

**NOTOS COM HOLDINGS S.A.**  
**INTERIM FINANCIAL STATEMENTS**  
**of the 1<sup>ST</sup> QUARTER 2006**  
**January 1<sup>st</sup> to March 31<sup>st</sup>**

**according to I.F.R.S. standards**

**NOTOS COM HOLDINGS S.A.**  
AR.M.A.E.:5219/06/B/86/21  
6 Menedexon Street, 14564 Kifissia

Table of Contents

1. Income statement
2. Balance sheet
3. Statement of changes in equity
4. Cash flow statement
5. Notes on financial statements

## 1. INCOME STATEMENT

	<i>Group</i>		<i>Company</i>	
	1/1-31/3/2006	1/1-31/3/2005	1/1-31/3/2006	1/1-31/3/2005
<b>Turnover</b>	<b>65.637,62</b>	62.533,23	<b>63.648,42</b>	55.619,96
Cost of goods sold	<b>-38.023,42</b>	-35.087,28	<b>-38.703,12</b>	<b>-31.821,29</b>
Gross Profit	<b>27.614,20</b>	27.445,95	<b>24.945,30</b>	23.798,67
Other Operating income	<b>1.200,28</b>	2.077,59	<b>1.160,70</b>	1.755,24
	<b>28.814,48</b>	29.523,54	<b>26.106,00</b>	25.553,91
Administrative expenses	<b>-4.721,87</b>	-3.843,56	<b>-4.228,41</b>	<b>-3.144,50</b>
Sale & Distribution expenses	<b>-17.022,37</b>	-15.167,78	<b>-14.510,24</b>	<b>-12.405,75</b>
Other expenses	<b>-249,40</b>	-135,55	<b>-146,06</b>	<b>-105,71</b>
Earnings before interest, taxes and depreciation	<b>6.820,84</b>	10.376,65	<b>7.221,29</b>	9.897,95
Depreciation	<b>-2.405,88</b>	-2.380,10	<b>-2.145,54</b>	<b>-1.847,43</b>
Earnings before interest and taxes	<b>4.414,96</b>	7.996,55	<b>5.075,75</b>	8.050,52
Financial Expenses (net)	<b>904,24</b>	<b>-895,08</b>	<b>1.087,83</b>	<b>-677,60</b>
Profits from usual activities	<b>5.319,20</b>	7.101,47	<b>6.163,58</b>	7.372,92
Profit from affiliates	<b>133,69</b>	<b>-79,12</b>	<b>0,00</b>	<b>0,00</b>
Profits before taxes	<b>5.452,89</b>	7.022,35	<b>6.163,58</b>	7.372,92
Less Taxes	<b>-1.828,38</b>	-2.314,58	<b>-1.885,82</b>	<b>-2.449,30</b>
Profits after taxes	<b>3.624,51</b>	4.707,77	<b>4.277,76</b>	4.923,62
Minority portion in losses of subsidiaries	<b>-150,65</b>	<b>-302,69</b>	<b>0,00</b>	<b>0,00</b>
Minority Interest	<b>3.775,16</b>	5.010,46	<b>4.277,76</b>	4.923,62
Net profit per share - basic (in €)	<b>0.053</b>	0.073	<b>0.060</b>	<b>0.072</b>

## 2. BALANCE SHEET

	<i>Group</i>		<i>Company</i>	
	<i>31/3/2006</i>	<i>31/12/2005</i>	<i>31/3/2006</i>	<i>31/12/2005</i>
<b><u>ASSETS</u></b>				
Tangible Assets	139.276,69	139.390,84	131.557,10	132.681,27
Intangible assets	14.531,61	14.143,09	13.441,95	13.006,87
Participation in subsidiary companies	-	-	6.221,09	6.221,09
Other participations	3.002,54	2.907,62	1.809,51	1.809,51
Other long term receivables	2.876,60	2.831,85	2.572,38	2.510,24
	<b>159.687,44</b>	<b>159.273,40</b>	<b>155.602,03</b>	<b>156.228,98</b>
Inventories	77.669,25	69.644,63	71.223,88	64.244,43
Receivables	48.322,09	54.595,42	53.247,47	54.603,81
Other short term receivables	280,93	211,82	-	-
Cash and cash equivalents	22.394,23	9.651,83	19.778,05	8.133,90
Inventories	4.569,94	11.444,70	1.071,06	6.869,01
	<b>153.236,44</b>	<b>145.548,40</b>	<b>145.320,46</b>	<b>133.851,15</b>
<b>TOTAL ASSETS</b>	<b>312.923,88</b>	<b>304.821,80</b>	<b>300.922,49</b>	<b>290.080,13</b>
<b><u>LIABILITIES &amp; OWNER'S EQUITY</u></b>				
LT Bank Liabilities	42.875,00	44.750,00	42.875,00	44.750,00
Pension Liabilities	2.147,92	2.095,95	1.949,43	1.915,10
Other LT Liabilities	14,25	39,50	13,75	21,05
<i>Long Term Liabilities</i>	<b>45.037,17</b>	<b>46.885,45</b>	<b>44.838,18</b>	<b>46.686,15</b>
ST Bank Liabilities	24.999,99	29.589,12	21.111,75	25.809,13
Liabilities to Suppliers	74.014,71	70.783,39	69.346,83	67.200,25
Tax and Duties	8.665,96	9.179,54	8.499,13	8.347,79
Deferred taxes	285,00	284,98	246,00	246,32
Other St Liabilities	20.329,41	12.330,42	22.043,21	11.231,09
Dividends payable	1.036,25	961,02	961,25	961,02
<i>Short Term Liabilities</i>	<b>129.331,32</b>	<b>123.128,47</b>	<b>122.208,17</b>	<b>113.795,60</b>
<i>Total Liabilities</i>	<b>174.368,49</b>	<b>170.013,92</b>	<b>167.046,35</b>	<b>160.481,75</b>
Share Capital	35.542,00	35.542,00	35.542,00	35.541,87
Capital above par	1.001,00	1.001,00	1.001,00	1.001,00
Own Shares	-	-	-	-
Reserves	18.008,00	18.008,00	17.859,00	17.858,59
Surplus from adjustment of fixed assets	66.890,00	66.890,00	64.574,00	64.574,76
FX adjustments	253,80	259,45	-	-
Non distributed profits	16.130,08	12.290,61	14.900,14	10.622,16
	<b>137.824,89</b>	<b>133.991,06</b>	<b>133.876,14</b>	<b>129.598,38</b>
Minority interest	730,50	816,82	-	-
<i>Total Net Worth</i>	<b>138.555,39</b>	<b>134.807,88</b>	<b>133.876,14</b>	<b>129.598,38</b>
<i>Total Liabilities</i>	<b>312.923,88</b>	<b>304.821,80</b>	<b>300.922,49</b>	<b>290.080,13</b>

### 3. STATEMENT OF EQUITY CHANGES

(Amounts in thousand Euro)	<i>Group</i>		<i>Company</i>	
	<i>1/1 - 31/3/2006</i>	<i>1/1 - 31/3/2005</i>	<i>1/1 - 31/3/2006</i>	<i>1/1 - 31/3/2005</i>
Equity balance at beginning of period (1/1/2006 and 1/1/2005 respectively)	134.807,88	120.941,08	134.807,88	111.179,26
Net profits for the period after taxes	3.624,52	4.707,77	4.277,76	4.923,62
Exchange rate differences	122,98	36,18	0,00	0,00
Equity Balance at end of period (31/3/2006 και 31/3/2005 respectively)	138.555,37	125.685,03	139.085,64	116.102,88

#### 4. CASH FLOW STATEMENT

	<i>Group</i>		<i>Company</i>	
	<i>1/1-31/3/06</i>	<i>1/1-31/3/05</i>	<i>1/1-31/3/06</i>	<i>1/1-31/3/05</i>
<b>Cash Flow from Operating activities</b>				
Profits before Taxes	5.452,90	7.022,34	6.163,58	7.372,92
Adjustments				
Depreciation	2.405,88	2.380,10	2.145,54	1.847,43
Results (income, expenses, profit and loss) from investment activities	-1.902,46	0,00	-1.902,46	0,00
Interest and related expenses	864,52	974,20	814,63	677,60
Other non cash flow items	161,96	99,30	34,33	29,92
Profits before changes in working capital	6.982,81	10.475,94	7.255,63	9.927,88
Increase /(decrease) in inventories	-8.024,62	-9.655,03	-6.979,46	-9.143,88
Decrease /(increase) in receivables from clients	302,18	-11.972,90	-3.447,44	-16.070,46
Increase /(decrease) in current liabilities (except banks)	9.146,39	21.849,83	11.402,35	18.563,84
Cash flow from main activities	8.406,76	10.697,83	8.231,08	3.277,38
Interest Income			0,00	0,00
Tax paid	-103,24	-89,97	-98,38	-89,97
Operating Cash Flow	8.303,52	10.607,86	8.132,70	3.187,42
<b>Cash Flow from Investment Activities</b>				
Acquisition of Tangible & Intangible Fixed Assets	-3.105,38	-2.998,55	-1.786,67	-3.271,84
Proceeds from sales of Tangible & Intangible Fixed Assets	330,21	1.210,26	330,21	1.210,26
Payments for Investment Titles	-4.937,92	0,00	-4.937,92	0,00
Decrease /(increase) of other LT receivables	-44,76	-26,54	-62,13	-24,96
Total Outflow from Investment activities	-7.757,84	-1.814,83	-6.456,50	-2.086,54
<b>Cash Flow of Financial Activities</b>				
Payment of Interest	-864,52	-974,20	-814,63	-677,60
Payment of Dividends	-52,81	-25,54	-52,81	-25,54
Repayment of Loans	-6.503,11	-6.920,89	-6.606,71	-1.371,50
Total inflow (outflow) of financial activities	-7.420,45	-7.920,63	-7.474,15	-2.074,64
Increase / (decrease) in cash	-6.874,76	872,41	-5.797,96	-973,77
Cash on hand at the beginning of the period	11.444,71	5.896,19	6.869,01	2.231,66
Cash on hand at the end of the period	4.569,94	6.768,60	1.071,06	1.257,90

## **6. Notes on financial statements**

### **1. Basis of Presentation of the Financial Statements**

*NOTOS COM HOLDINGS S.A.* (the “Company”) has its registered office at Menexedon Street, in Kifissia, Attica. The consolidated financial statements for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2005, include the Company and its subsidiaries (the “Notos Group”).

Subsidiary companies are all the entities that are managed and controlled, directly or indirectly, by *NOTOS COM Holdings SA*, through holding of the majority of shares of the investee company. The financial statements of subsidiaries are included in the consolidated financial statements of the Group as from the date on which control is acquired and are excluded as from the date on which such control ceases to exist.

Associated companies are those entities on which the Group exercises significant influence but they do not qualify to be treated as subsidiaries. The consolidated financial statements of the Group include the share of the Group in the profits or losses of associates, quantified on the basis of the equity method, as from the date the Group acquires the significant influence until the date on which it ceases to have such an influence. When the losses of an associated entity that are attributed to the Group exceed the reported accounting value of the investment, the value of the investment is reduced to zero and the recognition of further losses ceases, unless the Group has assumed liabilities or contingent liabilities of the associate, beyond those that arise as a result of participating in the associate in the capacity of a shareholder.

Intragroup balances and intragroup transactions as well as Group profits that have arisen on intragroup transactions and have not been realised (at Group level) as yet, are eliminated on consolidation.

The assets and the liabilities of foreign operations are converted into Euros at the rates of exchange prevailing on the balance sheet date, while the revenues and costs of foreign operations are converted into Euros at rates which tend to approximate the rates prevailing on the dates the transactions are entered into. The currency translation adjustments that arise from the conversion of financial statements of the foreign companies are taken directly to equity and are reported as “currency translation adjustments”.

These financial statements have been compiled on the basis of the International Financial Reporting Standards that have been adopted by the European Union on the basis of the fair value principle and are stated in thousands of Euro.

Drawing up of the financial statements requires evaluation and the adoption of assumptions by Company management based on both facts and expected developments. It is thus possible that accounting forecasts made by management may not transpire.

These financial statements have been approved for publication by the Board of Directors on 17 May 2006.

### **2. Group Structure**

The NOTOS COM HOLDINGS .S.A Group consists of the following companies:

<u>Company</u>	<u>Head offices</u>	<u>% Participation</u>
<b><u>Full consolidation method</u></b>		
NOTOS COM HOLDINGS S.A.	Athens- Greece	Parent
AIAKOS S.A.* (1st' quarter 2005)	Athens- Greece	51%
PALLIS STORES S.A.	Athens- Greece	50,00001%
PALLIS OFFICE SUPPLIES S.A.	Athens- Greece	47,36%
NOTOS INTERNATIONAL Ltd	Nicosia - Cyprus	100%
NOTOS CYPRUS Ltd	Nicosia - Cyprus	51%
NOTOS SLOVAKIA sro	Bratislava - Slovakia	51%
BMS-MEDSO Ltd	Sophia - Bulgaria	50%
DARNEKS S.A. **	Istanbul-Turkey	31%
NOTOS SKOPJE d.o.o.**	Scopje	51%
NOTOS COM d.o.o.**	Matouli -Croatia	51%
NOTOS COM d.o.o. **	Ilirska Bistika	51%
BMS (MANAGEMENT) OVERSEAS Ltd	Limassol - Cyprus	100%
NOTOS BULGARIA Ltd	Sophia - Bulgaria	100%
NOTOS POLSKA Sp. zo.o.	Warsaw - Poland	100%
NOTOS ROMANIA srl	Bucharest - Romania	51%
NOTOS COM CZ sro	Prague - Czech Republic	70%
NOTOS TEXTILHANDEL GmBH	Vienna- Austria	100%
NOTOS HUNGARY Kft	Budapest - Hungary	80%
<b><u>Proportionate Consolidation method</u></b>		
LANCASTER GROUP HELLAS S.A.	Athens- Greece	49%
BELA S.A	Athens- Greece	50%
<b><u>Net worth method</u></b>		
APIVITA S.A.	Athens- Greece	33,73%
Y.S.L. BEAUTE S.A.	Athens- Greece	49%
REMEK PHARMACEUTICALS S.A.	Athens- Greece	33,73%

All Group companies have been consolidated as of 01/01/2006. The participations in BELA SA (50%) and Lancaster Group Hellas SA (49%) are consolidated proportionally. Affiliated companies YSL Beaute SA (49%), APVITA SA (33.73%) as well as the latter's 100% subsidiary REMEK Pharmaceuticals SA, are consolidated by the equity method. DARNEKS SA is consolidated in full given that the Group has the right to appoint the majority of the members of the Board of Directors and also has the option to buy a further 20% of the share capital.

### 3. Accounting Policies

#### 3.1 Fixed Assets

Fixed assets (land-buildings) are stated at fair value estimated by expert valuers for the purposes of the IFRS. The value of fixed assets is reported after the deduction of (a) accumulated depreciation and (b) any permanent impairment.

Costs incurred for the replacement of substantial component parts of fixed assets are capitalised. The remaining costs that are incurred subsequent to the installation of fixed assets are capitalised only if they enhance the future economic benefits that will be derived through the use of the assets involved. All other costs and expenses that are incurred for the maintenance, repair etc. of fixed assets, are charged to P&L as an expense at the time they are incurred.

Depreciation is charged to P&L on the basis of the straight-line method, over the estimated useful life of the fixed assets. Land is not depreciated. The estimated useful life of each category of assets, is as follows:

Buildings - Stores	15-50 years
Warehouses - Offices	15-50 years
Other establishments and equipment	6-20 years
Furniture and other equipment	3,3-5 years
Vehicles	5 -6,7 years

The value of purchased goodwill related to investments in subsidiaries effected prior to 1 January 2004 (the date of transition to the International Financial Reporting Standards) has been totally amortised by charging it directly to equity. The value of purchased goodwill related to affiliated companies, is reported as part of the value of the investment.

The value of purchased goodwill, which is related to investments effected after 1 January 2004, is reported in the balance sheet at its acquisition cost and is reduced, if applicable, by charging P&L in the period in which such impairment occurs.

All other intangible assets acquired by the Group are recorded at acquisition cost reduced by accumulated depreciation and (where appropriate) by the amount of impairment in their value.

Depreciation of intangible assets are charged against P&L with the straight line method during their full useful life. The estimated useful life of each category of assets, is as follows:

Rental Rights	9-12 years
Software	3.3 years

### **3.3 Investments**

Participation in subsidiaries, joint ventures and affiliated companies are valued at acquisition cost reduced by any obsolescence.

### **3.3 Inventories**

Inventories are reported at the lower price between their purchase cost and their corresponding liquidation value. Net realisable value is the estimated sale value of the inventories, reduced by the cost of disposal. The cost of inventories is quantified on the basis of the weighted annual average method and is inclusive of the costs associated to their acquisition and the costs incurred for their transportation.

### **3.4 Trade and other receivables**

Trade and other receivables are reported initially at their fair value and then are estimated at the current value, net of the provisions for any doubtful collection accounts.

Financial assets acquired for sale or repurchase in the immediate future, are recorded at fair value through the P&L. Other financial assets are listed as available for sale and are recorded at fair value through Own Funds

### **3.5 Cash and cash equivalents**

The account includes cash equivalents, such as current account balances and short-term deposits.

### **3.6 Transactions in foreign currencies**

Transactions denominated in foreign currencies are stated in Euros on the basis of the exchange rates on the date of the transaction. On the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-stated in Euros on the basis of the exchange rates ruling on that date.

### **3.7 Acquisition of own shares**

In the event of acquiring own shares, the amount paid for the acquisition, including related costs, is reported as a deduction from shareholders' equity.

### **3.8 Dividends**

Dividends payable and BoD remuneration are reported as a liability at the time that they are declared as payable by the General Meeting of Shareholders.

### **3.9 Employee benefits**

The Group obligation to employees for future compensation depending on the number of years employed is calculated as the present value of the expected compensation on the date of the Balance Sheet, in comparison with the expected date the compensation will become due on the basis of an actuarial study conducted by an independent actuarial specialist.

### **3.10 Provisions**

Provisions are created when the Group has a legal or contractual obligation, in relation to a past event, and it is deemed likely that the settlement of the obligation will result to payment and the estimate of the amount can be calculated accurately.

### **3.11 Financial instruments**

The basic financial instruments used by the Group are cash, bank deposits, short-term receivables and payables and certain other forms of financing. Given the short-term nature of these instruments, the Group's management believes that their fair value is essentially identical to the value at which they are reported in the accounting records of the Group. Furthermore, the Group's management believes that the interest rates paid in relation to the contracted loans are equivalent to the current fair market rates thus, there are no grounds for adjusting the value at which these obligations are reported. The *NOTOS COM Group* does not normally use financial derivatives.

## **3.12 Revenues**

### **3.12.1 Sale of goods and services**

The revenue derived from the sale of goods is recognised (reported in the income statement) at the stage when the basic risks and benefits associated with the ownership of the goods, are transferred to the buyer. The revenues derived from the rendering of services is recognised (reported in the income statements) on the basis of the stage of completion of the project, at the date of the financial statements. Revenue is not recognised, if there is substantial uncertainty as to the likelihood of collecting the amount agreed upon or the possible return of the goods.

### **3.12.2 Dividend income**

Dividends are recognised as income on their approval date by the General Meeting of Shareholders.

## **3.13 Expenses**

### **3.13.1 Operating Leases**

The payments effected based on operating leases are considered expenses in the Income Statement for the usage period of the lease.

### **3.13.2 Financial leases**

Financial leases are treated as loan agreements, resulting in the leased assets being reported as assets of the Group (and depreciated accordingly) with a corresponding liability reported towards the lessor or the lessors. The cost of financing is taken to the income statement as an expense, as it accrues.

### **3.13.3 Cost of financing**

The net cost of financing is comprised of interest paid or accrued on contracted loans, calculated on the basis of the real interest rate, less interest income generated by the short-term investment of surplus cash funds.

## **3.14 Income Taxes**

The income tax charge for the period is comprised of the current tax charge and the deferred tax element, that is the tax (or the tax relief) which is associated with revenues (or costs) that are reported, for accounting purposes, in the current period but will generate a tax burden or relief in future accounting periods. Income tax charges are shown in the income statement, except for the tax, which relates to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

The current tax charge is quantified by reference to the taxable income of the period, on the basis of the nominal rates of tax applicable as at the balance sheet date, plus any additional taxes imposed in the current period that relate to prior periods. In the case that different tax rates apply to distributed and retained earnings, the quantification of the current tax is based on the rates applicable to each category and by reference to the corresponding amounts. The result is a differentiation of the effective tax rate through time, depending on policy for the appropriation of profits.

Deferred taxes are quantified by the application of the relevant tax rates on the differences between the accounting and tax base of assets and liabilities, to the extent that such differences comprise timing differences that are anticipated to be reversed in the future.

A deferred tax asset is recognised, only to the extent that is likely that taxable profits will be generated in the future, sufficient to absorb the tax relief obtained through the recognition of the deferred tax asset. A deferred tax asset is appropriately reduced to the extent that it becomes uncertain whether the anticipated future tax relief will, in fact, be secured.

### **3.15 Analysis of the Group's activities by Unit**

A "Unit" is defined as a separate and distinct group of business activities with special characteristics as to the nature of the activity and the business risk associated with such activities (business segment). The NOTOS COM Group has six business segments, which are:

- a) Wholesale of apparel and footwear
- b) Wholesale of cosmetics and personal care products
- c) Retail of apparel and footwear through specialized stores
- d) Department Stores (multi story stores that sale clothes, footwear cosmetics and household products)
- e) Other (mainly wholesale and retail of stationary and office supplies) and
- f) Wholesale and retail of apparel, footwear and cosmetics though specialized stores in foreign countries.

### **3.16 Discontinued operations**

For the purposes of providing a more accurate and complete financial picture and of rendering the comparative amounts set out in the financial statements truly comparative, the discontinued operations of the Group, either through the disposal of segments or subsidiaries or by other means, are identified and the contribution of such discontinued operations in formulating the financial position and the results of the operations of the Group in the past is quantified and reported in the financial statements.

## **4. Analysis of Group Activities by Unit**

As mentioned above, **NOTOS COM HOLDINGS SA** activities run under 6 units. The tables below show the results per unit.

<b>COMPANY 31/03/2006</b>								
	<i>Wholesale Apparel</i>	<i>Wholesale of Personal Care</i>	<i>Retail Stores</i>	<i>Department Stores</i>	<i>Other</i>	<i>Company Total</i>	<i>Write off of Transactions between Units</i>	<i>Company Total</i>
<b>Total Turnover</b>	27.247,63	11.084,24	5.703,25	28.214,95	4,61	72.254,69	-8.606,27	<b>63.648,42</b>
<b>Gross Profit</b>	10.380,41	6.576,83	1.966,89	6.303,47	4,61	25.232,22	-286,92	<b>24.945,30</b>
<b>Operating Profit (Loss)</b>	8.416,93	1.885,05	-1.667,33	-1.237,67	4,61	7.401,59	-286,92	<b>7.114,68</b>
Non Distributed Expenses								<b>-2.038,92</b>
Interest and Other Financial Costs								<b>-975,10</b>
Interest Income and Other Financial Income								<b>2.062,93</b>
<b>Profit before Taxes</b>								<b><u>6.163,58</u></b>
Income tax								<b>-1.885,82</b>
<b>Profit after tax</b>								<b><u>4.277,76</u></b>

<b>COMPANY 31/03/2005</b>								
	<i>Wholesale Apparel</i>	<i>Wholesale of Personal Care</i>	<i>Retail Stores</i>	<i>Department Stores</i>	<i>Other</i>	<i>Company Total</i>	<i>Write off of Transactions between Units</i>	<i>Company Total</i>
<b>Total Turnover</b>	26.232,30	11.701,44	5.253,74	21.103,18	34,38	64.325,04	-8.705,07	<b>55.619,96</b>
<b>Gross Profit</b>	10.531,37	7.015,98	1.769,37	5.250,92	34,38	24.602,01	-803,34	<b>23.798,67</b>
<b>Operating Profit (Loss)</b>	8.947,05	2.287,63	-1.523,81	967,36	34,38	10.712,61	-803,34	<b>9.909,26</b>
Non Distributed Expenses								<b>-1.858,73</b>
Interest and Other Financial Costs								<b>-752,21</b>
Interest Income and Other Financial Income								<b>74,60</b>
<b>Profit before Taxes</b>								<b><u>7.372,93</u></b>
Income tax								<b>-2.449,30</b>
<b>Profit after tax</b>								<b><u>4.923,62</u></b>

<b>COMPANY 31/03/2005 Pro forma</b>								
	<i>Wholesale Apparel</i>	<i>Wholesale of Personal Care</i>	<i>Retail Stores</i>	<i>Department Stores</i>	<i>Other</i>	<i>Company Total</i>	<i>Write off of Transactions between Units</i>	<i>Company Total</i>
<i>Total Turnover</i>	26.232,30	11.701,44	5.253,74	24.540,39	34,38	67.762,25	-8.705,07	<b>59.057,17</b>
<i>Gross Profit</i>	10.531,37	7.015,98	1.769,37	6.328,96	34,38	25.680,05	-803,34	<b>24.876,71</b>
<i>Operating Profit (Loss)</i>	8.947,05	2.287,63	-1.523,81	358,95	34,38	10.104,20	-803,34	<b>9.300,85</b>
Non Distributed Expenses								<b>-1.859,18</b>
Interest and Other Financial Costs								<b>-942,52</b>
Interest Income and Other Financial Income								<b>74,60</b>
<i>Profit before Taxes</i>								<b>6.573,76</b>
Income tax								<b>-2.193,57</b>
<i>Profit after tax</i>								<b>4.380,18</b>

### **GROUP 31/03/2006**

<i>In euro '000</i>	<i>Wholesale Apparel</i>	<i>Wholesale of Personal Care</i>	<i>Retail Stores</i>	<i>Department Stores</i>	<i>Other</i>	<i>Total Greece</i>	<i>Foreign Subsidiaries</i>	<i>Write off of Transactions between Units</i>	<b>Group Totals</b>
Total Assets	57.170	28.903	33.531	128.135	63.463	<b>311.203</b>	20.553	-18.832	<b>312.924</b>
Total Liabilities	20.799	885	10.642	59.489	83.120	<b>174.934</b>	9.456	-10.022	<b>174.369</b>

### **GROUP 31/03/2005**

<i>In euro '000</i>	<i>Wholesale Apparel</i>	<i>Wholesale of Personal Care</i>	<i>Retail Stores</i>	<i>Department Stores</i>	<i>Other</i>	<i>Total Greece</i>	<i>Foreign Subsidiaries</i>	<i>Write off of Transactions between Units</i>	<b>Group Totals</b>
Total Assets	51.188	28.327	36.307	132.990	67.618	<b>316.431</b>	11.967	-23.589	<b>304.808</b>
Total Liabilities	22.570	1.240	11.786	70.693	74.186	<b>180.476</b>	4.266	-5.619	<b>179.123</b>

## **5. Acquisitions and Disposals of Shares in Subsidiaries**

There has been no corporate acquisition by Notos Com Holdings SA during 2006.

## **6. Acquisitions and Disposals of Shares in Affiliates**

Since 01/01/2006 and up to the date of approval of the present financial statements, there have been no changes in the Group's shares in affiliates.

## **7. Tangible and Intangible Fixed Assets**

During the period hereby reported, the sum total of acquisitions of tangible and intangible assets was 3,105 thd euro and 1,786 thd euro respectively.

There are no encumbrances or liens on the assets of the Company or the Group, other than a lien on subsidiary AIAKOS SA for an amount of 645 thd euro as security for a lease agreement.

## **8. Other Long Term Receivables**

Other long term receivables, as at 31 March 2006, represent rent collateral.

## **9. Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash in the Group's and Company's cash registers and bank deposits available on demand.

## **10. Loans**

The loans contracted by the Group and the Company have been advanced by Greek and foreign banks and are primarily denominated in Euros. Amounts repayable within one year of the balance sheet date are reported as short-term obligations, while the amounts that are repayable at a later stage, are reported as long-term obligations.

## **11. Retirement Scheme Obligations**

Retirement scheme obligations of the Group and the Company towards personnel of companies established in Greece according to each employee's years of employment, have been calculated on the basis of expected compensation of each on the date of the Balance Sheet, discounted at present value. The discount rate used was 4.38% and is equal to the return at the date of the Balance Sheet of 10 year Greek State Bonds.

## **12. Share Capital and Share Premium**

Company share capital is divided into 71,083,734 shares with a nominal value of 0.50 euro each.

Notos Com Holding SA shares are listed on the Athens Stock Exchange. According to the Company Shareholder Registry, on the date of approval of the financial statements, shareholders

with a share above 5% were as follows (numbers in parentheses refer to the percentage share the shareholder had in the previous General Meeting of shareholders)

<i>George Papazoglou (Managing Director)</i>	17,66%	17,63%
<i>Christos Papaellinas (Chairman of BoD)</i>	9,85%	9,85%
<i>Michalis Papaellinas (Vice Managing Director)</i>	9,52%	9,52%
<i>Alexandros Stratos (Vice Chairman)</i>	1,84%	1,84%
<i>Barbara Vernikos (Member)</i>	1,94%	1,94%

Certain other members of the management team hold shares in the Company, but the relevant percentage is below 0.1%.

### 13. Earnings per Share

The Company's Shares are listed on the Athens Stock Exchange with the symbol NOT. The code used by Bloomberg is NOTOS GA, while Reuters used the abbreviation of NOTr.AT.

Each share is entitled to one vote.

Earnings per share are calculated by dividing the profit attributable to the Group and Company shareholders by the weighted average number of issued and outstanding shares during the accounting period.

<i>In thd euro</i>	<i>Group</i>		<i>Company</i>	
	<i>Q1 2006</i>	<i>Q1 2005</i>	<i>Q1 2006</i>	<i>Q1 2005</i>
Net profits attributable to shareholders (in thd €)	3,775.16	5,010.46	4,277.76	4,924.00
Weighted average of shares outstanding (in thd pieces)	71,083,737	68,783,734	71,083,737	68,783,734
<i>Profits per share</i>	0.053	0.073	0.060	0.072

Total equity of NOTOS COM HOLDINGS SA as at 31 March 2006, amounted to 250.2 million euro.

### 14. Reserves

In accordance to the provisions of Greek company law, the creation of a "statutory reserve", by transferring to such reserve an amount equal to 5% of the annual after tax profits realised, is compulsory until the reserve reaches 1/3 of the share capital of the Company. The "statutory reserve" can be distributed only upon the dissolution of the Company but can be utilised to off-set accumulated losses.

Surplus value, which was calculated in the past after the revaluation of certain, fixed assets, remains under reserves until capitalised.

Tax related reserves have been created on the basis of provisions of tax legislation, which permit the subsection of certain forms of income to taxation at the time of distribution to shareholders. The tax liability that will transpire on the distribution of these reserves, estimated as at 31 December 2005 is 1.9 million euro, and will be recognised when the distribution materialises.

The exchange rate differences, which arise from the conversion of the financial statements of foreign subsidiaries included in the consolidation (NOTOS CYPRUS Ltd and the subsidiaries of NOTOS INTERNATIONAL Ltd), are depicted directly in shareholders' equity under "currency exchange adjustments".

## 15. Dividends

Taking the results of the Group under consideration, the Board of Directors of Notos Com has decided to propose a dividend of 0.12 euro per share to the general Meeting of shareholders, which will take place on June 21<sup>st</sup> 2006.

## 16. Number of Employees

The number of employees in the Company and the Group on June 30<sup>th</sup> 2006 and 2005 were as follows:

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2006</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 March 2005</i>
<b><u>No of Employees</u></b>				
Management	307	293	268	232
Sales	1.756	1.669	1.513	1.338
<i>Total</i>	<b>2.063</b>	<b>1.962</b>	<b>1.781</b>	<b>1.570</b>

## 17. Related Party Transactions and Balances

The cumulative amounts of sales and purchases of the Company to and from affiliated companies since the beginning of the period were 3,950 thd euro and 1,797 thd euro respectively. The cumulative amounts of sales and purchases of the Group to and from affiliated companies since the beginning of the period were 151 thd euro.

Balance of receivables and liabilities of the Company to and from affiliated companies on March 30<sup>th</sup> 2006 were 7,098 thd euro and 2,853 thd euro respectively. Balance of receivables and liabilities of the Group to and from affiliated companies on March 30<sup>th</sup> 2006 were 1,548 thd euro.

## 18. Commitments and Contingent Liabilities

The Company has undertaken to construct a multi-storey building on land owned by third parties, which the Company will operate for 28 years.

No other Group company has been committed to the acquisition of fixed assets for which special mention should be made in the financial statements.

The below mentioned income tax declarations of the Group's Greek companies have not been audited by the tax Authorities as a result of which it is possible that additional taxes may become payable in the year when such an audit will take place. The results of the tax audits cannot be estimated at this stage and, therefore, no provisions have been made in the financial statements.

<b>Company</b>	<b>Audited up to</b>
NOTOS COM HOLDINGS S.A.	31/12/2002
PALLIS STORES S.A.	31/12/1999
LANCASTER GROUP HELLAS S.A.	01/04/2001
BELA LTD	31/12/2004
Y.S.L. BEAUTES.A.	31/01/2005

## **20. Post Balance Sheet Events**

Further to the aforementioned events, there are no other events, related to either the Group or the Company, that have occurred after 31 March 2006, to which reference is compulsory under the International Financial Reporting Standards.