

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Altec



ALTEC ABEE
FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31 DECEMBER 2006 PURSUANT TO
INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)

It is hereby attested that the annual Financial Statements attached hereto are those approved by the Board of Directors of ALTEC ABEE on 20 March 2007 and have been published in the press and uploaded on the Internet, on www.altec.gr. Note that the concise financial figures published in the press aim to provide readers with certain general financial figures but do not offer a thorough idea about the financial position and results of the Company and the Group pursuant to International Financial Reporting Standards (International Accounting Standards). It is also stressed that for the purpose of simplification the concise financial data published in the press have been abridged and items have been reclassified.

Athanassios Athanassoulis
President of the BoD.
ALTEC ABEE

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

C O N T E N T S

	Page
Audit report of Chartered Accountants – Auditors	3
Management Report to the Board of Directors	5
Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8-9
Cash Flow Statement	10
Notes on the Financial Statements	11-50

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

AUDIT REPORT OF THE INDEPENDENT CHARTERED ACCOUNTANT- AUDITOR

To the Shareholders of:
ALTEC ABEE IT & TELECOMMUNICATIONS SYSTEMS

Report on the Financial Statements

We have audited the attached Company and Consolidated Financial Statements of ALTEC ABEE IT & TELECOMMUNICATIONS SYSTEMS that are comprised of the balance sheet of 31 December 2006 and the income, changes in equity and cash flows statements, of the year ended on that date as well as a summary of important accounting policies and other explanatory notes.

Management Responsibility on Financial Statements

Company management bears the responsibility for the preparation and fair presentation of the financial statements according to IFRS as adopted by the E.U. The responsibility includes the planning, application and maintenance of an internal audit process relevant to the preparation and fair presentation of financial statements, relieved from material inaccuracies, due to mistake or fraud. The responsibility also includes the choice and application of appropriate accounting policies and accounting estimates that are reasonable for the occasions.

Auditor's Responsibility

Our responsibility is to express opinion on the attached financial statements based on our audit. We have performed our audit based on the Greek Auditing Standards that are adapted to International Auditing Standards. The standards require our compliance with ethical standards and the planning and conduct of our audit to assure in a fair manner that financial statements are relieved from material inaccuracies.

The audit includes the application of processes for the collection of audit evidence relevant to the amounts and information included in the financial statements. The processes are chosen at the discretion of the auditor and include the assessment of risk for material inaccuracies of the financial statements due to mistake or fraud. For the risk assessment the auditor takes into consideration the internal audit system regarding the preparation and fair presentation of the financial statements, in order to plan audit processes for the occasions and not to express opinion on the effectiveness of the internal audit system of the company. The audit also includes the evaluation of the suitability of the accounting policies applied and the fairness of estimates from management, as well as the appraisal of the general presentation of the financial statements.

We believe that the audit evidence we collected is sufficient and appropriate to base our opinion.

Opinion

In our opinion, the financial statements attached hereto, present the fair, in every material way, financial position of the Company on 31 December 2006, the financial performance and the cash flows for the year ended on that date, according to IFRS, as adopted by the E.U.

Report on other Legal and Statutory matters

The content of the management report of the board of directors is consistent with the financial statements attached hereto.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Athens, 26 March 2007
The Chartered Accountant - Auditor

GEORGE AN. BATSOULIS
Register No in College of Chartered Accountants – Auditors 14001



Πρότυπος Ελληνική Ελεγκτική ΑΕ
Ορκωτοί Ελεγκτές Λογιστές

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
TO THE SHAREHOLDERS OF ALTEC ABEE
FOR THE YEAR 1.1.2006 – 31.12.2006

To the Shareholders of ALTEC ABEE

Company management expresses its satisfaction for the progress during 2006 and the vindication of choices and decisions.

The annual financial results highlight the emphasis put on the improvement of financial ratios and qualitative performance indicators that formulate the main strategic choice during the last years.

Therefore we note the following:

COMPANY

- Sales amount to €112.14 mil.
- EBITDA amount to €14.77 mil., that is 13.17% of sales.
- Profits after tax amount to €3.46 mil. that is 3.08% of sales.
- Gross profit amount to €31.84 mil. that is 28.4% of sales.
- Profit before tax amount to €4.47 mil. that is 3.98% of sales.
- Important fact during the year was the reduction of bank loans by €26.50 mil.
- Further reduction of the distribution activity due to very limited profitability and high risk.
- Delayed commencement of contracts due to additional and extended procedures.

All the above reveal that ALTEC is progressing on a well planned and targeted strategy focusing on services and products of high added value and return, and the continuous improvement of all qualitative financial indicators.

GROUP

- Sales amount to €195.12 mil.
- EBITDA amount to €22.23 mil., that is 11.39% of sales.
- Profits after tax & minority interests amount to €2.54 mil. that is 1.3% of sales.
- Gross profit amount to €56.76 mil. that is 29.09% of sales.
- Profit before tax amount to €2.72 mil. that is 1.4% of sales.
- Important fact during the year was the reduction of bank loans by €29.53 mil.

The dynamic progress of both the Company and the Group will be continued since considerable contracts have been signed. Furthermore, the new generation of software and hardware products developed with state-of-the-art technologies covering all modern customer needs, will further enhance customer loyalty and will boost financial results in the years to come.

On the basis of the above mentioned facts, the audit report of the certified auditor – accountant and the consolidated financial statements of 31 December 2006, we bring to your attention, dear Shareholders, all the necessary information for you to commence with the approval of the consolidated financial statements of the year ended on 31 December 2006 and the excuse of the Board of Directors and auditors from every responsibility.

The President & Managing Director
Athanassios X. Athanassoulis

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

	Note	GROUP		COMPANY	
		1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
<u>INCOME STATEMENT</u>					
Sales		195.119.992	179.314.817	112.144.128	105.518.519
Minus: Cost of Sales		(138.356.134)	(131.112.421)	(80.300.135)	(76.768.230)
Gross Profit		56.763.858	48.202.396	31.843.993	28.750.289
Other Operating Income	7	3.237.132	5.989.758	2.259.383	5.322.275
		60.000.990	54.192.154	34.103.376	34.072.564
Administration expenses	8	(9.130.873)	(8.095.223)	(2.409.653)	(1.852.028)
Selling expenses	9	(30.387.301)	(22.630.911)	(13.609.059)	(9.141.098)
Research & Development expenses	10	(5.247.997)	(7.033.858)	(5.171.674)	(6.975.858)
Other operating expenses	11	(1.341.515)	(4.330.061)	(664.261)	(3.134.656)
Operating Profit / (Loss)		13.893.304	12.102.101	12.248.729	12.968.924
Financing expenses	12	(8.569.073)	(9.271.051)	(7.505.945)	(8.233.283)
Profit / (Loss) from ordinary activities		5.324.231	2.831.050	4.742.783	4.735.641
Income / Expense from investments	13	(412.634)	1.669.415	(276.059)	1.669.416
Profit before income tax		4.911.598	4.500.465	4.466.724	6.405.057
Income tax	14	(2.187.348)	(2.340.280)	(1.008.404)	(2.060.779)
Profit after tax		2.724.249	2.160.185	3.458.320	4.344.278
Minority interests		(183.893)	553.418	0	0
Profit after tax attributable to the Group		2.540.357	2.713.603	3.458.320	4.344.278
Earnings Per Share (€ per share)					
Basic	15	0,03	0,03	0,03	0,04

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

BALANCE SHEET

	Note	GROUP		COMPANY	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS					
Non-Current Assets					
Tangible non-current assets	16	34.701.567	40.190.737	21.134.627	25.611.861
Intangible non-current assets	17	18.283.774	22.272.620	3.936.347	5.250.663
Goodwill		0	0	0	0
Investments in subsidiaries		0	0	28.844.770	28.859.470
Investments in affiliated	18	0	0	0	0
Investments available-for-sale	19	2.022.828	2.327.578	2.022.828	2.326.578
Investment property	20	5.046.524	5.046.524	5.046.524	5.046.524
Long-term claims	21	304.608	249.726	70.201	67.965
Deferred tax claims	14	3.580.926	3.459.175	3.568.582	3.384.083
Total Non-Current Assets		<u>63.940.227</u>	<u>73.546.360</u>	<u>64.623.880</u>	<u>70.547.144</u>
Current Assets					
Inventories	22	60.600.750	44.624.493	52.257.764	38.181.018
Trade & other receivables	23	140.611.244	144.228.653	123.175.435	142.598.265
Investments at fair value through income statement	24	700.131	7.572.495	479.288	7.460.653
Cash & cash equivalents	25	21.536.122	17.330.318	14.586.768	9.764.673
Total Current Assets		<u>223.448.247</u>	<u>213.755.959</u>	<u>190.499.256</u>	<u>198.004.609</u>
TOTAL ASSETS		<u>287.388.474</u>	<u>287.302.319</u>	<u>255.123.136</u>	<u>268.551.753</u>
LIABILITIES & EQUITY					
EQUITY					
Share capital	26	44.155.320	44.155.320	44.155.320	44.155.320
Share premium	26	85.390.652	85.390.652	85.390.652	85.390.652
Capital reserves	27	3.607.342	(365.752)	27.769.217	19.023.759
Retained earnings (losses)		(59.444.187)	(57.536.455)	(58.415.432)	(52.796.383)
Total Equity of Group Shareholders		<u>73.709.126</u>	<u>71.643.765</u>	<u>98.899.757</u>	<u>95.773.348</u>
Minority interests		4.361.343	4.277.267	0	
Total Equity		<u>78.070.469</u>	<u>75.921.032</u>	<u>98.899.757</u>	<u>95.773.348</u>
LIABILITIES					
Long-term liabilities					
Loans	29	45.053.538	62.416.813	45.053.538	62.416.823
Employee benefits	30	2.070.022	1.914.635	1.682.394	1.476.787
Deferred tax liabilities	14	924.617	113.803	0	
Provisions	31	1.290.188	997.500	1.097.500	997.500
Other L/T liabilities	32	20.103	22.655	20.103	22.655
Total Long-term Liabilities		<u>49.358.469</u>	<u>65.465.406</u>	<u>47.853.535</u>	<u>64.913.765</u>
Short-term Liabilities					
Trade payables & other liabilities	33	90.543.092	65.532.111	44.370.339	35.694.265
Loans	29	66.151.568	78.316.925	61.882.312	71.018.083
Short-term tax liabilities		3.264.877	2.066.845	2.117.193	1.152.292
Total Short-term Liabilities		<u>159.959.536</u>	<u>145.915.881</u>	<u>108.369.844</u>	<u>107.864.640</u>
Total Liabilities		<u>209.318.005</u>	<u>211.381.287</u>	<u>156.223.379</u>	<u>172.778.405</u>
TOTAL LIABILITIES & EQUITY		<u>287.388.474</u>	<u>287.302.319</u>	<u>255.123.136</u>	<u>268.551.753</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share Capital	Share Premium Reserve	Revaluation Reserve of Treasury Investments	Regular Reserve	Tax laws Reserves	Revaluation Reserve of Investments	Retained Profit/Loss	Minority Interests	Total
Balance on 31 December 2004 according to IFRS	44.155.320	85.390.652	(10.200.794)	3.975.993	(5.296.530)	11.278.222	(60.250.056)	5.794.757	74.847.562
Profit after tax 2005	0	0	0	0	0	0	2.713.603	(553.418)	2.160.185
Other movements	0	0	5.038.432	0	(5.161.075)	0	0	(964.072)	(1.086.715)
Balance on 31 December 2005 according to IFRS	44.155.320	85.390.652	(5.162.362)	3.975.993	(10.457.605)	11.278.222	(57.536.455)	4.277.267	75.921.032
Profit after tax 2006	0	0	0	11.370	304.385	0	2.224.602	183.893	2.724.249
Reserve settlement	0	0	5.162.362		(1.477.616)	(35.068)	(3.649.677)	0	0
Other movements	0	0	0	(927)	8.590	0	(482.658)	(99,817)	(574,812)
Balance on 31 December 2006 according to IFRS	44.155.320	85.390.652	0	3.986.436	(11.622.247)	11.243.153	(59.444.187)	4.361.343	78.070.469

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share Capital	Share Premium Reserve	Revaluation Reserve of Treasury Investments	Regular Reserve	Tax laws Reserves	Revaluation Reserve of Investments	Retained Profit/Loss	Minority Interests	Total
Balance on 31 December 2004 according to IFRS	44.155.320	85.390.652	(10.200.794)	3.975.993	7.366.888	11.278.222	(57.140.661)	0	84.825.620
Profit after tax 2005	0	0	0	0	0	0	4.344.278	0	4.344.278
Other movements	0	0	5.038.432	0	1.565.018	0	0	0	6.603.450
Balance on 31 December 2005 according to IFRS	44.155.320	85.390.652	(5.162.362)	3.975.993	8.931.906	11.278.222	(52.796.383)	0	95.773.348
Profit after tax 2006	0	0	0	0	0	0	3.458.320	0	3.458.320
Reserve settlement	0	0	5.162.362	0	0	(35.068)	(5.127.293)	0	0
Other movements	0	0	0	0	3.618.165	0	(3.950.076)	0	(331.911)
Balance on 31 December 2006 according to IFRS	44.155.320	85.390.652	0	3.975.993	12.550.071	11.243.153	(58.415.433)	0	98.899.757

ALTEC ABBE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

CASH FLOW STATEMENT

	GROUP		COMPANY	
	1/1- 31/12/2006	1/1- 31/12/2005	1/1- 31/12/2006	1/1- 31/12/2005
<u>Cash flows from operating activities:</u>				
Profit before tax	4,911,598	4,500,465	4,466,724	6,405,057
Plus / (Minus) adjustments for:				
Depreciation	8,334,064	8,600,572	2,519,254	3,056,162
Provisions	383,821	707,325	203,045	47,239
Loss (Profit) from sale of fixed assets	(33,328)	0	(82)	0
Profits from investments in affiliated companies	0	0	0	0
Income from participations	(40,973)	0	0	0
Income (expense), profit (loss) from investments	(14,276)	3,995,814	(191,823)	3,328,331
Interest charges and related expenses	8,569,073	10,658,072	7,505,945	9,600,324
	<u>22,109,979</u>	<u>28,462,247</u>	<u>14,503,063</u>	<u>22,437,113</u>
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (Increase) in Inventories	(15,976,258)	(2,010,451)	(14,076,747)	(3,134,929)
Decrease / (Increase) in Receivables	2,971,776	12,310,948	19,422,831	2,813,396
Decrease / (Increase) in Long-Term claims	(53,882)		(2,237)	
(Decrease) / Increase in liabilities (other than bank liabilities)	25,148,668	(10,668,915)	8,344,914	(6,731,807)
(Minus):				
Interest charges and related expenses paid-up	(8,692,055)	(10,658,072)	(7,610,012)	(9,600,324)
Taxes paid-up	(202,639)	(9,587,470)	(128,002)	(4,113,048)
Total inflows / (outflows) from operating activities (a)	<u>25,305,588</u>	<u>7,848,287</u>	<u>20,453,811</u>	<u>1,670,401</u>
<u>Cash flows from investing activities:</u>				
Acquisition of subsidiaries, affiliates, joint ventures & other investments	7,382,638	(661,418)	7,491,638	(661,418)
Own share purchase	0		0	
Acquisition of tangible & intangible fixed assets	(6,176,193)	(2,472,391)	(3,360,657)	(620,735)
Proceeds from sale of tangible & intangible fixed assets	7,233,420	1,955,000	6,633,035	1,955,000
Proceeds from sale of participations and treasury investments	(1)	0	0	0
Income from treasury investments	0	0	0	0
Interest received	122,982	3,056,436	104,066	3,036,457
Dividends received	(74,589)	0	0	0
Total inflows / (outflows) from investing activities (b)	<u>8,488,258</u>	<u>1,877,627</u>	<u>10,868,082</u>	<u>3,709,304</u>
<u>Cash flows from financing activities:</u>				
Proceeds from share capital increase	0	1,079,929	0	0
Proceeds (Payments) from/of Loans	(29,528,632)	(9,984,916)	(26,499,046)	(7,895,331)
Dividends paid	(59,410)	0	(751)	0
Total inflows / (outflows) from financing activities (c)	<u>(29,588,042)</u>	<u>(8,904,987)</u>	<u>(26,499,797)</u>	<u>(7,895,331)</u>
Net increase / (decrease) in cash & cash equivalents of the period (a)+(b)+(c)	<u>4,205,804</u>	<u>820,927</u>	<u>4,822,095</u>	<u>(2,515,627)</u>
Cash & cash equivalents at the start of the period	17,330,318	16,509,390	9,764,673	12,280,300
Cash & cash equivalents at the end of the period	<u>21,536,122</u>	<u>17,330,318</u>	<u>14,586,768</u>	<u>9,764,673</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

ALTEC GROUP PROFILE

ALTEC Group (the “Group”) is a strong Group providing products and services in both Greece and Europe in the field of communications and information technology.

The Parent Company (the “Company”) of the Group is ALTEC S.A., which is a societe anonyme set up and operating in Greece at 12, Patmou St., Marousi, 151 23.

The shares of the Company are traded on the Big Capitalisation category of the Athens Stock Exchange.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

1. PRESENTATION BASIS OF FINANCIAL STATEMENTS

1.1 General

The individual-entity and consolidated financial statements of the Group and the Company of the year 1/1 – 31/12/2006 attached hereto (hereinafter referred to as “financial statements”) have been prepared pursuant to the historical cost principle except for some categories of tangible fixed assets which are assessed at fair value, on the date of transition (1/1/2004) to IFRS, which is used from then as the historic cost. Also, the financial statements have been prepared on the basis of the “going concern” rule.

The financial statements attached hereto have been prepared pursuant to IFRS, which have been issued by the International Financial Reporting Standards Board and the Interpretations issued by the Interpretations Committee, in power from 31 December 2006.

1.2 First-time adoption of IFRS

The financial statements of the Company were published, until the year ended on 31 December 2004, according to Law 2190/1920 and the Accounting Standards predetermined by the Greek Legislation up until that date. On the basis of Greek Law 3229/2004 (as amended by Law 3301/2004), Greek companies listed on any stock exchange (Greek or international) are obliged to prepare their statutory financial statements (individual entity and consolidated) pursuant to IFRSs as of the year starting on 1 January 2005 and thereafter. Therefore the Company and the Group applied IFRS 1 “First-time Adoption of IFRSs” to the preparation of the financial statements with transition date 1 January 2004. The first financial statements prepared according to IFRSs were that of the year ended on 31 December 2005.

The accounting principles that are stated on the financial statements attached hereto have been applied consistently on all years and on all companies included in them.

1.3 Statutory Financial Statements

ALTEC S.A. and its subsidiaries keep their accounting on the basis of Greek Commercial Law 2190/1920 and applicable tax laws. As of 1 January 2005 and thereafter, the subsidiaries included in the consolidated financial statements are obliged by applicable laws to prepare their statutory financial statements pursuant to International Financial Reporting Standards that have been adopted by the European Union. Therefore, as regards the

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

attached consolidated financial statements, they are based on the the financial statements of subsidiaries prepared in accordance to applicable tax laws, on which have been applied all appropriate off-balance-sheet entries so as to comply with IFRSs.

1.4 Use of estimates

For financial statements to be prepared pursuant to IFRSs, the Management should proceed to estimates and assumptions affecting the amounts of assets, liabilities and the income statement, and also the disclosure of contingent liabilities and assets on the date of financial statements. These estimates and assumptions are based on experience and other factors that are presumed as fair and are amended on regular time intervals. The effect of the reviews and the adopted estimates and assumptions is recognised during the year in which they take place or during subsequent years if the review affect not only the current but also subsequent years.

1.5 Approval of Annual Financial Statements

The annual financial statements of the year ended on 31 December 2006 (1/1-31/12/2006) are approved for publication by the Board of Directors on 20 March 2007.

1.6 New Standards, Interpretations and Amendments

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued a series of new accounting standards and interpretations whose application is obligatory for the accounting periods beginning on 1 January 2006 and thereafter (unless otherwise indicated). The Company management estimates the impact of these new standards and interpretations as follows:

IAS 19 (amendment) Employee Benefits (in power from 1 January 2006)

The amendment allows companies to chose one among alternative methods of recognition of actuarial profits and losses. It is possible to impose new requirements for recognition in cases there are multi-employer pension plans, for which there is no sufficient information for the implication of the accounting method. It also adds new disclosure requirements. It does not apply to the Group.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

IAS 39 (amendment) Cash Flow Hedges of Forecast Intragroup Transactions (in power from 1 January 2006)

Permits the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in consolidated financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect consolidated financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognised directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated profit or loss. The amendment does not apply to the Group.

IAS 39 (amendment) Fair Value Option (in power from 1 January 2006)

The amendment restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss (the 'fair value option'). Limits the use of the option to those financial instruments that meet certain conditions. The Group does not expect the amendment will have significant effects to the enlistment of its financial instruments.

IAS 39 και IFRS 4 (amendment) Financial Guarantee Contracts (in power from 1 January 2006)

The amendment does not apply to the Group.

IFRS 1 (amendment) First-Time Adoption of IFRS & IFRS 6, Exploration & Evaluation of Mineral Assets (in power from January 2006)

The amendments are not relevant to the Group's activities.

IFRS 6 Exploration & Evaluation of Mineral Assets (in power from January 2006)

The amendment does not apply to the Group and will not affect its financial statements.

IFRS 7 Financial instruments: Disclosures and complementary adaption to IAS 1 Financial Statements Presentation, Capital disclosures (in power from January 2007)

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Adds certain new disclosures about financial instruments to those currently required by IAS 32. Replaces the disclosures now required by IAS 30 and puts all of those financial instruments disclosures together in a new standard on *Financial Instruments: Disclosures*. The remaining parts of IAS 32 deal only with financial instruments presentation matters. The Group will apply IFRS 7 and the amendment of IAS 1 from 1 January 2007.

IFRS 8 Operating Segments (in power from 1 January 2009)

The application of IFRS 8 will not affect significantly the way of segment presentation in the base of IAS 14 “Segmental Information”.

IFRIC 3 Emission rights

This interpretation was subsequently withdrawn by the Interpretations Committee. It does not apply to the Group and will not affect its financial statements.

IFRIC 4 Determining whether an arrangement contains a lease

The Interpretation specifies that an arrangement that meets the following criteria is, or contains, a lease that should be accounted for in accordance with IAS 17 Leases. (a) Fulfilment of the arrangement depends upon a specific asset. (b) The arrangement conveys a right to control the use of the underlying asset. It is not expected that the application of IFRIC 4 will change the accounting treatment of any applicable contracts of the Group.

IFRIC 5 Rights to interests from decommissioning, restoration and environmental rehabilitation funds

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

IFRIC 6 Liabilities arising from participating in a specific market – Waste Electrical and Electronic Equipment

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

IFRIC 7 Applying the restatement approach under IAS 29

It does not apply to the Group.

IFRIC 8 Scope of IFRS 2

It does not apply to the Group.

IFRIC 9 Reassessment of Embedded Derivatives (in power from January 2006)

It does not apply to the Group.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)

The Interpretation addresses an apparent conflict between the requirements of IAS 34 Interim Financial Reporting and those in other standards on the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets. IFRIC 10 concludes that: (a) An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. (b) An entity shall not extend this consensus by analogy to other areas of potential conflict between IAS 34 and other standards. IFRIC 10 is effective for annual periods beginning on or after 1 November 2006. Earlier application is encouraged. The interpretation is not yet adopted by the E.U.

IFRIC 11 IFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007)

Provides guidance on applying IFRS 2 in the following circumstances: (a) Share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments (treasury shares) to settle the share-based payment obligation. (b) A subsidiary grants rights to equity instruments of its parent to its employees. Does not apply to the Group. It is not yet adopted by the E.U.

IFRIC 12 Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

Does not apply to the Group. It is not yet adopted by the E.U.

1.7 Item Reclassification

Certain items of the balance sheet and the income statement of last year were reclassified for presentation purposes so as to become similar and comparable with the respective items of the current year. These items are not important.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

2. Group Structure

The consolidated financial statements of the Company for the year ended 31 December 2006 include the Company and the subsidiaries (ALTEC GROUP).

Subsidiaries are all companies managed and controlled, directly or indirectly, by the parent company ALTEC ABEE, through the possession of the majority of shares or the substantial control of the activities of the company in which the investment was made. The financial statements of the subsidiaries are included in the consolidated from the date the control was acquired until the date this control is terminated.

Affiliated companies are the companies on which the Group exercises significant influence but cannot be characterized as subsidiaries. The consolidated financial statements of the Group include the proportion of the Group on the profits and losses of the affiliated companies, on the basis of the corresponding accounting principles, from the date the Group acquires the significant influence up until the date the influence is terminated. When the proportion of the Group on the losses of the affiliated company exceeds the accounting value of the investment, the accounting value of the investment is downsized to zero and the subsequent recognition of losses is ended, except from the case when the Group has undertaken more liabilities or contingent liabilities of the affiliated company than the ones that emerge from the share capital participation.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

ALTEC GROUP consists of the following companies:

COMPANY	COURT	% PARTICIPATION	MAIN ACTIVITY
ALTEC ABEE	Greece	Parent	Trading & production of IT, Telecoms & related systems & equipment
<i>I. Subsidiaries</i>			
MICROLAND COMPUTERS AEBE	Greece	48,16%	Retail chain of IT & Telecoms products
MICROLAND CYPRUS LTD	Cyprus	48,15%	Import & retail trading of electric, electronic, IT and related systems & equipment
MICROLAND ROMANIA SRL	Romania	48,16%	Import/Export & trading of PCs, production of PCs, provision of technical services, development & trading of IT systems
UNISOFT ROMANIA SA	Romania	99,60%	Production & trading of software
ALTEC TELECOMS AE	Greece	70,00%	Internet & Telecoms products & services
DATAMEND AE	Greece	70,00%	Integrated IT systems & solution for the healthcare sector
HEMS ΕΠΕ	Greece	90,00%	Production & Software srevices
SYCHRONES ΕΚΠΕΔΕΥΤΙΚΕΣ ΙΠΙΡΕΣΙΕΣ SA	Greece	100,00%	Training services on It, Finance & management. It is a certified training center (K.E.K.).
OROSIMO PLIROFORIKI SA	Greece	51,00%	Production & Software srevices
OTS AE	Greece	60,00%	Production & Software srevices
SYSWARE BULGARIA AD	Bulgaria	99,00%	Integrated IT solutions
SYSWARE ROMANIA SRL	Romania	100,00%	Integrated solutions for IT & Telecoms
UNISOFT BULGARIA AD	Bulgaria	96,50%	Production & trading of software
<i>II. Affiliated</i>			
Joint Venture ALTEC-BYTE	Greece	50,00%	Assembly of IBM PCs under contract between the joint ventureand IBM Hellas SA

During the preparation of the consolidated financial statements, all the above companies of the Group were consolidated from 1 January 2005.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3. Accounting Principles

3.1 Tangible Fixed Assets

Tangible fixed assets, except from land and buildings, are illustrated in values of acquisition. Buildings and land used for own purposes are valued at fair value. The positive revaluation is entered in special revaluation reserve in Owners Equity and the negative is entered in the Income Statement, except when a revaluation reserve exists, so it decreases it. On the buildings used for own purposes, depreciation is applied according to expected usefull life.

Investment land and buildings are valued at fair value and the revaluation defference is entered to the Income Statement. No depreciation is applied. On the 1 January 2004 the land and property of the Group used for own purposes were valued at fair value based on a study from certified surveyors. The values are reduced by accumulated depreciation and psysical depreciation of assets.

The initial acquisition cost of any tangible asset consists of the purchase price plus import taxes and non-refundable purchase taxes, as well as any necessary cost to bring the asset in full operating condition.

The subsiquent expenses, relevant to tangible fixed assets, are capitalised only if they increase future economic benefits from the asset. All other maintainance, etc. expenses are registered in the expenses of the year in which they occur.

At the time sale or withdrawal of an asset, the relevant cost and the accumulated depreciation are written-off from the accounts at the period of sale or withdrawal and the relevant profits or losses are recognised in the Income Statement.

Depreciation is charged in the Income Statement of the year, on the straigh-line method, during the estimated usefull life of the assets. Land is not depreciated. The estimated usefull of main asset categories is as follows:

Buildings	14-50 years
Mashinery & equipment	10-15 years
Transportation means	5-20 years
Furniture & other equipment	5-15 years

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Equipment in third party buildings are depreciated according to the length of the underline lease contract. The scrap value and the usefull life of tangible fixed assets are under review in every annual financial statement. When the accounting value of tangible fixed assets are above their resale value, the differences are recorded as expenditures in the income statement.

3.2 Intangible Fixed Assets

3.2.1 Software Programs

Software programs concern the cost of acquisition or the cost of in-house production like, payroll, materials, services and any other expense relevant to software development so it is ready to operate. The expenses that enhance or extend the capabilities of the software beyond the initial ones, are recognized as a capital expenditure and are addedm to the initial cost of the software.

The amortization of software programs is charged in the income statement, based on the straight-line method, during the usefull life. The estimated usefull life is as follows:

Software programs	10 years
-------------------	----------

3.2.2 Goodwill

Goodwill represents the difference between the acquisition cost and fair value of the participation of the Group on the net assets of subsidiaries on the date of acquisition. goodwill is included in intangible fixed assets. At the end of every year, the Group evaluates if there is a reduction of Goodwill. If there is, an analysis takes place for the evaluation of the recovery of the accounting value of goodwill. In case the accounting value is greater than the recovery value, a provision is made.

The profit or loss from the sale of a subsidiary includes the accounting value of the goodwill of that subsidiary.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3.3 Impairment of assets

The tangible and intangible fixed assets and other non-current assets are examined for any possible impairment loss and therefore an evaluation may show that the accounting value can't be recovered. Whenever the book value of an asset exceeds the recovery value, an impairment loss is entered in the income statement. The recovery value of an asset is the larger amount between the estimated net resale price and the value of usage. Net resale price is the attainable income from the sale of an asset in the framework of a reciprocal transaction in which the transacting parties have full knowledge and act at their own will, after the abstraction of any additional direct cost for the disposition of the asset. Usage value is the present value of the expected future cash flows from the use of the asset from its acquisition to the end of the estimated useful life. If the recovery value of an asset that there is a sign of impairment in its value can't be estimated, then we calculate the recovery value of the unit that creates the cash flows in which the asset belongs.

3.4 Investments in subsidiaries

The investments of the Group in subsidiaries are accounted for with the total method. Subsidiaries are companies in which the Group exercises control. Control of a subsidiary takes place when the parent company defines the relevant business and financial decisions in order to benefit. The financial statements of the subsidiaries in order to be included in the consolidated financial statements of the Group, are prepared in the same day under the same accounting principles with the parent company. Every intragroup transactions, intragroup profits and losses and the intragroup account balances are canceled out in the consolidated financial statements. The subsidiaries are consolidated from the date the control is acquired from the Group and stop to be consolidated from the date the control is transferred outside the Group.

3.5 Investments in affiliates

The investment of the Group in affiliated companies are accounted for with the equity method. Affiliated companies are the ones in which the Group exercises substantial influence but they are not subsidiaries neither joint ventures. The investments in affiliated companies are entered in the balance sheet at cost of acquisition and evaluations take place according to any impairments in their value. The income statement includes the participation of the Group to the financial results of the affiliated companies.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3.6 Available-for-sale investments

The investments available-for-sale are the ones that are expected to last for an undefined time period but can be sold directly in cases of liquidity needs or alterations in interest rates. These investments are included in fixed assets.

The relevant transactions are registered at acquisition cost at the date of the transaction, that is, the date at which the Group has the commitment to buy or sell the asset. The cost of acquisition includes the transaction costs. The investments available-for-sale are valued at fair value. The non incurred profits (losses) from the transactions at fair value are recognized in equity. The fair value of these investments is based on the price of offer or the amounts produced by cash flow models. Fair values for stocks of not listed companies are calculated by using the price-to-profits or price-to-cash flows ratios adjusted to the conditions of the issuer.

3.7 Investments in property

The property investments are acquisitioned for the expected benefits from rent income and the appreciation of their market values. The rest privately owned property is used for the operating needs of the Group and for administration.

The property investments are long-term investments and are valued at fair value, which is the current market value estimated by certified property surveyors. Any changes in fair value are entered in the income statement.

3.8 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value of finished and semi-finished goods is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value of raw materials is equal to the estimated replacement cost in the ordinary course of business. A provision for slow turnover rate or obsolete inventories is set up wherever deemed necessary.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3.9 Trade and other receivables

Short-term receivable accounts are presented at their nominal value following provisions for any non-collectable balances while long-term receivable accounts (balances not included in standard credit terms) are valued at unamortized cost. The Company has established criteria regarding the provision of credit to customers, which are in general based on the size of each customer's activity while assessing the respective financial information. The balance of the specific provision for doubtful debts is adjusted accordingly on each closing date of the balance sheet so as to reflect the estimated relevant risks. Each deletion of customers' balances is charged to the existing provision for doubtful debts.

3.10 Cash

Cash also includes the cash equivalents like deposits and short-term time deposits. Bank overdrafts payable at first request are included in cash management of the Group and for cash flow statement preparation reasons are included in cash balances.

3.11 Foreign currency transactions

The transactions in foreign currency are converted in Euro at the exchange rate at the date of the transaction. On the date of the balance sheet, the currency assets and liabilities that are expressed in foreign currency are converted to Euro at the exchange rate at that date. The differences from the conversion are entered in the income statement.

3.12 Share capital

Ordinary shares are characterized as share capital. The added external cost directly allocated to the issuance of new shares is presented to share capital reducing the received amount.

During share buy-backs, the paid amount, including all relevant costs, is presented reducing the shareholders' own funds.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3.13 Loans

All loans are initially entered at cost that is the fair value of the loaned amount reduced by the cost of the loan. Loans are subsequently valued at the amortised initial cost using the method of the discounted rate. Any difference between the initial value and the repayment value is recognized during the loan period.

3.14 Leases

Finance leases are those in which all the risks and rewards incident to the leased property are substantially transferred to the Company. These are capitalized at inception of the lease and they are recognized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and reduction of the outstanding liability so as to attain a constant periodic rate of interest on the outstanding liability. The finance charge is imputed to results. The capitalized leased assets are depreciated over the shorter of the lease term and the asset's useful life.

3.15 Income Tax (current & deferred)

Current tax is calculated on the basis of the balance sheets of each one of the companies included in the consolidated financial statements pursuant to the tax laws applying in Greece or any other tax framework within which foreign subsidiaries operate. The expenditure of income tax includes the current income tax payable in respect of each company's taxable profits as reformed in its tax returns, provisions for additional taxes and surcharges for fiscal years that are not audited in tax terms, and is calculated according to the enacted or substantially enacted tax rates.

Deferred income tax relates to all temporary differences between the carrying amount of assets and liabilities in the balance sheet, and the tax base of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

A deferred tax asset is recognized in respect of all deductible temporary differences and deferred tax assets and tax liabilities only to the extent that it is probable that a tax benefit will be realized in the future. In such a case, a deferred tax asset is recognized on the deductible temporary differences, deferred unused tax credits and unused tax losses.

As regards the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, a deferred tax asset is recognized to the extent that it is

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

probable that temporary differences will reverse in the foreseeable future and a tax benefit will be realized, which will be used in respect of temporary differences. Deferred tax assets are assessed on each balance sheet date and are reduced to the extent it is estimated that there will not be enough taxable profits in respect of which part or all deferred tax assets may be used. Deferred tax assets and liabilities are measured at tax rates expected to apply when the deferred tax asset (liability) is realized (settled). The tax rates (and tax laws) used must have been enacted or substantially enacted by the balance sheet date. Current and deferred taxes are recognized in equity, if the items to which they relate are credited or charged directly to equity, and not in the income statement.

3.16 Dividends

The dividends payable are presented as liability at the time of their approval from the Shareholders' Genral Meeting.

3.17 Staff compensation

The liabilities for staff compensation are calculated at the present value of future benefits that are considered to be accrued at year-end on the basis of employees' recognized right to benefits throughout their expected working life. The above obligations are calculated on the basis of the financial and actuarial assumptions detailed below and are specified by applying the actuarial "projected unit credit method". The respective provisions for the period in the income statements attached hereto are included in payroll cost and consist of the present value of the benefits that were accrued during the year, the interest of the obligatory benefits, cost of past service, actuarial gains or losses recognized during the year and any other additional retirement costs. Past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. Non-recognized actuarial gains and losses that exceed 10% of the defined benefit obligation at the beginning of each period are recognized over the average remaining working lives of employees and are included in net retirement cost. Obligations for the above benefits are not financed.

3.18 State insurance schemes

The staff of the Company is mainly covered by the principal state insurance agency which concerns the private sector (Social Security Foundation-IKA) granting retirement and medical

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

benefits. All employees are obliged to contribute part of their monthly salaries to the Fund while part of the total contribution is covered by the Company. At the time of retirement, the retirement fund is responsible to pay retirement benefits to employees. Therefore, the Company has no legal or imputed obligation to pay future benefits on the basis of this scheme.

3.19 Provisions

Provisions are made when the Group has legal or imputed liability, as an effect of a past event, and it is probable that a cash outflow will take place for the settlement of the liability, and there is a reasonable estimate about it.

Provisions are re-examined at the end of each year so they present the best possible estimates and when necessary they are discounted with a pre-tax discount rate. The prospective liabilities are not entered in the financial statements but are disclosed, except when the possibility of a cash outflow is minimal. The prospective receivables are not entered in the financial statements except when the possibility of a benefit is material.

3.20 Government subsidies

The government subsidies are initially recognized at nominal value when there is a reasonable assurance that the subsidy will be received and the Group will abide to the regulations.

The subsidies relevant to the acquisition of tangible fixed assets are included in the long-term liabilities as income of subsequent periods and are recognized as income and entered in the income statement for the useful life of the assets bought with the subsidy.

3.21 Financial tools

The basic financial tools of the Group are cash, bank deposits and short-term receivables and liabilities. Given the short-term nature of these tools, the Group's management believes that their fair value is equal to their book value on the Group's accounts. Additionally, management believes that interest rates on loans are equal to the current market interest rates and therefore there are no reasons for any adjustments in the values these liabilities are presented. The Group does not use financial derivative products.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

3.22 Income recognition

Income from the sale of products and services is recognized when risks and benefits stemming from possession are transferred to the buyer. Income from the sale of services are based on the percentage of completion method.

Interest income is recognized on the basis of time analogy, taking into account the rest of the initial amount and the prevailing rate of the period up to the end, when it is defined that such income is payable to the Group.

3.23 Expenditures

3.23.1 *Operating leases*

The payments of operating leases are entered in the income statement as expenditures at the period of rent usage.

3.23.2 *Financial leases*

Financial leases are treated as loan contracts, and therefore the leased assets are presented as Group assets (and depreciated), and the relevant financial liability is recognized to the lessor. The financing cost is entered in the income statement as an expense at the period it becomes accrued.

3.23.3 *Financing cost*

The net financing cost includes accrued interest on loans undertaken, that are calculated with the method of real interest rate.

3.24 Earnings per share

Basic EPS are calculated by dividing the net profits of the period with the weighted average outstanding ordinary shares during the period, by excluding the average ordinary shares of the parent company that were acquired by the companies of the Group as own shares.

3.25 Segmentation of Group activities

Segment or sector of Group activities is every distinctive business activity with unique characteristics in nature and risk (business segment). An analog segmentation is done on the basis of the business environment in which the sector operates (geographic segment).

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

4. Financial risk management

The Group is exposed to several financial risks. Main risks are the unanticipated interest rate volatility, credit risk and liquidity risk. Risk management policies of the Group target the minimization of the negative effects of the risks on the financial position and return of the Group.

Group management examines and reviews the relevant policies and processes in frequent time intervals. The financial risks are the following:

Credit risk

The Group does not have any grouping of credit risk in any one of its counterparties. The Company proceeds to sales mainly through agreements, thus ensuring its right to collect receivables. Maximum exposure to a credit risk is reflected on the level of each asset. The policy of the Group consists in entering into contracts with parties meeting top standards. Moreover, the Company does not find necessary the conclusion of pledging contracts having regard to the top credit rating of its counterparties.

Fair value

The amounts presented in the attached balance sheets for cash, receivables and short-term liabilities, are close to the respective fair values due to their short-term maturity. The fair values of securities listed on stock exchanges are based on their market valuation on the preparation date of the balance sheet.

Interest rate risk

The risk of interest rate fluctuation is due mainly to long-term loans. The Management constantly monitors the fluctuations in exchange rates and interest rates and assesses whether the respective positions must be adopted so as to hedge the resultant risks.

Foreign exchange risk

The exposure of the Group to foreign exchange risks is limited because transactions are mainly carried out in Euro while sales to countries with currencies other than Euro are settled within a short period of time, thus minimizing the exposure of the Group to foreign exchange risks.

Liquidity risk

Liquidity risk is kept at low levels through the availability of sufficient cash on hand and credit limits.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

5. Important accounting estimates & management judgements

Group management makes estimates, assumptions and judgements in order to choose the most appropriate accounting principles and rules relevant to future events and current transactions. The above mentioned assumptions are reviewed periodically in order to respond to current facts and to represent current risks. These are based on management experiences in relation to the nature and the magnitude of the relevant events and transactions.

Value impairment control

The Group controls the impairment of the value of goodwill, on the basis of the relevant IFRS's, that emerge from the acquisition or merge of companies that the Group has acquired their control or substantial influence at least for one year.

ALTEC ABBE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

6. Segmentation of Group activities

All companies of the Group are active in Information Technologies and Telecommunications.

6.1 Segmentation according to activity

6.1.1 Year 1/1-31/12/2006

	Information Technology	Integrated Solutions	Software	Telecoms	Other	Cancel-out of intragroup transactions	TOTAL
Sales to third parties	42.976.407	63.737.436	24.518.158	116.358.145	1.508.933	(53.979.086)	195.119.992
Minus: Total Cost of Sales	(36.570.566)	(45.866.906)	(11.913.326)	(97.380.472)	(603.950)	53.979.086	(138.356.134)
Gross Profit (Loss)	6.405.841	17.870.530	12.604.832	18.977.673	904.983	0	56.763.858
Other operating income	437.286	1.892.629	732.088	195.577	219.679	(240.127)	3.237.132
Administration expenses	(749.253)	(2.867.372)	(970.008)	(4.356.322)	(259.956)	72.038	(9.130.873)
Selling expenses	(2.887.425)	(8.188.285)	(4.523.529)	(14.344.900)	(611.252)	168.089	(30.387.301)
R&D expenses	(903.791)	(2.689.270)	(1.654.936)	0	0	0	(5.247.997)
Other operating expenses	(162.902)	(358.265)	(240.411)	(459.063)	(120.874)	0	(1.341.515)
Operating profit (loss)	2.139.756	5.659.967	5.948.037	12.965	132.580	0	13.893.304
Financing expenses						0	(8.569.073)
Profit (loss) from ordinary activities						0	5.324.231
Income/Expense from investments							(412.634)
Profit before tax						0	4.911.598
Income tax						0	(2.187.348)
Net Profit						0	2.724.249
Other Information on Income Statement							
Depreciation	488.456	1.412.122	852.876	5.557.173	23.436	0	8.334.064

6.1.2 Year 1/1-31/12/2005

	Information Technology	Integrated Solutions	Software	Telecoms	Other	Cancel-out of intragroup transactions	TOTAL
Sales to third parties	45.441.755	56.639.697	20.480.803	86.526.756	1.585.165	(31.359.360)	179.314.817
Minus: Total Cost of Sales	(39.862.616)	(41.482.104)	(8.468.442)	(71.952.855)	(705.764)	31.359.360	(131.112.421)
Gross Profit (Loss)	5.579.139	15.157.594	12.012.361	14.573.900	879.401	0	48.202.396
Other operating income	363.001	1.226.413	545.227	96.682	3.934.082	(175.647)	5.989.758
Administration expenses	(631.830)	(2.030.517)	(792.430)	(4.432.299)	(260.842)	52.694	(8.095.223)
Selling expenses	(2.048.235)	(5.330.909)	(3.162.302)	(11.603.483)	(608.936)	122.953	(22.630.911)
R&D expenses	(1.207.524)	(3.487.929)	(2.336.912)	0	(1.492)	0	(7.033.858)
Other operating expenses	(172.864)	(842.308)	(236.245)	(480.558)	(2.598.087)	0	(4.330.061)
Operating profit (loss)	1.881.688	4.692.344	6.029.699	-1.845.757	1.344.127	0	12.102.101
Financing expenses	0	0	0	0	0	0	(9.271.051)
Profit (loss) from ordinary activities	0	0,00%	0	0	0	0	2.831.049
Income/Expense from investments	0	0	0	0	0	0	1.669.415
Profit before tax	0	0	0	0	0	0	4.500.464

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Income tax	0	0	0	0	0	0	(2.340.280)
Net Profit	0	0	0	0	0	0	<u>2.160.184</u>

Other Information on Income Statement

Depreciation	594.857	1.687.314	1.062.068	5.177.589	81.951	0	8.603.779
--------------	---------	-----------	-----------	-----------	--------	---	-----------

6.2 Balance Sheet Information

6.2.1 Other Balance Sheet Information (on 31/12/2006)

	Information Technology	Integrated Solutions	Software	Telecoms	Other	Cancel-out of intragroup transactions	TOTAL
Investments in Fixed Assets						0	0
Intangible fixed assets	1.746.716	2.590.519	996.506	4.729.213	61.328	0	10.124.282
Tangible fixed assets	5.986.970	8.879.153	3.415.583	16.209.654	210.207	0	34.701.567
Goodwill	0	0	0	0	0	0	0
Participations & other investments	469.785	696.728	268.014	1.271.937	16.494	0	2.722.959
Other assets	41.378.905	61.368.213	23.606.779	112.032.926	1.452.844	0	239.839.666
Total Liabilities	36.113.083	53.558.580	20.602.613	97.775.772	1.267.957	0	209.318.005
Total Shareholders Equity	13.469.292	19.976.034	7.684.268	36.467.959	472.917	0	<u>78.070.469</u>

6.2.2 Other Balance Sheet Information (on την 31/12/2005)

	Information Technology	Integrated Solutions	Software	Telecoms	Other	Cancel-out of intragroup transactions	TOTAL
Investments in Fixed Assets	0					0	0
Intangible fixed assets	3.842.636	5.698.936	2.192.235	10.403.895	134.918	0	22.272.620
Tangible fixed assets	6.934.002	10.283.677	3.955.867	18.773.733	243.458	0	40.190.737
Goodwill	0	0	0	0	0	0	0
Participations & other investments	1.708.033	2.533.150	974.438	4.624.482	59.970	0	9.900.073
Other assets	37.082.839	54.996.806	21.155.862	100.401.376	1.302.006	0	214.938.889
Total Liabilities	36.469.056	54.086.516	20.805.696	98.739.564	1.280.455	0	211.381.287
Total Shareholders Equity	13.098.455	19.426.053	7.472.705	35.463.923	459.896	0	<u>75.921.032</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

7. Other operating income

Other operating income is analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Income from subsidies	1.015.088	1.035.924	1.015.088	889.660
Other income	1.111.010	232.850	215.623	70.513
Income from rents of fixed assets	264.674	488.048	414.674	345.826
Non-operating & extraordinary income	3.605	52.139	3.605	730
Depreciation of subsidies relevant to period	367.094	0	331.911	0
Foreign exchange differences	376.895	3.730.441	278.065	3.609.563
Profit from sale of assets	98.765	390.336	416	387.155
Other income from previous periods	0	33.265	0	18.829
Income from provisions for staff compensation	0	26.754	0	0
Balance	<u>3.237.132</u>	<u>5.989.758</u>	<u>2.259.383</u>	<u>5.322.275</u>

8. Administration expenses

Administration expenses are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Payroll	2.835.499	2.737.727	557.668	660.000
Expenses & fees of associates & third parties	1.374.825	798.726	567.018	330.758
Other third party expenses	26.443	176.584	15.575	28.830
Utility expenses	350.280	341.008	131.317	170.167
Rent expense	430.976	534.471	70.610	182.901
Insurance	31.446	99.533	17.470	29.398
Maintenance & repairs	49.897	59.521	7.021	17.905
Tax & rate expenses	539.739	385.421	196.727	125.852
Transportation expenses	47.610	38.335	0	0
Travel expenses	57.443	37.941	0	0
Promotion & advertising expenses	942.358	785.062	122.300	60.410
Other expenses	540.227	391.121	297.579	203.645
Depreciation expense	1.541.093	1.709.773	125.963	42.161
Provision for staff compensation	363.037	0	300.405	0
Balance	<u>9.130.873</u>	<u>8.095.223</u>	<u>2.409.653</u>	<u>1.852.028</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

9. Research & Development Expenses

Research and development expenses are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Payroll	3.224.716	3.696.055	3.160.119	3.650.000
Expenses & fees of associates & third parties	361.456	1.444.192	361.456	1.442.699
Other third party expenses	0	213.217	0	213.217
Utilities	312.799	268.365	310.082	266.050
Rents	178.469	276.322	176.526	274.352
Insurance	44.375	44.202	43.676	44.098
Maintenance & repairs	14.983	27.744	13.609	26.858
Other utilities	31.310	43.245	31.290	43.245
Tax & rate expenses	0	188.778	0	188.778
Travel expenses	134.511	0	134.511	0
Promotion & advertising expenses	2.864	90.616	0	90.616
Other expenses	185.137	217.887	184.628	214.426
Depreciation expense	757.376	523.235	755.776	521.519
Balance	<u>5.247.997</u>	<u>7.033.858</u>	<u>5.171.674</u>	<u>6.975.858</u>

10. Selling expenses

Selling expenses are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Payroll	13.456.814	7.849.042	7.435.574	3.557.735
Other third party expenses	1.868.203	1.205.142	459.711	471.534
Expenses & fees of associates & third parties	476.906	624.576	25.265	355.362
Utilities	1.621.433	894.044	890.840	454.000
Rent	1.398.892	1.247.858	687.396	457.253
Insurance	145.733	100.169	113.557	73.496
Maintenance & repairs	149.950	150.898	49.581	44.763
Other utilities	118.614	411.252	81.150	72.076
Tax & rate expenses	1.128.205	935.726	307.761	314.630
Transportation expenses	595.172	601.447	515.832	552.970
Travel expenses	439.572	423.034	263.735	339.508
Promotion & advertising expenses	3.650.939	3.484.243	1.600.257	1.624.106
Other expenses	726.631	810.094	296.661	400.265
Depreciation expense	4.610.240	3.893.386	881.739	423.400
Balance	<u>30.387.301</u>	<u>22.630.911</u>	<u>13.609.059</u>	<u>9.141.098</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

11. Other operating expenses

Other operating expenses are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Tax & other fines & superadditions	12.722	5.199	2.472	3.069
Other extraordinary & non-operating income / expense	467.065	131.702	112.810	74.913
FOREX differences	165.613	2.838.700	144.480	2.429.938
Losses from sale of fixed assets	26.317	6.497	334	5.077
Provision for devaluation of participations & treasury invest.	0	-102	0	0
Losses from disposal of useless inventory	132.672	10.924	91.057	0
Tax & other fines of previous years	1.557	55.475	1.557	136
Other expenses of previous years	481.310	660.467	303.551	506.171
Un-recognition of installation costs	54.258	621.200	8.000	115.352
Balance	<u>1.341.515</u>	<u>4.330.061</u>	<u>664.261</u>	<u>3.134.656</u>

12. Financial expenses (net)

The financial expenses (income) are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Interest expense on bank liabilities	7.356.041	11.740.328	6.454.764	10.975.521
Other financing expenses	1.336.014	587.159	1.155.247	294.218
Total financing expenses	8.692.055	12.327.487	7.610.012	11.269.740
Interest & related income	122.982	3.056.436	104.066	3.036.457
Other financing income	0	0	0	0
Total financing income	122.982	3.056.436	104.066	3.036.457
Net financing income (expense)	<u>(8.569.073)</u>	<u>(9.271.051)</u>	<u>(7.505.945)</u>	<u>(8.233.283)</u>

ALTEC ABEЕ – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

13. Investment income

Investment income is analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Income from participations & treasury investments	40.973	17.702	115.562	17.702
Income from investments in affiliated companies	0		0	
Profits from sale & valuation of investments	632.474	2.881.388	632.474	2.881.388
Total investment income	673.446	2.899.090	748.035	2.899.090
Provision for impairment of investments' value	1.086.080	0	1.024.095	0
Expenses & losses from investments	0	1.229.675	0	1.229.675
Losses from investments in affiliated companies	0	0	0	0
Total investment expenses	1.086.080	1.229.675	1.024.095	1.229.675
Net investment income (expense)	<u>(412.634)</u>	<u>1.669.415</u>	<u>(276.059)</u>	<u>1.669.415</u>

14. Income tax

The tax expense on income was determined as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Income tax of period	985.709	189.048	673.001	0
Taxes of previous periods	519.902	66.580	519.902	0
Deferred tax	681.737	2.084.652	(184.499)	2.060.779
Total taxes in the Income Statement	<u>2.187.348</u>	<u>2.340.280</u>	<u>1.008.404</u>	<u>2.060.779</u>
	0,0000	0,0000	0,0000	0,0000
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Profits before taxes	4.911.598	4.500.465	4.466.724	6.405.057
Tax calculated with company tax rate (2006: 29 %, 2005: 32 %)	1.424.363	1.440.149	1.295.350	2.049.618
Expenses not deductible from income tax	243.083	833.551	0	11.161
Taxes charged relevant to previous years	519.902	66.580	519.902	0
Income exempted from income tax	0	0	(806.848)	0
Total taxes in the Income Statement	<u>2.187.348</u>	<u>2.340.280</u>	<u>1.008.404</u>	<u>2.060.779</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

The fact that in some cases the income and expense accounting recognition takes place in different period than the one in which the income is taxed or the expense deducted, for taxable income specification, creates the need for accounting recognition of deferred tax assets or deferred tax liabilities. The Group deferred tax is analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Deferred tax claims	3.568.582	3.384.083	3.580.926	3.459.176
Deferred tax liabilities	0	0	(924.617)	(121.130)
Total deferred tax in Balance Sheet	<u>3.568.582</u>	<u>3.384.083</u>	<u>2.656.309</u>	<u>3.338.046</u>
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Beginning balance	3.384.083	5.444.862	3.338.046	5.422.698
Tax on Income Statement	184.499	(2.060.779)	(681.737)	(2.084.652)
Tax on Equity	0	0	0	0
Ending Balance	<u>3.568.582</u>	<u>3.384.083</u>	<u>2.656.309</u>	<u>3.338.046</u>

	GROUP			
	On 31/12/2005	Credit (Debit) in Income Statement	Credit (Debit) in Equity	On 31/12/2006
Deferred tax liabilities				
Fixed assets value adjustments	0	0	0	0
Re-rental of tangible fixed assets	0	826.867	0	826.867
	0	826.867	0	826.867
Deferred tax claims				
Economic depreciation of fixed assets	(961.675)	(295.249)		(1.256.924)
Un-recognition of intangible assets	225.921	(397.880)		(171.960)
Adjustment of accounts receivable	3.750.000	0		3.750.000
Adjustment of investments value	0	0		0
Provision for staff compensation due to retirement	369.837	50.761		420.598

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Tax losses to be recognized in subsequent years	0	0	0	0
Subsidies for fixed asset investments	0	0	0	0
	<u>3.384.083</u>	<u>(642.369)</u>	<u>0</u>	<u>2.741.715</u>
Net deferred tax claims on Balance Sheet	<u>3.384.083</u>	<u>184.499</u>	<u>0</u>	<u>3.568.582</u>

	COMPANY			
	Κατά την 31/12/2005	Χρεώσεις (Πιστώσεις) Αποτελεσμάτων	Χρεώσεις (Πιστώσεις) Ιδίων Κεφαλαίων	Κατά την 31/12/2006
Deferred tax liabilities				
Fixed assets value adjustments	0	0	0	0
Re-rental of tangible fixed assets	0	826.867	0	826.867
	0	826.867	0	826.867
Deferred tax claims				
Economic depreciation of fixed assets	(2.107.342)	(38.743)	0	(2.146.085)
Un-recognition of intangible assets	(3.442.727)	(129.109)	0	(3.571.837)
Adjustment of accounts receivable	4.392.065	(110.143)	0	4.281.922
Adjustment of investments value	0	0	0	0
Provision for staff compensation due to retirement	456.194	61.311	0	517.506
Tax losses to be recognized in subsequent years	4.039.856	(1.291.921)	0	2.747.935
Subsidies for fixed asset investments	0	0	0	0
	<u>3.338.046</u>	<u>(1.508.605)</u>	<u>0</u>	<u>1.829.441</u>
Net deferred tax claims on Balance Sheet	<u>3.338.046</u>	<u>(681.737)</u>	<u>0</u>	<u>2.656.309</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

15. Earnings per Share

The basic EPS is calculated as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Net profits attributable to ordinary shareholders	2.540.357	2.713.603	3.458.320	4.344.278
Weighted average number of outstanding shares	100.353.000	100.353.000	100.353.000	100.353.000
Minus: Weighted average number of own shares	0	0	0	0
Total Weighted average number of outstanding shares	100.353.000	100.353.000	100.353.000	100.353.000
Basic Profits (Losses) Per Share (In €)	0,03	0,03	0,03	0,04

16. Tangible Fixed Assets

The tangible fixed assets of the Group are analyzed as follows:

	GROUP						Total
	Land & Fields	Buildings & Facilities	Mashines & Equipment	Transportation Means	Furniture & Equipment	Fixed Assets under construction or Installation	
<u>Acquisition or Valuation cost</u>							
On 31/12/2005	4.037.959	32.574.143	1.970.277	396.010	32.428.787	0	71.407.177
Additions during 2006	0	3.401.842	18.221	34.791	2.010.949	0	5.465.803
Sales during 2006	3.935.733	2.685.000	264	2.348	885.150	0	7.508.496
Re-enlistment of fixed assets	10.966.948	(10.966.948)	0	0	0	0	0
Total on 31/12/2006	11.069.174	22.324.038	1.988.234	428.453	33.554.586	0	69.364.484
<u>Accumulated depreciation</u>							
On 31/12/2005	0	5.464.311	1.638.217	166.237	23.947.673	0	31.216.440
Additions during 2006	0	888.025	194.505	29.355	2.651.932	0	3.763.816
Sales during 2006	0	(0)	101	774	316.464	0	317.339
Integration of new subsidiaries	0	0	0	0	0	0	0
Total on 31/12/2006	0	6.352.336	1.832.622	194.819	26.283.141	0	34.662.917
<u>Net value</u>							
On 31/12/2005	4.037.959	27.109.832	332.059	229.772	8.481.114	0	40.190.737
On 31/12/2006	11.069.174	15.971.702	155.612	233.634	7.271.445	0	34.701.567

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

Registration of future mortgage has taken place with respect to land and buildings of the Group (on 33/12/2006) so as to secure bank loans amounting to € 128,217,168.

On 31 December 2005 & 2006, ALTEC had no contractual obligations regarding the purchase of tangible assets.

17. Intangible fixed assets

Group intangible fixed assets are analyzed as follows:

GROUP	
	Intangible Fixed Assets
<u>Acquisition or Valuation cost</u>	
On 31/12/2005	43.853.008
Additions during 2006	720.709
Sales during 2006	139.307
Integration of new subsidiaries	0
Total on 31/12/2006	44.434.410
<u>Accumulated depreciation</u>	
On 31/12/2005	21.580.388
Additions during 2006	4.570.247
Sales during 2006	0
Integration of new subsidiaries	0
Total on 31/12/2006	26.150.635
<u>Net value</u>	
On 31/12/2005	22.272.620
On 31/12/2006	18.283.774

18. Participations in affiliated companies

Investments in affiliated companies concern a participation of 50% in the ALTEC-BYTE joint-venture that was established without share capital. Investments in affiliated companies are entered in the Balance Sheet at acquisition cost and are adjusted afterwards according to the participation of the Group to the equity. Income statement presents the participation of the Group to the affiliates profits. The analysis of the investments in affiliated companies is as follows:

Affiliated Companies	% Participation	Book Balance	Total Equity	Country of Establishment
Joint-Venture ALTEC-BYTE	50,00%	0	(61.986)	Greece

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

19. Available-for-sale investments

Available-for-sale investments concern participations in the following companies:

COMPANIES	GROUP			
	On 31/12/2006		On 31/12/2005	
	Book Value	% Participation	Book Value	% Participation
SHARES OF ETHNIKI ANAPTIXIAKI BORIOU ELLADOS	1.778.430	20,00%	1.778.430	20,00%
SHARES OF INA (INΣT.EP.)	139.398	10,55%	139.398	10,55%
SHARES OF I.S.I. LTD	0	45,00%	10.573	45,00%
PARTICIPATION IN TECHNOPOLIS "AKROPOLIS"	45.000	0,65%	45.000	0,65%
PARTICIPATION IN JOINT VENTURE OF OLYMPIC PROJECT ON I.T.	60.000	25,00%	60.000	25,00%
A.Λ.T.E S.A.	0		291.416	
OTHER	0		2.760	
Balance	<u>2.022.828</u>	-	<u>2.327.578</u>	-

The available-for-sale investments for which there is an active market in which they participate are presented at fair value. The rest are presented at acquisition cost reduced, to the extent there are certain conditions, with the expense entered in the income statement of the period in which the reduction has taken place.

20. Property Investments

The value of property investments on 31/12/2006 was € 5,046,524 and concerns the current value of land and building rented to third party.

Buildings valuation at fair value: The Group hired certified surveyors to value the buildings on 1 January 2004 (date of transition to IFRS). The estimates were based on the appropriate valuation methods according to nature and use of the buildings under valuation.

Property investments concern a privately owned of the parent company on 40 Ag. Paraskevis Str. Peristeri, Attika. The property investments are accounted for as long-term investments and are valued at fair value that is equal to the current market value estimated by certified surveyors.

Rent income from the above mentioned building during the period 1/1-31/12/2006 amount to € 124.313,70.

ALTEC ABBE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

21. Long-term claims

Long-term claims on 31 December 2006 represent given guarantees amounting to € 304,608.

22. Inventories

Company and Group inventories are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Merchandise	10.869.258	12.503.517	4.167.421	6.204.390
Inventory of finished & semi-finished products	169.062	2.544.992	169.062	382.835
Works-in-process	46.560.187	29.537.507	46.560.187	29.537.507
Materials	1.373.919	38.477	1.361.095	2.056.286
Advances for inventory purchases	1.628.325	0	0	0
TOTAL	<u>60.600.750</u>	<u>44.624.493</u>	<u>52.257.764</u>	<u>38.181.018</u>

23. Trade and other receivables

Total receivables of Group and Company are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Customers	128.020.829	138.122.833	121.737.416	141.512.778
Notes receivable in portfolio	10.313	15.735	0	8.281
Notes receivable at bank for guarantee	1.356		0	
Notes overdue	63.132	4.206	0	4.206
Cheques at portfolio	21.059.340	5.182.233	20.439.632	4.882.558
Cheques receivable at bank	907.657	18.376.286	0	17.238.930
Cheques overdue	6.645.614	4.882.558	6.333.300	4.882.558
Short-term claims from subsidiaries	0	0	786.173	1.713.197
Short-term claims from other company participations	0	0	165.014	548.665
Committed bank deposits	15.422	15.422	15.422	15.422
Long-term claims receivable during next year	0		0	
Doubtful - Litigious customers & debtors	61.629	61.629	61.629	61.629
Other debtors	31.924.649	28.536.236	29.141.128	24.770.775
Advancements accounts	260.990	165.625	235.262	144.304
Subsequent period expenses	3.214.951	6.702.065	247.791	2.623.449
Current year income receivable	6.666.026	178.846	0	178.846
Other asset interim accounts	24.358		0	
	<u>198.876.266</u>	<u>202.243.674</u>	<u>179.162.767</u>	<u>198.585.597</u>
Minus: Provisions	(58.265.022)	(58.015.021)	(55.987.332)	(55.987.332)
Balance	<u>140.611.244</u>	<u>144.228.653</u>	<u>123.175.435</u>	<u>142.598.265</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

All receivables are short-term and there is no need for discounting at the date of balance sheet. There is no grouping of credit risk in relation to receivables from customers since risk is dispersed among a great number of Group customers.

24. Fair value investments through income statement

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Shares listed in A.S.E.	254.113	3.587.835	253.270	3.586.992
Mutual Fund units – investing in shares	226.018	3.873.661	226.018	3.873.661
Mutual Fund units – fixed income investments	220.000	111.000	0	0
Υπόλοιπο	<u>700.131</u>	<u>7.572.495</u>	<u>479.288</u>	<u>7.460.653</u>

25. Cash and cash equivalents

These are Group cash at hand and bank deposits available at request.

26. Share capital & Share premium reserve

Company share capital consists of 100.353.000 ordinary shares of nominal value €0,44 each.

The share capital of the company remains unchanged from 1 January 2006 until the date of the annual financial statements approval. According to the Shareholders registry, on 31/12/2006, shareholders with shares above 2.0% of the paid share capital are as follows:

SHAREHOLDER	SHARES IN POSSESSION	% PARTICIPATION ON 31/12/2006
ATHANASSOULIS ATHANASSIOS	39.106.669	38,97%
ALEVROMAGIRAS THEODOROS	2.600.000	2,59%
OTHER (PERCENTAGE < 2%)	58.646.331	58,44%
ΣΥΝΟΛΟ	<u>100.353.000</u>	<u>100,00%</u>

ALTEC ABEЕ – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

27. Capital reserves

Capital reserves of Company and Group are as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Regular reserve	3.986.436	3.975.993	3.975.993	3.975.993
Special reserves	1.310.742	1.310.742	1.321.621	1.321.621
Extraordinary reserves	395.603	335.103	335.103	335.103
Non-taxable reserves	10.504.764	0	10.872.732	0
Reserves from non-taxable income	0		0	
Reserves from incomes taxed in specific way	0		0	
Reserve from sale of shares at premium	0		0	
Reserves from value adjustments of participations & treasury investments	0	(5.162.362)	0	(5.162.362)
Revaluation reserves from revaluation of investments	11.243.153	11.278.222	11.243.153	11.278.222
Other reserves	20.615	(12.103.451)	20.615	7.275.182
Balance	<u>27.461.314</u>	<u>(365.752)</u>	<u>27.769.217</u>	<u>19.023.759</u>

According to greek commercial law, the creation of “regular reserve” with the 5% of the annual after tax profits, is compulsory until the reserve reaches the 1/3 of share capital. The “regular reserve” can be distributed only at company termination but it can be used to compensate accumulated losses.

The “investments revaluation reserve” is a reserve created from the valuation of investments available-for-sale at fair value.

The rest reserves were created according to tax laws that allow the transfer of taxation of certain incomes at the time these incomes are distributed to shareholders, or they allow for tax reductions as an incentive for investments.

28. Dividends

Pursuant to the provisions of Greek commercial laws, each year companies are obliged to distribute a dividend corresponding at least to 35% of post-tax earnings and after the establishment of the statutory reserve required by law or, as a minimum, an amount reflecting 6% of the paid-up share capital, whichever is the highest. However, the Company may not declare dividends following unanimous approval by all shareholders.

On 20 September 2007, the Board of Directors proposed not to distribute dividend due to accumulated losses.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

29. Loans

Group loans are granted by greek banks and are nominated in Euro. The amounts payable within one year from the date of the balance sheet are characterized a short-term and the amounts payable in a subsequent stage are characterized as long-term loans. Group loans are analyzed by main financier as follows:

Τράπεζα	GROUP				Time of quittance of long term liabilities	Interest Rate
	On 31/12/2006		On 31/12/2005			
	Short Term Liabilities	Long Term Liabilities	Short Term Liabilities	Long Term Liabilities		
NATIONAL BANK	2.933.626		3.676.554			
PIRAEUS BANK	2.613.965		1.018.415			
EUROBANK	14.227.714		20.401.301			
ATTICA BANK	3.672.424		1.500.894			
EMPORIKI BANK	5.942.673		8.632.120			
GENIKI BANK	1.197.251		5.033.174			
SOCIETE GENERALE BANK	500.000		750.000			
BNP	1.797.000		2.397.000			
MARFIN BANK	9.704.569		5.046.589			
EPENDITIKI BANK OF GREECE	6.201.467		12.500.000			
GENIKI BANK	359.279	96.738	359.279	458.413	2008	Euribor+2,25%
SOCIETE GENERALE BANK	17.001.600	44.956.800	17.001.600	61.958.400	2008	Euribor+2,25%
Long-term liabilities payable next year	0	0	0	0		
Liabilities from financial leases	0	0	0	0		
Total Loan Liabilities	<u>66.151.568</u>	<u>45.053.538</u>	<u>78.316.925</u>	<u>62.416.813</u>		

Registration of future mortgage has taken place with respect to land and buildings of the Group (on 33/12/2006) so as to secure the above long-term bank loans amounting to € 128,217,168.

30. Staff compensation

The liability of the Group and the Company to people working in Greece for payment of future benefits depending on years of service, is calculated and presented on the basis of the expected accrued right of each employee to be paid on balance sheet date, discounted to present value. The accrued benefits of each period are charged on the income statement by increasing the relevant retirement liability. Payments to employees retiring exiting due to retirement reduce the retirement liability.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

The number of employes of the Group and the Company and the relevant payroll cost, is as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
People:				
Employees	1.088	1.001	575	562
Wage-earners	0	0	0	0
Σύνολο	<u>1.088</u>	<u>1.001</u>	<u>575</u>	<u>562</u>
Payroll cost analysis:				
Payroll expenses	28.537.250	24.699.750	18.351.941	16.826.527
Redundancy expenses	305.517	462.108	236.994	320.959
Total Cost	<u>28.842.767</u>	<u>25.161.858</u>	<u>18.588.935</u>	<u>17.147.486</u>

The changes in the net retirement liability is as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Net liability at the beginning	1.914.635	1.859.351	1.476.787	1.544.900
Real benefits paid	-214.339	-305.722	-94.798	-320.958
Expenses recognized in the Income Statement	369.726	361.006	300.405	252.845
Net liability at the end of period	<u>2.070.022</u>	<u>1.914.635</u>	<u>1.682.394</u>	<u>1.476.787</u>

The Company liability to retiring employes was determined by an independent actuarial study. The basic financial figures and assumptions of the actuarial study on 31η December 2006 are as follows:

Basic assumptions of actuarial study

Average yearly inflation rate	2,00%
Average yearly long-term increase of GNP	3,00%
Average yearly maturity of payroll - Law.2112	6,10%

The cost of extra benefits is mainly related to benefits paid to employes dismissed. The major part of these benefits was not in the framework of the current retirement program and thus the payments were accounted for as an extra retirement liability.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

31. Provisions for potential risks and contingent liabilities

These provisions relate to the coverage of future expenditures and costs that may arise at forfeiture of guarantees that the Group has granted for bank liabilities of subsidiaries.

32. Other long-term liabilities

The other long-term liabilities of Group and Company are analyzed as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Other long-term liabilities	20.103	22.655	20.103	22.655
Υπόλοιπο	<u>20.103</u>	<u>22.655</u>	<u>20.103</u>	<u>22.655</u>

33. Ventors and other liabilities

Total liabilities of Group and Company to ventors and other parties are as follows:

	GROUP		COMPANY	
	On 31/12/2006	On 31/12/2005	On 31/12/2006	On 31/12/2005
Ventors	49.648.712	42.816.845	19.927.294	21.909.420
Notes payable	0	0	0	0
Cheques payable	18.218.823	12.762.142	9.562.530	8.143.408
Customer advances	12.269.611	3.317.206	5.130.592	2.037.703
Insurance organisations	1.267.218	1.088.971	745.570	705.620
Liabilities to affiliated companies, join-ventures, etc.	0	0	0	0
Liabilities to other participations	0	0	0	0
Dividends payable	829.188	829.939	829.188	829.939
Other creditors	1.983.547	3.871.993	2.045.478	1.972.189
Subsequent years income	6.110.642	0	6.064.267	0
Accrued expenses	132.270	95.986	4.502	95.986
Other liabilities interim accounts	64.578	749.029	60.918	0
Subsidies on fixed asset investments	18.503	0	0	0
Balance	<u>90.543.092</u>	<u>65.532.111</u>	<u>44.370.339</u>	<u>35.694.265</u>

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

34. Transactions & Balances with Affiliates

AFFILIATES	GROUP				COMPANY			
	During 1/1-31/12/2006		During 31/12/2006		During 1/1-31/12/2006		During 31/12/2006	
	Sales to affiliates	Purchases from affiliates	Claims from affiliates	Liabilities to affiliates	Sales to affiliates	Purchases from affiliates	Claims from affiliates	Liabilities to affiliates
<i>Amounts in EURO</i>								
A. Affiliates								
UNISOFT ROMANIA SA	0	0	0	0	58.365	0	25.300	0
UNISOFT BULGARIA AD	0	0	0	0	0	0	939	1.800
ΣΥΓΧΡΟΝΕΣ ΕΚΠΑΙΔΕΥΤΙΚΕΣ ΥΠΗΡΕΣΙΕΣ ΑΕ	0	0	0	0	3.816	0	197.362	94.943
ΟΡΟΣΗΜΟ ΠΛΗΡΟΦΟΡΙΚΗ ΑΕ	0	0	0	0	280.351	0	19.912	0
MICROLAND COMPUTERS AEBE	0	0	0	0	1.334.810	0	11.933.325	3.557.393
SYSDWARE ROMANIA SRL	0	0	0	0	42.144	0	30.770.542	0
SYSDWARE BULGARIA AD	0	0	0	0	185.378	0	568.533	0
DATAMED AE	0	0	0	0	41.419	0	199.885	1.170.091
ALTEC TELECOMS AE	0	0	0	0	5.486.277	0	7.377.605	0
HEMS ΕΠΕ	0	0	0	0	0	0	73.774	0
OTS AE	0	0	0	0	308.405	0	1.605.569	169.577
Κ/ΕΙΑ ALTEC BYTE	0	0	0	0	0	0	38.201	0
Κοινοπραξία Ολοκληρωμένων Εργων Πληροφορικής	372.883	0	0	0	372.883	0	7.491	0
B. Management executives – members of administration	0	0	0	0	0	0	0	0
Total	372.883	0	45.692	0	8.113.847	33.781.376	53.604.512	4.993.804

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

	GROUP	COMPANY
c) Sale of products & services	372.883,05	8.113.847,36
b) Purchase of products & services	0,00	33.781.376,00
c) Claims	45.691,98	53.604.511,56
d) Liabilities	0,00	4.993.803,61
e) Transactions with management executives – members of administration	2.042.163,38	946.377,98
f) Claims from management executives – members of administration	16.561,98	16.561,98
g) Liabilities to management executives – members of administration	0,00	0,00
	2.477.300	101.456.478

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

35. Contingent liabilities

35.1 Court cases

The Company on 31/12/2006 is involved (in the capacity of both defendant and plaintiff) in various court cases and arbitration procedures in the framework of its regular operation of € 6,617,851. The Management and the legal advisers estimate that the pending affairs will be settled without important negative impact on the Company's consolidated financial position or on the results of its operation.

35.2 Other contingent liabilities

Companies of the Group not yet tax-audited are the following:

COMPANY	FROM	TO
ALTEC ABEE	2001	2006
MICROLAND COMPUTERS AEBE	2002	2006
MICROLAND CYPRUS LTD	1999	2006
MICROLAND ROMANIA SRL	1999	2006
UNISOFT ROMANIA SA	1996	2006
ALTEC TELECOMS AE	2003	2006
DATAMEND AE	2003	2006
HEMS EΠE	1999	2006
SYNXRONES EKPEDEYTIKES YPHRESIES AE	2003	2006
OROSIMO PLIROFORIKI AE	2003	2006
OTS AE	2003	2006
SYSWARE BULGARIA AD	2000	2006
SYSWARE ROMANIA SRL	1999	2006
UNISOFT BULGARIA AD	2000	2006
JOINT-VENTURE ALTEC-BYTE	2002	2006

The companies of the Group recognise tax liabilities arising from the tax audit of the un-audited years after the conclusion of the audit and the confirmation of the relevant tax amounts.

36. Events after the balance sheet date

Except from the above mentioned events, there are no other events after the balance sheet date (31 December 2006) relevant to the Group that need to be referred under the International Financial Reporting Standards – IFRS.

ALTEC ABEE – IT & TELECOMMUNICATIONS SYSTEMS
Annual Financial Statements
for the year ended on 31 December 2006
(financial figures in thousand EUROS)

The President & Managing Director of BoD

Athanassios X. Athanassoulis
A.Δ.Τ. AB 297408

The Vice President of BoD

Athanassios I. Avraam
A.Δ.Τ. X 053059

The Financial Director

Efstratios X. Kordoulas
A.Δ.Τ. Σ 558997

The Chief Accountant

Apostolos E. Saltas
A.Δ.Τ. AB 013979