

GERMANOS S.A.



Ο Μ Ι Λ Ο Σ Ε Τ Α Ι Ρ Ι Ω Ν

2006 Annual Financial Statements

It is confirmed that the attached Annual Financial Statements are those approved by the Board of Directors of "GERMANOS S.A." on 21/02/2007 and have been published with their posting on the internet, at the web page www.germanos.gr. It is noted that the published in the press brief financial data and information, aim at providing general financial information but do not provide a complete depiction of the Company's and Group's economic status and financial results, according to the International Accounting Standards. Also, it is noted that in order to simplify, the published in the press brief financial data and information include certain compressions and re-classifications of accounts.

Panos Germanos

Chairman of the Board of Directors

OF THE COMPANY GERMANOS S.A.

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BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

According to the provisions of C.L. 2190/1920 we submit the Financial Statements (of the parent company GERMANOS SA and the Group) for the period ending on 31.12.2006 with our relevant notes, to the General Meeting.

The following table briefly presents the Group's consolidated results as regards to the ongoing activities.

in million €	12M 2005	%	12M 2006
Sales	839.1	8.2%	908.1
EBITDA	83.0	-22.2%	64.6
Earnings before Taxes (EBT)	82.1	119.6%	180.3
Earnings after Taxes (EAT)	66.8	142.4%	161.9
Net Profit for the period (after earnings from suspended activities and minority interest)	63.1	113.2%	134.5
Earnings per Share* in €	0.78	112.0%	1.65

* The average weighted number of shares for 2006 and 2005 is: 81,579,057 and 81,025,042 respectively.

Ongoing activities

Specifically, consolidated sales amounted to 908.1mil. euro presenting an increase of 8.2%, with a significant contribution from companies that operate outside of Greece. The sales from the Group's foreign subsidiaries reached approximately 190mil. euro, representing 20% of total sales.

The Group's total Financial results amounted to €123.8mil. and mainly concern the capital profit that emerged from the sale of the company's participation in HDF S.A. and in SILKWAY HOLDING BV (Unitel - Uzbekistan).

The net consolidated earnings (after suspended activities and after minority interest) increased by 113.3% in 2006 and amounted to 134.5mil. euro compared to 63.1mil. euro in 2005. The

respective net earnings of the parent company increased by 82.6% compared to the previous year and amounted to 92.2mil. euro. This result was enhanced by the capital goodwill that emerged from the sale of the participation in the companies Hellenic Duty Free Shops and SILKWAY HOLDING BV (Unitel – Uzbekistan).

The Group's **earnings per share** posted an increase of 113.3% and amounted to €1.65 in 2006 compared to €0.78 in 2005, The sale of GERMANOS SA's participation in the companies SILKWAY HOLDING BV and HDFFS S.A. was the main contributor to earnings per share.

Equity for the Group amounts to 453.5mil. euro posting an increase of 5% compared to the previous year. This increase is due to the following factors: a) the results of 2006 b) the inflow of 5.8mil. euro from the share capital increase of GERMANOS SA with the issuance of 649,200 new common registered shares, due to the exercise of stock options. Following the aforementioned share capital increase, the parent company's share capital consists of 82,224,700 common registered shares with a nominal value of 0.36 euro each.

The Group's total debt at the end of 2006 amounted to 22.6mil. euro compared to 156.6mil. euro in 2005. This decrease is due to both the repayment of GERMANOS SA's long-term debt and to the decrease of short-term loans with cash equivalents that emerged from the sale of the participation in Hellenic Duty Free Shops S.A. and the company SILKWAY HOLDING BV (Unitel - Uzbekistan).

As regards to the Group's commercial development, it is worth mentioning that the Company presently numbers (645) GERMANOS stores and specifically it operates stores in Greece (374), Romania (144), Bulgaria (102) and FYROM (25).

Suspended activities

The annual results from suspended activities, which participated in the 2006 basic fundamentals until September 2006 are as follows: Turnover amounted to 170.6mil. euro, Earnings before taxes to -27.7mil. euro and Earnings after taxes to -27.2mil. euro.

Significant Events in 2006

Change in Shareholding Structure

On October 2nd 2006, 42% of GERMANOS SA's shares owned by Mr. Panos Germanos and other shareholders were transferred due to their sale at the price of 19 euro per share (based on share sale agreements dated May 9th 2006). Today COSMOHOLDING CYPRUS LTD owns 99.39% of GERMANOS SA, namely 81,680,929 shares while other shareholders own 0.06%, namely 543,771 shares.

Mandatory Public Offer for Acquisition by COSMOHOLDING CYPRUS LTD

During 2006 and specifically on October 20th 2006, the aforementioned subsidiary of COSMOTE, namely the Cypriot company COSMOHOLDING CYPRUS LTD with registered offices in Lemesos, submitted a Mandatory Public Acquisition Offer for the acquisition of GERMANOS SA's total shares at a price of 19 euro per share (in absolute amount). The Public Offer for the acquisition expired on December 21st 2006 during which 98.99% of GERMANOS SA's share capital was acquired.

Separation of sector and sale of subsidiaries

The separation of the sector of production, trade, imports, exports, wholesale & retail sale & assembly of any accumulator (battery) type, defense industry systems, autonomous energy systems & production of cables & telecommunication materials of GERMANOS SA, together with the related and pertinent with the above asset and liability items (including the participations of GERMANOS S.A. in the companies ADVENT S.A. and A.F.I.S. S.A.), and its offering to the company with the name "SUNLIGHT SYSTEMS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF DEFENSE, ENERGY, ELECTRONIC AND TELECOMMUNICATION SYSTEMS", with the distinctive title "SUNLIGHT SYSTEMS S.A." and with registered offices in Agios Stefanos Attica was completed on 29/09/2006.

In addition, we inform you that the sales of the following companies and activity sectors took place, the approval of which was provided by the relevant decision of the 1st Repeated General Shareholders' Meeting of GERMANOS S.A. on 11/07/2006:

A) Specifically the following sales took place:

-GTI POLSKA Sp.Zo.o. at a price of 19,418,000 € and as a buyer the Cypriot company of Mr. Panos Germanos' interests TOLLERTON INVESTMENTS LTD , based on the share sale agreement dated 27/09/2006

- GERMANOS POLSKA Sp.Zo.o. (following its subsidiary T.C.M. Sp. Zo.o.) at a total price of 36,061,000 € and as buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 27/09/2006
- GERMANOS TELECOM UKRAINE CJSC at a price of 6,780,325 € and as a buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 28/09/2006
- SUNLIGHT UKRAINE SRL at a price of 2,703,500 € and as a buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 28/09/2006
- GERMANOS CYPRUS L.T.D. (following its subsidiary INFOTEL L.T.D.) at a price of 756,000 € and as a buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 27/09/2006
- SUNLIGHT TRADING D.O.O. BEOGRAD at a price of 10,000 € and as a buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 28/09/2006
- SUNLIGHT BATTERIES GMBH at a price of 25,000 € and as a buyer the company TOLLERTON INVESTMENTS LTD based on the share sale agreement dated 27/09/2006
- LASE S.A. at the nominal price of shares that the company GERMANOS S.A holds namely 313,458 € and as a buyer Mr. Panos Germanos based on the share sale agreement dated 28/09/2006
- EKONOMETRIKA Ltd. at the nominal price of the company shares that GERMANOS S.A holds, namely 5,700 € and as a buyer Mr. Panos Germanos.
- SUNLIGHT SYSTEMS S.A at a price of 52,082,000 € and as a buyer Mr. Panos Germanos based on the share sale agreement dated 29/09/2006. The buyer, Mr. Panos Germanos undertakes, in addition to the total liabilities of the sold company, loan(s) of total value of 25,000,000 €.

B) Furthermore, the sale of the sector of batteries trade and related items took place:

- of Romania with seller the company GERMANOS TELECOM ROMANIA S.A., at a price of 2,493,000 € and as a buyer the company SUNLIGHT INDUSTRIAL SRL, which is 95% owned by the company TOLLERTON INVESTMENTS LTD and with Mr. Panos Germanos as a shareholder representing 5% of the shares, based on the sale agreement dated 29/09/2006 regarding the sector.
- of Bulgaria with seller the company GERMANOS BULGARIA AD, at a price of 700,000 € and as a buyer the company SUNLIGHT INDUSTRIAL EOOD, which is 100% owned by the company TOLLERTON INVESTMENTS LTD, based on the sale agreement dated 29/09/2006 regarding the sector.

Sale of participation in HDFFS S.A. and SILKWAY HOLDING BV

On February 9th 2006 the transfer of GERMANOS SA's participation (20%) in the company SILKWAY HOLDING BV (which owned 100% of the shares of UNITEL LLC, Uzbekistan) towards the buyer company Vimpel-Communications was concluded. The total price for the 100% of SILKWAY HOLDING BV amounted to \$200mil.

On May 5th 2006 the sale of the 24.67% stake in HDFFS S.A. to the company FOLLI FOLLIE, at the price of €15.6 per share, was announced. The proceeds of this sale were used to pay off the total bond loan the Company had undertaken.

Acquisition of 1.44% of GERMANOS TELECOM ROMANIA SA

On October 17th 2006 GERMANOS SA acquired the total shares of its subsidiary (GERMANOS TELECOM ROMANIA SA) by buying 54,916 shares from Mr. P. Germanos at a total price of €10,000, which represented 1.44% of its share capital.

Acquisition of 1% of GERMANOS TELECOM SKOPJE AD

In 2006 GERMANOS SA acquired the total shares of its subsidiary (GERMANOS TELECOM SKOPJE AD) by buying 5,000 shares with a nominal value of €1 from Mr. P. Germanos at a total price of €5,000, which represented 1% of its share capital.

Termination of Agreement between GERMANOS SA and TIM HELLAS

As announced on September 11th 2006, the final termination of the agreement between GERMANOS SA and the mobile telephony company TIM was decided on, with 1/5/2007 as the termination date. Following the termination of the cooperation, the parties cease to have any obligation, claim, demand towards each other, including the payment of any fee-commission. In the interim period, GERMANOS SA continues to represent and distribute the products and services of TIM – except for the upgrading and renewal of contracts for existing subscribers – for a price, based on the agreed sales targets.

Termination of Agreement with VODAFONE – PANAFON SA

The agreement between VODAFONE – PANAFON SA and GERMANOS SA, was terminated following the termination proclaimed by VODAFONE – PANAFON SA on 9/10/2006, claiming the recent change in the shareholding structure of GERMANOS SA, which has been suspended for the dishonest and outside of the limits of good business practice termination of the Resale Agreement dated 30/12/2002.

Termination of Agreement with VODAFONE ROMANIA

The agreement between VODAFONE Romania SA and the 100% subsidiary of GERMANOS SA, GERMANOS TELECOM ROMANIA, was terminated on 18/10/2006 according to the Company's assertion on account of VODAFONE or on 15/10/2006 according to VODAFONE Romania SA's assertion due to the fact that the parent company (GERMANOS SA) did not accept the discontinuance of promoting COSMOTE ROMANIA services.

2007 OUTLOOK

2007 is expected to signify a milestone for the GERMANOS Network of Stores both in Greece and in Bulgaria, Romania and Skopje.

The alliance of GERMANOS SA with COSMOTE launches a new era, during which the values, dynamic and significant know-how will be combined together in retail trade and technology within the largest telecom Group in South Eastern Europe and is expected to create new opportunities in the markets the two Companies operate in.

The objective of the new year is to reveal the Network's new development prospects in all the technology sectors that emerge from the connection of mobile telephony and Internet, aiming at facilitating the everyday life of the consumer.

Specifically, the Group's basic activity, retail trade, targets the Network's development both in size and in quality. Until the end of 2007, the GERMANOS Network is expected to reach 810 stores in the 4 countries we are present in, creating a deeper relation between the European consumer and technology.

At the same time, this new year constitutes yet another opportunity for GERMANOS and its people to reveal their potential, test their flexibility and attest their innovation.

The establishment of the GERMANOS SA Group's value in the global technology market comprises a challenge for 2007, an objective that consistently follows our path until today and is defined by a sense of responsibility towards the Group's shareholders, who support the company and the efforts of its people.

Our ambition and goal is to sustain a leading role in developments, by preserving the Group's Vision, Values and its Mission. Each year constitutes yet another opportunity for GERMANOS and its people to reveal their potential, test their flexibility and attest their innovation.

Corporate Governance

By means of the Extraordinary General Shareholders' Meeting on February 9th 2007, a new Board of Directors was assigned, which was formed to a body on the same date. The new BoD's term, according to article 19 par. 2 of the Company's Articles of Association, was set to 5 years beginning

from the election of its members and extended automatically until the first ordinary General Meeting following the end of its term, which cannot exceed 6 years. The names of the new BoD members as well as brief curriculum vitae are presented in pages 96-97 of the present document. A reconstitution of the BoD had preceded on 8/11/2006 and GERMANOS SA's representation had changed with Messieurs P. Germanos as Chairman – non executive member, Ch. Germanos as Vice-Chairman – non executive member and Ch. Kartalis as non executive member residing. On 12/1/2007 the appointment of Mr. D. Theodorelis as Head of Internal Audit of GERMANOS SA was decided. On 14/2/2007 GERMANOS SA submitted an application for the delisting of its shares from the Athens Exchange, according to article 17 of L. 3371/2005, towards the Hellenic Capital Market Commission.

Corporate Social Responsibility

Apart from the continuous evolution and advancement of Greek business activity abroad, GERMANOS SA invests in corporate social responsibility issues. The GERMANOS Group of Companies combines business innovation with practical social responsibility. The values that underline the philosophy, guide the Group's business choices and define GERMANOS' everyday practice. The common reference point for all the above is the responsible conduct and action towards the individual person and the – natural and social – environment. 2006 was the 3rd consecutive year of operation for the environmental sensitivity program DIAS BAT, which refers to recycling of all type of batteries.

Dividend Policy

The Company's Board of Directors, taking into account the results for 2006 will propose a dividend of 0.022 euro per share (total Euro 1.8 mil.) to the General Shareholders' Meeting.

February 21st 2007

Panos Germanos

Chairman of the Board of Directors of GERMANOS SA

Information regarding the issues of paragraph 1 of article 11^a L.3371/2005

The share capital of GERMANOS SA amounts to 29,600,892 euro, divided into 82,224,700 common registered shares, with a nominal value of 0.36 euro each. Each share provides one voting right. The shares of GERMANOS SA are listed on the Securities Market of the Athens Exchange.

Each Company share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, which however do not contain provisions that may be more restrictive than those provided by the Law, besides those described below.

The Company's shares are publicly traded at a unit of 1 share. The shareholders' responsibility is limited to the nominal value of the shares held. Shareholders participate in the Company's management and earnings, according to the Law and the provisions of the Articles of Association. The rights and obligations emanating from each share are devolved on any universal or special successor of the shareholder. The shareholders exercise their rights in relation to the Company's Management only through the General Meetings. Shareholders enjoy a right of preference in any future share capital increase, depending on their participation in the Company's existing share capital, as stipulated in article 13 §5 of Codified Law 2190/1920. In no case may the lenders and the universal or special successors of a shareholder provoke the seizure on any of the Company's assets, the seizure or termination of its books, or request for its distribution or liquidation. Additionally, the above persons are by no means entitled to participate in the Company's management or administration. Joint shareholders, in order to exercise their voting rights, should in written form declare a certain representative who will represent them in the General Shareholders' Meeting. The exercise of their voting rights will be postponed until the specification of their representation.

Each shareholder is entitled to request – 10 days prior to the Ordinary General Shareholders' Meeting, the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the annual financial statements and the earlier seven (7) business days from the date beneficiaries were defined. During the Annual General Meeting, the Company must define the ex dividend date, the payment date and the payment method of the dividend. This information is available through the Athens Exchange's website, the Company's official website and is also released through the Press. The payment of dividends by listed companies takes place through a financial institution selected by the companies (Paying Bank). The paying bank receives the total payable dividend, which is distributed to beneficiaries

according to the data provided by the Central Securities Depository (CSD), based on those specifically provided by the Regulation of the Dematerialized Securities System. The disbursement and payment of dividends will take place according to a relevant written agreement between the listed company and the paying bank, which must state that the payment of the dividend sub-amounts to the Dematerialized Securities System users will take place the latest within seven business days from the date the dividend beneficiaries are defined.

The Greek State receives those dividends, which have not been claimed for a 5-year period.

As regards to the procedure for depositing shares, in order for the shareholder to participate in the Company's General Shareholders' Meetings and the dividend payment procedure, those stipulated by the Settlement Regulation of the Central Securities Depository's Dematerialized Securities System as is in effect, are applied.

Restrictions for transferring Company shares

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

Important Indirect/Direct participations according to Presidential Decree (PD) 51/1992

Following the acquisition of 10% of COSMOHOLDING CYPRUS LTD (a subsidiary of COSMOTE MOBILE TELECOMMUNICATIONS S.A.) by Mr. Panos Germanos through the 100% controlled by him Cypriot holdings company MICROSTAR Ltd, the indirect participation percentage of COSMOTE in the paid up share capital of GERMANOS SA, through COSMOHOLDING CYPRUS Ltd, amounts to approximately 89.3%.

Shares providing rights for special control

There are no Company shares that provide special control rights.

Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares.

Agreements between Company shareholders.

According to an announcement in the Athens Exchange's daily bulletin, COSMOHOLDING is required to acquire, through the stock exchange, all GERMANOS shares that will be offered to it within a period of three (3) months from December 22nd 2006, at a price of 19 euro per share in cash.

Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association.

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920.

Responsibility of the BoD for the issuance of new shares or acquisition of own shares

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920, the Company's Board of Directors has the right, following a relevant decision by the General Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the BoD that is made with a majority of at least two thirds (2/3) of its total members. Until today there is no such decision in effect.

Important agreement which is amended / terminated in case a change arises in the company's control following a public offer

To our best knowledge there is not any.

Agreement between the Company and BoD members or employees regarding the termination of their terms / employment.

There is no agreement between the Company and the BoD members or employees regarding the termination of their term or employment emanating from the Public Acquisition Offer by Cosmoholding. We note that according to the decision by the Extraordinary General Shareholders' Meeting on February 9th 2007 and following the change in the shareholding structure of GERMANOS SA, a new Board of Directors was assigned and consists of the following individuals:

1. Panos Germanos of Panos
2. Konstantinos Liamidis of Georgios
3. Ioannis Karagiannis of Dimitrios
4. Loukas Petkidis of Dimitrios
5. Ilias Fotiadis of Konstantinos
6. Eirini Nikolaidi of Ioannis

and the independent BoD members:

7. Konstantinos Apostolidis of Pericles
8. Dimitris Goumas of Georgios

The present explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting.

AUDITORS REPORT
To the Shareholders of "GERMANOS S.A."

We have audited the accompanying financial statements as well as the consolidated financial statements of "GERMANOS S.A", as of and for the year ended 31 December 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Director's report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of 31 December 2006, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union, and the Board of Directors' Report is consistent with the aforementioned financial statements.



BDO PROTYPOS HELLENIC AUDITING CO A.E
CERTIFIED & REGISTERED AUDITORS

81 Patission Str. & Heyden
Athens 104 34
R.N SOEL 111

Athens, 21 FEBRUARY 2007
The Certified Public Accountant

ANAGNOS LYMPERIS
R.N SOEL 11241

Income Statement

		GROUP		COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Sales		908,049,435	839,144,010	788,231,371	757,236,993
Cost of goods sold	6.22	(756,689,628)	(665,131,035)	(649,735,900)	(601,299,970)
Gross Profit		151,359,807	174,012,975	138,495,470	155,937,023
Other operating income	6.24	14,550,277	12,112,809	13,318,769	3,207,238
Distribution expenses	6.23	(83,420,493)	(79,138,693)	(74,207,174)	(71,304,903)
Administrative expenses	6.23	(22,372,308)	(29,364,785)	(25,519,765)	(28,447,171)
Other operating expenses	6.24	(5,800,620)	(4,650,987)	(5,037,746)	(1,255,048)
Results Before Taxes Financing and Investment Results		54,316,662	72,971,320	47,049,555	58,137,138
Financial Income	6.25	3,449,249	407,430	3,376,441	370,845
Financial Expenses	6.25	(6,672,191)	(6,783,113)	(4,988,360)	(5,761,388)
Other Financial Results	6.26	126,877,656	1,975,066	68,347,120	12,069,877
Earning from Acquisition of Company		133,797	271,944		
Profit/Loss from associate companies	6.4	2,210,409	13,237,131		
Earnings before taxes		180,315,583	82,079,778	113,784,755	64,816,473
Income tax	6.27	(18,460,374)	(15,317,727)	(21,630,124)	(14,275,064)
Earnings after taxes		161,855,208	66,762,051	92,154,631	50,541,409
Suspended operations:					
Period earnings from suspended operations	6.30	(27,246,345)	(3,804,317)		
Net earnings for the period		134,608,863	62,957,734		
Allocated to:					
<i>The Parent's shareholders</i>		<i>134,508,500</i>	<i>63,061,018</i>		
<i>Minority interest</i>		<i>100,363</i>	<i>(103,284)</i>		
<i>Basic Earnings per Share</i>	6.28	<i>1.649</i>	<i>0.778</i>	<i>1.130</i>	<i>0.624</i>
<i>Diluted Earnings per Share</i>	6.28	<i>1.639</i>	<i>0.777</i>	<i>1.114</i>	<i>0.623</i>
Brief Results for the period					
Results Before Taxes Financing and Investment Results and Depreciations		64,594,005	83,010,288	62,395,670	76,847,533
Results Before Taxes Financing and Investment Results		54,316,662	72,971,320	47,049,555	58,137,138
Earnings before taxes of Ongoing activities		180,315,583	82,079,778	113,784,755	64,816,473
Earnings after taxes of Ongoing activities		161,855,208	66,762,051	92,154,631	50,541,409
Earnings of suspended activities		(27,246,345)	(3,804,317)		
Earnings after Taxes		134,608,863	62,957,734		

It is noted that accounts of the 2005 income statement have been adjusted in order to include only ongoing activities.

The result of suspended activities is included as a subscript and is analyzed in a separate note according to the requirements of IFRS 5.

Balance Sheet

ASSETS	Note	GROUP		COMPANY	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-Current Assets					
Tangible Assets	6.1	86,054,212	168,540,411	66,757,544	147,381,472
Company Goodwill	6.2	0	16,500,093	0	626,920
Intangible Assets	6.3	16,738,452	19,331,817	7,762,895	9,071,080
Investments in Subsidiary Companies		(0)	(0)	20,890,438	42,971,810
Investments in Associate Companies	6.4	0	105,001,146	0	206,251,700
Deferred tax receivables	6.5	12,652,204	20,178,355	12,160,209	23,802,983
Financial assets available for sale	6.6	522,816	709,523	522,816	1,616,224
Other Long-term Receivables	6.7	1,660,250	5,390,679	1,344,259	4,994,276
		117,627,934	335,652,025	109,438,161	436,716,465
Current Assets					
Inventories	6.8	56,556,721	90,057,612	38,331,887	63,515,725
Customers and other Trade Receivables	6.9	142,161,183	162,093,682	124,629,879	122,003,011
Receivables from the Group's Subsidiaries	6.33	30,423,422	0	26,284,203	0
Other Receivables	6.10	27,248,444	31,736,583	25,022,263	21,003,798
Other Current Assets	6.11	35,319,812	32,888,030	33,990,878	29,453,081
Financial assets at fair value through results	6.12	67,360,612	5,102,178	67,360,612	5,102,178
Cash and cash equivalents	6.13	130,208,218	14,941,025	125,894,927	8,720,537
		489,278,413	336,819,110	441,514,650	249,798,329
Total Assets		606,906,347	672,471,135	550,952,811	686,514,794
EQUITY & LIABILITIES					
Equity					
Share capital	6.14	29,600,892	26,104,160	29,600,892	26,104,160
Above par	6.14	204,310,630	198,701,542	204,310,630	198,701,542
Fair value reserves	6.14	0	0	0	51,218,032
Other reserves	6.14	19,876,169	84,665,165	19,610,062	84,674,141
Balance Sheet Conversion Reserves		(587,476)	836,691	0	0
Results carried forward		199,277,873	19,902,330	199,603,924	64,369,709
Total equity attributed to the Parent's shareholders		452,478,089	330,209,889	453,125,509	425,067,584
Minority interest		1,002,175	1,119,590		
Total Equity		453,480,264	331,329,479	453,125,509	425,067,584
Long-term Liabilities					
Long-term bank liabilities	6.15	0	99,857,361	0	97,458,915
Deferred tax liabilities	6.5	6,084,605	12,118,900	6,055,429	32,858,411
Liabilities for staff retirement indemnities	6.16	361,779	820,124	337,911	717,124
Other Long-term Liabilities	6.17	1,623,389	2,216,996	40,332	15,824
Provisions	6.18	1,753,430	1,993,108	1,500,000	1,000,000
Total Long-Term Liabilities		9,823,203	117,006,489	7,933,673	132,050,274
Short-term Liabilities					
Suppliers and related liabilities	6.19	76,586,021	130,451,108	55,339,220	81,080,474
Current tax liabilities	6.20	19,080,969	21,424,599	18,603,739	19,715,372
Short-term bank liabilities	6.15	22,632,002	47,658,902	0	12,230,920
Long-term liabilities payable in the next period	6.15	218,828	9,130,957	0	9,000,000
Liabilities towards the Group's Subsidiaries	6.33	21,631,684	0	14,409,897	0
Other Short-term liabilities	6.21	3,096,881	14,067,123	1,540,774	7,370,169
Short-term Provisions	6.18	356,496	1,402,478	0	0
Total Short-Term Liabilities		143,602,880	224,135,167	89,893,630	129,396,936
Total Liabilities		153,426,083	341,141,656	97,827,302	261,447,210
Total Equity & Liabilities		606,906,347	672,471,135	550,952,811	686,514,794

Consolidated statement of changes in equity

	Note	Attributed to the parent's shareholders					Results Carried Forward	Total	Minority Interest	Total
		Share Capital	Above Par	Fair value Reserves	Other reserves	Balance Sheet Conversion Reserve				
Balance as at January 1st 2005, according to IFRS		12,956,000	206,502,877	0	81,965,268	0	(26,366,301)	275,057,844	2,159,397	277,217,241
<i>Change in Equity for the period 01/01 - 31/12/2005</i>										
Capital Increase Expenses			(57,675)					(57,675)		(57,675)
Increase of parent's capital	6.14	13,148,160	(7,743,660)					5,404,500		5,404,500
Reserve of granted stock options	6.14				2,751,482			2,751,482		2,751,482
Balance sheet conversion reserve						743,733		743,733		743,733
Net Profit/Loss recognized directly to equity					(51,585)	92,959	1,426,988	1,468,362	(501,043)	967,319
Recognition of Payable Dividends							(18,219,375)	(18,219,375)	(595,797)	(18,815,172)
Minority interest from Subsidiary's capital Increase								0	763,068	763,068
Minority interest from change in percentage								0	(602,752)	(602,752)
Net Results for the period 01/01-31/12/2005							63,061,018	63,061,018	(103,284)	62,957,734
Total Recognized Profit/loss for the Period		13,148,160	(7,801,335)	0	2,699,897	836,692	46,268,631	55,152,045	(1,039,808)	54,112,238
Balance of Equity as at December 31st 2005		26,104,160	198,701,542	0	84,665,165	836,692	19,902,330	330,209,890	1,119,589	331,329,479
		26,104,160	198,701,542	0	84,665,165	836,691	19,902,330	330,209,889	1,119,590	331,329,479
		0	0	0	(0)	1	0	0	(0)	(0)
Balance as at January 1st 2006, according to IFRS		26,104,160	198,701,542	0	84,665,165	836,692	19,902,330	330,209,890	1,119,589	331,329,479
<i>Change in Equity for the period 01/01 - 31/12/2006</i>										
Changes from profit distribution					10,208,941		(10,208,941)	0		0
Direct changes in equity					(77,753,060)		77,753,060	0		0
Increase in parent's capital	6.14	3,496,732	5,609,088				(3,263,020)	5,842,800		5,842,800
Reserve of granted stock options	6.14				2,488,155			2,488,155		2,488,155
Balance Sheet Conversion Reserves						371,406		371,406		371,406
Net Profit/Loss Recognized directly to equity					266,968			266,968		266,968
Reclassification from sale of subsidiaries						(1,795,574)	1,795,574	0		0
Recognition of Payable Dividends							(21,209,630)	(21,209,630)		(21,209,630)
Minority interest from Increase in Subsidiary capital								0	1,234,895	1,234,895
Minority interest from change in percentage								0	(1,452,672)	(1,452,672)
Net Results for the Period 01/01-31/12/2006							134,508,500	134,508,500	100,363	134,608,863
Total Recognized Profit/loss for the Period		3,496,732	5,609,088	0	(64,788,995)	(1,424,168)	179,375,543	122,268,199	(117,414)	122,150,785
Balance of Equity as at December 31st 2006		29,600,892	204,310,630	0	19,876,170	(587,476)	199,277,873	452,478,089	1,002,175	453,480,264

Statement of changes in Parent Company's equity

	Note	Attributed to the parent's shareholders				Results Carried Forward	Total
		Share Capital	Above Par	Fair Value reserves	Other reserves		
Balance as at January 1st 2005, according to IFRS		12,956,000	206,502,877	54,524,591	81,833,800	32,112,623	387,929,891
<i>Change in Equity for the period 01/01 - 31/12/2005</i>							
Net Results for the Period 01/01-31/12/2005						50,541,409	50,541,409
Profit/Loss transferred directly to equity from valuation of assets available for sale				(3,306,558)			(3,306,558)
Capital Increase	6.14	13,148,160	(7,743,660)				5,404,500
Reserve of granted stock options	6.14				2,751,482		2,751,482
Capital Increase Expenses			(57,675)				(57,675)
Effect from absorption of subsidiary					88,859	(64,948)	23,911
Dividend Payments (Parent)						(18,219,375)	(18,219,375)
Total Recognized Profit/loss for the Period		13,148,160	(7,801,335)	(3,306,558)	2,840,341	32,257,086	37,137,694
Balance of Equity as at December 31st 2005		26,104,160	198,701,542	51,218,032	84,674,141	64,369,709	425,067,584
Balance as at January 1st 2006, according to IFRS		26,104,160	198,701,542	51,218,032	84,674,141	64,369,709	425,067,584
<i>Change in Equity for the period 01/01 - 31/12/2006</i>							
Net Results for the Period 01/01-31/12/2006						9,669,809	(9,669,809)
Profit/Loss transferred directly to results from valuation of assets available for sale	6.14			(51,218,032)			92,154,631
Capital increase	6.14	3,496,732	5,609,088				(9,669,809)
Reserve of granted stock options	6.14				2,488,155	(3,263,020)	5,842,800
Direct changes in equity					(77,222,043)	77,222,043	2,488,155
Effect from absorption of subsidiary							0
Dividend Payments (Parent)						(21,209,630)	0
Total Recognized Profit/loss for the Period		3,496,732	5,609,088	(51,218,032)	(65,064,079)	135,234,215	(21,209,630)
Balance of Equity as at December 31st 2006		29,600,892	204,310,630	0	19,610,062	199,603,924	453,125,508

1. Information on the Group

1.1 General Information

The company Germanos is a societe anonyme and constitutes the Group's parent company. It was established in 1989 in Athens and its domicile is located at Agios Stefanos Attica. The company's shares were listed on the Athens Exchange on February 14th 2000 at the price of 9,500 GRD/ 27.8 euro.

The financial statements for the period ending on December 31st 2006 (including the comparative data for the period ending on December 31st 2005) were approved by the Board of Directors of the company Germanos S.A. on February 21st 2007.

1.2 Nature of Activities

The Company's objective is:

- a) The manufacturing, trade, import, export, wholesale and retail sale and assembly of all types of accumulators (batteries) and all types of wired and wireless devices and electricity, electronic, telecommunication and computer application items, as well as electronic and telecommunications materials.
- b) The provision of telecommunication products and services, subject to the limitations of L.2246/94, as is currently in effect; the development, installation, operation, management, and exploitation of all types of mobile and fixed communications, Internet services, such as electronic mail services, interactive communication (IRC), file transfer (FTR), access to shared databases.
- c) The broadcast on radio and/or television frequencies, cable or digital TV, with the participation or even the establishment of legal or other entities.
- d) The undertaking of activities related to telecommunications, including system designs, as well as the development, production, use, sale, renting, renting out, financial leasing and maintenance, acquisition of ownership rights or rights of use or exploitation of telecommunications equipment.
- e) The acquisition of ownership, use or exploitation rights, of telecommunications equipment and means for the provision of telecommunications services; the installation, operation, exploitation and other related acts with respect to all types of fixed or mobile telecommunications systems,

even future ones.

f) Research and development in new technologies, patents, designs and models, with regard to new or future Internet network services, and especially online catalogue services, product advertisement and promotion through the Internet,

g) Development and provision of new advanced services, especially for interactive services, and specifically for interactive Video, and personal multimedia services.

h) The purchase, storage, manufacturing, packing, Bar Coding, labeling and distribution of Merchandise and Products.

i) The planning and development of software especially for commercial and financial applications that will assist the retail sales chain of stores, Customer Relationship Management (CRM) applications and applications for retail systems in general.

j) The establishment and exploitation of foreign and domestic retail stores for sale of all types of accumulators (batteries), electrical and electronic devices, mobile and wireless telephony devices and accessories, computer systems, entertainment software products, videogames as well as related technology products, digital photography, Internet and generally products traded by the Company and also for the rendering of services related, similar or for the facilitation of promoting the aforementioned items sold (i.e. service for sold items, telephone rentals or rendering of relating services).

k) Representation of domestic and foreign houses, producing and trading the aforementioned items, and the provision of services related to the design, application, and use of the directly above products.

1.3 Object of activities

Up to September 2006 the Group operated in three sectors: **Chain of Stores, Distribution Network of Consumer Products and Energy**. Following the sale of a sector and the sale of subsidiaries, the GERMANOS Group now operates in two basic activity sectors: **Chain of Stores** and the **Distribution Network of Consumer Products**. The secondary activity sector is the company **E-VALUE S.A.** Specifically:

GERMANOS Chain of Stores

Germanos Chain of Stores signals the initiation of our business activity in the Greek market. Its success is reflected in the 645 stores developed with the sense of responsibility for the promotion of Greek business activity within and beyond our borders. With presence in 4 European countries

(Greece, Romania, Bulgaria, and Former Yugoslavic Republic of Macedonia), the Company covers a market range that exceeds 40 million Consumers. Based on the “one stop shop” philosophy, its main objective is to connect the every-day individual with technology. The network’s pan-Hellenic coverage, in connection with its apt communication strategy, has offered large recognition to the Germanos name in the telecommunication product and services sector. The dynamic growth of the network has greatly been enhanced by the exploitation of the franchising system.

The object of the contracts is to give the franchisee of the retail sale of products and services of GERMANOS S.A., the right to use the distinctive title and trademark and as well as technical expertise of the Company. Based on these contracts, **the company** undertakes the initial and regular training of the franchisees, shaping of commercial policy, advertising support, and the layout of the store. The franchisees undertake the establishment, initial organization, as well as the administration and operation of the GERMANOS store based on requirements laid out by the Company. Regular training in new products and services is an intrinsic element of the advertisement of our products and services.

At the same time, the Telecommunication Services sector continuously supports the Group’s Sales Networks, in order to provide high quality services and products to consumers, whereas through the special department of Corporate Telecommunication Consultants, it provides all businesses with consulting services as well as integrated advanced technology solutions, in order to achieve their goals. Specifically, the Telecommunication Services sector reinforces the Group’s activities in fields, such as: Mobile Telephony, Fixed Telephony, Internet

Consumer Product Distribution Network (Wholesale Trade)

The consumer product distribution Division commenced operations in 1984, by undertaking the then exclusive representation of TOSHIBA cylinder batteries in Greece. In its twenty-year consistent path, the network advanced to a strong force in the distribution sector and today constitutes one of the most important consumer product distribution Networks in Greece, with a market share that exceeds 30%.

With 30 specialized executives equipped with 16 merchandisers and 8 exclusive representatives, the Consumer Product distribution network of the GERMANOS Group visits over 3,400 customers on a monthly basis (Super Markets – Groups – Department Stores – Associations – Petrol Stations

– Toy Stores – Cash & Carry – Photo Shops).

Through this organization, it achieves the placement of the products it distributes in over 30,000 final sale points, whilst retaining very high market shares.

Taking advantage, in the most efficient way, of the large synergies it achieves as a division of the GERMANOS Group (logistics, spaces, supplies, IT, expansion abroad etc.), the Network foresees the future with optimism and expects further development, both in products and in clientele.

E-VALUE S.A.

The company E-VALUE S.A., a member of the GERMANOS Group, active from September 1999, in the field of Call Center and Customer Relationship Management (CRM) services, aims at the effective management of its collaborator's customer relations.

With the capacity to employ 1,200 specialized agents, 365 days a year, and on a 24-hour basis, eValue offers integrated call center services with complete success, as regards to incoming – outgoing calls, data collection and back office. Having its customers as its basic axis, eValue is not only a reliable contact center, but also an invaluable corporate partner, that plans, undertakes and handles accurately the services that its customers really need.

2. Basis for preparation of financial statements

The consolidated financial statements of **Germanos S.A.** as of December 31st 2006 (the date of transition is January 1st, 2004) covering the entire 2006 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

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

3. Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies systematically are consistent with those applied in the previous period except for the following cases:

3.1 New accounting principles and interpretations of IFRIC in effect from 2006, which relate to the Group's activities

- **IAS 19 (amendment) – Employee benefits (mandatory application from 1/1/2006)**

The amendment introduces an alternative option for the recognition of actuarial profit and losses. The Group does not intend to change the followed accounting policy as regards to the recognition of actuarial profit and losses and thus its financial statements are not expected to be affected.

- **Amendment of IAS 21 – changes in foreign exchange rates (mandatory application from 1/1/2006)**

The amendment clarifies that the monetary items between any Group subsidiary and a foreign economic unit may be considered as part of the Group's investment in this economic unit. The foreign exchange differences that emerge are transferred to the net position during the consolidation if the settlement of the monetary item is not expected to take place in the foreseeable future. The amendment is not expected to affect the Group's financial statements as there are no monetary items, which are expected to settle in the foreseeable future.

- **IAS 39 (Amendment), The fair value option**

This amendment limits the classification of financial instruments as financial instruments valued at fair value through the results. The Group is not expected to be affected by the adoption of the amendment as all the financial instruments classified as valued at fair value through the results are held for trade purposes.

- **IFRIC 4. Determining whether a receivable includes a lease**

This interpretation sets the criteria in order to assess whether a lease is included in an agreement that does not have the legal form of a lease. Each agreement that gives the right to use a specific asset in exchange for payments will be considered as a lease.

The implementation of IFRIC 4 is not expected to change the accounting of any of the Group's existing contracts.

- **IFRIC 10, Interim financial statements and impairment**

This interpretation states that the specific requirements of IAS 36 (regarding goodwill) and IAS 39 (regarding financial assets available for sale) precede general requirements of IAS 34 and thus impairment losses that are recognized for such items in the interim period cannot be reversed in subsequent periods. The Group was not affected by the adoption of the interpretation as it has not gone forward with reversing impairment losses.

- **IFRIC 8, Scope of IFRS 2**

This interpretation requires the implementation of IFRS 2 during the treatment of all transactions relating to issuing participating titles, where the recognizable price collected is less than the fair value of participating titles issued. The Group was not affected by the adoption of the interpretation.

- **IAS 39 and IFRS 4 (amendment), Financial guarantee contracts**

Financial guarantee contracts are presented by the issuer as financial instruments. Their initial recognition takes place at fair values the day the guarantee was provided and their subsequent calculation is made at the higher value between, (a) the initial value minus calculated depreciations, in order to recognize the income from commissions that is accrued during the contract (IAS 18) with the straight line method and (b) the best possible estimation of the required expense for the settlement of a possible financial liability during the Balance Sheet date (IAS 37). If the issuer considers that such contracts constitute insurance contracts, then he must choose whether to apply IAS 39 "Financial instruments: recognition and measurement" or IFRS 4 "Insurance contracts".

3.2 Standards, amendments and interpretations with mandatory application from 2006 that are not related to the Group's activities

- IAS 39 (Amendment), Hedging of cash flows to expected intra-company transactions
- IFRS 1 (Amendment), First adoption of IFRS
- IFRS 6 Exploration and evaluation of mineral resources
- IFRS 6 (Amendment), Exploration and evaluation of mineral resources

- IFRIC 5 Rights from investment in decommissioning, restoration and environmental rehabilitation funds.
- IFRIC 6 Liabilities arising from activities in specific sectors – management of electrical and electronic waste.
- IFRIC 7 Implementation of restatement method in hyper inflationary economies.
- IFRIC 9 Re-evaluation of embedded derivatives

3.3 Standards, amendments and interpretations in existing standards with a subsequent implementation date (for which the group has not gone forward with optional implementation).

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations, which are not mandatory for the accounting periods beginning on January 1st 2006.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

- IAS 1 (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

-IFRS 7, Disclosures of Financial Instruments

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 from 1/1/2007.

-IFRS 8. Operating Sectors

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

IFRIC 11 IFRS 2- Transactions in participating titles of the same company of companies of the same group

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the Group's financial statements.

IFRIC 12 Service Concession Agreements

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.

3.4 Important accounting decisions, estimations and assumptions

The compilation of financial statements according to IFRS requires the management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, income and expenses. The actual results may differ due to such estimations. Estimations are continuously enhanced and are based on historical data and other factors, such as expectations for future events expected to realize under current conditions.

3.4.1 Accounting decisions

During the implementation procedure for accounting policies, decisions are made by the management, which relate to the following:

- Classification of investments
- Recoverability of receivables accounts
- Impairment of inventories

- Classification of a lease as operating or financial.

3.4.2 Assumptions and estimations

The presentation of the value of specific assets and liabilities in the financial statements requires the use of estimations that are based on assumptions relating to the values and conditions not known with certainty during the compilation date of the financial statements. The Group continuously evaluates the estimations it makes based on historical data, the research of specialized consultants, the trends and methods considered appropriate for the estimation of specific conditions as well as estimations regarding how the assumptions made may change in the future.

Assumptions and estimations are required for the presentation of:

- Possible reductions in goodwill
- Provisions for future payable income tax and deferred taxes.
- The fair value of derivatives and other financial instruments
- Provisions amounts
- Contingent receivables and liabilities

3.5 Segment reporting

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

Geographically, the Group is active in Greece, the Eurozone and Other Countries. Specifically until September 2006 the Group operated in 10 countries, Greece, Poland, Romania, Bulgaria, FYROM, Ukraine, Cyprus, Uzbekistan, Germany and Serbia. From October 2006 and following the sale of foreign subsidiaries, the Group now operates in 4 countries, Greece, Romania, Bulgaria and FYROM.

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

Until September 2006, the Group's business was active in the segments of Retail Trade, Energy and Wholesale Trade. Following the sale of foreign subsidiaries and sectors, from October 2006 the Group's business is active in the segments of Retail and Wholesale Trade.

3.6 Consolidation

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

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values

regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is directly booked to the results.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

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

As regards to the acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases.

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

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

3.7 Group Structure

The Group's companies included in the consolidated financial statements are the following:

COMPANY NAME	Suspended Activities	COUNTRY-DOMI	PARTICIPATION PERCENTAGE	RELATION TO PARENT	TAX UN-AUDITED FISCAL YEARS
Full consolidation method					
GERMANOS S.A.		GREECE	Parent	Parent	2004-2006
E-VALUE S.A.		GREECE	70.00%	Direct	2003-2006
SUNLIGHT SYSTEMS S.A.	consolidation of results from 1.1.2006 until 29.9.2006	GREECE	100.00%	Direct	2003-2006
GERMANOS TELECOM SKOPJE SA		FYROM	100.00%	Direct	2003-2006
GERMANOS TELECOM ROMANIA SA		ROMANIA	100.00%	Direct	2003-2006
SUNLIGHT ROMANIA S.L.R/FILIALA (Subsidiary of GERMANOS TELECOM ROMANIA S.A.)		ROMANIA	100.00%	Indirect	2001-2006
GERMANOS TELECOM BULGARIA AD		BULGARIA	100.00%	Direct	2005-2006
SUNLIGHT UKRAINE	consolidation of results from 1.1.2006 until 28.9.2006	UKRAINE	99.77%	Direct	2001-2006
GERMANOS TELECOM UKRAINE CJSC	consolidation of results from 1.1.2006 until 28.9.2006	UKRAINE	95.00%	Direct	2004-2006
GERMANOS POLSKA Sp.Zo.o	consolidation of results from 1.1.2006 until 27.9.2006	POLAND	100.00%	Direct	2001-2006
GTI POLSKA Sp.Zo.o	consolidation of results from 1.1.2006 until 27.9.2006	POLAND	100.00%	Direct	2004-2006
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	consolidation of results from 1.1.2006 until 27.9.2006	POLAND	100.00%	Indirect	2002-2006
GERMANOS CYPRUS L.T.D.	consolidation of results from 1.1.2006 until 27.9.2006	CYPRUS	94.69%	Direct	1999-2006
INFOTEL L.T.D.(Subsidiary of GERMANOS CYPRUS L.T.D.)		CYPRUS	46.40%	Indirect	2000-2006
SUNLIGHT TRADING D.O.O. BEOGRAD	consolidation of results from 1.1.2006 until 28.9.2006	SERBIA	100.00%	Direct	2005-2006
SUNLIGHT BATTERIES GMBH	consolidation of results from 1.1.2006 until 27.9.2006	GERMANY	100.00%	Direct	2005-2006
G. MAVROMICHALIS AND BROS. L.T.D.		GREECE	99.00%	Direct	2006
Equity consolidation method					
HELLENIC DUTY FREE SHOPS S.A.	consolidation of results from 1.1.2006 until 5.5.2006	GREECE	24.67%	Direct	2005-2006
SILKWAY HOLDING B.V.	consolidation of results from 1.1.2006 until 9.2.2006	NETHERLANDS	20.00%	Direct	2004-2006
UNITEL L.L.C. (Subsidiary of SILKWAY HOLDING B.V.)	consolidation of results from 1.1.2006 until 9.2.2006	UZBEKISTAN	20.00%	Indirect	2005-2006

1) On 29/09/2006 the decision No. 7979/29.09.2006 of the East Attica Self-Government Prefecture was registered in the Societe Anonyme Registry. This decision approved the separation of the sector of production, trade, imports, exports, wholesale & retail sale & assembly of any accumulator (battery) type, defense industry systems, autonomous energy systems & production of cables & telecommunication materials of GERMANOS SA, together with the related and pertinent with the above asset and liability items (including the participations of GERMANOS S.A. in the companies ADVENT S.A. and A.F.I.S. S.A.), and its offering to the company with the name "SUNLIGHT SYSTEMS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF DEFENSE, ENERGY, ELECTRONIC AND TELECOMMUNICATION SYSTEMS", with the distinctive title "SUNLIGHT SYSTEMS S.A." and with registered offices in Agios Stefanos Attica was completed on 29/09/2006.

2) During the third quarter of 2006 the sales of the following companies and activity sectors took place, the approval for which was received by means of the relevant decision by the 1st Repeated General Shareholders' Meeting of GERMANOS SA on 11/07/2006.

COMPANY NAME	PRIMARY ACTIVITY SECTOR OF PARTICIPATION
Sunlight Systems SA (Greek Industrial sector)	GREECE
ROMANIAN INDUSTRIAL SECTOR	ROMANIA
BULGARIAN INDUSTRIAL SECTOR	BULGARIA
SUNLIGHT UKRAINE	UKRAINE
GERMANOS TELECOM UKRAINE CJSC	UKRAINE
GERMANOS POLSKA Sp.Zo.o	POLAND
GTI POLSKA Sp.Zo.o	POLAND
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND
GERMANOS CYPRUS L.T.D.	CYPRUS
INFOTEL L.T.D.(Subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS
SUNLIGHT TRADING D.O.O. BEOGRAD	SERBIA
SUNLIGHT BATTERIES GMBH	GERMANY

The price for the aforementioned companies and activity sectors (Greece and abroad), as well as for the participations in the companies LASE S.A. and EKONOMETRIKA L.T.D., amounted to approximately 121 mil. € and was collected on 4/10/2006.

3) During the present period and specifically on 9/2/2006, the Company GERMANOS S.A. sold its total participation in the Company SILKWAY HOLDING B.V., to the buyer Company Vimpel-Communications, for a total price of \$40 million.

Furthermore, the Company GERMANOS S.A. implementing the Board of Directors decision dated May 5th 2006, transferred on the same date a total of twelve million nine hundred and ninety nine thousand shares (12,999,000), of the Company «HELLENIC DUTY FREE SHOPS S.A.», which constituted its total participation in the share capital of the latter Company, namely a stake of 24.67% in its share capital. The transfer took place in the context of the company's concentration in its basic activities.

The aforementioned companies were consolidated with the equity consolidation method up until the date of their sale.

4) On October 17th 2006, GERMANOS SA acquired the total ownership of its subsidiaries shares (GERMANOS TELECOM ROMANIA SA), by purchasing 54,916 shares from Mr. P. Germanos at a total price of €10,000, which represented 1.44% of its share capital.

5) In October 2006, GERMANOS SA acquired the total ownership of its subsidiaries shares (GERMANOS TELECOM SKOPJE AD), by purchasing 5,000 shares with a nominal value of €1, from Mr. P. Germanos at a total price of €5,000, which represented 1% of its share capital.

3.8 Foreign currency conversion

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

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

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

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

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

3.9 Tangible assets

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

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

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

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

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

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

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

3.10 Intangible assets

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

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

After the initial recognition, the goodwill is valued at cost less the accumulated losses from the decrease in its cost. The goodwill is not depreciated, but is reviewed on an annual basis for possible decrease in its value, if there are events that indicate such a loss according to IAS 36.

In the case where the acquisition cost is less than the company's participation in the acquired company's equity, then the former recalculates the acquisition cost, values the assets, liabilities and contingent liabilities of the acquired company and directly recognizes in the results (as a profit), any difference that persists after the recalculation.

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

In case the resulting goodwill is negative, then a re-evaluation of the subsidiary's equity takes place and if the goodwill continues to be negative, then such is booked as income in the results.

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

3.11 Impairment of assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or Cash Flow Generating Unit) is greater than its recoverable amount.

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

3.12 Financial instruments

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

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

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

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement with the condition that the criteria set by amendment of IAS 39 "Fair Value Option" is met.

ii) Loans and receivables

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

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

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

iii) Investments held to maturity

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

The Group did not hold investments of this category.

iv) Financial assets available for sale

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

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

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

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

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

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

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

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

3.13 Inventories

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

3.14 Trade receivables

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

present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate. The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.15 Cash & cash equivalents

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

3.16 Non-current assets classified as available for sale

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

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

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

3.17 Share capital

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

During the acquisition of own-shares, the cost incurred, including the relevant expenses, is booked by charging the equity (reserve above par).

3.18 Income tax & deferred tax

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

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

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

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

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

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

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

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

3.19 Employee benefits

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

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

- **Defined contribution scheme**

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

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

- **Defined benefits scheme**

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

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

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

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

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

Benefits based on participating titles

Such concern stock options towards staff and executives. The recognition of both goods or services acquired and of the increase of equity, must be applied directly by the company at their fair value. If the company cannot reliably value the fair value of goods or services, then their

valuation and that of the equity increase, will take place indirectly with a relevant referral to the fair value of participating titles granted. At each balance sheet date, the Group re-examines its evaluations on the number of options expected to be exercised and recognized the possible existing adjustment in the results with the respective affect on equity. During the exercising of the rights, the amounts received, apart from the transaction costs, are booked in the share capital (nominal value) and in a special reserve.

3.20 Grants

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

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

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

3.21 Provisions

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

3.22 Recognition of income and expenses

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

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

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

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

3.23 Leases

Group Company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present

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

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

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

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

3.24 Construction contracts

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

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

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

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

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero. When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized during the contract's duration, respectively as income and expense. The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period. The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

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

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

3.25 Dividend distribution

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

4. Business Risk Management

Today the management of business risks is of vital importance for a company irrespectively of its activity and size. Business risk and its proper management constitute important factors that affect the company's cash flows and financial flows as well as its successful development. In order to promptly identify, and precisely evaluate risks, we apply a business risk management system, which gives the managers of all sectors the ability to minimize the risk when implementing their business projects.

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

Financial Risk Factors

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

Foreign Exchange Risk

The Germanos Group has limited its exposure to foreign exchange rate fluctuations despite its broad activities in countries outside the European Union. Transactions mainly take place in euro (with constructors, traders and operators) and in the cases when such must take place in an alternative currency (local currency), we implement natural hedging of foreign exchange risk, i.e. borrowing in local currency, thus neutralizing the exposure to such.

It is also worth noting that in all countries the Group operates in, the base currency is the EURO and the only foreign exchange effects not hedged are those effects from the conversion of balance sheet items that do not affect cash flows.

We would like to emphasize that following the sale of part of our foreign subsidiaries in September 2006, our exposure to foreign exchange risk has significantly been reduced.

Interest Rate Risk

In order to apply a preventive policy against interest rates, the Finance Division evaluates the relevant trends on a constant basis. Decisions for the use of derivative products are made occasionally, according to the need for covering the exposure to changes in interest rates. Such coverage is evaluated towards the company's long-term bank liabilities and not for the short-term loans, which because of their short-term character are based on floating interest rates.

We would like to note that following the full re-payment of our long-term loans in May 2006, our exposure to interest rate risk has currently been eliminated.

Credit Risk

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

Liquidity Risk

The positive working capital and the adequate credit lines essentially write off the Group's liquidity risk. Taking however into account the seasonality that characterizes the Group's activities, there are periods of limited liquidity for some months during the year. It is customary for such periods to be connected with increased purchases the company conducts to cover expected demand in periods with quite increased development, (i.e. Christmas period, Easter and

beginning of summer). At the same time, due to positive cash flows and the ability to borrow with favorable terms, the company chooses to take advantage of discounts provided by large suppliers for direct payments (cash discounts) throughout the year. In the above two cases (seasonality and cash discounts) possible financing needs are covered by the approved borrowing lines from the cooperating banks.

We would like to note that following the full re-payment of our long-term loans in May 2006, and the significant cash inflow from the sale of part of our Group's activities in September 2006, our exposure to liquidity risk has currently been eliminated even in the case of no credit lines.

5. Financial information by sector

Primary information sector – Geographic Segments

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

The Group was active in seven geographic segments until September 2006. Following the sale of its suspended activities, the Group is now active in four geographic segments.

The results for each segment for the fiscal year **2006** were the following:

1/1 - 31/12/2006	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	740,499,392		117,344,699	58,198,242	13,533,629				929,575,962
Internal sales	(12,591,991)		(8,673,107)	(261,429)					(21,526,527)
Net sales	727,907,401	0	108,671,592	57,936,813	13,533,629	0	0	0	908,049,435
Operating Profit	61,877,875		(1,211,678)	3,851,542	76,267				64,594,005
Financial Results	125,111,361		(1,176,677)	(99,341)	(180,630)				123,654,713
Depreciations	(8,164,860)		(1,370,461)	(595,964)	(146,058)				(10,277,342)
Share in associate companies' results								2,210,409	2,210,409
Profit from acquisition of company								133,797	133,797
Earnings before taxes from ongoing activities	178,824,376	0	(3,758,816)	3,156,237	(250,421)	0	0	2,344,206	180,315,582
Income tax	(18,228,673)		282,256	(615,120)	101,163				(18,460,374)
Net earnings from ongoing activities	160,595,703	0	(3,476,560)	2,541,117	(149,258)	0	0	2,344,206	161,855,207
Net result from suspended activities	(71,850,127)	45,229,762	540,100	775,194		1,219,784	(3,168,695)	7,637	(27,246,345)
Net results for the period after taxes	88,745,576	45,229,762	(2,936,460)	3,316,311	(149,258)	1,219,784	(3,168,695)	2,351,843	134,608,863

The results for each segment for the fiscal year **2005** were the following:

1/1 - 31/12/2005	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
Total gross sales per segment	697,456,614		95,204,619	52,724,146	11,557,131				856,942,510
Internal sales	(13,148,559)		(4,573,191)	(76,750)					(17,798,500)
Net sales	684,308,055	0	90,631,428	52,647,396	11,557,131	0	0	0	839,144,010
Operating Profit	71,856,790		6,738,667	4,002,332	412,499				83,010,288
Financial Results	(1,135,688)		(670,832)	(2,435,962)	(158,135)				(4,400,616)
Depreciations	(8,205,677)		(1,374,452)	(322,783)	(136,056)				(10,038,968)
Share in associate companies' results								13,237,131	13,237,131
Profit from acquisition of company								271,944	271,944
Earnings before taxes from ongoing activities	62,515,425	0	4,693,384	1,243,587	118,308	0	0	13,509,075	82,079,778
Income tax	(14,373,253)		(327,910)	(603,778)	(12,786)				(15,317,727)
Net earnings from ongoing activities	48,142,172	0	4,365,474	639,809	105,522	0	0	13,509,075	66,762,051
Net result from suspended activities	(3,924,204)	1,514,118	168,105	145,765		(1,640,494)	(58,269)	(9,338)	(3,804,317)
Net results for the period after taxes	44,217,968	1,514,118	4,533,579	785,574	105,522	(1,640,494)	(58,269)	13,499,737	62,957,734

It is noted that the 2005 results were readjusted in order to include only the result of ongoing activities.

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

31/12/2006	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
<i>Consolidated Assets</i>	545,062,606	0	38,279,885	19,237,102	4,326,754	0	0	0	606,906,347
<i>Consolidated Liabilities</i>	92,332,415	0	44,638,435	12,146,910	4,308,323	0	0	0	153,426,083

31/12/2005	GREECE	POLAND	ROMANIA	BULGARIA	FYROM	UKRAINE	CYPRUS	Other	Total
<i>Consolidated Assets</i>	551,179,354	33,802,791	39,914,562	20,338,081	3,108,127	9,007,125	10,012,640	5,108,455	672,471,135
<i>Consolidated Liabilities</i>	249,300,295	23,355,707	39,763,395	11,136,792	2,153,019	7,404,069	7,823,327	205,053	341,141,656

It is noted that the information for 2005 also include geographic segments that were suspended in September 2006.

Secondary information sector – Business Segments

Until September 2006 the group operated in three business segments, Retail Trade, Wholesale Trade and Energy. Following the sale of sectors and subsidiaries, the group now operates in 2 sectors, Retail (GERMANOS Stores Network) and Wholesale trade (Distribution of Consumer Products Network).

The Group's sales from ongoing activities per Business segment and item are analyzed as follows:

amounts in thousand €	1/1 - 31/12/2006	1/1 - 31/12/2005	% CHANGE
Mobile and Fixed Line Telephony	436.7	420.3	3.9%
Air Time Postpaid	65.3	59.8	9.2%
Air Time Prepaid	11.3	11	2.7%
Air Time Fixed Line	0.6	2.1	-71.4%
Total Air Time	77.2	72.9	5.9%
Connection Fees Postpaid	154.9	148	4.7%
Connection Fees Prepaid	64.1	61.6	4.1%
Total Connection Fees	219	209.6	4.5%
Target Bonus Postpaid	16.9	24.2	-30.2%
Target Bonus Prepaid	5.8	9	-35.6%
Total Target Bonus	22.7	33.2	-31.6%
Handset Revenues	99.2	85.7	15.8%
Mobile telephony Accessories	14.9	15.8	-5.7%
Service	3.7	3.1	19.4%
Products	96	86.6	10.9%
Electronic Goods - Internet	89.7	79.6	12.7%
Retail Batteries	6.3	7	-10.0%
TOTAL RETAIL SALES	532.7	506.9	5.1%
Batteries Wholesale	13.3	12.3	8.1%
Prepaid cards Wholesale	353.2	312.7	13.0%
TOTAL SALES OF DISTRIBUTION NETWORK	366.5	325	12.8%
TOTAL SALES CORE	899.2	831.9	8.1%
E-Value S.A.	8.8	7.2	22.2%
TOTAL CONSOLIDATED SALES	908	839.1	8.2%

6. Notes on the Financial Statements

6.1 Tangible assets

Tangible assets (plots, buildings, machinery, other equipment) are presented at their acquisition cost minus accumulated depreciations and possible impairment.

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

GROUP					
	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	92,776,822	76,052,268	46,451,843	4,438,524	219,719,457
Accumulated depreciation and value impairment	(6,858,218)	(29,853,372)	(19,100,326)	-	(55,811,916)
Book value as at January 1st 2005	85,918,604	46,198,896	27,351,517	4,438,524	163,907,541
Gross Book value	102,063,826	83,321,889	49,217,539	4,009,321	238,612,575
Accumulated depreciation and value impairment	(9,848,440)	(37,093,970)	(23,082,862)	(46,893)	(70,072,165)
Book value as at December 31st 2005	92,215,386	46,227,919	26,134,677	3,962,428	168,540,410
Gross Book value	103,238,421	86,095,527	54,463,704	9,451,099	253,248,751
Accumulated depreciation and value impairment	(51,213,638)	(82,179,042)	(33,636,590)	(165,271)	(167,194,541)
Book value as at December 31st 2006	52,024,783	3,916,485	20,827,114	9,285,828	86,054,211

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2005	85,918,604	46,198,896	27,351,517	4,438,524	163,907,541
Additions	5,847,090	7,797,078	8,599,249	673,334	22,916,751
Sales - Reductions	(503,949)	(586,176)	(3,707,854)	(1,144,383)	(5,942,363)
Depreciations	(2,990,222)	(7,181,878)	(6,108,236)	(5,046)	(16,285,383)
Transfers	3,779,615	0	0	0	3,779,615
Prepayments	164,248	-	-	-	164,248
Book value as at December 31st 2005	92,215,387	46,227,919	26,134,677	3,962,428	168,540,411
Additions from acquisition / consolidation of subsidiaries	0	0	0	0	0
Additions	1,578,943-	3,474,855-	7,544,909-	12,657,744-	25,256,451-
Sales - Reductions	(404,349-)	(701,217-)	(2,298,744-)	(7,215,966-)	(10,620,276-)
Depreciations	(2,631,368-)	(4,525,469-)	(6,046,460-)	-	(13,203,297-)
Reductions from separation of Industrial Sector	(38,733,830-)	(40,559,603-)	(4,507,268-)	(118,378-)	(83,919,079-)
Transfers of depreciations	-	-	-	-	-
Prepayments	0	0	0	0	0
Book value as at December 31st 2006	52,024,783	3,916,486	20,827,115	9,285,827	86,054,211

	COMPANY				Total
	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	
Gross Book value	85,029,365	72,460,032	32,164,382	4,036,314	193,690,093
Accumulated depreciation and value impairment	(5,214,168)	(28,404,469)	(13,293,796)	-	(46,912,432)
Book value as at January 1st 2005	79,815,198	44,055,563	18,870,586	4,036,314	146,777,661
Gross Book value	92,453,613	77,154,617	34,712,899	2,544,812	206,865,941
Accumulated depreciation and value impairment	(7,278,766)	(35,022,584)	(17,183,119)	0	(59,484,469)
Book value as at December 31st 2005	85,174,847	42,132,033	17,529,780	2,544,812	147,381,472
Gross Book value	50,393,408.92	1,463,840.29	33,588,793.94	7,401,762.86	92,847,806
Accumulated depreciation and value impairment	(5,095,971)	(650,704)	(20,343,498)	0	(26,090,173)
Book value as at December 31st 2006	45,297,439	813,137	13,245,296	7,401,763	66,757,633

	Plots & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2005	79,815,198	44,055,563	18,870,586	4,036,314	146,777,661
Additions	3387933.51	4994285.10	3799661.42	2544811.92	14,726,692
Sales - Reductions	-	(6,215-)	(1,178,190-)	-	(1,184,405)
Depreciations	(2,064,598)	(6,618,115)	(4,815,568)	0	(13,498,282)
Transfers	4,036,314	(293,486)	853,291	(4,036,314)	559,805-
Prepayments	0	0	0	0	-
Book value as at December 31st 2005	85,174,848	42,132,033	17,529,780	2,544,812	147,381,472
Additions from acquisition / consolidation of subsidiaries	0.00	0	0	0.00	0
Additions	963,373.05	1,927,778	4,329,496	8,275,836.84	15,496,484
Sales - Reductions	(404,348.84)	(25,554)	(2,054,732)	(3,418,885.90)	(5,903,521)
Depreciations	(1,941,929.22)	(4,229,247)	(4,267,492)	0.00	(10,438,668)
Reductions from separation of Industrial Sector	(42,619,228.22)	(77,593,001)	(3,398,869)	0.00	(123,611,098)
Transfers of depreciations	4,124,724.44	38,601,127	1,107,112	0.00	43,832,964
Prepayments	0.00	0	0	0.00	0
Transferred depreciations from acquisition of subsidiaries	0.00	0	0	0.00	0
Book value as at December 31st 2006	45,297,439	813,136	13,245,296	7,401,763	66,757,634

6.2 Company goodwill

The company goodwill is presented at book value minus the amounts of possible impairment and is analyzed as follows:

Group Goodwill	
Gross Book Value	10,252,128
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2005	10,252,128
Gross Book Value	16,500,093
Accumulated loss from impairment of value	0
Book Value as at December 31st 2005	16,500,093
Sale of subsidiaries and sectors	16,147,225
Gross Book Value	352,868
Accumulated loss from impairment of value	-352,868
Book Value as at December 31st 2006	0

Company Goodwill	
Gross Book Value	0
Accumulated depreciation and decrease of value	0
Book Value as at January 1st 2005	0
Gross Book Value	626,920
Accumulated loss from impairment of value	0
Book Value as at December 31st 2005	626,920
Gross Book Value	626,920
Accumulated loss from impairment of value	-626,920
Book Value as at December 31st 2006	0

The allocation of goodwill is as follows:

	Group Recognized Goodwill		Company Recognized Goodwill	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
GTI POLSKA SP ZOO	0	10,252,128	0	0
P. Germanos SA	0	352,868	0	626,920
GTI UKRAINE	0	551,056	0	0
Germanos Cyprus	0	5,344,040	0	0
TOTAL	0	16,500,093	0	626,920

The Group evaluates the goodwill on an annual basis for possible impairment. During 2006, the Group wrote-off the goodwill from P Germanos SA through the results. The remaining reductions of goodwill are due to the sale of subsidiaries such as related to.

6.3 Intangible assets

The largest part of intangible assets refers to IT systems (Warehouse Management, ERP-SAP, CRM and Retail Systems etc.) on which the Group has carried out significant investments.

The intangible assets as at 31/12/2006 are analyzed as follows:

GROUP				
	Licenses / Trademarks	Software	Other intangible assets	Total
Gross Book value	3,628,933	6,912,704	27,550	10,569,187
Accumulated depreciation and value impairment	(1,037,744)	(1,327,514)	(8,676)	(2,373,934)
Book value as at January 1st 2005	2,591,189	5,585,190	18,874	8,195,253
Gross Book value	6,617,115	14,501,324	8,275,137	29,393,576
Accumulated depreciation and value impairment	(1,830,426)	(7,342,887)	(888,446)	(10,061,759)
Book value as at December 31st 2005	4,786,689	7,158,437	7,386,691	19,331,817
Gross Book value	8,799,307	15,777,261	4,650,383	29,226,951
Accumulated depreciation and value impairment	(2,370,128)	(8,741,700)	(1,376,670)	(12,488,499)
Book value as at December 31st 2006	6,429,179	7,035,561	3,273,712	16,738,452

	Licenses / Trademarks	Software	Other intangible assets	Total
Book value as at January 1st 2005	2,591,189	5,585,190	18,874	8,195,253
Additions	2,107,301	8,138,956	9,029,118	19,275,374
Sales - Reductions	(247,024)	0	0	(247,024)
Depreciations	(792,682)	(6,015,373)	(879,770)	(7,687,825)
Transfers	1,127,905	(550,335)	(781,531)	(203,961)
Book value as at December 31st 2005	4,786,689	7,158,437	7,386,691	19,331,817
Additions from acquisition of subsidiaries	-	0	0	0
Additions	2,184,073	2,102,276	1,743,618	6,029,967
Sales - Reductions	(501-)	(138,409-)	(1,504,711-)	(1,643,621)
Depreciations	(539,702)	(1,398,813)	(488,224)	(2,426,740)
Reductions from separation of Industrial Sector	(1,380)	(687,930)	(3,863,661)	(4,552,971)
Transfers of depreciations	-	-	-	0
Book value as at December 31st 2006	6,429,179	7,035,561	3,273,712	16,738,452

COMPANY

	Licenses / Trademarks	Software	Other intangible assets	Total
Gross Book value	206,515	4,001,457		4,207,972
Accumulated depreciation and value impairment	(183,957)	(745,514)	-	(929,471)
Book value as at January 1st 2005	22,558	3,255,943	-	3,278,501
Gross Book value	1,472,005	12,612,764	2,020,043	16,104,811
Accumulated depreciation and value impairment	(705,483)	(6,173,362)	(154,886)	(7,033,731)
Book value as at December 31st 2005	766,522	6,439,402	1,865,156-	9,071,080
Gross Book value	1,718,969	14,548,389	(0)	16,267,359
Accumulated depreciation and value impairment	(960,231)	(7,544,232)	(0)	(8,504,464)
Book value as at December 31st 2006	758,738	7,004,157	(0)	7,762,895

	Licenses / Trademarks	Software	Other intangible assets	Total
Book value as at January 1st 2005	22,558	3,255,943	0	3,278,501
Additions	1,416,144	9,776,458	2,020,043	13,212,645
Sales - Reductions	(150,654)	-	-	(150,654-)
Depreciations	(521,526)	(5,427,848)	(154,886)	(6,104,260)
Transfers	-	(1,165,151-)	-	(1,165,151)
Book value as at December 31st 2005	766,522	5,889,066	1,865,156-	9,071,080
Additions from acquisition of subsidiaries	0	0	0	-
Additions	246,964	2,073,591	1,743,618	4,064,173-
Sales - Reductions	0	(137,965)	0	(137,965-)
Depreciations	(254,748)	(1,375,849)	(370,484)	(2,001,082-)
Reductions from separation of Industrial Sector	0	0	(3,763,661)	(3,763,661-)
Transfers	0	4,978	525,371	530,349-
Transfers of depreciations from acquisition of subsidiaries	-	-	-	-
Book value as at December 31st 2006	758,738	6,453,822	(0)	7,762,895

6.4 Investments in affiliate companies

During the present period and specifically on 9/2/2006, the Company GERMANOS S.A. sold its total participation in the Company SILKWAY HOLDING B.V., to the buyer Company Vimpel-Communications, for a total price of \$40 million.

Furthermore, the Company GERMANOS S.A. implementing the Board of Directors decision dated May 5th 2006, transferred on the same date a total of twelve million nine hundred and ninety nine thousand shares (12,999,000), of the Company «HELLENIC DUTY FREE SHOPS S.A.», which constituted its total participation in the share capital of the latter Company, namely a stake of 24.67% in its share capital. The transfer took place in the context of the company's concentration in its basic activities. The aforementioned companies were consolidated with the equity method, up to the date of their sale.

	GROUP	
	31/12/2006	31/12/2005
Beginning of period	105,001,146	87,213,116
Reclassification of Associate		12,566,600
Proportion of changes in equity	(1,083,600)	1,083,600
Share of profit / loss (after taxation and minority interest)	2,210,409	13,237,131
Sale of associate	(106,127,955)	
Reversal of received dividends		(9,099,300)
Balance at end of period	0	105,001,146

	COMPANY	
	31/12/2006	31/12/2005
Beginning of period	206,251,700	201,837,313
Reclassification of Associate		12,566,600
Valuation at fair value (gross value)		(8,152,213)
Sale of associate	(206,251,700)	
Balance at end of period	0	206,251,700

The share of profit from associate companies for 2006, concerns the period for which the Group maintained a share in such. The profit amounting to 2,210,049 concerns a € 1,890,409 share from the Participation in the company HELLENIC DUTY FREE SHOPS SA (for the period from 1/1 until 5/5/2006) and a € 320,000 share from the participation in the company SILKWAY HOLDING BV (for the period from 1/1 – 9/2/2006).

6.5 Deferred tax

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

	GROUP				COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Receivable	Liability	Receivable	Liability	Receivable	Liability	Receivable	Liability
Non Current Assets								
Intangible Assets	12,032,048	11,671	19,497,150	58,909	12,075,731	-	23,529,241	-
Tangible Assets	108,946	(5,550,397)	(132,935)	(9,912,004)	-	(5,567,883)	-	(9,011,632)
Participations	(14,626)	-	(15,838)	(2,031,810)	-	-	-	(23,655,628)
Long-term Receivables	(57,056)	-	-	-	-	-	-	-
Current Assets								
Inventories	(31,189)	984	29,180	11,229	-	-	-	-
Receivables	302,482	(983)	704,520	(348,282)	-	-	-	(139,345)
Other current assets	(46,743)	19	-	-	-	0	-	-
Financial assets at fair value	-	(483,137)	(7,023)	1,418	-	(483,137)	-	-
Long-term Liabilities								
Employee Benefits	88,602	-	233,340	(9,424)	84,478	-	273,742	(9,424)
Loans	62,441	-	-	-	-	-	-	-
Other Long-term Liabilities	737	(58,352)	-	(11,915)	-	-	-	(11,915)
Short-term Liabilities								
Provisions	26,928	-	-	(30,469)	-	-	-	(30,469)
Loans	252,205	-	(55,462)	7,481	-	-	-	-
Taxes	0	-	(24,318)	(3,280)	-	-	-	-
Other Short-term Liabilities	(72,571)	(4,410)	(50,259)	149,249	-	(4,410)	-	-
Total	12,652,205	(6,084,606)	20,178,355	(12,118,900)	12,160,209	(6,055,429)	23,802,983	(32,858,412)

The effective income tax rate to which the Group will be subject to for 2007 is equal to 25%.

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

6.6 Financial assets available for sale

The Group's financial assets available for sale include the investment in the company OTENET CYPRUS, and has been valued at acquisition cost, which according to the management's estimations does not vary from its fair value.

	GROUP	
	31/12/2006	31/12/2005
Balance at beginning of the period	709,523	15,507,234
Additions		
- Reclassification	-	(14,738,531)
- Acquisitions	-	10,000
Sales / Write-offs	(186,706)	(69,180)
Balance at end of the period	522,816	709,523
Non-current assets	522,816	709,523
Current assets	-	-
	522,816	709,523

6.7 Other long-term receivables

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Given Guarantees - concessions	1,626,245	5,390,679	1,318,706	4,994,276
Given Guarantees - PPC - EYDAP	34,006		25,554	
Total other long-term receivables	1,660,250	5,390,679	1,344,259	4,994,276

6.8 Inventories

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Merchandise	55,363,851	68,843,390	37,592,585	43,478,725
Finished and semi-finished products	2,721,104	12,225,067	2,721,104	12,225,067
Raw materials and packaging materials	337,875	8,564,066	18,198	7,917,633
Consumables	0	119,900	0	119,900
Other	133,891	605,189	0	74,400
Total	58,556,721	90,357,612	40,331,887	63,815,725
Minus: Provisions for useless, belated and destroyed inventories:				
Merchandise	(2,000,000)	(300,000)	(2,000,000)	(300,000)
Semi-finished products	-	-	-	-
Finished products	-	-	-	-
Merchandise	-	-	-	-
Other	-	-	-	-
Raw Materials	-	-	-	-
Total	(2,000,000)	(300,000)	(2,000,000)	(300,000)
Total net liquidation value	56,556,721	90,057,612	38,331,887	63,515,725

6.9 Customers and other trade receivables

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	79,192,130	124,694,259	60,063,430	83,887,393
Checks Receivable	63,318,355	39,577,480	63,318,355	39,571,218
Minus: Impairment provisions	(2,864,561)	(2,178,057)	(2,055,690)	(1,455,600)
Net Trade Receivables	139,645,924	162,093,682	121,326,095	122,003,011
Prepayments for inventory purchases	-	-	-	-
Total	139,645,924	162,093,682	121,326,095	122,003,011
Non-current assets	-	-	-	-
Current assets	139,645,924	162,093,682	121,326,095	122,003,011
	139,645,924	162,093,682	121,326,095	122,003,011

The fair values of receivables are as follows:

	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	76,327,569	122,516,203	58,007,740	82,431,793
Notes Receivable	-	-	-	-
Checks Receivable	63,318,355	39,577,480	63,318,355	39,571,218
	139,645,924	162,093,682	121,326,095	122,003,011

6.10 Other receivables

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Sundry Debtors	2,373,126	11,889,724	2,170,569	2,277,285
Receivables from the Greek State	23,391,655	17,656,399	22,049,262	16,536,052
Orders of current assets	70,004	2,150,253	37,518	2,150,253
Other receivables	1,413,659	40,206	764,914	40,206-
Minus: Provisions for doubtful debtors	0	0	0	0
Net amount of other receivables	27,248,444	31,736,583	25,022,263	21,003,797
Non-current assets	-	-	-	-
Current assets	27,248,444	31,736,583	25,022,263	21,003,797
	27,248,444	31,736,583	25,022,263	21,003,797

The fair values of receivables are as follows:

	GROUP		H ETAIPEIA	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Sundry Debtors	2,373,126	11,889,724	2,170,569	2,277,285
Receivables from the Greek State	23,391,655	17,656,399	22,049,262	16,536,052
Orders of current assets	70,004	2,150,253	37,518	2,150,253
Other receivables	1,413,659	40,206	764,914	40,206-
	27,248,444	31,736,583	25,022,263	21,003,797

6.11 Other Current Assets

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Deferred expenses	21,122,397	15,303,015	20,272,492	14,172,246
Accrued income	2,433,670	17,585,016	1,954,641	15,280,835
Total	23,556,067	32,888,030	22,227,133	29,453,081

The account accrued income on 31/12/2006 mainly includes definitive and accrued connection and air-time fees that have not been invoiced to the mobile telephony providers. The account deferred expenses include costs for attaining customers that concern future periods.

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

Such constitutes the trade portfolio with high-liquidity placements in shares and mutual funds with a short-term investment horizon.

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at the beginning of the period	5,102,178	5,053,388	5,102,178	5,047,388
Additions	65,424,214	11,273,024	65,424,214	11,279,024
Sale of subsidiaries/sectors	(28,922)		(28,922)	
Sales	(5,747,743)	(11,810,301)	(5,747,743)	(11,810,301)
Fair value readjustments	2,610,886	586,067	2,610,886	586,067
Balance at the end of the period	67,360,612	5,102,178	67,360,612	5,102,178

	GROUP	
	31/12/2006	31/12/2005
Traded securities:		
Securities - Greece	1,165,000	2,127,852
Securities - Foreign	2,405,314	534,597
Bank Bonds	61,241,844	0
Non-traded securities:		
Securities - Foreign	2,502,615	2,358,964
Securities - Greece	45,839	80,764
	67,360,613	5,102,178

6.13 Cash & cash equivalents

The real weighted average interest rate for bank deposits was 3.6% (1.98% in 2005). The cash in hand for the purposes of the cash flow statement, include the following:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	2,116,597	127,091	105,235	125,068
Short-term bank deposits	28,497,087	14,813,934	26,195,157	8,595,469
Site deposits	99,594,535	0	99,594,535	0
Total	130,208,218	14,941,025	125,894,927	8,720,537

6.14 Total Equity

i) Share capital

	Number of shares	Share Capital	Above par	Stock Option Reserve	Total
Balance as at 1/1/2005	40,487,500	12,956,000	206,502,877	-	219,458,877
Issuance of new shares	40,487,500	12,956,000	(12,956,000)	-	40,487,500
Expenses of Shares' Issuance			(57,675)		
Employee stock option plan					
- Value of provided service				(2,751,482)	(2,751,482)
- Income from issuance of shares	600,500	192,160	5,212,340		5,404,500
Balance as at 31/12/2005	81,575,500	26,104,160	198,701,542	-	224,805,702
Issuance of new shares					0
Expenses of Shares' Issuance					
Capitalization fo Tax reserve with readjustment of price per share		3,263,020			
Employee stock option plan					
-Value of provided service				(2,488,155)	(2,488,155)
-Income from issuance of shares	649,200	233,712	5,609,088		5,842,800
Balance 31/12/2006	82,224,700	29,600,892	204,310,630	-	233,911,522

Stock option plan towards employees

The movements on the number of outstanding options and the weighted average exercise prices, are as follows:

	2006		2005	
	Number of shares	Exercise price €/share	Number of shares	Exercise price €/share
Outstanding at Beginning of period	1,475,500		-	-
Granted	32,000	9	2,076,000	9
Non-received	(858,300)	9	(22,300)	9
Exercised	(649,200)	9	(600,500)	9
Over-due			22,300	9
End of period	0	0	1,475,500	

There are no outstanding options at the end of the period:

Maturity	2006			2005		
	Number of shares	Exercise price €/share	Average exercise time	Number of shares	Exercise price €/share	Average exercise time (days)
2006				622,800	9	360
2007				830,400	9	720
Exercised in any of the above periods				22,300	9	720
Total	0	0		1,475,500	9	568

In November 2005 the Company's Management went forward with the issuance of a stock option plan applying to its employees, based on the decision of the General Shareholders' Meeting on 24/6/2005. According to the stock option plan (November 2005), from November 2005 until November 2007, 2,076,000 options would gradually be provided to Company executives. The allocation of options per year was 30% for 2005, 30% for 2006 and 40% for 2007. The exercise of the options from the beneficiaries requires the preservation of the attribute of the beneficiary as a Company executive.

In October 2006 (4/10/2006) the company's management designated new beneficiaries.

The fair value of options granted to executives, was calculated as at the date of provision based on the Black & Scholes valuation model. The fair value of granted options is as follows:

Maturity	2006 Fair value of option	2005 Fair value of option
2005	4.34	4.03
2006	4.34	4.05
2007	0	4.10

The information used for the implementation of the model are:

- a) The fair value (closing price) of the share as at the provision date.
- b) The expected variance of the share's price based on historical six-month data.
- c) The Risk Free Rate.
- d) The exercise price.

The options for 2007 will not be exercised.

The relevant charge for fiscal year 2006 amounts to €2,488,155, while for 2005 the relevant charge amounted to €2,751,482.

ii) Fair Value Reserves

On 31/12/2006 the Group has not formed fair value reserves.

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

COMPANY

**Valuation of associates at
fair value**

Balance as at January 1st 2005	54,524,591
Gross	(8,152,213)
Less: Tax	4,845,655
Balance as at December 31st 2005	51,218,032
Profit/loss transferred to the results during the sale	(51,218,032)
Balance as at December 31st 2006	0

iii) Other Reserves

The Group's other reserves are analyzed as follows:

	GROUP						Total
	Ordinary reserve	Extraordinary reserves	Untaxed reserves	Financial instruments reserve	Reserve of granted stock options	Other reserves	
Balance as at December 31st 2004	7,546,669	2,787,968	77,970,036	(6,364,132)	-	24,727	81,965,269
Foreign exchange differences							-
Changes during the period	(45,871)	-	-	-	2,751,482	(5,714)	2,699,897
Other							-
Balance as at December 31st 2005	7,500,798	2,787,968	77,970,036	(6,364,132)	2,751,482	19,013	84,665,165
Changes during the period	2,300,825		(69,791,184)		2,488,155	213,208	(64,788,996)
Other							0
Balance as at December 31st 2005							0
Balance as at December 31st 2006	9,801,623	2,787,968	8,178,852	(6,364,132)	5,239,637	232,221	19,876,169

6.15 Loan liabilities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Long-term loans				
Bank loans	0	99,857,361	0	97,458,915
Total long-term loans	0	99,857,361	0	97,458,915
Short-term loans				
Bank loans	22,632,002	56,789,859	0	21,230,920
Total short-term loans	22,632,002	56,789,859	0	21,230,920
Total loans	22,632,002	156,647,220	0	118,689,835

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

	2 years or less	From 2 to 5 years	Over 5 years	Total
December 31st 2005				
Total loans	65,789,859	90,857,361	0	156,647,220
	65,789,859	90,857,361	0	156,647,220
December 31st 2006				
Total loans	22,632,002	0	0	22,632,002
	22,632,002	0	0	22,632,002

The real weighted average borrowing rates for the Group, as at the balance sheet date are as follows:

	31/12/2006		31/12/2005	
	€	US\$	€	US\$
Bank loans (short-term)	3.95%	-	3.54%	3.47%
Bank loans (long-term)	3.58%	-	3.25%	

6.16 Employee benefit liabilities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance Sheet liabilities for:				
Pension benefits	361,779	820,124	337,911	717,124
Medical benefits after retirement		-	-	-
Total	361,779	820,124	337,911	717,124
Charges in the results:				
Pension benefits (provisions and payments)			379,213	(117,124)
Working experience cost	81,131	98,769	78,884	
Financial Cost	26,673	32,802	26,040	22,800
(Transfer) / Absorption of staff	(422,277)		(422,277)	
Effect from cutbacks / settlement / termination benefits	177,487		136,463	
Paid indemnities	(321,359)	(174,645)	(198,322)	(22,800)
Total	(458,345)	(43,074)	(379,213)	(117,124)

	31/12/2006	31/12/2005
Present value of non-financed liabilities	(366,097)	820,124
Non-registered actuarial profit / (loss)	4,318	-
Non-registered cost for working experience cost		-
	(361,779)	820,124
Balance Sheet Liability	(361,779)	820,124

The main actuarial assumptions used are as follows:

	31/12/2006	31/12/2005
Discount Rate	4.3%	4.5%
Future wage increases	3.5%	3.5%
Inflation	2.5%	2.5%

6.17 Other long-term liabilities

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Received guarantees - Grants-Leasing				
Balance at beginning of period	2,216,996	2,614,581	15,824	1,000
Additions:				
Guarantees	24,508	15,824	24,508	15,824
Other	269,275	0	0	0
Reductions:				
Sales of Companies and Sectors	(113,789)	0	0	0
Guarantees	0	(1,000)	0	(1,000)
Grants	(188,003)	(269,951)	0	0
Leasing	0	(142,458)	0	0
Other	(585,598)	0	0	0
Balance at end of period	1,623,389	2,216,996	40,332	15,824

6.18 Provisions

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

Long-term provisions	GROUP				COMPANY			
	Tax liabilities	Other	Bonus-Loyalties	Total	Tax liabilities	Other	Bonus-Loyalties	Total
December 31st 2005	1,750,000	238,826	4,282	1,993,108	1,000,000	0	0	1,000,000
Additional provisions for the fiscal year	500,000			500,000	500,000			500,000
Sale of Subsidiaries and sectors	(500,000)			(500,000)				
Used provisions that were reversed		(235,396)	(4,282)	(239,678)				
December 31st 2006	1,750,000	3,430	0	1,753,430	1,500,000	0	0	1,500,000

Short-term provisions	GROUP			
	Tax liabilities	Other	Bonus-Loyalties	Total
December 31st 2005	0	463,478	939,000	1,402,478
Additional provisions for the fiscal year	10,258	346,238		356,496
Sale of Subsidiaries and sectors		(463,478)	(939,000)	(1,402,478)
December 31st 2006	10,258	346,238	0	356,496

6.19 Suppliers and other liabilities

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	30,730,865	85,255,448	8,454,566	36,176,511
Checks Payable	42,940,362	45,195,660	42,940,362	44,903,963
Total	73,671,227	130,451,107	51,394,928	81,080,474

6.20 Current tax liabilities

The current tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax expense that corresponds to the period	14,947,199	13,244,383	14,666,514	13,385,343
Other tax liabilities	4,133,770	8,180,216	3,937,225	6,330,029
Total	19,080,969	21,424,599	18,603,739	19,715,372

6.21 Other short-term liabilities

The other short-term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Social Security Funds	1,422,843	1,960,119	1,041,761	1,376,930
Sundry Creditors	492,492	5,357,087	10,961	3,621,270
Employee Remuneration Payable	378,220		14,080	0
Short-term Provisions	43,472	817,636	38,497	817,635
Deferred expenses - Grants	1,051	21,604	0	2,484
Other liabilities	758,803	5,910,676	435,475	1,551,851
Total	3,096,880	14,067,123	1,540,774	7,370,170

6.22 Cost of sales

The cost of sales is analyzed as follows:

	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Cost of inventories recognized as an expense	747,772,701	657,014,296	635,522,063	588,293,978
Employee remuneration and expenses	7,021,179	5,175,366	7,847,195	6,930,036
Third party remuneration and expenses	98,843	1,761,873	1,498,804	919,878
Third party Benefits	1,697,355	965,450	1,037,341	1,062,867
Taxes - Duties	16,203	8,648	26,236	24,123
Sundry expenses	54,238	46,150	972,733	670,974
Depreciations of fixed assets	29,108	159,252	2,831,528	3,398,113
Total	756,689,628	665,131,035	649,735,900	601,299,970

6.23 Administrative / distribution expenses

DISTRIBUTION EXPENSES	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Employee remuneration and expenses	19,868,021	16,109,646	16,402,018	13,039,035
Third party remuneration and expenses	6,804,422	8,210,788	7,182,598	8,407,114
Third party Benefits	34,772,175	34,256,650	32,421,271	30,108,079
Taxes - Duties	767,000	691,052	649,099	510,219
Other sundry expenses	15,477,342	13,394,591	9,494,816	10,324,208
Depreciations of fixed assets	5,731,533	5,975,965	8,057,371	8,416,247
Operating provisions	-	500,000	-	500,000
Total	83,420,494	79,138,693	74,207,174	71,304,903

ADMINISTRATIVE EXPENSES	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Employee remuneration and expenses	8,602,455	12,070,620	11,757,624	10,702,197
Third party remuneration and expenses	647,329	1,388,736	1,625,295	1,087,587
Third party Benefits	4,617,228	6,404,467	3,960,652	4,527,422
Taxes - Duties	117,622	177,994	81,909	120,903
Other sundry expenses	3,870,973	5,369,217	3,637,070	5,085,060
Depreciations	4,516,701	3,903,751	4,457,215	6,874,001
Operating provisions	-	50,000	-	50,000
Total	22,372,308	29,364,785	25,519,765	28,447,171

6.24 Other operating income / expenses

The other operating income and expenses for the fiscal years 2006 and 2005 are as follows:

Other operating income-expenses	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
<i>Other operating income</i>				
Depreciation of received grants	188,004	799,422	-	396,528
Income from rendering of Admin. Services	10,294,236	496,261	10,294,236	546,304
Grants and sundry sales income	160,629	434,034	123,796	423,762
Profit from foreign exchange differences	650,679	2,437,571	650,679	618,247
Profit from sale of fixed assets	67,488	167,893	68,872	4,465
Income from concessions	2,284,853	1,135,273	1,285,650	766,166
Other	904,388	6,642,354	895,535	451,766
Total	14,550,277	12,112,809	13,318,768	3,207,238
<i>Other operating expenses</i>				
Losses from foreign exchange differences	-	456,240	875,122	672,629
Destruction of unfit inventory	-	230,582	-	-
Loss from sale of fixed assets	293,152	423,006	508,694	228,495
Operating provisions	3,066,755	-	2,800,000	-
Other	2,859,996	2,575,946	816,973	328,509
Expenses brought forward	36,957	94,657	36,957	25,416
Total	5,800,620	4,650,987	5,037,746	1,255,048

6.25 Financial income / expenses

	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Interest income from:				
-Banks	1,681,863	405,118	1,681,785	368,533
-Other credit interest	1,767,386	2,313	1,694,656	2,313
	3,449,249	407,430	3,376,441	370,845
Interest expenses from:				
-Bank loans	2,398,482	5,698,815	1,429,250	4,767,321
- Factoring	488,088	686,528	488,088	686,528
- Other Bank Expenses	3,785,620	397,771	3,071,022	307,539
	6,672,190	6,783,113	4,988,360	5,761,388

6.26 Other financial results

	GROUP		COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Profit/loss from absorption of subsidiary				(1,413,600)
Impairment of Financial instruments	(9,180)		(9,180)	
Expenses of Participations and securities	(927,510)		(826,669)	
Profit/loss form sale of Financial instruments	127,192,706		68,561,328	
Fair value profit/loss	(225,526)	584,020	(225,526)	586,067
Income from dividends	847,166	1,391,047	847,166	12,897,410
Total	126,877,656	1,975,067	68,347,120	12,069,877

6.27 Income tax

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax for the period	(12,095,667)	(13,141,011)	(14,666,514)	(12,385,343)
Deferred tax	(6,364,707)	(2,176,715)	(6,963,610)	(1,889,720)
Total	(18,460,374)	(15,317,727)	(21,630,124)	(14,275,064)
Earnings before Taxes	202,587,405	78,579,014	197,845,752	64,816,473
Tax Rate	28.68%	32%	29%	32%
Expected Tax Expense	58,101,426	25,145,284	57,375,268	20,741,271
Adjustments for income not subject to tax				
- Tax exempt Income	(21,318,941)	(5,431,817)	(21,318,941)	(5,328,445)
- Profit of associate companies	(24,262,705)	(4,235,882)	(24,262,705)	-
- Other	(3,072,302)	-	-	-
Losses of absorbed companies	-	(3,525,702)	-	(3,525,702)
Adjustments for Expenses not deductible for tax purposes				
- Non-deductible Expenses	2,684,572	257,390	2,684,572	257,390
- Other	(36,384)	931,738	188,319	240,829
Real Tax Expense	12,095,667	13,141,011	14,666,514	12,385,343

6.28 Earnings per share

The total earnings per share corresponding to the parent's shareholders are as follows:

Basic earnings per share	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Earnings that correspond to the parent's shareholders	134,508,500	63,061,018	92,154,631	50,541,409
Weighted average number of outstanding shares	81,579,057	81,025,042	81,579,057	81,025,042
Basic earnings per share (Euro per share)	1.649	0.778	1.13	0.62

Diluted earnings per share	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Earnings that correspond to the parent's shareholders	134,508,500	63,061,018	92,154,631	50,541,409
Weighted average number of outstanding shares	82,055,075	81,156,817	82,718,828	81,156,817
Diluted earnings per share (Euro per share)	1.639	0.777	1.11	0.62

The earnings per share from ongoing activities corresponding to the parent's shareholders are as follows:

Basic earnings per share	GROUP	
	1/1-31/12/2006	1/1-31/12/2005
Earnings that correspond to the parent's shareholders	161,743,449	66,609,031
Weighted average number of outstanding shares	81,579,057	81,025,042
Basic earnings per share (Euro per share)	1.98	0.82

Diluted earnings per share	GROUP	
	1/1-31/12/2006	1/1-31/12/2005
Earnings that correspond to the parent's shareholders	161,743,449	66,609,031
Weighted average number of outstanding shares	82,055,075	81,156,817
Diluted earnings per share (Euro per share)	1.97	0.82

The total earnings per share from suspended activities corresponding to the parent's shareholders are as follows:

Basic earnings per share	GROUP	
	1/1-31/12/2006	1/1-31/12/2005
Earnings that correspond to the parent's shareholders	(27,234,949)	(3,548,013)
Weighted average number of outstanding shares	81,579,057	81,025,042
Basic earnings per share (Euro per share)	(0.334)	(0.044)

Diluted earnings per share	GROUP	
	1/1 - 30/9/2006	1/1 - 30/9/2005
Earnings that correspond to the parent's shareholders	(27,234,949)	(3,548,013)
Weighted average number of outstanding shares	82,055,075	81,156,817
Diluted earnings per share (Euro per share)	(0.332)	(0.044)

6.29 Cash flows from operating activities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash flows from operating activities				
Earnings for the Period	134,608,863	62,957,734	92,154,631	50,541,409
Adjustments for:				
Tax	17,971,299	15,621,279	21,630,124	14,275,064
Depreciations of tangible fixed assets	16,847,278	16,031,263	13,024,622	12,606,135
Depreciations of intangible assets	3,054,202	7,687,825	2,321,493	6,104,260
Provisions	3,075,414	2,511,441	2,800,000	1,000,000
Profit/(loss) from sale of tangible assets	85,683	362,123	439,821	224,031
Fair value profit/(loss) of other financial items at fair value through results	(1,630,668)	(586,067)	(1,630,668)	(586,067)
Profit/(loss) from sale of subsidiaries and associates	(105,293,952)	0	(69,053,833)	0
Profit/(loss) from sale of financial assets	1,363,801	0	854,800	0
Interest income	(3,486,282)	(425,791)	(3,376,441)	(370,845)
Interest expenses	3,191,846	7,913,283	1,343,415	5,761,388
Dividend income	(847,166)	(1,389,000)	(847,166)	(12,897,410)
Depreciation of grants - provided options	0	(465,860)	0	(396,528)
Share of result in affiliated companies	(2,210,410)	(13,237,131)	0	0
Foreign exchange profit/(loss) of loans	(2,239,542)	(899,139)	0	0
Profit from acquisition of a company	(259,387)	0	0	0
Other	2,267,377	3,535,717	2,497,335	2,775,393
	66,498,357	99,617,677	62,158,134	79,036,829
Changes in Working capital				
Increase/decrease of inventories	(6,152,902)	(35,503,357)	(2,868,338)	(21,029,397)
Increase/decrease of receivables	(70,703,165)	19,505,903	(60,887,020)	15,350,301
Increase/decrease of other current asset accounts	(11,426,264)	(7,135,421)	(10,066,748)	(9,985,399)
Increase/decrease of liabilities	13,515,991	(7,798,815)	5,538,061	(12,064,964)
Outflow of liability for employee benefits for retirement	0	(43,074)	0	0
Other	0	1,134,069	0	0
	(74,766,340)	(29,840,694)	(68,284,045)	(27,729,459)
Net cash flows from operating activities	(8,267,982)	69,776,982	(6,125,911)	51,307,370

6.30 Suspended activities

The result after taxes of suspended activities, as such appears in the group's income statement in the line "Profit/loss from suspended activities", for fiscal years 2006 and 2005, is analyzed as follows:

RESULTS FOR THE PERIOD OF SUSPENDED ACTIVITIES	GROUP	
	1/1 - 31/12/2006	1/1 - 31/12/2005
Sales	170,649,678	186,387,603
Cost of Sales	(137,394,211)	(157,077,135)
Gross Profit	33,255,467	29,310,468
Other operating income	1,961,648	4,827,063
Distribution expenses	(27,232,878)	(24,194,529)
Administrative expenses	(12,316,391)	(8,861,853)
Research & Development Expenses	0	0
Other operating expenses	(1,345,449)	(3,469,522)
Results before Taxes Financing and Investment Results	(5,677,605)	(2,388,373)
Financial Income	37,504	18,361
Financial Expenses	(853,129)	(1,130,170)
Other Financial Results	(21,367,781)	(2,047)
Profit from Acquisition of Company	125,590	1,465
Profit/Loss from associate companies	0	0
Earnings before Taxes	(27,735,421)	(3,500,764)
Income tax	489,075	(303,553)
Earnings after Taxes	(27,246,345)	(3,804,317)
Brief results of suspended Activities		
Results before Taxes Financing and Investment Results and Depreciations of Suspended Activities	3,946,536	11,291,747
Depreciations of Suspended Activities	9,624,141	13,680,120
Results before Taxes Financing and Investment Results	(5,677,605)	(2,388,373)
Earnings before Taxes of Suspended Activities	(27,735,421)	(3,500,764)
Earnings after Taxes of Suspended Activities	(27,246,345)	(3,804,317)

The results from activities that appear in the above income statement concern the following companies and activity sectors.

COMPANY NAME	PRIMARY ACTIVITY SECTOR OF PARTICIPATION
Sunlight Systems SA (Greek Industrial sector)	GREECE
ROMANIAN INDUSTRIAL SECTOR	ROMANIA
BULGARIAN INDUSTRIAL SECTOR	BULGARIA
SUNLIGHT UKRAINE	UKRAINE
GERMANOS TELECOM UKRAINE CJSC	UKRAINE
GERMANOS POLSKA Sp.Zo.o	POLAND
GTI POLSKA Sp.Zo.o	POLAND
T.C.M. Sp. Zo.o (Subsidiary of GERMANOS POLSKA Sp.Zo.o)	POLAND
GERMANOS CYPRUS L.T.D.	CYPRUS
INFOTEL L.T.D.(Subsidiary of GERMANOS CYPRUS L.T.D.)	CYPRUS
SUNLIGHT TRADING D.O.O. BEOGRAD	SERBIA
SUNLIGHT BATTERIES GMBH	GERMANY

The result from the sale of the above companies and activity sectors appears in the account "Other Financial Results" of suspended activities and amounts to a loss of € 21,367,781 at the group level.

Moreover, the group's cash flows for the presented periods include per cash flow category, the following amounts that concern suspended activities.

Flows from suspended activities	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
Net cash flows from operating activities	-30,116,448.35	4,764,303.67
Flows from investment activities	-8,733,408.15	-5,165,465.87
Flows from financing activities	38,806,100.81	938,287.00
Cash & cash equivalents of suspended activities	1,387,832.52	1,345,728.00

The participation from the suspension of the aforementioned companies and sector activities, in turnover, the results and the group's net worth during fiscal year 2006 and 2005, is analyzed in the following table:

FISCAL YEAR 2006	EFFECT FROM SUSPENSION OF ACTIVITIES							
	Percentage of Participation				Amount of Participation			
	Result	Turnover	Results before Taxes Financing and investment Results and Depreciations	Net Worth	Result	Turnover	Results before Taxes Financing and investment Results and Depreciations	Net Worth
G.T.I POLAND	0.38%	1.22%	1.26%	0.30%	499,757	13,365,037	866,058	1,337,406
GERMANOS POLSKA - T.C.M.	1.29%	7.13%	3.83%	0.19%	1,692,114	78,283,595	2,623,958	851,575
GT / UKRAINE	-1.32%	0.89%	-3.01%	1.51%	-1,741,562	9,726,518	-2,060,156	6,780,325
SUNLIGHT UKRAINE	-0.39%	1.01%	-0.44%	0.23%	-509,314	11,098,685	-301,436	1,056,093
SUNLIGHT TRADING	-0.02%	0.02%	-0.03%	-0.01%	-23,232	184,207	-17,358	-25,708
BEOGRAND	0.00%	0.07%	0.01%	0.01%	2,629	732,997	8,299	32,468
SUNLIGHT GERMANY								
GERMANOS CYPRUS	-0.19%	1.07%	0.18%	-0.37%	-248,433	11,719,999	126,655	-1,667,778
LTD/INFOTEL								
GREEK INDUSTRIAL SECTOR - Sunlight Systems	-4.54%	5.16%	3.37%	26.22%	-5,971,863	56,599,527	2,307,820	118,085,855
ROMANIAN INDUSTRIAL SECTOR	0.02%	0.34%	0.11%	0.43%	30,961	3,761,001	77,656	1,951,594
BULGARIAN INDUSTRIAL SECTOR	0.20%	0.39%	0.46%	0.04%	260,855	4,329,697	315,040	185,658
Total	-4.57%	17.29%	5.76%	28.55%	-6,008,089	189,801,263	3,946,536	128,587,487

FISCAL YEAR 2005	EFFECT FROM SUSPENSION OF ACTIVITIES							
	Percentage of Participation				Amount of Participation			
	Result	Turnover	Results before Taxes Financing and investment Results and Depreciations	Net Worth	Result	Turnover	Results before Taxes Financing and investment Results and Depreciations	Net Worth
G.T.I POLAND	1.01%	1.68%	1.30%		637,361	17,673,302	1,230,107	
GERMANOS POLSKA - T.C.M.	1.39%	8.77%	2.81%		876,757	92,357,343	2,653,946	
GT / UKRAINE	-2.73%	0.65%	-2.07%		-1,719,182	6,877,274	-1,951,764	
SUNLIGHT UKRAINE	0.12%	0.79%	0.42%		78,688	8,268,003	396,791	
SUNLIGHT TRADING	-0.02%	0.01%	-0.01%		-12,712	71,086	-10,213	
BEOGRAND								
SUNLIGHT GERMANY	0.01%	0.11%	0.01%		3,374	1,120,885	10,417	
GERMANOS CYPRUS	-0.09%	1.02%	0.54%		-58,269	10,733,613	505,450	
LTD/INFOTEL								
GREEK INDUSTRIAL SECTOR - Sunlight Systems	12.83%	6.70%	8.57%		8,077,007	70,535,853	8,077,007	
ROMANIAN INDUSTRIAL SECTOR	0.40%	0.25%	0.24%		251,823	2,662,877	227,244	
BULGARIAN INDUSTRIAL SECTOR	0.31%	0.31%	0.16%		193,905	3,286,903	152,762	
Total	13.23%	20.29%	11.97%		8,328,752	213,587,139	11,291,747	

It is noted that during fiscal year 2006 suspended activities participated in the Group's basic fundamentals until September 2006, while respectively the participation of suspended activities in

2005 concerns the annual period. The effect of suspended activities on the consolidated results of 30.09.2006 are presented respectively in the interim financial statements for September 30th 2006.

6.31 Obligations

The Group's letters of guarantee as at 31/12/2006 are analyzed as follows:

31/12/2006	GROUP		
	Long-term	Short-term	Total
TYPE OF GUARANTEE			
GOOD EXECUTION	8,400,000	5,600	8,405,600
LEASE OF BRANCH	91,194	101,110	192,303
PAYMENT & TARIFFS	1,740	230,000	231,740
PREPAYMENT	0	0	0
PARTICIPATION IN BID	2,000	1,000	3,000
CONTRACTING OF LOAN	0	3,490,000	3,490,000
Total	8,494,934	3,827,710	12,322,643

31/12/2005			
	Long-term	Short-term	Total
TYPE OF GUARANTEE			
GOOD EXECUTION	20,722,105	12,980,872	33,702,977
LEASE OF BRANCH	3,742	0	3,742
PAYMENT & TARIFFS	345,740	258,000	603,740
PREPAYMENT	3,013,617	3,512,914	6,526,531
BATTERY SUPPLIES	7,742	6,650	14,392
PARTICIPATION IN BID	362,983	362,756	725,739
Total	24,455,929	17,121,192	41,577,121

6.32 Contingent receivables – liabilities

Information regarding contingent liabilities

There are no disputed or liable to litigation differences of judicial or arbitration bodies that may have a significant effect on the Group's financial status or operation.

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

31/12/2006	UNAUDITED TAX FISCAL YEARS	TAX PROVISION
GERMANOS S.A.	2004-2006	1,500,000
E-VALUE S.A.	2003-2006	0
GERMANOS TELECOM A.D. SKOPJE	2003-2006	0
GERMANOS TELECOM ROMANIA SA	2003-2006	200,000
SUNLIGHT ROMANIA FILIALA S.R.L.	2001-2006	0
GERMANOS TELECOM BULGARIA A.D.	2005-2006	50,000

For the un-audited tax fiscal years stated in the above table, there is the possibility additional taxes and superadditions may be imposed during the time they are examined and finalized. The Group proceeds to an annual evaluation of contingent liabilities that are expected to emerge from the audit of past years, taking into account the relevant provisions when deemed necessary. The management considers that apart from the provided provision, possible tax amounts that may arise will not have a significant effect on the Group's equity, results and cash flows.

The legal proceeds brought by GERMANOS S.A. against MOBITEL ELECTRONIC AND TELECOMMUNICATIONS SYSTEMS S.A. filed on 12/11/1996 under deposition number 9646/96 had been found initially as legally valid and definite as to its demands and after the Interlocutory decision 9739/21/11/97 of the Athens Multi-member Court of First Instance requiring witness testimonies. Already, after the completion of the witness testimonies, the case was to be heard on 16/10/2003 (after the initial hearing date was postponed) and following, after the cancellation of the above, the hearing took place on 5/2/2004.

It was deemed necessary by the Company's Management to waive the reconnaissance request of the first suit forfeiting the corresponding sum and to file a new suit against MOBITEL S.A., which was in fact brought before the Athens Multi-member Court of First Instance for the adjudication of a) GRD 1,340,572,713 or 3,934,182.57 EUR as "positive damage to us" and b) GRD 309,979,200 or 909,629.85 EUR as "future positive damage to us", payable in four installments on 30/6/2002 GRD 63,209,799 the first, on 30/6/2003 GRD 101,133,072 the second, on 30/6/2004 GRD 80,909,076 the third, and GRD 64,727,253 the fourth. The hearing date of this new suit was set for 16/10/2003 in order to arrange for the hearing of both these suits together but the dispute was cancelled. According to the signatory with power of attorney solicitor Aggeliki Tori, it is likely to have a favorable outcome. Nevertheless, pertaining to the suit of 12/11/1996, on 5/7/2004 the Multi-member Court of First Instance of Athens issued the final decision under number 4558/2004, which obligates the defendant MOBITEL S.A. to disburse to GERMANOS S.A. the amount of (134,171.97€) legally submitted to interest from the attainment of the suit until its full disbursement. Moreover, the same decision recognizes that MOBITEL S.A. is obligated to disburse to GERMANOS S.A. on April 30th, July 31st, October 31st and January 31st of each year its commission from the percentage of 7% on the paid bills from the use of air-time beginning from July 1st 1996 and following, concerning all the connections of its clients with the STET HELLAS (already TIM) network that were activated and for the whole time period the activation is sustained. MOBITEL S.A. filed an appeal against this decision, which was heard by the Athens Court of Appeal on 26/5/2005. The Decision No. 5329/2005 of the Athens Court of Appeal was issued, due to the self-exemption of a member of the Court, which also participated in the issuance of the first instance decision. The cash has not been re-called.

It must be noted that the, until recently, attorneys of the case, Messieurs Economopoulos and Koulouris, have filed a suit under deposition number 151428/2003, which according to the Decision No. 142/30.5.2005 by the Athens Multi-member Court of First Instance has been

accepted by a very small portion and specifically according to which GERMANOS SA is **obligated** to disburse to the plaintiff attorneys (Ch. Economopoulos and S. Koulouris), the **amount of 16,100.63€** legally submitted to interest from 20/2/2002, as well as a percentage of **12% on the interest of the aforementioned amount (16,100.63€)** for claims included in their aforementioned suit, namely:

- a) the judicial recognition of the Company's violation of its liabilities based on the contracting order that has been granted to it,
- b) the obligation of the Company to render a statement of accounts,
- c) the payment, as a contracting exchange, of the amount of 612,521.28 EUR,
- d) payment of expense equal to 12% on every excess amount from the total amount of 4,834,879.42+260,464.73 EUR An appeal was filed by the aforementioned attorneys against the first instance decision, which will be heard before the Athens Court of Appeal on 17/04/2007.

There are no disputed or liable to litigation differences of judicial or arbitration bodies that may have a significant effect on the Group's financial status or operation.

6.33 Transactions with affiliate parties

Transactions with subsidiary companies

The following transactions and balances constitute the transactions of the Group's subsidiary companies. These transactions between companies included in the Group's consolidated Financial statements are written-off during the full consolidation process.

ΔΙΕΤΑΙΡΙΚΕΣ ΑΠΑΙΤΗΣΕΙΣ - ΥΠΟΧΡΕΩΣΕΙΣ 31/12/2006

		ΥΠΟΧΡΕΩΣΗ						
		ΓΕΡΜΑΝΟΣ ΑΒΕΕ	E-VALUE A.E.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM ΣΚΟΠΙΑ	G.TELECOM BULGARIA	ΣΥΝΟΛΑ
Α Π Α Ι Τ Η Σ Η	ΓΕΡΜΑΝΟΣ ΑΒΕΕ			19.837	3.610.570	959.662	1.601.899	6.191.968
	E-VALUE A.E.							0
	SUNLIGHT FILIALA				541.974			541.974
	G.TELECOM ROMANIA	514.293		2.352.183			1.012.888	3.365.071
	G.TELECOM ΣΚΟΠΙΑ	456						0
	G.TELECOM BULGARIA				86.709	15.590		102.299
ΣΥΝΟΛΑ		514.749	0	2.372.020	4.239.253	975.252	2.614.787	10.716.061

ΔΙΕΤΑΙΡΙΚΕΣ ΠΩΛΗΣΕΙΣ ΑΓΟΡΕΣ 1/1 - 31/12/2006 ΑΓΟΡΑΣΤΗΣ

	ΓΕΡΜΑΝΟΣ ΑΒΕΕ	E-VALUE A.E.	G.T.I ΠΟΛΩΝΙΑΣ	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM ΣΚΟΠΙΑ	GT /UKRAINE	SUNLIGHT UKRAINE	SUNLIGHT TRADING BEOGRAD	GERMANOS CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	ΣΥΝΟΛΑ
ΓΕΡΜΑΝΟΣ ΑΒΕΕ		31.018		465.547	394.549	43.579	6.295.420	1.569.427	72.569	676.242	91.485	1.312.197	3.196.378	14.148.411
E-VALUE A.E.	303.247													303.247
G.T.I ΠΟΛΩΝΙΑΣ				64.600	716.127									780.727
GERMANOS POLSKA	10.143		376.705		11.985.926		14.944	16.827					9.307	12.413.852
T.C.M.			13.432	63.544										76.976
SUNLIGHT FILIALA							1.318.416							1.318.416
G.TELECOM ROMANIA	513.516					6.813.625		27.550					991.000	8.345.691
G.TELECOM ΣΚΟΠΙΑ	456													456
GT /UKRAINE										3.501.870				3.501.870
SUNLIGHT UKRAINE									518.469					518.469
GERMANOS CYPRUS LTD/INFOTEL														0
G.TELECOM BULGARIA	122.000			13.638			110.228	15.563						261.429
ΣΥΝΟΛΑ	949.362	31.018	390.137	607.329	13.096.602	6.857.204	7.739.008	1.629.367	591.038	4.178.112	91.485	1.312.197	4.196.685	41.669.544

ΔΙΕΤΑΙΡΙΚΕΣ ΑΠΑΙΤΗΣΕΙΣ - ΥΠΟΧΡΕΩΣΕΙΣ 31/12/2005
ΥΠΟΧΡΕΩΣΗ

	ΓΕΡΜΑΝΟΣ ΑΒΕΕ	Π.ΓΕΡΜΑΝΟΣ ΑΕΒΕ	E-VALUE Α.Ε.	G.T.I ΠΟΛΩΝΙΑΣ	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM ΣΚΟΠΙΑ	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS		SUNLIGHT		ΣΥΝΟΛΑ
												CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TRADING BEOGRAND	SUNLIGHT GERMANY	
ΓΕΡΜΑΝΟΣ ΑΒΕΕ		5.644.575			452.392	142.581		2.897.492	536.496	65.092	729.032			2.020.533		12.488.193
Π.ΓΕΡΜΑΝΟΣ ΑΕΒΕ																0
E-VALUE A.E.		8.929														8.929
G.T.I ΠΟΛΩΝΙΑΣ						2.797										2.797
GERMANOS POLSKA		5.340		93.071		2.876.743		7.758	1.120					4.049		2.988.081
T.C.M.														443.250		443.250
SUNLIGHT FILIALA								409.320								409.320
G.TELECOM ROMANIA							1.331.291		4.810				10.645	24.100		1.370.846
G.TELECOM ΣΚΟΠΙΑ														2.459		2.459
GT /UKRAINE											274.288					274.288
SUNLIGHT UKRAINE		30								45.011						45.041
GERMANOS CYPRUS LTD/INFOTEL																0
G.TELECOM BULGARIA		11.220			3.496			21.593	29.628							65.937
SUNLIGHT GERMANY		5.314														5.314
ΣΥΝΟΛΑ	30.833	5.644.575	0	93.071	455.888	3.022.121	1.331.291	3.336.163	572.054	110.103	1.003.320	10.645	2.494.391		0	18.104.456

ΔΙΕΤΑΙΡΙΚΕΣ ΠΩΛΗΣΕΙΣ ΑΓΟΡΕΣ 1/1 - 31/12/2005
ΑΓΟΡΑΣΤΗΣ

	ΓΕΡΜΑΝΟΣ ΑΒΕΕ	Π.ΓΕΡΜΑΝΟΣ ΑΕΒΕ	E-VALUE Α.Ε.	G.T.I ΠΟΛΩΝΙΑΣ	GERMANOS POLSKA	T.C.M.	SUNLIGHT FILIALA	G.TELECOM ROMANIA	G.TELECOM ΣΚΟΠΙΑ	GT /UKRAINE	SUNLIGHT UKRAINE	GERMANOS		SUNLIGHT		ΣΥΝΟΛΑ
												CYPRUS LTD/INFOTEL	G.TELECOM BULGARIA	TRADING BEOGRAND	SUNLIGHT GERMANY	
ΓΕΡΜΑΝΟΣ ΑΒΕΕ		6.129.132	8.218		490.837	490.504	27.271	4.199.394	772.494	4.921	658.569		1.059.752	3.176.870		17.017.961
Π.ΓΕΡΜΑΝΟΣ ΑΕΒΕ																0
E-VALUE A.E.																0
G.T.I ΠΟΛΩΝΙΑΣ					865.068	3.240.014										4.105.082
GERMANOS POLSKA				513.085		10.815.176		35.534	11.260	1.845						11.376.900
T.C.M.				4.058	2.909.207									980.250		3.893.515
SUNLIGHT FILIALA																0
G.TELECOM ROMANIA					11.424		3.445.327		45.660					1.068.322		4.570.733
G.TELECOM ΣΚΟΠΙΑ														2.458		2.458
GT /UKRAINE											2.350.331					2.350.331
SUNLIGHT UKRAINE										324.870						324.870
GERMANOS CYPRUS LTD/INFOTEL																0
G.TELECOM BULGARIA								46.482	30.268							76.750
SUNLIGHT GERMANY						1.279.436										1.279.436
ΣΥΝΟΛΑ	0	6.129.132	8.218	517.143	5.555.972	14.545.694	3.472.598	4.281.410	859.682	331.636	3.008.900	1.059.752	5.227.900		0	44.998.036

We note that for the fiscal year 2006, the transaction of suspended activities participated in the Group's basic fundamentals until September 2006, while the presented transactions respectively for 2005 refer to the annual period.

Transactions with other affiliate companies

Transactions with the following companies occur either:

- due to the indirect shareholding relation between COSMOTE – MOBILE TELECOMMUNICATIONS S.A. and GERMANOS S.A., that was established after 1.10.2006, or
- due to the shareholding relation of Mr. P.Germanos, BoD Chairman of GERMANOS S.A. with such.

ΑΓΟΡΕΣ ΜΕ ΛΟΙΠΕΣ ΣΥΝΔΕΔΕΜΕΝΕΣ ΕΤΑΙΡΕΙΕΣ

ΣΥΝΔΕΔΕΜΕΝΗ ΕΤΑΙΡΕΙΑ	ΠΕΡΙΟΔΟΣ	ΟΜΙΛΟΣ	ΜΗΤΡΙΚΗ ΕΤΑΙΡΕΙΑ
MULTIRAMA SA	1.1.2006-31.12.2006	110.470	110.470
MULTIRAMA BULGARIA	1.1.2006-31.12.2006		
PUBLICWORLD A.E.	1.1.2006-31.12.2006	8.105	8.105
I.T.C. Publicworld Ltd	1.1.2006-31.12.2006		
Ελληνική Πληροφορική Ξάνθης Ε.Π.Ε	1.1.2006-31.12.2006		
Αθηναία Πειραιώς Α.Ε.Β.Ε	1.1.2006-31.12.2006		
OLYMPIA DEVELOPMENT A.E.	1.1.2006-31.12.2006	476	476
TOLLERTON INVESTMENTS LTD	1.1.2006-31.12.2006		
Germanos Telecom Ukraine	1.10.2006-31.12.2006		
Sunlight Ukraine	1.10.2006-31.12.2006		
Sunlight Industrial EOOD (Bulgaria)	1.10.2006-31.12.2006		
Sunlight Industrial SRL (Romania)	1.10.2006-31.12.2006		
Germanos Polska SP. Zoo	1.10.2006-31.12.2006		
TCM SP. Zoo	1.10.2006-31.12.2006		
GTI SP. Zoo	1.10.2006-31.12.2006		
Sunlight GmbH (Germany)	1.10.2006-31.12.2006		
Sunlight trading DOO Beograd	1.10.2006-31.12.2006		
Infotel Ltd-	1.10.2006-31.12.2006		
Germanos Cyprus Ltd	1.10.2006-31.12.2006		
ΣΥΣΤΗΜΑΤΑ SUNLIGHT	1.10.2006-31.12.2006	4.600.870	4.600.870
AFIS	1.10.2006-31.12.2006		
ADVENT	1.10.2006-31.12.2006		
EKONOMETRIKA	1.10.2006-31.12.2006		
LASE A.E.	1.10.2006-31.12.2006	6.125	
COSMOHOLDING CYPRUS LTD	1.10.2006-31.12.2006		
COSMOTE	1.10.2006-31.12.2006	30.946.203	30.946.203
COSMOFON	1.10.2006-31.12.2006	1.627.907	
GLOBUL	1.10.2006-31.12.2006	3.160.933	
COSMOROM	1.10.2006-31.12.2006	1.412.179	
OTE AE	1.10.2006-31.12.2006	14.997.102	14.997.102
OTE NET	1.10.2006-31.12.2006		806.020
ΣΥΝΟΛΑ		56.870.370	51.469.245

Comparatively, the purchases that took place during 2005 for the company and group, amount to € 328,288.00 and concern purchases from MULTIRAMA SA by € 322,658.00 and from PUBLICWORLD S.A. by € 5,630.00.

ΠΩΛΗΣΕΙΣ ΜΕ ΛΟΙΠΕΣ ΣΥΝΔΕΔΕΜΕΝΕΣ ΕΤΑΙΡΕΙΕΣ

ΣΥΝΔΕΔΕΜΕΝΗ ΕΤΑΙΡΕΙΑ	ΠΕΡΙΟΔΟΣ	ΟΜΙΛΟΣ	ΜΗΤΡΙΚΗ ΕΤΑΙΡΕΙΑ
MULTIRAMA SA	1.1.2006-31.12.2006	256.844	256.844
MULTIRAMA BULGARIA	1.1.2006-31.12.2006		
PUBLICWORLD A.E.	1.1.2006-31.12.2006	6.817	6.817
I.T.C. Publicworld Ltd	1.1.2006-31.12.2006		
Ελληνική Πληροφορική Ξάνθης Ε.Π.Ε	1.1.2006-31.12.2006		
Αθηναία Πειραιώς Α.Ε.Β.Ε	1.1.2006-31.12.2006		
OLYMPIA DEVELOPMENT A.E.	1.1.2006-31.12.2006	13.858	13.858
TOLLERTON INVESTMENTS LTD	1.1.2006-31.12.2006		
Germanos Telecom Ukraine	1.10.2006-31.12.2006	240	240
Sunlight Ukraine	1.10.2006-31.12.2006		
Sunlight Industrial EOOD (Bulgaria)	1.10.2006-31.12.2006		
Sunlight Industrial SRL (Romania)	1.10.2006-31.12.2006		
Germanos Polska SP. Zoo	1.10.2006-31.12.2006		
TCM SP. Zoo	1.10.2006-31.12.2006		
GTI SP. Zoo	1.10.2006-31.12.2006		
Sunlight GmbH (Germany)	1.10.2006-31.12.2006		
Sunlight trading DOO Beograd	1.10.2006-31.12.2006		
Infotel Ltd-	1.10.2006-31.12.2006	549.331	549.331
Germanos Cyprus Ltd	1.10.2006-31.12.2006		
ΣΥΣΤΗΜΑΤΑ SUNLIGHT	1.10.2006-31.12.2006	3.806.565	3.806.565
AFIS	1.10.2006-31.12.2006		
ADVENT	1.10.2006-31.12.2006		
EKONOMETRIKA	1.10.2006-31.12.2006	863	863
LASE A.E.	1.10.2006-31.12.2006	8.200	
COSMOHOLDING CYPRUS LTD	1.10.2006-31.12.2006		
COSMOTE	1.10.2006-31.12.2006	26.681.952	26.681.952
COSMOFON	1.10.2006-31.12.2006	524.777	
GLOBUL	1.10.2006-31.12.2006	4.378.440	
COSMOROM	1.10.2006-31.12.2006	5.344.320	
OTE AE	1.10.2006-31.12.2006	317.908	317.908
OTE NET	1.10.2006-31.12.2006	844.453	844.453
ΣΥΝΟΛΑ		42.734.567	32.478.830

Comparatively, the sales that took place during 2005 for the company and group, amount to € 536,251.00 and concern sales to MULTIRAMA SA by € 154,386.00 and to PUBLICWORLD S.A. by € 381,865.00.

ΑΠΑΙΤΗΣΕΙΣ ΜΕ ΛΟΙΠΕΣ ΣΥΝΔΕΔΕΜΕΝΕΣ ΕΤΑΙΡΕΙΕΣ 31.12.2006

ΣΥΝΔΕΔΕΜΕΝΗ ΕΤΑΙΡΕΙΑ	ΥΠΟΛΟΙΠΟ ΟΜΙΛΟΥ 31.12.2006	ΥΠΟΛΟΙΠΟ ΜΗΤΡΙΚΗΣ ΕΤΑΙΡΕΙΑΣ 31.12.2006
MULTIRAMA SA	40.835,52	40.835,52
MULTIRAMA BULGARIA		
PUBLICWORLD A.E.	2.506,49	2.506,49
I.T.C. Publicworld Ltd		
Ελληνική Πληροφορική Ξάνθης Ε.Π.Ε		
Αθηναία Πειραιώς Α.Ε.Β.Ε		
OLYMPIA DEVELOPMENT A.E.	15.919,84	15.919,84
TOLLERTON INVESTMENTS LTD		
Germanos Telecom Ukraine		
Sunlight Ukraine		
Sunlight Industrial EOOD (Bulgaria)		
Sunlight Industrial SRL (Romania)		
Germanos Polska SP. Zoo		
TCM SP. Zoo		
GTI SP. Zoo		
Sunlight GmbH (Germany)		
Sunlight trading DOO Beograd		
Infotel Ltd-	1.063.411,08	1.063.411,08
Germanos Cyprus Ltd		
ΣΥΣΤΗΜΑΤΑ SUNLIGHT		
AFIS		
ADVENT		
EKONOMETRIKA	132.020,56	132.020,56
LASE A.E.	662,69	662,69
COSMOHOLDING CYPRUS LTD		
COSMOTE	18.132.536,00	18.132.536,00
OTE AE	378.311,77	378.311,77
OTE NET	1.114.556,86	1.114.556,86
COSMOFONE	4.696.883,00	
COSMOBULGARIA	3.905.358,00	
COSMOROM	940.420,00	
ΣΥΝΟΛΑ	30.423.421,81	20.880.760,81

Comparatively, the balance of the company's and group's receivables as at 31.12.2005 amount to € 536,484.81 and concern receivables from MULTIRAMA amounting to € 82,065.00 and from PUBLICWORLD S.A. amounting to € 454,419.81.

ΥΠΟΧΡΕΩΣΕΙΣ ΣΕ ΛΟΙΠΕΣ ΣΥΝΔΕΔΕΜΕΝΕΣ ΕΤΑΙΡΕΙΕΣ 31.12.2006

ΣΥΝΔΕΔΕΜΕΝΗ ΕΤΑΙΡΕΙΑ	ΣΧΕΣΗ ΜΕ ΟΜΙΛΟ 2006	ΥΠΟΛΟΙΠΟ ΟΜΙΛΟΥ 31.12.2006	ΥΠΟΛΟΙΠΟ ΜΗΤΡΙΚΗΣ ΕΤΑΙΡΕΙΑΣ 31.12.2006
MULTIRAMA SA	λοιπές συνδεδεμένες επιχειρήσεις	-524,79	-524,79
MULTIRAMA BULGARIA	λοιπές συνδεδεμένες επιχειρήσεις		
PUBLICWORLD A.E.	λοιπές συνδεδεμένες επιχειρήσεις	-10.788,24	-10.788,24
I.T.C. Publicworld Ltd	λοιπές συνδεδεμένες επιχειρήσεις		
Ελληνική Πληροφορική Ξάνθης Ε.Π.Ε	λοιπές συνδεδεμένες επιχειρήσεις		
Αθηναία Πειραιώς Α.Ε.Β.Ε	λοιπές συνδεδεμένες επιχειρήσεις		
OLYMPIA DEVELOPMENT A.E.	λοιπές συνδεδεμένες επιχειρήσεις	566,44	566,44
TOLLERTON INVESTMENTS LTD	λοιπές συνδεδεμένες επιχειρήσεις		
Germanos Telecom Ukraine	λοιπές συνδεδεμένες επιχειρήσεις		
Sunlight Ukraine	λοιπές συνδεδεμένες επιχειρήσεις		
Sunlight Industrial EOOD (Bulgaria)	λοιπές συνδεδεμένες επιχειρήσεις		
Suunlight Industrial SRL (Romania)	λοιπές συνδεδεμένες επιχειρήσεις		
Germanos Polska SP. Zoo	λοιπές συνδεδεμένες επιχειρήσεις		
TCM SP. Zoo	λοιπές συνδεδεμένες επιχειρήσεις		
GTI SP. Zoo	λοιπές συνδεδεμένες επιχειρήσεις		
Sunlight Gmbh (Germany)	λοιπές συνδεδεμένες επιχειρήσεις		
Sunlight trading DOO Beograd	λοιπές συνδεδεμένες επιχειρήσεις		
Infotel Ltd-	λοιπές συνδεδεμένες επιχειρήσεις		
Germanos Cyprus Ltd	λοιπές συνδεδεμένες επιχειρήσεις		
ΣΥΣΤΗΜΑΤΑ SUNLIGHT	λοιπές συνδεδεμένες επιχειρήσεις	-10.303.278,22	-10.303.278,22
AFIS	λοιπές συνδεδεμένες επιχειρήσεις		
ADVENT	λοιπές συνδεδεμένες επιχειρήσεις		
EKONOMETRIKA	λοιπές συνδεδεμένες επιχειρήσεις		
LASE A.E.	λοιπές συνδεδεμένες επιχειρήσεις		
COSMOHOLDING CYPRUS LTD	λοιπές συνδεδεμένες επιχειρήσεις		
COSMOTE	λοιπές συνδεδεμένες επιχειρήσεις	-3.866.317,90	-3.866.317,90
OTE AE	λοιπές συνδεδεμένες επιχειρήσεις	-277.083,83	-277.083,83
OTE NET	λοιπές συνδεδεμένες επιχειρήσεις	-467.219,21	-467.219,21
COSMOFONE	λοιπές συνδεδεμένες επιχειρήσεις	-1.971.527,00	
COSMOBULGARIA	λοιπές συνδεδεμένες επιχειρήσεις	-2.654.700,00	
COSMOROM	λοιπές συνδεδεμένες επιχειρήσεις	-2.080.811,00	
ΣΥΝΟΛΑ		-21.631.683,75	-14.924.645,75

Comparatively, the balance of the company's and group's liabilities as at 31.12.2005 amount to € 14,618.79 and concern liabilities towards MULTIRAMA amounting to € 8,763.74 and towards PUBLICWORLD S.A. amounting to € 5,855.05.

Benefits towards basic executives

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Board of Directors				
BoD Remuneration from paid services	677,582	876,458	600,538	576,458
BoD members Remuneration	289,014	261,176	289,014	261,176
Remuneration from short-term services		42,000	-	42,000
Retirement benefits	50,508	-	50,508	-
Other benefits	30,477	-	20,512	-
Granted stock options	650,782	983,784	650,782	777,684
Executives				
Executives' Remuneration from paid services	2,686,761	2,707,744	1,134,890	1,754,772
Retirement benefits	81,200	-	51,529	-
Other benefits	262,455	-	202,641	-
Granted stock options	1,094,602	1,372,400	879,591	1,089,200
Total	5,823,383	6,243,562	3,880,005	4,501,290

The BoD members that are remunerated due to their administrative position are the following: Mr. Ioannis Karagiannis – Chief Executive Officer, Mr. Loukas Petkidis – Finance and Operations Director and Mr. Christos Kartaliis – Head of the SUNLIGHT plant in Xanthi (Mr. Kartalis belonged to the company's payroll staff until 30/9/2006).

6.34 2006 Dividend Distribution Proposal

As regards to the proposed dividend for 2006, the Company's Management, taking into account the full corporate results, will propose the amount of €0.022 per share to the General Shareholders' Meeting.

6.35 Events after the balance sheet date

Change in the Board of Director's Structure

Following the decision by the Extraordinary Shareholders' Meeting on February 9th 2007, a new Board of Directors was assigned, which was formed in a body and constitutes of the following individuals:

- BoD Chairman and non-executive member: Panos Germanos of Panos
- Chief Executive Officer and executive member: Ioannis Karagiannis of Dimitrios
- BoD Vice-Chairman and non-executive member: Konstantinos Liamidis of Georgios
- Executive member: Loukas Petkidis of Dimitrios
- Non-executive member: Ilias Fotiadis of Konstantinos
- Non-executive member: Eirini Nikolaidi of Ioannis
- Independent non-executive member: Konstantinos Apostolidis of Pericles
- Independent non-executive member: Dimitris Goumas of Georgios

The term of the new BoD, according to article 19 par. 2 of the Company's Articles of Association, was set to 5 years, commencing from the election of its members and extended consequentially until the first extraordinary General Meeting following the end of its term, which cannot exceed a period of 6 years.

Additional brief curriculum vitae of the newly appointed BoD members of GERMANOS SA are presented below.

Panos Germanos

Founder of the company and Chairman of the Board of Directors, he is a graduate of the Economic Department of the Athens University's Law School. Mr. Panos Germanos is 56 years old.

Giannis Karagiannis

Mr. Karagiannis is a Chemical Engineer from the National Technical University of Athens and a MBA graduate from the University of Bradford. He began his cooperation with the company in 1994 as Commercial Director of the Stores Network. Following, he served as General Manager and from 2001 he serves as Chief Executive Officer. Mr. Giannis Karagiannis is 46 years old.

Liamidis Konstantinos

Mr. Liamidis belongs to COSMOTE's workforce since its establishment. In the beginning of May 2003 he undertook the position of Commercial Director. He is a graduate of the Physics-Mathematical Department of the University of Ioannina.

Loukas Petkidis

Mr. Petkidis is a graduate of the Athens Economic University and holds a masters degree (MSc) from the London School of Economics. Mr. Loukas Petkidis was hired in 1999. He is 43 years old.

Ilias Fotiadis

Mr. Fotiadis belongs to COSMOTE's workforce since June 1998, when he took on the position of Chief Financial Officer. Mr. Fotiadis is an Economics and Political Sciences graduate from Essex University and he also has a Post graduate Diploma in Economics from the University of Surrey in the UK.

Eirini Nikolaidi

Ms. Eirini Nikolaidi is the Legal Consultant and Director of Legal Services, Regulative Issues and Competition of COSMOTE and belongs to the Company's workforce since its establishment in 1996. She holds a Law degree from the University of Athens and a Masters of Law (LLM) in International Corporate Law from the University of London (UCL).

Apostolidis Konstantinos

Mr. Apostolidis is a Member of COSMOTE's Board of Directors from 2002 and Vice-Chairman from 2006. Mr. Apostolidis is a Member of VIVARTIA's Board of Directors. He holds a chemistry degree from the University of Surrey in the UK and is an MBA graduate from the London Graduate School of Business Studies.

Dimitrios Goumas

Mr. Goumas is a Business Administration graduate of the Athens Economic University. He began his career at the National Bank of Greece where he worked at branches and executive Administration departments. He was member of the Hellenic Capital Market Commission and a lecturer at the Athens Exchange education center. He participated as BoD chairman or member of many domestic and foreign companies of the National Bank of Greece Group.

Application for delisting from the Athens Exchange

Following the approval by GERMANOS SA's General Meeting held on February 9th 2007 at the Company's registered offices (23rd klm of Athens-Lamia National Road), an application was submitted on February 14th 2007 towards the Hellenic Capital Market Commission for the delisting of the Company's shares from the Athens Exchange, according to article 17 par. 5 of L.3371/2005.

Acquisition of 30 % of E-VALUE SA

On 11/1/2007 GERMANOS SA acquired the total ownership of the shares of «E-VALUE S.A.», namely 340,090 shares by Mr. Panos Germanos, 97,169 shares by the company Tradetoria Limited, 48,585 shares by the company DLX Co. Limited and in total 485,844 common registered shares with a nominal value of 2.93 Euro each, which represent 30% of the paid share capital of «E-VALUE S.A.», for a total price of 10,000 Euro. Following the aforementioned share transfers, GERMANOS SA owns 1,619,475 registered shares of "E-VALUE S.A.", which represent 100% of its total paid up share capital.

Increase of the Share's nominal value

Following the approval by the Extraordinary General Shareholders' Meeting on September 29th 2006, the company's share capital increased by the amount of 3,263,020 Euro through capitalization of reserves amounting to 3,263,020 Euro from readjustment of property value according to L.2065/92. From 10 /1/2007 the Company's shares are traded with the new nominal value of 0.36 Euro per share.

Issuance of a bond loan by E-Value S.A.

In February 2007 E-VALUE S.A., a subsidiary of GERMANOS SA, issued a bond loan amounting to 3,000,000 Euro, with an 18 month duration for the repayment and refinancing of the company's short-term debt. The bonds were covered with private placement.