

COSMOTE MOBILE TELECOMMUNICATIONS S.A.
INTERIM FINANCIAL STATEMENTS
PARENT COMPANY AND CONSOLIDATED FOR THE PERIOD ENDED
31 MARCH 2006
IN ACCORDANCE WITH IAS 34

FREE TRANSLATION FROM THE GREEK ORIGINAL

The attached Financial Statements are those that were approved by the Board of Directors of COSMOTE MOBILE TELECOMMUNICATIONS S.A on 22 May, 2006 and have been published by posting on the Internet at the web site address www.cosmote.gr

COSMOTE MOBILE TELECOMMUNICATIONS SA
INTERIM FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED) AS AT 31
MARCH 2006

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COSMOTE MOBILE TELECOMMUNICATIONS S.A.**INTERIM INCOME STATEMENTS (PARENT COMPANY AND CONSOLIDATED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006**

(In thousands of EURO, unless otherwise is stated)

		THE GROUP		THE COMPANY	
	NOTE	31/3/2006	31/3/2005	31/3/2006	31/3/2005
Operating revenue	4	496,377	380,315	375,588	349,614
Operating expenses	5.1	(379,125)	(264,901)	(264,067)	(247,777)
Gross profit		117,252	115,414	111,521	101,837
Other revenue	5.2	3,870	3,595	97	144
Other expenses	5.2	(5,598)	(3,971)	(345)	(472)
		(1,728)	(376)	(248)	(328)
Financial income	5.3	2,334	1,534	1,758	1,390
Financial expenses	5.3	(11,257)	(3,068)	(7,297)	(2,873)
		(8,923)	(1,534)	(5,539)	(1,483)
Profit before tax		106,601	113,504	105,734	100,026
Income tax expense	5.3	(35,244)	(37,186)	(31,315)	(32,659)
Profit after tax		71,357	76,318	74,419	67,367
Attributable to:					
Parent Company		75,207	74,634	74,419	67,367
Minority interest		(3,850)	1,684	-	-
Net Profit for the year		71,357	76,318	74,419	67,367
Basic earnings per share (EURO)		<u>0.23</u>	<u>0.22</u>	<u>0.22</u>	<u>0.20</u>
Diluted earnings per share (EURO)	7	<u>0.23</u>	<u>0.22</u>	<u>0.22</u>	<u>0.20</u>

The attached Interim Financial Statements (pages 2 to 20) which have been prepared in accordance with IAS 34, have been approved by the Board of Directors on 22 May 2006 and are signed, of its behalf, by:

Chairman of the BOD

Managing Director

Panagis Vourloumis

Evangelos Martigopoulos

Chief Financial Officer

Accounting Director

Elias Fotiadis

John Hohorelos

The attached notes on pages 7 to 20 are an integral part of these Interim Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

INTERIM BALANCE SHEETS (PARENT COMPANY AND CONSOLIDATED) AS OF 31 MARCH 2006

(In thousands of EURO, unless otherwise is stated)

		THE GROUP		THE COMPANY	
	Notes	2006	2005	2006	2005
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	1,466,913	1,462,856	716,590	737,827
Goodwill	10	62,228	62,415	-	-
Licences	9	386,779	391,405	221,480	223,276
Investments		814	909	707,783	707,783
Deferred tax assets		9,476	11,332	1,118	1,067
Other non- current assets		3,245	3,205	3,073	3,013
Total Non-Current Assets		1,929,455	1,932,122	1,650,044	1,672,966
Current Assets					
Inventories		32,738	26,099	17,960	14,522
Trade receivables		211,278	205,307	120,561	125,833
Due from related companies	8	9,060	17,687	15,214	23,051
Mutual funds		836	834	836	834
Other current assets	11	36,283	37,016	15,088	17,072
Cash and cash equivalents		397,214	330,113	332,705	217,487
Total Current Assets		687,409	617,056	502,364	398,799
TOTAL ASSETS		2,616,864	2,549,178	2,152,408	2,071,765
EQUITY AND LIABILITIES					
Equity					
Share capital		156,833	156,264	156,833	156,264
Share premium reserve		184,955	173,445	184,955	173,445
Legal reserve		52,751	52,751	52,088	52,088
Consolidation reserve		(185,688)	(185,688)	-	-
Translation reserve		11,041	3,766	36	34
Retained earnings		526,192	450,985	414,481	340,062
Total equity attributable to equity holders of the Parent Company		746,084	651,523	808,393	721,893
Minority interest		102,661	105,403	-	-
Total Equity		848,745	756,926	808,393	721,893
Long term liabilities					
Interest-bearing loans and borrowings		806,349	1,124,059	548,638	837,579
Employee retirement benefits		4,400	4,051	4,368	4,019
Deferred tax liabilities		6,536	7,712	-	-
Other long-term liabilities		19,612	19,285	18,023	17,809
Total Long-term Liabilities		836,897	1,155,107	571,029	859,407
Current liabilities					
Current portion of non current liabilities		16,181	16,189	16,141	16,141
Short-term borrowings		510,008	201,192	490,000	201,000
Trade payables		205,376	260,584	110,815	148,691
Due to related companies		16,270	12,248	7,057	5,688
Income tax payable		96,677	65,781	93,870	62,505
Other current liabilities	15	86,710	81,151	55,103	56,440
Total Current Liabilities		931,222	637,145	772,986	490,465
Total Liabilities		1,768,119	1,792,252	1,344,015	1,349,872
TOTAL EQUITY AND LIABILITIES		2,616,864	2,549,178	2,152,408	2,071,765

The attached notes on pages 7 to 20 are an integral part of these Interim Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.
INTERIM STATEMENTS OF MOVEMENT IN SHAREHOLDERS EQUITY (PARENT COMPANY AND CONSOLIDATED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006

(In thousands of EURO, unless otherwise is stated)

	THE GROUP								THE COMPANY					
	Share capital	Share premium reserve	Legal reserve	Consolidation reserve	Exchange differences and others	Retained earnings	Minority interest	Total Equity	Share capital	Share premium reserve	Legal reserve	Retained earnings	Exchange differences and others	Total
Balance 01/01/2005	155,658	160,708	45,717	-	3,194	606,838	27,364	999,479	155,658	160,708	45,054	520,205	-	881,625
Income statement effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	74,634	1,684	76,318	-	-	-	67,367	-	67,367
Equity effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of share capital	606	11,833	-	-	-	-	-	12,439	606	11,833	-	-	-	12,439
Dividends 2004	-	-	-	-	-	(299,229)	-	(299,229)	-	-	-	(299,229)	-	(299,229)
Valuation of mutual funds	-	6	-	-	-	-	-	6	-	6	-	-	-	6
Valuation of goodwill	-	-	-	-	886	-	-	886	-	-	-	-	-	-
Stock option plan	-	195	-	-	-	-	-	195	-	195	-	-	-	195
Exchange differences from subsidiaries	-	-	-	-	-	(7)	113	106	-	-	-	-	-	-
Balance as at 31/03/2005	156,264	172,742	45,717	-	4,080	382,236	29,161	790,200	156,264	172,742	45,054	288,343	-	662,403
Balance as at 01/01/2006	156,264	173,445	52,751	(185,688)	3,766	450,985	105,403	756,926	156,264	173,445	52,088	340,062	34	721,893
Income statement effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	75,207	(3,850)	71,357	-	-	-	74,419	-	74,419
Equity effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase of share capital	569	11,150	-	-	-	-	-	11,719	569	11,150	-	-	-	11,719
Valuation of mutual funds	-	-	-	-	2	-	-	2	-	-	-	-	2	2
Valuation of goodwill	-	-	-	-	(187)	-	-	(187)	-	-	-	-	-	-
Stock option plan	-	360	-	-	-	-	-	360	-	360	-	-	-	360
Exchange differences from subsidiaries	-	-	-	-	7,460	-	1,108	8,568	-	-	-	-	-	-
Balance as at 31/03/2005	156,833	184,955	52,751	(185,688)	11,041	526,192	102,661	848,745	156,833	184,955	52,088	414,481	36	808,393

The attached notes on pages 7 to 20 are an integral part of these Interim Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**INTERIM STATEMENTS OF CASH FLOW (PARENT COMPANY AND CONSOLIDATED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006**

(In thousands of EURO, unless otherwise is stated).

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Cash flows from operating activities				
Net profit before tax and minority interest	106,601	113,504	105,734	100,026
Adjustments to:				
Provisions & foreign exchange differences	5,559	3,957	3,437	2,911
Depreciation	73,694	50,854	42,865	45,629
Gain on investments	(2,334)	(1,534)	(1,758)	(1,390)
Interest and other financial expenses	11,257	3,068	7,297	2,873
	194,777	169,849	157,575	150,049
Trade Receivables	(11,430)	(1,557)	2,591	4,958
Due from related companies	3,934	(683)	7,837	(1,117)
Due to related companies	3,444	253	(1,983)	(125)
Inventories	(6,552)	(2,434)	(3,438)	(2,547)
Trade payables	(55,477)	2,857	(37,875)	2,266
Other non-current assets	(42)	(2,667)	(60)	(2,503)
Other non-current liabilities	164	-	164	-
Other current liabilities	5,108	(6,708)	(1,317)	(7,758)
Other current assets	1,079	(5,907)	1,925	(5,514)
Cash flows from operating activities	135,005	153,003	125,419	137,709
Income tax paid	(3,659)	-	-	-
Interest expenses paid	(8,165)	(3,067)	(3,944)	(2,872)
Net cash flows from operating activities	123,181	149,936	121,475	134,837
Cash flows from investment activities				
Purchase of property, plant and equipment and intangible assets	(64,893)	(14,771)	(19,783)	(12,312)
Sale of property, plant and equipment and intangible assets	9	-	199	-
Interest income received/Dividends	2,183	1,534	1,617	1,390
Net cash in investing activities	(62,701)	(13,237)	(17,967)	(10,922)
Cash flows from financing activities				
Proceeds from the increase of share capital	11,719	12,439	11,719	12,439
Proceeds from borrowings	-	-	-	-
Repayments of borrowings	(8,767)	-	-	-
Dividends paid	(9)	(299,229)	(9)	(299,229)
Net cash used from financing activities	2,943	(286,790)	11,710	(286,790)
Net increase/(decrease) in Cash and Cash equivalents	63,423	(150,091)	115,218	(162,875)
Cash and cash equivalents at beginning of the period	330,113	264,360	217,487	239,496
Translation differences from Cash and Cash equivalents at beginning of the period	3,678	-	-	-
Cash and Cash equivalents at the end of the period	397,214	114,269	332,705	76,621

The attached notes on pages 7 to 20 are an integral part of these Interim Financial Statements.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

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COSMOTE MOBILE TELECOMMUNICATIONS S.A.

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

(In thousands of EURO, unless otherwise is stated)

1. Incorporation and activities of the Group

COSMOTE MOBILE TELECOMMUNICATIONS S.A. (hereinafter referred to as the "Company" or "COSMOTE") was incorporated in 1996 as a societate anonimă, in order to provide mainly mobile telecommunications services (is located at the 44, Kifissias Avenue, Maroussi, R.N 36581/06/B/96/102).

The shareholders' structure of the Company is the following:

-OTE SA	67%
-Free float and institutional investors	33%

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

The Group except of COSMOTE comprises from the following subsidiaries:

<u>Company</u>	<u>Activity</u>	<u>Location</u>	<u>Ownership Interest</u>
			<u>31/03/2006</u>
• COSMO-HOLDING ALBANIA (1)	Holding Company	Greece	97%
• OTE MTS Holding BV (2)	Holding Company	Holland	100%
• S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. (3)	Services Company	Romania	70%
• COSMOBULGARIA MOBILE EAD (GLOBUL) (4)	Services Company	Bulgaria	100%

(1) COSMOS-ALBANIA S.A., with the common use title of COSMO-HOLDING ALBANIA ("CHA") holds 85% of the share capital of Albania Mobile Communications Sh.a ("AMC"). The remaining share capital of AMC is owned by the Albanian Ministry with percentage of 12,68% and by third parties with a percentage of 2,32%. COSMOTE participates in CHA with a percentage of 3%, while the Norwich company Telenor Mobile Communications A.S. owns the remaining 3%.

(2) Through the acquisition of the shares of the Dutch holding company OTE MTS Holding BV, COSMOTE acquired the 100% of the shares of the mobile telecommunication company, COSMOFON MOBILE TELECOMMUNICATIONS AD-Skopje ("COSMOFON").

(3) In July 2005, the 70% of COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A ("COSMOTE ROMANIA") was acquired.

(4) In August 2005 the 100% of the shares of the mobile telecommunications company, COSMOBULGARIA MOBILE EAD ("GLOBUL") was acquired.

The Company's and Group's employees at 31 March 2006 amounted to approximately 2,186 and 4,313 respectively.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.

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

(In thousands of EURO, unless otherwise is stated)

2. Basis of preparation of the Financial Statements

The attached Parent and Consolidated Financial Statements (hereinafter referred to as the «Financial Statements») have been prepared in accordance with International Accounting Standard (IAS) 34. The above Financial Statements have been prepared on the historical cost basis, except for the valuation of various assets and liabilities which are at their fair value.

It is noted that the Financial Statements as of 31/3/2006 and 31/3/2005 are unaudited.

3. Significant Accounting Policies

The accounting policies and the valuation methods are the same with those adopted and followed for the preparation of the published Financial Statements as of 31/12/2005.

The attached Consolidated Financial Statements include the financial statements of Cosmote as well as the statements of the companies that are mentioned to the note 1 except of COSMO-ONE HELLAS MARKET SIGHT S.A. and COSMO-MEGALA KATASTIMATA S.A. which are included to the Consolidated Financial Statements using the net-equity method.

It is noted that these consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", they do not include all of the information required for full annual financial statements and should be read in conjunction with the published consolidated financial statements of the Group for the year ended 31 December 2005, that have been posted on the Internet at the website address, www.cosmote.gr.

New Accounting Standards and Interpretations of I.G.C.F.S.

The adoption of the European Union, up to 31/12/2006, of standards and interpretations or modifications, which is probable to be issued in the year, by the International Accounting Standards Committee (IASB) and their implementation will be obligatory or optional for periods beginning after 01/01/2000, is possible to effect retrospectively the periods these financial statements cover.

4. Operating revenues

The analysis of operating revenues is as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Airtime revenues	192,051	152,400	136,293	132,943
Interconnection revenues	128,543	99,287	97,271	89,236
Monthly service fees	113,661	74,965	94,933	74,496
SMS revenues	38,618	33,722	33,066	32,583
Roaming revenues	6,627	4,463	2,471	3,811
Revenues from sales of handsets & accessories	15,409	9,594	8,154	9,768
Other revenues	1,468	5,884	3,400	6,777
Total Revenue	496,377	380,315	375,588	349,614

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

5. Analysis of expenses**5.1 Operating expenses**

The analysis of operating expenses is as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Interconnection charges	100,323	74,453	81,064	69,528
Distribution expenses	95,041	70,297	71,510	69,307
Depreciation	73,694	50,854	42,865	45,629
Network operating expenses	41,762	25,136	23,628	21,757
Payroll and related cost	31,750	21,584	23,345	20,781
Cost of goods sold	13,705	8,191	6,316	8,268
Data (content) Services	5,370	4,622	4,536	4,623
Provision of bad debt	4,639	3,343	2,678	2,788
Other expenses	12,841	6,421	8,125	5,096
Total	379,125	264,901	264,067	247,777

5.2 Other Revenues - Expenses

Other revenues – (expenses) are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Foreign exchange differences				
Gains	3,815	230	47	39
Loss	(5,433)	(103)	(207)	(103)
Total	(1,618)	127	(160)	(64)
Penalties	(90)	(368)	(78)	(368)
Other expenses	(75)	(3,500)	(60)	(1)
Other revenues	55	3,365	50	105
Total	(110)	(503)	(88)	(264)
Total Revenues	3,870	3,595	97	144
Total Expenses	(5,598)	(3,971)	(345)	(472)
	(1,728)	(376)	(248)	(328)

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

5.3 Financial revenues - expenses

The analysis of the financial revenues - expenses is as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Financial Expenses				
Interest expense	11,078	2,866	7,286	2,869
Other financial expenses	179	202	11	4
Total financial expenses	11,257	3,068	7,297	2,873
Financial Revenues				
Interest income	2,286	1,523	1,710	1,390
Dividends and Other	48	11	48	-
Total financial revenues	2,334	1,534	1,758	1,390
Financial Revenues/ expenses (Net)	(8,923)	(1,534)	(5,539)	(1,483)

5.4 Income tax**5.4.1 Greek Companies**

In accordance with the provision of Greek tax law, the income tax rate applicable to companies up to 31 December 2005, was 32%. In accordance with the Law 3296/2004 the income tax rate decreases to 29% for the fiscal year 2006 and will further decrease to 25% for the fiscal year 2007 and onwards.

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

COSMOTE and it's subsidiary in Greece, CHA, have not yet been audited by the tax authorities for the following fiscal years :

Company	Fiscal Years
COSMOTE	2004-2005
CHA	2000-2005

It should be noted that the period from 01/01/2006 to 31/03/2006 is unaudited by the tax authorities too.

Consequently, the tax liabilities of the above mentioned companies for the unaudited tax years and for the period ended 31 March 2006 have not yet been finalized.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

5.4.2 Tax liabilities of the subsidiaries in abroad

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

<u>Company's name</u>	<u>Unaudited tax years</u>
AMC	2002-2005
COSMOTE ROMANIA	2004-2005
COSMOFON	2001-2005
GLOBUL	2005
OTE MTS Holding BV	2001-2005

It should be noted that the period between 01/01/2006 to 31/03/2006 is unaudited by the tax authorities too for the abovementioned companies.

There is a possibility of additional taxes' imposition for the unaudited fiscal years, at the time that they will be examined and finalised.

5.4.3 Income tax Provision

The provision for income taxes which has been charged in the Income Statement has as follows:

	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	<u>31/03/2006</u>	<u>31/03/2005</u>	<u>31/03/2006</u>	<u>31/03/2005</u>
Current Income tax	(34,537)	(35,987)	(31,366)	(32,048)
Deferred income tax	(707)	(1,199)	51	(611)
Total	<u>(35,244)</u>	<u>(37,186)</u>	<u>(31,315)</u>	<u>(32,659)</u>

6. Segment Information

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

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

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

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

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

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

31/03/2006	GREECE	ALBANIA	BULGARIA	ROMANIA	FYROM	Total	Consolidation entries	GROUP
Revenues from customers of the Group	371,677	34,262	73,635	6,018	10,785	496,377	-	496,377
Intercompany sales	3,911	88	233	56	58	4,346	(4,346)	-
Operating expenses	(264,073)	(20,232)	(61,864)	(23,951)	(13,112)	(383,232)	4,107	(379,125)
Financial and other revenues/(expenses)	(5,787)	574	(3,400)	(1,222)	(685)	(10,520)	(131)	(10,651)
Income taxes	(30,140)	(3,904)	(1,200)	-	-	(35,244)	-	(35,244)
Gains/(losses) of the period	75,588	10,788	7,404	(19,099)	(2,954)	71,727	(370)	71,357

31/03/2005	GREECE	ALBANIA	BULGARIA	ROMANIA	FYROM	Total	Consolidation entries	GROUP
Revenues from customers of the Group	348,405	31,910	-	-	-	380,315	-	380,315
Intercompany sales	1,209	-	-	-	-	1,209	(1,209)	-
Operating expenses	(247,777)	(18,302)	-	-	-	(266,079)	1,178	(264,901)
Financial and other revenues/(expenses)	(1,952)	42	-	-	-	(1,910)	-	(1,910)
Income taxes	(33,346)	(3,840)	-	-	-	(37,186)	-	(37,186)
Gains of the period	66,539	9,810	-	-	-	76,349	(31)	76,318

7. Earnings, after Income taxes, per share

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

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

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Profits distributed to the shareholders of the parent company	75,207	74,634	74,419	67,367
Weighted average number of shares outstanding (in thousands)	333,321	332,290	333,321	332,290
Basic Earnings per share	<u>0.23</u>	<u>0.22</u>	<u>0.22</u>	<u>0.20</u>
Diluted Earnings per share	<u>0.23</u>	<u>0.22</u>	<u>0.22</u>	<u>0.20</u>

(The earnings per share are in EURO)

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

8 Transactions with related companies

Related parties of the Group, are considered COSMOTE, the subsidiaries, the associated Companies, and their executive directors. The related parties are companies with common shareholding structure and/or management.

The Company purchases goods and services from affiliated entities while provides services to them.

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

Rendered services from related parties are on the basis of cost plus profit and are mainly related to interconnection services and building rents, leased lines, receiving and printing bills, sales commissions etc. At the below table, there is an analysis of the receivables and payables at 31 March 2006 and 31 December 2006 respectively.

	THE GROUP		THE COMPANY	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
Receivables from				
OTE	-	10,725	-	10,725
COSMOFON	-	-	5,930	5,018
COSMOTE ROMANIA	-	-	4,874	3,529
AMC	-	-	2,853	2,685
COSMO BULGARIA	-	-	366	13
CHA	-	-	633	634
ROMTELECOM	975	520	-	-
OTEGlobe	7,553	5,947	29	-
Other	532	495	529	447
Total	9,060	17,687	15,214	23,051
Payables to				
HELLASCOM	897	1,275	-	-
ROMTELECOM	713	765	-	-
OTEnet	100	194	100	194
OTEestate	-	227	-	227
OTE Plc	8,509	6,642	3,235	4,127
OTE	3,669	541	2,393	-
COSMO-ONE	296	-	296	-
OTEGlobe	1,582	911	51	3
AMC	-	-	786	894
OTE International Investments	308	731	-	-
Other	196	962	196	243
Total	16,270	12,248	7,057	5,688

COSMOTE MOBILE TELECOMMUNICATIONS S.A.**NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED).**

(In thousands of EURO, unless otherwise is stated)

The loans payable to related companies at 31 March 2006 are as follows:

BORROWER	LOANS PAYABLE TO RELATED COMPANIES AT 31 MARCH 2006				
	LENDER				TOTAL
	AMC	OTE PLC	OTE INTERNATIONAL	OTE	
COSMOTE	49,700	988,938	-	-	1,038,638
GLOBAL	-	200,000	-	-	200,000
COSMOTE ROMANIA	-	-	16,000	-	16,000
COSMOFON	-	-	-	45,000	45,000
TOTAL	49,700	1,188,938	16,000	45,000	1,299,638
Elimination of loan undertaken by AMC	(49,700)	-	-	-	(49,700)
GROUP' S TOTAL	-	1,188,938	16,000	45,000	1,249,938

Related parties transactions, are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Revenues				
Interconnection Fees	35,579	31,809	30,736	31,809
Sales of prepaid airtime cards and SIM cards	2,619	2,951	2,619	2,951
Management fees	-	4,509	3,235	5,492
Sales of prepaid packages and handsets	471	2,608	485	2,866
Roaming	258	59	141	67
Other	431	135	235	135
Total	39,358	42,071	37,451	43,320
Expenses				
Subscribers' Commissions	18,901	18,306	18,502	18,306
Interconnection Costs	6,478	5,978	5,161	5,978
Leased lines	8,072	5,848	6,574	5,848
Enveloping, Postage and collection of accounts receivable	3,846	4,290	3,846	4,290
Network expenses	1,000	1,001	1,000	1,001
Rents	1,803	714	1,803	714
Interest expenses	9,340	-	7,059	-
Payroll expenses	1,330	1,260	1,330	1,260
Roaming	2	-	302	8
Other	481	239	637	239
Total	51,253	37,636	46,214	37,644

Fees paid to the members of the Board of Directors of the Group which have been charged to the Income Statement of the first quarter of 2006 amounted to EURO 45, of which EURO 25 related to the Company.

Respectively fees paid to the General Managers of the Company, amount to EURO 685 while fees paid to General Managers of the subsidiaries amount to EURO 197.

COSMOTE MOBILE TELECOMMUNICATIONS S.A.
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9. Property, plant, equipment and telecommunications licences

The net additions of the first quarter of 2006 are as follows:

	THE GROUP	THE COMPANY
Acquisition cost 31/12/2005:	3,042,477	1,755,148
Total additions (cost value)	65,106	19,633
Exchange differences	22,762	-
Acquisition cost 31/03/2006:	3,130,345	1,774,781
Accumulated depreciations 31/12/2005:	1,188,216	794,045
Total additions	73,687	42,666
Exchange differences	14,750	-
Accumulated depreciations 31/03/2006:	1,276,653	836,711
Net Value	1,853,692	938,070
	THE GROUP	THE COMPANY
Property, plant, equipment	1,466,913	716,590
Telecommunications licences	386,779	221,480
	1,853,692	938,070

It is noted that the additions concerning the Group have been calculated using the average exchange rates of the period.

10. Goodwill

The decrease to goodwill results from the devaluation of AMC' s goodwill valuation with the current exchange rate of 31/03/2006.

11. Other current assets

Other current assets are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
Advance payments to third parties	20,430	17,578	11,760	14,598
VAT receivable	5,296	13,367	-	-
Accrued income	533	586	532	253
Advance for Income tax	3,999	3,999	-	-
Other Receivable	6,025	1,486	2,796	2,221
	36,283	37,016	15,088	17,072

12. Interest borrowings

Interest borrowings are analyzed as follows:

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΙΑ	
	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Long-term borrowings	806,349	1,124,059	548,638	837,579
Short-term borrowings	510,008	201,192	490,000	201,000
Total borrowings	1,316,357	1,325,251	1,038,638	1,038,579
Borrowings from related companies (Note 8)	1,249,938	1,249,879	1,038,638	1,038,579
Borrowings from third parties	66,419	75,372	-	-
Total	1,316,357	1,325,251	1,038,638	1,038,579

During the first quarter, the loans repaid to third parties in Group level amounted to EURO 8,767.

13. Share Capital –Share premium reserve

On 31 December 2005, the Company's Share Capital amounted to EURO 156,264 divided in 332,476,500 registered shares with nominal value of EURO 0.47 (Amount in EURO) each.

Based on the Board of Directors decision, the Company's share capital was increased by EURO 569 for the three months period ending 31 March 2006, with the issue of 1,211,610 registered shares with nominal value of EURO 0.47 (amount in EURO) each, due to the stock options plan in accordance with art.13 par 9 of the CL 2190/1920.

Therefore, subsequent to the above mentioned increase the total paid in share capital of the Company at 31 March 2006 amounted to EURO 156,833 divided in 333,688,110 shares, with nominal value of EURO 0.47 (amount in EURO) each.

The full payment of the share capital was made on January 2006.

The share premium reserve increased by EURO 11,150 due to the stock options plan.

14. Dividends

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

The Company's Board of Directors has proposed to the 9th Annual General Shareholders' Meeting, which will take place on 9 June 2006, the distribution of dividends of the year 2005 revenues, amounted to EURO 216,897 (EURO 0.65 per share).

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

15. Other current liabilities

Other current liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
Taxes	20,647	23,340	19,195	21,872
Unbilled revenues	39,330	35,515	25,124	20,008
Customers' Guarantees	6,096	5,814	3,223	3,248
Social Security	2,572	5,116	1,966	4,675
Dividends payable	754	1,084	573	583
Other debtors	17,311	10,282	5,022	6,054
Total	86,710	81,151	55,103	56,440

16. Subsequent Events

16.1 Purchase 42% of GERMANOS S.A. shares

A. On May 9th, 2006 COSMOTE concluded an agreement with Mr. P. Germanos, major shareholder and founder of the listed in the Athens Exchange company, Germanos S.A., and other shareholders of the company, for the acquisition of a strategic stake of 42% in the above company, subject to receipt of all necessary approvals by Greek and foreign authorities, for a consideration of 19 euro per share.

COSMOTE will execute the acquisition through a Special Purpose Vehicle, which, following such acquisition, shall launch a tender offer for the remaining shares of Germanos S.A. In accordance with all the above the public proposal is expected to have been completed until the end of September 2006. In parallel, the non core to Cosmote's operations assets shall be transferred back to Mr. P. Germanos.

Following the tender offer, Mr. P. Germanos will reinvest in Germanos S.A. for a 3 to 5 year period through the acquisition from COSMOTE of 10% of the shares of the Special Purpose Vehicle that will own the shares of Germanos S.A. and through a loan to be granted to the Special Purpose Vehicle by a company fully controlled by Mr. Panos Germanos.

The full gross equity value of the transaction will reach up to 1.58 billion Euro, while the net cost, following the disposals and the reinvestment of Mr Panos Germanos, will be approximately 1.3 billion Euro. The transaction will be financed through the conclusion of loans.

B. Beside the above agreement COSMOTE has already been acquired in 09/05/2006 and 17/5/2006 through the Stock Exchange shares that represent the 14.37% of GERMANOS' s share capital.

16.2 Borrowings

A. The Company's Board of Directors will be requested within the next few days to decide on the issuance of a short term bond loan of a duration of twelve (12) months for the financing of the acquisition of the company Germanos ABEE, following relevant recommendation of the management of the company.

B. It is submitted for approval to the General Assembly of the Shareholder's (09/06/2006) the ability for COSMOTE to issue until 31 December 2008 one or more loans, bonds or simple loans, of a total amount up to 4 billion EURO, which will be subscribed by OTE PLc, and the basic provisions, in accordance with the article 23a of the law 2190/1920.

16.3 Reduction of terminating calls

From 1 June 2006, COSMOTE will reduce the cost of terminating calls from 14.5 eurocents per minute to 12 eurocents per minute.

17. Commitments and Contingent Liabilities

The most significant commitments of the Group as at 31 March 2006 are the following:

17.1 Licenses terms

There are no important changes for the first quarter of 2006 in relation with the reported in the published Financial Statements as of 31 December 2005.

17.2 Capital Commitments

The Group has a number of outstanding capital commitments on supplier contracts, which on 31 March 2006, amounted to approximately EURO 347,000, as well as a number of lease agreements relating to the rental of buildings sites, whose future payments amounted to approximately EURO 185,000.

18. Financial Instruments

18.1 Exchange risks

Group operates in Greece and in other countries in Balkan so there is an exchange risk, which derives from the translation of the related foreign currencies to EURO. The risk related to the borrowings of the Group is not considered significant for the Group's as the Company's liabilities are mainly related to EURO.

18.2 Credit risks

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

18.3 Interest rate risks

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

18.4 Liquidity risk

Liquidity risk is maintained in low levels due to the availability of cash and cash equivalents and the credit limits.

18.5 Tax issues

As already mentioned in par. 5.4, the Company and its subsidiaries have not been audited by the tax authorities for various fiscal years. Consequently their tax liabilities for these years have not yet been finalized.

19. Encumbrances

There are not mortgages and registrations of future mortgages or encumbrances of any other kind on the Group's fixed assets.

20. Litigation

With regard to the most significant disputes of COSMOTE and its subsidiaries at 31.03.2006, the disputes, which are included in the notes of the Financial Statements at 31.12.2005 are in effect, with the sole exceptions of the following:

20.1 COSMOTE

20.1.1 NTPC has notified to COSMOTE the no. 13542/F391/12.05.05 Transaction of Hearing Procedure with which, after the relevant demand of the Minister of Development, has called COSMOTE as well as TIM and VODAFONE on a hearing on 18 May 2005, to investigate whether the announced increases on tariffs for the SMS¹ are contrary to the provisions of telecommunication law and the law for the protection of free competition. The hearing has been held on 23 May 2005. A new hearing took place on 3 November 2005 due to the change of the members of NTPC. NTCP issued a decision that imposed a fine of 1,000 euro to each company for violation of competition law. On 17.04.06, COSMOTE appealed to the Athens' Administrative Court of Appeal against the decision of NTPC. The case is currently pending.

20.2 AMC

20.2.1. In February 2006 the Regulatory Authority of Albania sent to the operators for their comments a draft market analysis, according to which AMC and Vodafone fulfil the criteria for being determined as companies with significant market power in the call termination market and in the mobile telephony market. The Regulatory Authority suggests on the one hand the obligation of the operators with significant market power to provide infrastructure and telecommunication services to other operators in cost-oriented prices without discrimination and on the other hand the regulation of the retail activity. In April 2006, the Regulatory Authority of Albania designated AMC as operator with significant market power for the period from May 1, 2006 to May 1, 2007.

20.2.2. In May 2004, the Regulatory Authority of Albania has suggested significant reductions of interconnection tariffs. AMC has presented a claim against this Decision in front of the Tirana District Court. The last hearing took place on 27 January, 2006. In parallel, the parties began negotiations in order to resolve amicably this dispute. In December 2004, AMC & Albtelecom have come to an agreement for the tariffs applying until November 2005. Since no agreement for the tariffs applying for 2006 has been reached yet, the Regulatory Authority of Albania intervened and proposed interconnections tariffs for the year 2006.

¹ On 14.04.2005 COSMOTE has announced its new price policy concerning the post paid subscribers, which involves among others the offer of new packages of bundled free minutes (SMS 30, SMS 60, SMS 120) and the increase of the basic price of each sms from 0,085 to 0,09 euro per sms.

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20.2.3. The Albanian fixed telephony company “Albtelecom” owes AMC an amount EURO 28,116 of for interconnection fees for invoiced amounts since January 2001. Albtelecom also owes to AMC an amount of approximately EURO 7,928 due to discrepancies in measurements of interconnection fees mainly for the period January-May 2001. According to the terms of the interconnection agreement eventual differences between the parties are solved by arbitration in front of the International Chamber of Commerce in Paris.

20.2.4 In May 2006, the Albanian Parliament decided the formation of an investigative parliamentary commission, to investigate the competition in the Albanian mobile market and the compliance to the relevant legislation by all involved parties, companies and authorities.

20.3 COSMOFON

20.3.1. In August 2005, the fixed line incumbent operator of FYROM Maktel, has unilaterally attempted to reduce the interconnection rates for the termination of voice calls. COSMOFON has not accepted such reductions claiming that it is not in accordance with the interconnection agreement in force between the parties. Since no agreement between the parties has been reached, on February 2006, Cosmofon appealed in front of the Regulatory Authority.