.067)	27.344
Intangible assets	-	10.175	10.175
Available-for-sale financial assets	10.760	5.523	16.283
Other receivables	668	(668)	-
	132.019	**15.544**	**147.564**
Current assets			
Inventories	22.154	(1.185)	20.969
Trade and other receivables	176.700	(12.309)	164.391
Current income tax asset	-	1.329	1.329
Cash and cash equivalents	1.939	(107)	1.832
	200.793	**(12.272)**	**188.521**
Total assets	**332.812**	**3.272**	**336.085**
EQUITY AND LIABILITIES			
Equity			
Share capital	170.622	(14.830)	155.792
Other reserves	(65.192)	78.256	13.064
Retained earnings / (losses)	(36.628)	(68.242)	(104.870)
	68.802	**(4.816)**	**63.986**
Minority interest	5.367	(4.979)	389
Total equity	**74.170**	**(9.795)**	**64.375**
Non-current liabilities			
Borrowings	29.418	1.067	30.485
Employee retirement benefit obligations	2.439	(1.278)	1.162
Grants	266	(36)	229
Provisions	269	3.933	4.202
	32.392	**3.686**	**36.079**
Current liabilities			
Trade and other payables	102.739	12.672	115.411
Current income tax liabilities	4.498	(3.764)	734
Borrowings	119.013	339	119.352
Provisions	-	134	134
	226.250	**9.381**	**235.631**
Total liabilities	**258.643**	**13.067**	**271.710**
Total equity and liabilities	**332.812**	**3.272**	**336.085**

5.2.3(b) Company

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	70.721	8.163	78.884
Intangible assets	33.984	(6.888)	27.096
Deferred income tax assets	-	7.752	7.752
Investments	46.006	(9.225)	36.781
Other receivables	155	(155)	-
	150.866	**(353)**	**150.513**
Current assets			
Inventories	19.507	(54)	19.453
Trade and other receivables	146.827	(4.315)	142.512
Current income tax asset	-	956	956
Cash and cash equivalents	649	-	649
	166.983	**(3.413)**	**163.570**
Total assets	**317.849**	**(3.766)**	**314.083**
EQUITY AND LIABILITIES			
Equity			
Share capital	169.874	(14.082)	155.792
Other reserves	(47.586)	60.576	12.989
Retained earnings / (losses)	(23.253)	(63.847)	(87.100)
Total equity	**99.034**	**(17.353)**	**81.681**
Non-current liabilities			
Borrowings	28.924	-	28.924
Employee retirement benefit obligations	1.176	(397)	779
Grants	226	(33)	194
Provisions	242	3.820	4.062
	30.568	**3.390**	**33.958**
Current liabilities			
Trade and other payables	85.447	12.855	98.302
Current income tax liabilities	3.361	(2.658)	702
Borrowings	99.438	-	99.438
	188.246	**10.197**	**198.442**
Total liabilities	**218.814**	**13.587**	**232.401**
Total equity and liabilities	**317.849**	**(3.766)**	**314.083**

5.2.4. Reconciliation of net income for the year ended 31 December 2004

5.2.4(a) Group

(Amounts in Euro thousands)	TOTAL
Total net income under Greeek GAAP	**(2.492)**
IFRS transition adjustments	
Restatement of value of available-for-sale investments	(10)
Provision for doubtful receivables	(3.844)
Present value of trade and other receivables	380
Revenue recognition	(3.581)
Adjustment relating to revenue recognition (Note 30)	(971)
Deferred tax adjustments	(750)
Write-off of intangible assets that do not meet the IFRS definition	372
Benefits from the restatement of accumulated depreciation to reflect PPE's useful lives rather than their tax lives	1.125
Benefits from the restatement of accumulated depreciation to reflect intangibles' useful lives rather than their tax lives	4.473
Transfer of the provision for foreign currency translation liability to retained earnings	(336)
Restatement of grants to reflect useful lives of the related PPE	(95)
Restatement of employee termination benefits based on the project unit credit method and recognition of actuarial gains and losses	683
Loss due to obsolete inventories	4
Recognition of finance lease	444
Net income of companies which are not consolidated	(200)
Other adjustments	481
Total adjustments	**(1.824)**
Total net income under IFRS	**(4.315)**

5.2.4(b) Company

(Amounts in Euro thousands)	TOTAL
Total net income under Greeek GAAP	**5.132**
IFRS transition adjustments	
Provision for doubtful receivables	(1.409)
Present value of trade and other receivables	212
Revenue recognition	(3.563)
Adjustment relating to revenue recognition (Note 30)	(971)
Deferred tax adjustments	(2.315)
Benefits from the restatement of accumulated depreciation to reflect PPE's useful lives rather than their tax lives	1.359
Benefits from the restatement of accumulated depreciation to reflect intangibles' useful lives rather than their tax lives	3.082
Transfer of the provision for foreign currency translation liability to retained earnings	(315)
Tax property charged in the income statement according to Greek GAAP	(64)
Restatement of employee termination benefits based on the project unit credit method and recognition of actuarial gains and losses	206
Restatement of grants to reflect useful lives of the related PPE	(62)
Total adjustments	**(3.840)**
Total net income under IFRS	**1.292**

5.2.5 Reconciliation of profit and loss account for the year ended 31 December 2004

5.2.5(a) Group

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
Sales	482.863	(8.074)	474.788
Cost of sales	(422.914)	1.722	(421.192)
Gross profit	**59.948**	**(6.352)**	**53.596**
Selling costs	(28.647)	(1.822)	(30.469)
Administrative expenses	(26.561)	6.645	(19.916)
Research and development expenses	(961)	961	-
Other operating income / (expenses) - net	2.623	(3.092)	(469)
Operating profit	**6.402**	**(3.660)**	**2.742**
Finance costs - net	(6.029)	(464)	(6.493)
Extraordinary gains and non-operating income	2.406	(2.406)	-
Prior years' income	486	(486)	-
Extraordinary losses and non-operating expenses	(4.992)	4.992	-
Prior years' expenses	(86)	86	-
Depreciation expense not included in operating expenses	(155)	155	-
Profit before income tax	**(1.968)**	**(1.783)**	**(3.751)**
Income tax expense	(524)	(41)	(564)
Profit for the year	**(2.492)**	**(1.824)**	**(4.315)**

5.2.5(b) Company

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
Sales	379.084	1.107	380.191
Cost of sales	(328.734)	(4.716)	(333.450)
Gross profit	**50.350**	**(3.610)**	**46.741**
Selling costs	(25.814)	(3.317)	(29.131)
Administrative expenses	(13.880)	3.061	(10.819)
Other operating income / (expenses) - net	770	1.275	2.045
Operating profit	**11.427**	**(2.592)**	**8.836**
Finance costs - net	(4.776)	(894)	(5.671)
Extraordinary gains and non-operating income	2.007	(2.007)	-
Prior years' income	330	(330)	-
Extraordinary losses and non-operating expenses	(3.722)	3.722	-
Prior years' expenses	(16)	16	-
Depreciation expense not included in operating expenses	(118)	118	-
Profit before income tax	**5.132**	**(1.967)**	**3.165**
Income tax expense	-	(1.873)	(1.873)
Profit for the year	**5.132**	**(3.840)**	**1.292**

6. Segment information

Primary reporting format – business segments

The Group is organised into three business segments:

(1) Information Technology solutions and equipment

(2) Telecommunications services

(3) Courier services

The segment results for the year ended 31 December 2005 were as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Total gross segment sales	**288.308**	**200.980**	**63.286**	**36**	**552.610**
Inter-segment sales	(12.668)	(2.591)	(373)	-	(15.632)
Net sales	**275.640**	**198.389**	**62.913**	**36**	**536.979**
Operating profit	7.553	18.296	1.024	18	26.889
Finance costs	(5.208)	(2.555)	101	40	(7.622)
Profit before income tax	**2.345**	**15.741**	**1.125**	**58**	**19.267**
Income tax expense					(6.856)
Net profit					**12.411**

Other segment items included in the income statement are as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Depreciation of property, plant and equipment	1.379	8.760	1.330	-	11.468
Amortisation of intangible assets (note 8)	176	4.102	97	-	4.375
Impairment of receivables	2.349	(387)	-	-	1.962
Impairment of inventories	8	-	-	-	8

The segment results for the year ended 31 December 2004 were as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Total gross segment sales	**285.158**	**151.960**	**55.312**	**56**	**492.486**
Inter-segment sales	(9.659)	(4.618)	(3.421)	-	(17.698)
Net sales	**275.499**	**147.342**	**51.891**	**56**	**474.788**
Operating profit	8.220	2.513	(7.877)	(113)	2.742
Finance costs	(2.741)	(3.628)	(144)	18	(6.493)
Profit before income tax	**5.479**	**(1.115)**	**(8.021)**	**(95)**	**(3.751)**
Income tax expense					(564)
Net profit					**(4.315)**

Other segment items included in the income statement are as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Depreciation of property, plant and equipment (note	1.479	5.866	1.392	-	8.737
Amortisation of intangible assets (note 8)	243	3.801	74	2	4.121
Impairment of receivables	3.223	530	152	-	3.905
Impairment of inventories	30	-	4	-	34

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The segment assets and liabilities at 31 December 2005 are as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Assets	**231.148**	**138.608**	**22.840**	**401**	**392.997**
Liabilities	**205.313**	**89.549**	**19.587**	**8**	**314.458**
Equity	**25.835**	**49.059**	**3.252**	**393**	**78.539**
Capital expenditure (notes 7 and 8)	22.565	23	480	-	23.069

The segment assets and liabilities at 31 December 2004 are as follows:

Amounts in Euro thousands	Information Technology	Telecom-munications	Courier services	Unallocated	Total
Assets	**194.614**	**118.499**	**22.969**	**-**	**336.085**
Liabilities	**104.249**	**149.130**	**18.327**	**-**	**271.710**
Equity	**90.365**	**(30.631)**	**4.642**	**-**	**64.375**
Capital expenditure (notes 7 and 8)	1.267	23.213	519	-	24.999

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and cash.

Segment liabilities comprise operating liabilities.

Capital expenditure comprises acquisitions of property, plant and equipment and intangible assets.

Secondary reporting format – geographical segments

The home-country of the Company – which is also the main operating country – is Greece. The Group's sales are mainly in Greece and in other countries within the Eurozone.

Amounts in Euro thousands	Sales 1.1.2005 to 31.12.2005	Total assets 31.12.2005	Capital expenditure 1.1.2005 to 31.12.2005
Greece	494.066	388.722	23.057
Eurozone	2.154	-	-
Other countries	40.759	4.275	11
Total	**536.979**	**392.997**	**23.068**

Amounts in Euro thousands	Sales 1.1.2004 to 31.12.2004	Total assets 31.12.2004	Capital expenditure 1.1.2004 to 31.12.2004
Greece	434.754	333.624	24.947
Eurozone	2.222	20	-
Other countries	37.812	2.441	52
Total	**474.788**	**336.085**	**24.999**

Sales are allocated based on the country in which the customer is located. Capital expenditure is allocated based on where the assets are located.

Amounts in Euro thousands	1.1.2005 to 31.12.2005	1.1.2004 to 31.12.2004
Sales of goods	357.168	334.888
Revenue from services	178.257	134.905
Other	1.554	4.995
Total	**536.979**	**474.788**

7. Property, plant and equipment

Amounts in Euro thousands	Land and buildings	Vehicles and machinery	Furniture and other equipment	Total
GROUP - Cost				
1 January 2004	**30.356**	**11.829**	**55.839**	**98.024**
Translation differences	11	4	4	19
Additions	955	111	18.131	19.197
Disposals / Write-offs	-	(70)	(446)	(516)
Impairment	-	(37)	(169)	(206)
Transfers	15	-	4.739	4.754
31 December 2004	**31.337**	**11.837**	**78.098**	**121.272**
1 January 2005	**31.337**	**11.837**	**78.098**	**121.272**
Translation differences	5	(6)	9	8
Additions	1.369	45	19.064	20.478
Disposals / Write-offs	(3)	(33)	(294)	(330)
Transfers	(15)	-	7	(8)
31 December 2005	**32.693**	**11.843**	**96.884**	**141.420**
Accumulated depreciation				
1 January 2004	**(2.015)**	**(3.407)**	**(13.268)**	**(18.690)**
Translation differences	-	(1)	-	(1)
Depreciation charge	(828)	(1.241)	(6.668)	(8.737)
Disposals / Write-offs	7	66	472	545
Transfers	(3)	-	(624)	(627)
31 December 2004	**(2.839)**	**(4.583)**	**(20.088)**	**(27.510)**
1 January 2005	**(2.839)**	**(4.582)**	**(20.088)**	**(27.509)**
Depreciation charge	(810)	(1.529)	(9.129)	(11.468)
Disposals / Write-offs	-	26	212	238
Transfers	3	-	-	3
31 December 2005	**(3.646)**	**(6.085)**	**(29.005)**	**(38.736)**
Net book value at 31 December 2004	**28.498**	**7.254**	**58.010**	**93.762**
Net book value at 31 December 2005	**29.047**	**5.758**	**67.879**	**102.684**

Amounts in Euro thousands	Land and buildings	Vehicles and machinery	Furniture and other equipment	Total
COMPANY - Cost				
1 January 2004	**30.018**	**1.162**	**40.431**	**71.611**
Additions	938	70	17.668	18.676
Disposals / Write-offs	-	(11)	(250)	(261)
Transfers	15	-	4.739	4.754
31 December 2004	**30.971**	**1.221**	**62.588**	**94.780**
1 January 2005	**30.971**	**1.221**	**62.589**	**94.781**
Additions	1.349	36	18.572	19.957
Transfer of the telecommunication's segment to a subsidiary	(2.555)	(1)	(75.357)	(77.913)
Disposals / Write-offs	(3)	(24)	(4)	(31)
Transfers	(15)	-	-	(15)
31 December 2005	**29.747**	**1.232**	**5.800**	**36.779**
Accumulated depreciation				
1 January 2004	(1.997)	(736)	(6.898)	(9.631)
Depreciation charge	(819)	(159)	(4.874)	(5.852)
Disposals / Write-offs	7	-	207	214
Transfers	(3)	-	(624)	(627)
31 December 2004	**(2.812)**	**(895)**	**(12.189)**	**(15.896)**
1 January 2005	(2.812)	(895)	(12.188)	(15.895)
Depreciation charge	(801)	(158)	(7.444)	(8.403)
Transfer of the telecommunication's segment to a subsidiary	799	-	15.398	16.197
Disposals / Write-offs	-	22	3	25
Transfers	3	-	-	3
31 December 2005	**(2.811)**	**(1.031)**	**(4.231)**	**(8.073)**
Net book value at 31 December 2004	**28.159**	**326**	**50.399**	**78.884**
Net book value at 31 December 2005	**26.936**	**201**	**1.569**	**28.706**

Bank borrowings are secured with mortgages on land and buildings (note 17).

Although the company had the option under IFRS 1, it chose not to apply the fair value as deemed cost at 1 January 2004 for property, plant and equipment. This fair value of land and buildings, based on a report by an independent professionally qualified valuer, at 22 October 2004 amounted to approximately €40.000.000. The company chose to follow a conservative approach and has presented land and buildings at the net book values presented above, which is €26.936 thousands.

Leased assets included in the above under finance lease:

	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Cost - capitalised finance lease liabilities	5.981	5.981	-	-
Accumulated depreciation	(2.786)	(1.951)	-	-
Net book value	**3.195**	**4.030**	**-**	**-**

8. Intangible assets

Amounts in Euro thousands	Industrial property rights	Software	Total
GROUP - Cost			
1 January 2004	**25.420**	**11.964**	**37.384**
Additions	45	5.757	5.802
Disposals / Write-offs	(15)	(4)	(19)
Transfers	(15)	(4.739)	(4.754)
31 December 2004	**25.435**	**12.978**	**38.413**
1 January 2005	**25.435**	**12.977**	**38.412**
Additions	29	2.562	2.591
Transfers	15	(7)	8
31 December 2005	**25.479**	**15.532**	**41.011**
Accumulated depreciation			
1 January 2004	**(2.719)**	**(4.879)**	**(7.598)**
Depreciation charge	(1.839)	(2.282)	(4.121)
Disposals / Write-offs	22	1	23
Transfers	3	624	627
31 December 2004	**(4.533)**	**(6.536)**	**(11.069)**
1 January 2005	**(4.534)**	**(6.535)**	**(11.069)**
Depreciation charge	(1.820)	(2.555)	(4.375)
Disposals / Write-offs	-	7	7
Transfers	(3)	-	(3)
31 December 2005	**(6.357)**	**(9.083)**	**(15.440)**
Net book value at 31 December 2004	**20.902**	**6.442**	**27.344**
Net book value at 31 December 2005	**19.122**	**6.449**	**25.571**

Amounts in Euro thousands	Industrial property rights	Software	Total
COMPANY - Cost			
1 January 2004	**25.420**	**11.585**	**37.005**
Additions	45	5.587	5.632
Disposals / Write-offs	(15)	-	(15)
Transfers	(15)	(4.739)	(4.754)
31 December 2004	**25.435**	**12.433**	**37.868**
1 January 2005	**25.435**	**12.432**	**37.867**
Additions	29	2.501	2.530
Transfer of the telecommunication's segment to a subsidiary	(25.479)	(11.326)	(36.805)
Transfers	15	-	15
31 December 2005	**-**	**3.607**	**3.607**
Accumulated depreciation			
1 January 2004	**(2.719)**	**(4.669)**	**(7.388)**
Depreciation charge	(1.839)	(2.194)	(4.033)
Disposals / Write-offs	22	-	22
Transfers	3	624	627
31 December 2004	**(4.533)**	**(6.239)**	**(10.772)**
1 January 2005	**(4.534)**	**(6.240)**	**(10.774)**
Depreciation charge	(1.820)	(2.449)	(4.269)
Transfer of the telecommunication's segment to a subsidiary	6.357	5.443	11.800
Transfers	(3)	-	(3)
31 December 2005	**-**	**(3.246)**	**(3.246)**
Net book value at 31 December 2004	**20.902**	**6.194**	**27.096**
Net book value at 31 December 2005	**-**	**361**	**361**

9. Investments in subsidiaries

Amounts in Euro thousands	31.12.2005	31.12.2004
Balance at the beginning of the period	**20.517**	**19.081**
Transfer of the telecommunication's segment to a subsidiary (Note 31)	50.957	-
Additions	-	1.436
Impairment	(95)	-
Balance at the end of the period	**71.379**	**20.517**

Summarised financial information relating to subsidiaires:

31 December 2005

Name	Cost	Impairment	Carrying amount	Country of incorporation	% interest held
Amounts in Euro thousands					
DECISION SA	5.515	-	5.515	Greece	100,00%
COMPUTER CLUB SA	1.095	-	1.095	Greece	100,00%
ΙΩΝΙΚΗ ΕΠΙΝΟΙΑ SA	3.424	3.103	227	Greece	81,15%
ACS SA	13.363	-	13.363	Greece	66,79%
UNITEL HELLAS SA	10.452	10.452	-	Greece	51,00%
QUEST ALBANIA	163	-	163	Albania	51,00%
Q TELECOMMUNICATIONS SA	51.017	1	51.016	Greece	100,00%
	85.029	**13.556**	**71.379**		

31 December 2004

Name	Cost	Impairment	Carrying amount	Country of incorporation	% interest held
Amounts in Euro thousands					
DECISION SA	5.515	-	5.515	Greece	100,00%
COMPUTER CLUB SA	1.095	-	1.095	Greece	100,00%
ΙΩΝΙΚΗ ΕΠΙΝΟΙΑ SA	3.424	3.102	322	Greece	81,15%
ACS SA	13.363	-	13.363	Greece	66,79%
UNITEL HELLAS SA	10.452	10.452	-	Greece	51,00%
QUEST ALBANIA	163	-	163	Albania	51,00%
QUEST TELECOM SA	60	1	59	Greece	100,00%
	34.072	**13.555**	**20.517**		

On 30 December 2005, the Company concluded the transfer of its telecommunications segment to its subsidiary Q Telecommunications S.A. The net asset value that was transferred to this subsidiary amounts to €50.957 thousands (Note 31).

In 2004, the Company increased its share from 59,00% to 66,79% in the share capital of ACS S.A. after participating in a share capital increase. The cost of this additional investment amounts to €1.436 thousands.

In addition to the above listed subsidiaries, the Group financial statements also include the 100% held subsidiaries of ACS S.A., namely ACS Albania and ACS Courier, both of which operate in Albania. ACS Courier is a newly formed company the is consolidated for the first time at 31 December 2005.

10. Available-for-sale financial assets

	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Balance at the beginning of the period	**16.283**	**16.781**	**16.265**	**16.774**
Additions	153	56	7	35
Disposals	(510)	(80)	(510)	(80)
Impairement	(147)	(10)	-	-
Revaluation at fair value	1.888	(464)	1.888	(464)
Balance at the end of the period	**17.667**	**16.283**	**17.650**	**16.265**
Non-current assets	17.667	16.283	17.650	16.265
Current assets	-	-	-	-
	17.667	**16.283**	**17.650**	**16.265**

The available-for-sale financial assets comprise mainly unlisted shares.

The Group establishes the fair values of unlisted securities by using valuation techniques and estimates refined to reflect the market's specific circumstances at the balance sheet date. The fair values of listed securities are based on year-end bid prices.

11. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Deferred tax liabilities:	**3.493**	**3.593**	**345**	**1.719**
Deferred tax assets:	**10.017**	**13.768**	**3.262**	**9.471**
	6.524	**10.175**	**2.917**	**7.752**

The significant portion of the deferred tax assets is to be recovered after more than 12 months.

The gross movement on the deferred income tax account is as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Balance at the beginning of the period	**10.175**	**10.537**	**7.752**	**9.625**
Transfer of the telecommunication's segment to a subsidiary	-	-	(1.840)	-
Charged to the income statement (note 25)	(3.564)	(362)	(2.907)	(1.873)
Income tax charged to equity	(88)	-	(88)	-
Balance at the end of the period	**6.524**	**10.175**	**2.917**	**7.752**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances without the same tax jurisdictions, is as follows:

Deferred tax liabilities:

GROUP *(Amounts in Euro thousands)*	**Accelerated tax depreciation**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**2.249**	**4**	**769**	**3.022**
Charged / (credited) to the income statement	312	163	96	571
31 December 2004	**2.561**	**167**	**865**	**3.593**
1 January 2005	**2.561**	**167**	**865**	**3.593**
Charged / (credited) to the income statement	213	83	(395)	(100)
31 December 2005	**2.774**	**250**	**470**	**3.493**

COMPANY *(Amounts in Euro thousands)*	**Accelerated tax depreciation**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**1.379**	**-**	**250**	**1.629**
Charged / (credited) to the income statement	232	-	(142)	90
31 December 2004	**1.611**	**-**	**108**	**1.719**
1 January 2005	**1.611**	**-**	**108**	**1.719**
Charged / (credited) to the income statement	208	-	24	232
Transfer of the telecommunication's segment to a subsidiary	(1.606)	-	-	(1.606)
31 December 2005	**213**	**-**	**132**	**345**

Deferred tax assets:

GROUP *(Amounts in Euro thousands)*	**Provision for receivables**	**Write off of intangible assets**	**Tax losses**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**2.307**	**3.190**	**5.571**	**1.519**	**972**	**13.559**
Charged / (credited) to the income statement	982	(1.190)	(2.064)	2.911	(430)	209
31 December 2004	**3.289**	**2.000**	**3.507**	**4.430**	**542**	**13.768**
1 January 2005	**3.289**	**2.000**	**3.507**	**4.430**	**542**	**13.768**
Charged / (credited) to the income statement	(295)	(950)	(2.278)	(819)	679	(3.663)
Charged / (credited) to equity	-	-	-	-	(88)	(88)
31 December 2005	**2.994**	**1.050**	**1.229**	**3.611**	**1.133**	**10.017**

COMPANY *(Amounts in Euro thousands)*	**Provision for receivables**	**Write off of intangible assets**	**Tax losses**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**2.149**	**2.148**	**4.917**	**1.449**	**591**	**11.254**
Charged / (credited) to the income statement	129	(1.134)	(1.904)	1.468	(342)	(1.783)
31 December 2004	**2.278**	**1.014**	**3.013**	**2.917**	**249**	**9.471**
1 January 2005	**2.278**	**1.014**	**3.013**	**2.917**	**249**	**9.471**
Charged / (credited) to the income statement	(195)	(944)	(1.847)	(291)	601	(2.676)
Charged / (credited) to equity	-	-	-	-	(88)	(88)
Transfer of the telecommunication's segment to a subsidiary	(350)	(810)	(2.242)	(43)	-	(3.445)
31 December 2005	**1.733**	**(740)**	**(1.076)**	**2.583**	**762**	**3.262**

12. Inventories

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Raw materials	4.924	4.965	4.924	4.965
Finished goods - warehouse	1.819	860	141	205
Finished goods - retail	20.267	17.547	18.624	17.033
Other	434	459	-	-
Total	**27.444**	**23.831**	**23.689**	**22.203**
Less: Provisions for obsolete and slow-moving inventories:				
Raw materials	600	600	600	600
Finished goods - warehouse	-	21	-	-
Finished goods - retail	2.283	2.241	2.150	2.150
	2.883	**2.862**	**2.750**	**2.750**
Total net realisable value	**24.561**	**20.969**	**20.939**	**19.453**

13. Receivables

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Trade receivables	216.731	163.790	154.579	133.647
Less: provision for impairment	(17.799)	(15.843)	(10.247)	(9.383)
Trade receivables - net	**198.932**	**147.947**	**144.332**	**124.264**
Prepayments	11.575	15.016	6.352	11.703
Amounts due from related parties (note 32)	1.608	1.428	4.285	6.545
Total	**212.115**	**164.391**	**154.969**	**142.512**
Non-current assets	270	-	-	-
Current assets	211.845	164.391	154.969	142.512
	212.115	**164.391**	**154.969**	**142.512**

The fair values are based on cash flows discounted using an interest rate of between 3,2% and 5,5%.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of dispersed customers.

The Group has recognised a loss of €1.956 thousands (2004: €4.014 thousands) for the impairment of its trade receivables during 2005. The Company has recognised a loss of €864 thousands (2004: €3.571 thousands) for the impairment of its trade receivables during 2005. The loss has been included in 'selling costs' in the income statement.

14. Cash and cash equivalents

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cash at bank and in hand	2.531	1.832	742	649
Total	**2.531**	**1.832**	**742**	**649**

The effective interest rate on short-term bank deposits was 0,30%.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cash and cash equivalents	2.531	1.832	742	649
Bank overdrafts (note 17)	(408)	(541)	-	-
Total	**2.123**	**1.291**	**742**	**649**

15. Share capital

Amounts in Euro thousands	**Number of shares**	**Ordinary shares**	**Share premium**	**Treasury shares**	**Total**
COMPANY					
1 January 2004	52.629.720	52.630	117.106	(15.649)	154.087
Sale of treasury shares	-	-	-	1.705	1.705
31 December 2004	**52.629.720**	**52.630**	**117.106**	**(13.944)**	**155.792**
1 January 2005	52.629.720	52.630	117.106	(13.944)	155.792
Cancellation of treasury shares	(3.924.500)	(3.925)	(8.791)	13.944	1.228
31 December 2005	**48.705.220**	**48.705**	**108.315**	**-**	**157.020**

The Company sold 480.000 treasury shares at April and June 2004. The total consideration received, net of any related income tax effects, was €1.705.414 and is included in equity.

At extraordinary General Meetings of the Company's shareholders on 10 August 2005 and 5 December 2005, the approval was obtained to cancel 2.537.550 and 1.386.950 treasury shares respectively. The cancellation was affected, in terms of the requirements of paragraph 12 of L.2190/1920, through a reduction in share capital and resulted as the re-selling period of three years from date of acquisition has elapsed. These cancellations have been approved by the relevant authorities at the date of approval of these financial statements.

16. Other reserves

Amounts in Euro thousands	Statutory reserve	Special reserve	Tax-free reserve	Available-for-sale reserve	Forex translation differences	Total
GROUP						
1 January 2004	**2.794**	**3.663**	**7.179**	**-**	**-**	**13.636**
Exchange differences	-	-	-	-	(146)	(146)
Changes during the year	8	-	-	(464)	-	(456)
31 December 2004	**2.802**	**3.663**	**7.179**	**(464)**	**(146)**	**13.034**
1 January 2005	**2.802**	**3.663**	**7.179**	**(464)**	**(146)**	**13.034**
Exchange differences	-	-	-	-	24	24
Changes during the year	-	-	-	1.800	-	1.800
31 December 2005	**2.802**	**3.663**	**7.179**	**1.336**	**(122)**	**14.858**

Amounts in Euro thousands	Statutory reserve	Special reserve	Tax-free reserve	Available-for-sale reserve	Total
COMPANY					
1 January 2004	**2.749**	**3.585**	**7.119**	**-**	**13.453**
Changes during the year	-	-	-	(464)	(464)
31 December 2004	**2.749**	**3.585**	**7.119**	**(464)**	**12.989**
1 January 2005	**2.749**	**3.585**	**7.119**	**(464)**	**12.989**
Changes during the year	-	-	-	1.800	1.800
31 December 2005	**2.749**	**3.585**	**7.119**	**1.336**	**14.789**

(a) Statutory reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore can not be used for any other purpose.

(b) Special reserve

The special reserve includes a reserve that was created following a decision of the Annual General meeting in prior periods. This reserve was not created for any specific purpose and can therefore be used for any reason following approval from the Annual General meeting. The special reserve also includes other reserves, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Tax free reserve

Tax-free and special taxed reserves are created under the provisions of tax law from tax free profits or from income or profits taxed under special provisions.

From the total of €7.119 thousand of the Company's tax-free reserves, an amount equal to €6.762 thousand has been created from income or profits taxed under special provisions (interest income from bank deposits and profits from the sale of unlisted investments) and an amount of €357 thousand has been created from tax free profits.

From the total of €7.179 thousand of the Group's above-mentioned reserves, an amount equal to €6.765 thousand has been created from income or profits taxed under special provisions (interest income from bank deposits and profits from the sale of unlisted investments) and an amount of €414 thousand has been created from tax free profits.

The above-mentioned reserves can be capitalised or distributed, after the approval of the Annual General meeting, after taking into consideration the restrictions which will apply at each time. The Group does not intent to distribute or capitalise these reserves and therefore did not account for the tax liability which would arise in such case.

17. Borrowings

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Non-current borrowings				
Bank borrowings	3.250	3.900	3.250	3.900
Finance lease liabilities	821	1.561	-	-
Bonds	20.000	25.000	-	25.000
Other	-	24	-	24
Total non-current borrowings	**24.071**	**30.485**	**3.250**	**28.924**
Current borrowings				
Bank overdrafts (note 14)	408	541	-	-
Bank borrowings	157.511	117.926	137.032	99.438
Debentures / Bonds	5.000	-	-	-
Finance lease liabilities	582	885	-	-
Total current borrowings	**163.501**	**119.352**	**137.032**	**99.438**
Total borrowings	**187.572**	**149.837**	**140.282**	**128.362**

Borrowings are secured by mortgages on the Group's land and buildings (note 7).

The maturity of non-current borrowings is as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Between 1 and 2 years	11.275	6.430	650	5.650
Between 2 and 5 years	12.796	24.031	2.600	23.250
Over 5 years	-	24	-	24
	24.071	**30.485**	**3.250**	**28.924**

The effective interest rates at the balance sheet date are as follows:

	GROUP		COMPANY	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
	%	**%**	**%**	**%**
Bank borrowings (current)	4,32%	4,19%	4,32%	4,20%
Bank borrowings (non-current)	4,93%	5,00%	4,93%	5,00%
Bonds	4,20%	4,16%	0,00%	4,16%

The carrying amounts of borrowings approximate their fair values. The carrying amounts of the Group's borrowings comprise borrowings of €175.982 thousands (2004: €138.156 thousands) denominated in Euros and 18.024 thousands (2004: 18.024) denominated in Swiss Francs that have a Euro equivalent of €11.590 thousands (2004: €11.681 thousands).

The Group has adequate credit limits to help finance future emergencies of the Company.

Finance leases

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	680	973	-	-
Later than 1 year but not later than 5 years	812	1.650	-	-
Total	**1.492**	**2.623**	**-**	**-**
Less: Future finance charges on finance leases	(89)	(177)	-	-
Present value of finance lease liabilities	**1.403**	**2.446**	**-**	**-**

The present value of finance lease liabilities is analyzed as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Not later than 1 year	582	885	-	-
Later than 1 year but not later than 5 years	821	1.561	-	-
Σύνολο	**1.403**	**2.446**	**-**	**-**

18. Retirement benefit obligations

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Balance sheet obligations for:				
Pension benefits	1.537	1.162	817	779
Total	**1.537**	**1.162**	**817**	**779**

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Income statement charge (note 23):				
Pension benefits	375	193	187	125
Total	**375**	**193**	**187**	**125**

(α) Pension benefits

The amounts recognised in the balance sheet are determined as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Present value of unfunded obligations	1.810	1.585	993	994
Unrecognised actuarial gains / (losses)	(273)	(423)	(176)	(215)
Liability in the balance sheet	**1.537**	**1.162**	**817**	**779**

The amounts recognised in the income statement are as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Current service cost	202	158	122	102
Interest cost	42	35	26	23
Net actuarial (gains) / losses recognised during the period	131	-	39	-
Total included in employee benefit expenses (note 23)	**375**	**193**	**187**	**125**

The movement in the liability recognised in the balance sheet is as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Balance at beginning of the period	**1.162**	**1.204**	**779**	**790**
Redundancy payments made	-	(235)	-	(136)
Transfer of the telecommunication's segment to a subsidiary	-	-	(149)	-
Total expense charged in the income statement	375	193	187	125
Balance at end of the period	**1.537**	**1.162**	**817**	**779**

The principal annual actuarial assumptions used are as follows:

	GROUP		COMPANY	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Discount rate	2,65%	2,65%	2,65%	2,65%
Future salary increases	6,00%	6,00%	6,00%	6,00%

(β) Post-employment medical benefits

The Group does not operate any post-employment medical benefit scheme.

19. Government Grants

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Balance at beginning of the period	**229**	**364**	**194**	**302**
Transfer to income statement (Note 26)	(74)	(134)	(57)	(108)
Balance at end of the period	**155**	**230**	**137**	**194**

The grants have been received because as a result of investments in property, plant and equipment and intangible assets that comprises buildings, trucks, computers and telecommunication equipment.

There were no new grants received during the 2005 and 2004 financial years.

20. Trade and other payables

Amounts in Euro thousands	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
Trade payables	75.303	83.652	35.222	77.972
Amounts due to related parties (note 32)	796	666	4.133	2.614
Accrued expenses	5.064	3.346	2.138	2.438
Social security and other taxes	10.974	4.928	8.418	3.493
Other liabilities	25.933	22.819	6.230	11.785
Total	**118.070**	**115.411**	**56.141**	**98.302**

Analysis of obligations:

Amounts in Euro thousands	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
Non-current	191	-	-	-
Current	117.879	115.411	56.141	98.302
Total	**118.070**	**115.411**	**56.141**	**98.302**

21. Provisions

Amounts in Euro thousands	Provision for guarantees given	Other provisions	Σύνολο
GROUP			
1 January 2004	**4.202**	**109**	**4.311**
Additional provisions for the period	-	25	25
31 December 2004	**4.202**	**134**	**4.336**
1 January 2005	**4.202**	**134**	**4.336**
Additional provisions for the period	407	22	429
Reversal of provisions not utilised	-	(81)	(81)
Provisions utilised during the period	(140)	-	(140)
31 December 2005	**4.469**	**75**	**4.544**

Amounts in Euro thousands	Provision for guarantees given	Other provisions	Σύνολο
COMPANY			
1 January 2004	**4.062**	**-**	**4.062**
31 December 2004	**4.062**	**-**	**4.062**
1 January 2005	**4.062**	**-**	**4.062**
Additional provisions for the period	407	-	407
31 December 2005	**4.469**	**-**	**4.469**

Analysis of total provisions: *Amounts in Euro thousands*	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
Non-current	4.469	4.202	4.469	4.062
Current	75	134	-	-
Total	**4.544**	**4.336**	**4.469**	**4.062**

The provision for guarantees given includes a portion of the guarantee that was given by the Company in respect of borrowings of a subsidiary.

22. Expenses by nature

		GROUP		COMPANY	
Amounts in Euro thousands	**Σημειώσεις**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Employee benefit expense	23	41.454	36.672	23.533	19.356
Inventory cost recognised in cost of goods sold		277.596	274.406	244.497	244.503
Depreciation of property, plant and equipment	7	11.469	8.738	8.403	5.852
Impairment of property, plant and equipment	7	-	206	-	-
Amortisation of intangible assets	8	4.375	4.121	4.268	4.034
Operating lease payments		4.082	3.552	2.896	1.815
Advertising costs		9.764	6.836	9.357	6.198
Other		164.198	137.046	119.509	91.642
Total		**512.938**	**471.577**	**412.463**	**373.400**
Allocated as follows					
Cost of sales		454.240	421.192	362.546	333.450
Selling expenses		37.945	30.469	36.417	29.131
Administrative expenses		20.753	19.916	13.500	10.819
		512.938	**471.577**	**412.463**	**373.400**

Depreciation expenses of €13.257 thousands, €343 thousands and €2.244 thousands (2004: €9.434 thousands, €9 thousands and €3.416 thousands) are included in the cost of sales, selling expenses and the administration expenses of the Group respectively.

Depreciation expenses of €10.668 thousands and €2.003 thousands (2004: €7.947 thousands and €1.939 thousands) are included in the cost of sales and the administration expenses of the Company respectively.

23. Employee benefits

	GROUP		COMPANY	
Amounts in Euro thousands	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Salaries and wages	32.876	29.260	18.951	15.365
Social security costs	7.258	6.571	3.889	3.315
Retirement benefit expenses (Note 18)	375	193	187	125
Other employee benefit expenses	945	648	506	551
Total	**41.454**	**36.672**	**23.533**	**19.356**

24. Finance costs – net

	GROUP		COMPANY	
Amounts in Euro thousands	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Interest expense				
-Bank borrowings	(7.486)	(7.409)	(6.505)	(6.448)
- Finance leases	(108)	(161)	-	-
	(7.594)	(7.570)	(6.505)	(6.448)
Interest income	984	941	222	554
	(6.610)	(6.629)	(6.283)	(5.894)
Net foreign exchange gains / (losses)	(1.012)	136	(1.291)	223
Total	**(7.622)**	**(6.493)**	**(7.574)**	**(5.671)**

25. Income tax expense

Amounts in Euro thousands	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Current tax	(3.292)	(202)	(2.579)	-
Deferred tax (note 11)	(3.564)	(362)	(2.907)	(1.873)
Total	**(6.856)**	**(564)**	**(5.486)**	**(1.873)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows:

Amounts in Euro thousands	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Profit before tax	19.267	(3.751)	18.684	3.165
Tax calculated at domestic tax rate applicable to profits	(6.165)	1.313	(5.979)	(1.108)
Different tax rates in foreign counties	2	22	-	-
Income not subject to tax	234	415	-	379
Expenses not deductible for tax purposes	(186)	(1.175)	(128)	(617)
Utilisation of tax losses brought forward	(171)	(474)	(239)	(335)
Tax losses of current period carried forward	(618)	(2.294)	-	-
Effect of declining tax rates	627	1.629	860	(192)
Additional tax expense for previous years	(579)	-	-	-
Tax charge	**(6.856)**	**(564)**	**(5.486)**	**(1.873)**

26. Other operating income / (expenses) - net

Amounts in Euro thousands	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Income from investments	781	1.170	781	1.170
Amortisation of govenrment grants received (note 19)	74	134	57	108
Insurance claims received	(21)	(7)	-	-
Other	2.014	(1.766)	2.597	767
Total	**2.848**	**(469)**	**3.435**	**2.045**

27. Cash generated from operations

		GROUP		COMPANY	
Amounts in Euro thousands	**Notes**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Profit for the year		12.411	(4.315)	13.198	1.292
Adjustments for:					
Tax	25	6.856	564	5.486	1.873
Depreciation of property, plant and equipment	7	11.468	8.737	8.403	5.852
Amortisation of intangible assets	8	4.375	4.121	4.269	4.033
Impairment of assets	7, 8, 9, 10	147	216	95	-
(Gain) / loss on sale of property, plant and equipment		66	(64)	8	40
Interest income	24	(984)	(941)	(222)	(554)
Interest expense	24	7.594	7.570	6.505	6.448
Income from investments	26	(781)	(1.170)	(781)	(1.170)
Amortisation of government grants	26	(74)	(134)	(57)	(108)
Exchange (gains) / losses		89	(171)	-	-
		41.168	**14.413**	**36.903**	**17.707**
Changes in working capital					
Decrease / (increase) in inventories		(3.593)	5.441	(2.663)	1.330
Decrease / (increase) in receivables		(47.724)	12.005	(46.099)	9.346
Increase in liabilities		2.659	7.038	2.531	11.604
Increase in provisions		208	134	407	-
Increase / (decrease) in retirement benefit obligations		375	(43)	188	(11)
		(48.075)	**24.575**	**(45.636)**	**22.269**
Cash generated from operations		**(6.907)**	**38.988**	**(8.733)**	**39.976**

28. Commitments

Capital commitments

There is no capital expenditure that has been contracted for but not yet incurred at the balance sheet date.

Operating lease commitments

The group leases mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Not later than 1 year	182	137	-	-
Later than 1 year but not later than 5 years	317	86	-	-
	499	**223**	**-**	**-**

29. Contingent liabilities and assets

The Group and the Company have contingencies in respect of bank guarantees, other guarantees and other matters arising in the ordinary course of business, as follows:

Amounts in Euro thousands	GROUP		COMPANY	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Liabilities				
Letters of gaurantee to creditors	253	269	253	269
Letters of guantee to customers securing contract performance	13.987	13.973	11.538	12.000
Mortgages over land & buildings	28.470	28.470	28.470	28.470
Guarantees to banks on behalf of susidiaires	19.187	19.325	19.175	19.175
Other	4.019	3.346	-	-
	65.916	**65.383**	**59.436**	**59.914**

Management is confident that that no material liability will arise from the contingent liabilities.

A subsidiary of the Group (ACS S.A.) has a legal case pending against third parties in relation to unfair competition. The claim of the subsidiary against these third parties is for an amount of approximately €20.4 million.

30. Prior period adjustment

Following the implementation of new accounting software during 2005, the Company determined that the previous basis of calculating the use of airtime was incorrect and therefore has an effect on revenue recognition of telecommunications revenue.

The impact of the above adjustment on the Group's and the Company's net assets and net profits for prior periods is detailed below. The current years financial statements have not been impacted by this adjustment.

Amounts in Euro thousands

Balance Sheet effect	1/1/2004	31/12/2004
Increase in Trade and other receivables	41	231
Increase in Trade and other payables	(383)	(1.986)
Increase in Deferred tax asset	120	562
Decrease in equity	**(222)**	**(1.193)**

Effect on Income Statement of FY04	
Decrease in Sales	(1.603)
Decrease in Cost of Sales	190
Decrease in income tax expense	442
Decrease in profit for the period	**(971)**

31. Transfer of the telecommunication's segment to a subsidiary

On 30 December 2005, the Company transferred its telecommunications segment to a 100% held subsidiary Q Telecommunications S.A. The assets and liabilities that were transferred are as follows:

Amounts in Euro thousands	
Property, plant and equipment	61.716
Intangible assets	25.005
Deferred income tax asset	1.840
Inventories	1.177
Trade and other receivables	33.641
Borrowings	(25.000)
Retirement benefit obligations	(149)
Trade and other payables	(44.694)
Current income tax liability	(2.579)
Net assets transferred	**50.957**

In exchange for the above mentioned transfer, the Company has received 16.064.000 newly issued shares, with a nominal value of €3 per share, from its subsidiary.

32. Related party transactions

The following transactions were carried out with related parties.

	GROUP		COMPANY	
Amounts in Euro thousands	1.1.2005 to 31.12.2005	1.1.2004 to 31.12.2004	1.1.2005 to 31.12.2005	1.1.2004 to 31.12.2004
i) Sales of goods and services				
Sales of goods	4.189	4.853	8.279	12.229
Sales of services	1.851	1.957	693	858
	6.040	**6.810**	**8.972**	**13.087**
ii) Purchases of goods and services				
Purchases of goods	2.593	1.706	3.133	1.838
Purchases of services	47	75	5.510	5.254
	2.640	**1.781**	**8.643**	**7.092**
iii) Benefits to management				
Salaries and other short-term employment benefits	3.232	2.380	2.025	1.396
	3.232	**2.380**	**2.025**	**1.396**

iv) Period end balances from sales-purchases of goods/servises

	GROUP		COMPANY	
Amounts in Euro thousands	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Recevables from related parties (note 13):				
-Associates	1.608	1.428	4.285	6.545
	1.608	**1.428**	**4.285**	**6.545**
Liabilities to related parties (note 20):				
-Associates	796	666	4.133	2.614

Services from and to related parties as well as sales and purchases of goods take place on the basis of the price lists in force with non related parties.

33. Earnings per share

Basic and diluted

Basic and diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding during the period, apart from the ordinary treasury shares that were bought by the Company.

	GROUP		COMPANY	
Amounts in Euro thousands	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Profit / (loss) attributable to equity holders of the Company	11.994	(1.947)	13.198	1.292
Weighted average number of ordinary shares in issue	48.705.220	48.508.842	48.705.220	48.508.842
Basic earnings / (losses) per share (Euro per share)	0,25	(0,04)	0,27	0,03

34. Dividends per share

The Company did not pay ant dividends in 2005 and 2004 that relate to the financial years 2004 and 2003 due to losses incurred. Furthermore the Company is not anticipated to declare and dividends in 2006 relating to the 2005 financial year.

35. Events after the balance sheet date

(a) Following the requirements of the Albania authorities, Management has decided to place the subsidiary company, ACS Albania, into liquidiation.

(b) On 31 January 2006, the Company completed the sale of its 100% held subsidiary, Q Telecommunications S.A. for a price of €330 million. This action completes the process that was initiated with the sale agreement that the Company entered into on 27 October 2005. Note 36 details the impact of this sale of the Profit and Loss account and Balance sheet of the Company and the Group, in terms if the requirements of IFRS 5 – Non current assets held for sale and discontinued operations.

(c) The sale detailed in the preceding paragraph has resulted in EETT, the relevant Greek authority, to request the payment of an amount of €22,6 million due to the change of control that resulted in Q Telecommunications S.A.

(d) The Company's total borrowing at 31 December 2005 were settled in full at the date of approval of these financial statements.

(e) At the next Annual General Meeting of the Company's shareholders, Management will recommend to shareholders a share capital decrease of €1,50 per share, by decreasing the decrease in the par value of ordinary shares.

Apart from the above detailed items, no further events have arisen after the balance sheet date.

36. Discontinued operations

The Profit and loss account and the Balance sheet of the Group and the Company that are presented below, analyse the assets, liabilities and net profits on the basis of continuing and discontinued operations.

Income Statement

	GROUP		COMPANY	
	1.1.2005 έως 31.12.2005	1.1.2004 έως 31.12.2004	1.1.2005 έως 31.12.2005	1.1.2004 έως 31.12.2004
Sales	**379.548**	**368.263**	**277.856**	**273.666**
Cost of sales	(343.123)	(337.326)	(251.430)	(249.586)
Gross profit	**36.425**	**30.937**	**26.426**	**24.080**
Selling expenses	(17.046)	(14.287)	(15.517)	(12.948)
Administrative expenses	(13.722)	(15.033)	(6.470)	(5.936)
Other operating income / (expenses) - net	2.849	(468)	3.435	2.045
Operating profit	**8.506**	**1.149**	**7.874**	**7.241**
Finance costs - net	(5.166)	(3.501)	(5.118)	(2.678)
Profit before income tax	**3.340**	**(2.352)**	**2.756**	**4.563**
Income tax expense	(1.917)	956	(546)	(352)
Profit for the period from continuing operations	**1.423**	**(1.396)**	**2.210**	**4.211**
Profit for the period from discontinued operations	**10.988**	**(2.919)**	**10.988**	**(2.919)**
Profit for the period	**12.411**	**(4.315)**	**13.198**	**1.292**
Attributable to :				
Equity holders of the Company	11.994	(1.947)	13.198	1.292
Minority interest	417	(2.368)	-	-
	12.411	**(4.315)**	**13.198**	**1.292**
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)				
Basic and diluted from continuing operations	0,02	0,02	0,05	0,09
Basic and diluted from discontinued operations	0,23	(0,06)	0,23	(0,06)

Below is analysed the profit for the period from discontinued operations.

Amounts in Euro thousands	1.1.2005 έως 31.12.2005	1.1.2004 έως 31.12.2004
Sales	**157.429**	**106.526**
Cost of sales	(111.116)	(83.865)
Gross profit	**46.313**	**22.661**
Selling expenses	(20.899)	(16.182)
Administrative expenses	(7.031)	(4.884)
Operating profit	**18.383**	**1.595**
Finance costs - net	(2.456)	(2.993)
Profit before income tax	**15.927**	**(1.398)**
Income tax expense	(4.939)	(1.521)
Profit for the period	**10.988**	**(2.919)**

Balance sheet

Amounts in Euro thousands	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
ASSETS				
Non-current assets				
Property, plant and equipment	40.965	93.762	28.706	78.884
Intangible assets	566	27.344	361	27.096
Investments in subsidiaires	-	-	71.379	20.517
Deferred income tax asset	4.684	10.175	2.917	7.752
Available for sale financial assets	17.667	16.283	17.650	16.265
Other receivables	270	-	-	-
	64.152	**147.564**	**121.013**	**150.514**
Current assets				
Inventories	23.385	20.969	20.939	19.453
Accounts receivable	168.300	147.947	144.332	124.264
Other receivables	9.314	16.444	10.637	18.248
Current income tax asset	1.344	1.329	862	956
Cash and cash equivalents	2.527	1.832	742	649
	204.870	**188.521**	**177.512**	**163.570**
Assets classified as held for sale	123.975	-	-	-
Total assets	**392.997**	**336.085**	**298.525**	**314.084**
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	157.020	155.792	157.020	155.792
Other reserves	14.988	13.034	14.789	12.989
Retained earnings / (Accumulated losses)	(94.203)	(104.840)	(75.130)	(87.100)
	77.805	63.986	96.679	81.681
Minority interest	735	389	-	-
Total equity	**78.540**	**64.375**	**96.679**	**81.681**
LIABILITIES				
Non-current liabilities				
Borrowings	4.071	30.485	3.250	28.924
Retirement benefit obligations	1.388	1.162	817	779
Government Grants	155	230	137	194
Other liabilities	191	-	-	-
Provisions	4.469	4.202	4.469	4.062
	10.274	**36.079**	**8.673**	**33.959**
Current liabilities				
Accounts payable	42.161	83.652	35.222	77.972
Other liabilities	30.362	31.759	20.919	20.330
Current income tax liability	-	734	-	704
Borrowings	158.501	119.352	137.032	99.438
Provisions	75	134	-	-
	231.099	**235.631**	**193.173**	**198.444**
Total liabilities	**241.373**	**271.710**	**201.846**	**232.403**
Liabilties directly associated with assets classified as held for sale	73.084	-	-	-
Total equity and liabilities	**392.997**	**336.085**	**298.525**	**314.084**

The following analysis presents the net assets of the discontinued operations.

Amounts in Euro thousands

Property, plant and equipment	61.718
Intangible assets	25.005
Deferred income tax asset	1.838
Inventories	1.177
Accounts receivable	34.233
Cash and cash equivalents	4
Assets classified as held for sale	**123.975**
Borrowings	25.000
Retirement benefit obligations	149
Accounts payable	45.356
Current income tax liability	2.579
Liabilties directly associated with assets classified as held for sale	**73.084**

(Translation from the Greek original)

Report of the certified auditor - accountant

To the Shareholders of the INFO QUEST A.E.B.E.

We have audited the accompanying balance sheet of INFO QUEST A.E.B.E. and the consolidated balance sheet of the Company and its subsidiaries (the "Group") as of 31 December 2005 and the related company and consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements set out on pages 2 to 50 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Greek Auditing Standards which are based on International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2005, and of the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors' Report is consistent with the financial statements.

Athens, 27 February 2006

The Certified Auditor – Accountant

Antonis Papageorgiou

SOEL Reg. No. 11691

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