



**ALTEC S.A.
GROUP OF COMPANIES**

**INTERMEDIATE FINANCIAL STATEMENTS
1ST QUARTER 2006**

For the period from 1st January 2006 to 31st March 2006

ALTEC S.A.
Register No. 17825/06/B/88/27

Registered office:
12 Patmou Street, Maroussi
www.altec.gr

**ALTEC S.A.
CONSOLIDATED FINANCIAL STATEMENTS
For the period from 1st January 2006 to 31st March 2006**

Contents

	Page
Consolidated Income Statement	2
Income Statement - Company	3
Consolidated Balance Sheet	4
Balance Sheet - Company	5
Consolidated Statement of Changes in Equity	6
Statement of Changes in Equity - Company	7
Consolidated Cash Flow Statement	9
Cash Flow Statement – Company	10
Notes on Consolidated Financial Statements	11 - 15

ALTEC S.A.
Consolidated Income Statement
For the period from 1st January 2006 to 31st March 2006

	31/03/06	31/03/05
Revenue	46,721,227	44,459,640
Cost of Sales	(35,745,184)	(34,210,852)
Gross Income	10,976,043	10,248,788
Other Operating & Investing Income	864,861	414,817
Interest revenue	990,827	789,315
Administration Expenses	(1,287,738)	(986,902)
Sales & Distribution Expenses	(6,072,447)	(5,886,975)
Research & Development Expenses	(1,640,070)	(1,418,598)
Other Operating Expenses	(370,516)	(429,093)
Income before Financial exp. & Taxes	3,460,960	2,731,352
Financial Expenses	(2,150,915)	(1,798,987)
Income before Taxes	1,310,045	932,365
Taxes for the period	(251,152)	(585,070)
Net Income	1,058,893	347,295
Appropriated to:		
Company Shareholders	1,043,521	952,806
Minority Interests	15,372	(605,511)
	1,058,893	347,295
Equity after taxes per Share	0.01	0.01

ALTEC S.A.
Income Statement - Company

	31/03/06	31/03/05
Revenue	26,498,357	26,090,231
Cost of Sales	(19,906,650)	(19,642,469)
Gross Income	6,591,707	6,447,762
Other operating & investing income	473,776	300,065
Interest revenue	986,667	783,782
Administration expenses	(558,963)	(562,696)
Sales & Distribution expenses	(2,916,074)	(2,970,427)
Research & Development expenses	(1,154,465)	(983,668)
Other operating expenses	(153,277)	(156,399)
Income bef. Financial exp. & Taxes	3,269,371	2,858,419
Financial Expenses	(1,955,820)	(1,589,937)
Income before taxes	1,313,551	1,268,482
Taxes for the period	(259,899)	(515,195)
Income after taxes	1,053,652	753,287
Appropriated to:		
Shareholders	1,053,652	753,287
Equity after taxes per Share	0.01	0.01

ALTEC S.A.

Consolidated Balance Sheet – 31st March 2006

	31/03/06	31/12/05
	€	€
<u>ASSETS</u>		
Non-Current Assets		
Fixed assets	44,730,745	45,237,261
Intangible assets	21,256,772	22,272,620
Investments in subsidiaries	0	0
Deferred taxation claims	3,236,163	3,459,175
Investments available for sale	2,327,420	2,327,578
Other Long Term claims	328,055	249,726
	<u>71,879,155</u>	<u>73,546,360</u>
Current Assets		
Inventory	46,337,142	44,624,493
Trade Receivables	88,097,964	88,608,832
Other assets	60,614,705	63,192,315
Cash & Cash Equivalents	16,999,527	17,330,318
	<u>212,049,338</u>	<u>213,755,958</u>
TOTAL ASSETS	<u>283,928,493</u>	<u>287,302,319</u>
<u>EQUITY & LIABILITIES</u>		
Shareholders' Interest		
Subscribed Share Capital	44,155,320	44,155,320
Reserves	28,144,223	27,488,445
Total Equity of Company's Shareholders	<u>72,299,543</u>	<u>71,643,765</u>
Minority Interests	4,086,504	4,277,267
Total Equity	<u>76,386,047</u>	<u>75,921,032</u>
Long-Term Liabilities		
Long Term Bank Loans	62,328,066	62,416,813
Deferred tax liability	113,803	113,803
Provisions & other long-term liabilities	2,896,669	2,934,790
	<u>65,338,538</u>	<u>65,465,406</u>
Short-Term Liabilities		
Trade payables	43,862,299	42,816,845
Other short-term liabilities	19,635,896	24,782,112
Short-term bank loans	78,705,713	78,316,925
	<u>142,203,908</u>	<u>145,915,882</u>
TOTAL EQUITY & LIABILITIES	<u>283,928,493</u>	<u>287,302,319</u>

ALTEC S.A.
Company Balance Sheet - 31st March 2006

	31/03/06	31/12/05
	€	€
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets	30,552,981	30,658,385
Intangible Assets	4,932,335	5,250,663
Investments in subsidiaries	28,859,470	28,859,470
Deferred taxation claims	3,222,658	3,384,083
Investments available for sale	2,326,578	2,326,578
Other long-term claims	68,241	67,965
	<u>69,962,263</u>	<u>70,547,144</u>
Current Assets		
Inventory	38,114,375	38,181,018
Trade Receivables	92,666,529	93,982,908
Other assets	54,235,928	56,076,010
Cash & Cash Equivalents	13,528,198	9,764,673
	<u>198,545,030</u>	<u>198,004,609</u>
TOTAL ASSETS	<u><u>268,507,293</u></u>	<u><u>268,551,753</u></u>
<u>EQUITY & LIABILITIES</u>		
Shareholders' Interest		
Subscribed Share Capital	44,155,320	44,155,320
Reserves	52,671,680	51,618,028
	<u>96,827,000</u>	<u>95,773,348</u>
Long-Term Liabilities		
Long-term bank loans	62,328,066	62,416,813
Deferred taxation liability	0	0
Provisions & other long-term liabilities	2,477,622	2,496,952
	<u>64,805,688</u>	<u>64,913,765</u>
Short-Term Liabilities		
Trade payables	21,217,473	21,909,420
Other short-term liabilities	13,469,436	14,937,137
Short-term bank loans	72,187,696	71,018,083
	<u>106,874,605</u>	<u>107,864,640</u>
TOTAL EQUITY & LIABILITIES	<u><u>268,507,293</u></u>	<u><u>268,551,753</u></u>

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

ALTEC S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period: 1st January 2006 – 31st March 2006

	GROUP (figures in €)				
	<u>Share Capital</u>	<u>Reserves</u>	<u>Retained (balance)</u>	<u>Minority Interests</u>	<u>Total</u>
Balance on 1/1/2006	44,155,320	85,024,900	(57,536,455)	4,277,267	75,921,032
Net Income directly imputed to equity			(387,743)	(206,135)	(593,878)
Net Profit (1/1-31/3/06)			1,043,521	15,372	1,058,893
Equity on 31/3/2006	44,155,320	85,024,900	(56,880,677)	4,086,504	76,386,047
	<u>Share Capital</u>	<u>Reserves</u>	<u>Retained (balance)</u>	<u>Minority Interests</u>	<u>Total</u>
Balance on 1/1/2005	44,155,320	91,046,911	(66,149,426)	5,794,757	74,847,562
Net income directly imputed to equity			11,404,226	(3,597,307)	7,806,919
Net Profit (1/1-31/3/05)			347,295		347,295
Equity on 31/3/2005	44,155,320	91,046,911	(54,397,905)	2,197,450	83,001,776

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

ALTEC S.A.

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the period: 1st January 2006 – 31st March 2006

	COMPANY (figures in €)			
	<u>Share</u> <u>Capital</u>	<u>Reserves</u>	<u>Retained</u> <u>(balance)</u>	<u>Total</u>
Balance on 1/1/2006	44,155,320	107,401,256	(55,783,228)	95,773,348
Net Income directly imputed in equity				0
Net Profit (1/1-31/3/06)			1,053,653	1,053,653
				0
Equity on 31/3/2006	44,155,320	107,401,256	(54,729,575)	96,827,001
	<u>Share</u> <u>Capital</u>	<u>Reserves</u>	<u>Retained</u> <u>(balance)</u>	<u>Total</u>
Balance on 1/1/2005	44,155,320	102,994,144	(62,323,844)	84,825,620
Net Income directly imputed in equity			2,191,533	2,191,533
Net Profit (1/1-31/3/05)			753,287	753,287
				0
Equity on 31/3/2005	44,155,320	102,994,144	(59,379,024)	87,770,440

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

ALTEC A.B.E.E.
Consolidated Cash Flow Statement - 31st March 2006
GROUP CASH FLOW STATEMENT

	1/1 - 31/3/2006	1/1/ - 31/3/2005
	€	€
Net profit before taxes	<u>1,310,045</u>	<u>932,365</u>
Adjustments for:		
Depreciation	2,133,236	1,992,922
Provisions	(37,838)	176,831
Financial expenses	2,150,915	1,798,987
	<u>4,246,313</u>	<u>3,968,740</u>
Net Cash Flow before changes in working capital	<u>5,556,358</u>	<u>4,901,105</u>
Increase (decrease) of receivables	3,088,477	9,097,763
Decrease (increase) of liabilities (excluding banks)	(4,100,759)	(3,889,631)
Increase (decrease) of inventory	(1,712,649)	305,202
	<u>(2,724,931)</u>	<u>5,513,334</u>
Cash Flows from operating activities	<u>2,831,427</u>	<u>10,414,439</u>
Financial expenses	(2,150,915)	(1,798,987)
Taxes paid up	(1,613,128)	(164,843)
	<u>(932,616)</u>	<u>8,450,609</u>
Καθαρή ροή μετρητών από εργασίες	<u>(932,616)</u>	<u>8,450,609</u>
Cash Flows from Investing Activities		
Acquisition of subsidiaries & other investments	(78,171)	0
Purchase of tangible & intangible fixed assets	(610,872)	(347,396)
Interest received	990,827	789,315
Proceeds from sale of assets	0	2,891,826
	<u>301,784</u>	<u>3,333,745</u>
Net Cash Flows from investing activities	<u>301,784</u>	<u>3,333,745</u>
Cash Flows from Financing Activities		
Increase (decrease) of bank liabilities	300,041	(10,217,782)
	<u>300,041</u>	<u>(10,217,782)</u>
Net Cash Flows from financing activities	<u>300,041</u>	<u>(10,217,782)</u>
	(330,791)	1,566,572
Cash & Cash Equivalents at beginning of period	<u>17,330,318</u>	<u>17,693,537</u>
	<u>16,999,527</u>	<u>19,260,109</u>
Cash & Cash Equivalents at end of period	<u><u>16,999,527</u></u>	<u><u>19,260,109</u></u>

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

Cash Flow Statement - Company

	1/1 - 31/3/2006	1/1/ - 31/3/2005
	€	€
Net profits before taxes	<u>1,313,552</u>	<u>1,268,482</u>
Adjustments for:		
Depreciation	641,913	596,906
Provisions	(19,330)	11,810
Financial expenses	1,955,820	1,589,937
	<u>2,578,403</u>	<u>2,198,653</u>
Net cash flow before changes in working capital	<u>3,891,955</u>	<u>3,467,135</u>
Increase (decrease) in inventory	66,643	64,276
Decrease (increase) in liabilities (excluding banks)	(2,159,649)	1,497,897
Decrease (increase) in receivables	3,156,462	(385,879)
	<u>1,063,456</u>	<u>1,176,294</u>
Financial expenses	(1,955,820)	(1,589,937)
Taxes paid up	(1,085,143)	(379,021)
Net cash flow from operating activities	<u>1,914,448</u>	<u>2,674,471</u>
Cash Flows from Investing Activities		
Acquisition of subsidiaries & other investments	(276)	0
Purchase of tangible & intangible assets	(218,181)	(226,827)
Interest received	986,667	783,782
Proceeds from sale of assets	0	716,011
Net cash flow from investing activities	<u>768,210</u>	<u>1,272,966</u>
Cash Flows from Financing Activities		
increase (decrease) of bank liabilities	1,080,867	(6,852,503)
Net cash flow from financing activities	<u>1,080,867</u>	<u>(6,852,503)</u>
	3,763,525	(2,905,066)
Cash & Cash Equivalents at beginning of period	<u>9,764,673</u>	<u>12,280,300</u>
	<u>13,528,198</u>	<u>9,375,234</u>
Cash & Cash Equivalents at end of period	<u>13,528,198</u>	<u>9,375,234</u>
Cash & Cash Equivalents at end of period	<u>13,528,198</u>	<u>9,375,234</u>

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

1. GENERAL INFORMATION

The Company was founded in August 1988 with duration of 50 years under the name “ALTEC ANONIMOS VIOTEXNIKI & EMPORIKI ETERIA SISTIMATON PLIROFORIKIS & EPIKINONION”. The legal form of the Company is S.A. (incorporated company) and is functioning under Greek Law. The scope of the company is the production of PCs and advanced technology electronic equipment, service and repair of PCs, sale of information technology equipment and applications, provision of software packages and customized solutions, research on advanced technology applications in cooperation with the private and public sector targeted to the growth and development of Hellenic technological know-how.

2. BASE OF PRESENTATION

The intermediate financial statements were prepared on the basis of historical cost and adjusted to include the revised expected economic usefulness of fixed assets. The Group and the Company have applied IFRS 1, reporting, initially, fixed assets on a historic cost basis.

3. BASIC ACCOUNTING PRINCIPLES

The applied accounting principles conform with the ones that were followed to the yearly Financial Statements of 31/12/2005.

4. EARNINGS PER SHARE

The estimation of basic earnings per share is based on the following:

	GROUP		COMPANY	
	<u>1/1/2006</u> <u>31/3/2006</u>	<u>1/1/2005</u> <u>31/3/2005</u>	<u>1/1/2006</u> <u>31/3/2006</u>	<u>1/1/2005</u> <u>31/3/2005</u>
Net Profits of period	1,058,893	347,295	1,053,653	753,287
Number of Shares	100,353,000	100,353,000	100,353,000	100,353,000
Net Profits per Share (in €)	0.011	0.00	0.010	0.01

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

5 . TANGIBLE & INTANGIBLE ASSETS

5.1 During the period 1/1/2006 - 31/3/2006 the Company invested 218,457 euros.

5.2 Registration of future mortgage has taken place with respect to land and buildings of the Group so as to secure bank loans amounting to €128.217.168 Fixed assets don't include items fully depreciated.

6. INVESTMENTS

Company	Direct %	Indirect %
	Share	Share
MICROLAND S.A.	48,16	
MICROLAND ROMANIA S.R.L.		100%
MICROLAND CYPRUS LIMITED		99,99%
DATAMED S.A.	70%	
ALTEC TELECOMS S.A. (ACN S.A.)	70%	
O.T.S S.A.	60%	
OROSYMO PLIROFORIKI S.A.	51%	
INTERFACE MODERN TRAINING SREVICES S.A.	100%	
SYSWARE ROUMANIA SRL	100%	
SYSWARE BOULGARIA AD (S.A.)	99%	
UNISOFT ROMANIA SA (S.A.)	99,6%	
UNISOFT BULGARIA AD (S.A.)	96,5%	
HEMS LTD	90%	

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

7. SUBSCRIBED SHARE CAPITAL

Subscribed

100.353.000 ordinary shares of € 0.44 each 44.155.320

The Share Capital of the Company is fully paid and amounts today to forty four million one hundred and fifty five thousand three hundred and twenty euros (€44.155.320), divided into one hundred million three hundred and fifty three thousand (100.353.000) ordinary shares of a face value of 44 cents (€0,44) each.

8. TRANSACTIONS WITH RELATED PARTIES

α. The Company accumulated sales and purchases to and from related parties from the beginning of the year (according to IAS 24) were 0 and 0 euros respectively. The balance of receivables and payables of the Company at the end of the year (according to IAS 24) were 148.665 and 0 euros respectively.

The accumulated amounts of sales and purchases on a consolidated basis from the beginning of the year with related parties (according to IAS 24) were 0 and 0 euros respectively. The balance of receivables and payables at the end of the year were 148.665 and 0 euros respectively.

β. The Board Members remuneration for the periods 1/1-31/3/2006 and 1/1-31/3/2005 amount to 159,797 and 149,430 euros respectively.

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

9. SUBSIDIARIES INCLUDED IN CONSOLIDATION– UNAUDITED YEARS

The subsidiaries included in the consolidation of ALTEC GROUP and consolidated pursuant to total consolidation method, are the following:

<u>CORPORATE NAME</u>	<u>REGISTERED OFFICE</u>	<u>CONSOLIDATION</u>	<u>UNAUDITED</u>
		<u>METHOD</u>	<u>YEARS</u>
ALTEC S.A.	GREECE	PARENT	2001-2005
DATAMEND S.A.	GREECE	TOTAL	2003-2005
ALTEC TELECOMS S.A.	GREECE	TOTAL	2003-2005
OTS S.A.	GREECE	TOTAL	2003-2005
OROSIMO PLIROFORIKI S.A.	GREECE	TOTAL	2003-2005
INTERFACE MODERN TRAINING SERVICES S.A.	GREECE	TOTAL	2003-2005
SYSWARE ROMANIA SRL	ROMANIA	TOTAL	1999-2005
SYSWARE BULGARIA AD	BULGARIA	TOTAL	2000-2005
UNISOFT ROMANIA SA	ROMANIA	TOTAL	1996-2005
UNISOFT BULGARIA AD	BULGARIA	TOTAL	2000-2005
HEMS LTD	GREECE	TOTAL	1999-2005
JOINT VENTURE ALTEC-BYTE	GREECE	TOTAL	2002-2005
MICROLAND COMPUTERS S.A.	GREECE	TOTAL	2002-2005
MICROLAND CYPRUS LTD	CYPRUS	TOTAL	1999-2005
MICROLAND ROMANIA SRL	ROMANIA	TOTAL	1999-2005

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

10. NUMBER OF EMPLOYEES

	31/3/2006	31/3/2005
ALTEC S.A.	558	543
ALTEC GROUP	1052	944

11. CAPITAL COMMITMENTS

The Company has no capital commitments for acquisition of assets.

12. INCOME TAX (ongoing and deferred)

The ongoing and deferred income tax is calculated based on the relevant items of the financial statements, according to effective tax law. The ongoing income tax relates to the taxable profits of the Company as adjusted under tax law requirements and calculated on the basis of effective tax rate.

The deferred tax is calculated according to the liability method on all temporary tax differences at balance sheet date, between the tax base and the accounting value of assets and liabilities.

The expected tax consequences from the temporary tax differences determined and presented either as future (deferred) tax liabilities or deferred tax claims.

Deferred tax claims are inserted for all rebated temporary differences and transferred tax losses according to the probable availability of a taxable profit against which the rebated temporary tax difference can be utilized.

The accounting value of the deferred tax claims is reviewed at every balance sheet date and is decreased according to the probability that there won't be enough taxable profits against which the whole or a part of deferred tax claims can be utilized.

The ongoing tax claims and liabilities for the current and past financial years are valued to the amount that is expected to be paid to tax authorities (or reclaimed by them), according to tax rates (and tax laws) already on effect, or substantially on effect, at the date of the balance sheet.

ALTEC S.A.
Notes on Financial Statements – 31st March 2006

13. EVENTS AFTER THE BALANCE SHEET DATE

According to the decision of the non-recurring General Assembly of the Shareholders of the subsidiary company MICROLAND COMPUTERS S.A. on 19/4/2006, reserves of 10.437.427 euros were capitalized with a same amount simultaneous decrease of the Share Capital with set-off of losses. This was approved by the Ministry of Development on 19/4/2006 with the ministerial resolution No. K2-5976.

The President of B.D. & M.Director

Athanasios X. Athanasoulis
A.Α.T Ξ 436568

The Vice President of B.D.

Athanasios I.Avraam
A.Α.T X 053059

The Chief Financial Officer

Efstratios X. Kordoulas
A.Α.T Σ 558997

The Chief Accounting Officer

Dimitrios K.Giannopoulos
A.Α.T N 309937