



P.G. NIKAS S.A

Interim Financial Statements

**Prepared in accordance with the International Accounting Standard 34
and the International Financial Reporting Standards (“IFRS”)**

9 months 2006 (1/1 up to 30/9/2006)

P.G. NIKAS S.A.

S.A Register No: 8032/06/B/86/45

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30 September 2006

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Balance sheet

Amounts in €	Note	GROUP		COMPANY	
		30/09/2006	31/12/2005	30/09/2006	31/12/2005
ASSETS					
Non-currents assets					
Property, plant and equipment	6	55.603.871	56.817.575	41.193.321	38.631.431
Intangible assets		145.007	163.531	78.934	79.915
Investments in subsidiaries	7	7.736.889	9.647.268	12.050.643	13.991.588
Trade and other receivables		723.318	725.660	1.207.540	1.207.540
		64.209.085	67.354.034	54.530.438	53.910.474
Current assets					
Inventories		10.712.344	9.222.569	7.009.827	4.948.976
Trade and other receivables		48.560.787	42.926.291	44.451.397	36.210.460
Public sector - Income tax advance		806.471	1.374.008	688.774	1.258.546
Cash and cash equivalents		865.325	4.024.369	385.262	3.297.619
		60.944.926	57.547.237	52.535.259	45.715.601
Total assets		125.154.012	124.901.271	107.065.697	99.626.075
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital		18.208.195	18.208.195	18.208.195	18.208.195
Cumulative translation adjustment		(43.599)	(55.721)	-	-
Fair value and other reserves		10.596.507	10.595.306	9.218.353	9.218.353
Retained earnings		1.655.107	3.651.798	6.545.123	9.375.569
Shareholders' equity		30.416.210	32.399.578	33.971.671	36.802.117
Minority interest		78.693	31.758	-	-
Total equity		30.494.903	32.431.336	33.971.671	36.802.117
LIABILITIES					
Non-current liabilities					
Borrowings	8	34.032.610	34.056.090	34.000.000	34.000.000
Deferred income tax liabilities		3.830.138	3.800.240	4.430.245	4.127.458
Retirement benefit obligations	9	538.712	791.558	347.469	594.449
Government grants		1.478.044	1.437.445	1.290.415	1.112.705
Provisions		158.135	158.135	150.000	150.000
		40.037.639	40.243.468	40.218.128	39.984.612
Current liabilities					
Trade and other payables		30.137.454	26.921.164	24.865.164	18.744.933
Current income tax liabilities		1.027.102	1.413.976	816.553	1.094.413
Borrowings	8	23.456.913	23.891.327	7.194.180	3.000.000
		54.621.470	52.226.467	32.875.897	22.839.346
Total liabilities		94.659.109	92.469.935	73.094.026	62.823.958
Total equity and liabilities		125.154.012	124.901.271	107.065.697	99.626.075

The notes on pages 7 to 19 are an integral part of these financial statements.



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Income Statement

30 September 2006

<i>Amounts in €</i>	<i>Note</i>	GROUP		COMPANY	
		1/1 up to 30/09/2006	1/1 up to 30/09/2005	1/1 up to 30/09/2006	1/1 up to 30/09/2005
Sales		80.857.515	78.257.364	68.038.249	61.687.123
Cost of sales		<u>(58.154.491)</u>	<u>(55.024.854)</u>	<u>(48.244.274)</u>	<u>(41.911.783)</u>
Gross profit		22.703.024	23.232.510	19.793.976	19.775.340
Selling and marketing costs		(14.300.692)	(12.924.171)	(11.274.326)	(9.888.924)
Administrative expenses		(3.585.246)	(4.189.953)	(2.616.632)	(2.900.349)
Other operating income / (expense)-net	10	<u>1.448.878</u>	<u>2.565.619</u>	<u>(1.254.753)</u>	<u>766.103</u>
Operating profit		6.265.964	8.684.005	4.648.265	7.752.170
Finance costs - net		<u>(1.846.235)</u>	<u>(1.483.513)</u>	<u>(1.166.694)</u>	<u>(944.863)</u>
Profit before income tax		4.419.730	7.200.492	3.481.571	6.807.307
Income tax expense	11	<u>(1.080.263)</u>	<u>(1.829.267)</u>	<u>(1.051.871)</u>	<u>(1.803.405)</u>
Profit for the period		3.339.467	5.371.225	2.429.700	5.003.902
Attributable to:					
Equity holders of the Company		3.428.207	5.494.760	2.429.700	5.003.902
Minority interest		<u>(88.740)</u>	<u>(123.535)</u>	<u>-</u>	<u>-</u>
		3.339.467	5.371.225	2.429.700	5.003.902
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic and Diluted	15	<u>0,169</u>	<u>0,272</u>	<u>0,120</u>	<u>0,247</u>

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Income Statement

3rd Quarter 2006

<i>Amounts in €</i>	GROUP		COMPANY	
	1/7 up to 30/09/2006	1/7 up to 30/09/2005	1/7 up to 30/09/2006	1/7 up to 30/09/2005
Sales	27.828.427	26.379.835	23.234.439	20.563.540
Cost of sales	(20.381.122)	(18.880.362)	(16.699.443)	(14.086.034)
Gross profit	7.447.305	7.499.473	6.534.997	6.477.506
Selling and marketing costs	(4.348.275)	(4.137.700)	(3.344.833)	(3.057.250)
Administrative expenses	(1.023.992)	(1.515.842)	(577.187)	(1.150.968)
Other operating income / (expense)-net	23.645	165.142	(188.355)	112.406
Operating profit	2.098.683	2.011.073	2.424.622	2.381.694
Finance costs - net	(831.110)	(464.036)	(453.351)	(331.822)
Profit before income tax	1.267.574	1.547.037	1.971.271	2.049.872
Income tax expense	(503.138)	(484.467)	(480.707)	(558.727)
Profit for the year from continued operations	764.436	1.062.570	1.490.564	1.491.145
Discontinued operations				
Profit / (loss) from discontinued operations	-	(352)	-	-
Profit for the period	764.436	1.062.218	1.490.564	1.491.145
Attributable to:				
Equity holders of the Company	761.596	1.179.793	1.490.564	1.491.145
Minority interest	2.840	(117.575)	-	-
	764.436	1.062.218	1.490.564	1.491.145
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)				
Basic and Diluted	0,038	0,058	0,074	0,074

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Statement of changes in shareholders' equity

<i>Amounts in €</i>	Attributable to equity holders of the Company				Shareholders equity	Minority interest	Total equity
	Share capital	Treasury shares	Retained earnings	Cumulative translation adjustment			
GROUP							
Balance at 1 January 2005	18.208.195	10.484.403	523.370	(55.896)	29.160.072	118.740	29.278.812
Profit for the period	-	-	5.494.762	-	5.494.762	(123.535)	5.371.227
Dividend paid for 2004	-	-	(4.855.519)	-	(4.855.519)	-	(4.855.519)
Balance at 30 September 2005	18.208.195	10.484.403	1.162.613	(55.896)	29.799.315	(4.795)	29.794.520
Currency translation adjustments	-	-	-	175	175	-	175
Profit for the period	-	-	2.600.088	-	2.600.088	36.553	2.636.641
Reserves formed	-	110.903	(110.903)	-	-	-	-
Balance at 31 December 2005	18.208.195	10.595.306	3.651.798	(55.721)	32.399.578	31.758	32.431.336
Profit for the period	-	-	3.428.207	-	3.428.207	(88.740)	3.339.467
Dividend paid for 2005	-	-	(5.260.145)	-	(5.260.145)	-	(5.260.145)
Reserves formed	-	3.670	(3.670)	-	-	-	-
Disposal of subsidiaries	-	(2.469)	(152.265)	12.122	(142.612)	142.612	-
Acquisition of percentage of minority interest of subsidiary	-	-	(15.755)	-	(15.755)	-	(15.755)
Clearance of subsidiary	-	-	6.937	-	6.937	(6.937)	-
Balance at 30 September 2006	18.208.195	10.596.507	1.655.107	(43.599)	30.416.210	78.693	30.494.903
COMPANY							
Balance at 1 January 2005	18.208.195	9.107.450	6.548.200	-	33.863.845	-	33.863.845
Profit for the period	-	-	5.003.902	-	5.003.902	-	5.003.902
Dividend paid for 2004	-	-	(4.855.519)	-	(4.855.519)	-	(4.855.519)
Balance at 30 September 2005	18.208.195	9.107.450	6.696.583	-	34.012.228	-	34.012.228
Profit for the period	-	-	2.789.888	-	2.789.888	-	2.789.888
Reserves formed	-	110.903	(110.903)	-	-	-	-
Balance at 31 December 2005	18.208.195	9.218.353	9.375.568	-	36.802.116	-	36.802.116
Profit for the period	-	-	2.429.700	-	2.429.700	-	2.429.700
Dividend paid for 2005	-	-	(5.260.145)	-	(5.260.145)	-	(5.260.145)
Balance at 30 September 2006	18.208.195	9.218.353	6.545.123	-	33.971.671	-	33.971.671

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Cash flow statement

	GROUP		COMPANY	
	1/1 up to 30/09/2006	1/1 up to 30/09/2005	1/1 up to 30/09/2006	1/1 up to 30/09/2005
<i>Amounts in €</i>				
Cash flows from operating activities				
Profit for the period (before tax)	4.419.730	7.200.492	3.481.571	6.807.307
Adjustments to the profit	4.016.062	4.622.127	4.720.204	2.346.442
Changes in working capital	(5.717.549)	(69.367)	(5.557.554)	98.039
Cash generated from operations	2.718.243	11.753.252	2.644.221	9.251.788
Interest paid	(1.771.624)	(1.635.345)	(1.188.915)	(1.062.056)
Income tax paid	(48.161)	(1.356.332)	(48.161)	(1.052.056)
Net cash generated from operating activities	898.458	8.761.575	1.407.145	7.137.676
Ταμειακές ροές από επενδυτικές δραστηριότητες				
Purchases of property, plant and equipment	(5.388.293)	(3.403.025)	(4.606.079)	(1.298.037)
Purchases of intangible assets	(847)	(47.677)	(661)	(34.523)
Sales of property, plant and equipment	1.123.583	1.835.712	278.108	1.177.287
Income from investments	452.405	717.641	452.405	717.641
Share capital increase in subsidiary which is sold	(2.718.483)	-	(2.718.483)	-
Proceeds from sales of investments in other companies	2.990.529	-	3.007.219	-
Government grants received	327.489	-	327.489	-
(Purchases) / sales of available-for-sale financial assets	-	2.420.352	-	2.420.352
Gain from sale of marketable securities	-	42.300	-	42.300
Interest received	23.032	57.570	22.221	53.366
Investment in subsidiaries	-	-	(15.756)	-
Net cash generated from investing activities	(3.190.585)	1.622.873	(3.253.537)	3.078.386
Cash flows from financing activities				
Dividends paid to Company's shareholders	(5.260.145)	(4.855.519)	(5.260.145)	(4.855.519)
Proceeds from borrowings	4.641.098	-	4.194.180	-
Repayments of borrowings	-	(4.462.182)	-	(2.981.651)
Net cash used in / (generated from) financing activities	(619.047)	(9.317.701)	(1.065.965)	(7.837.170)
Net increase / (decrease) in cash and bank overdrafts	(2.911.174)	1.066.747	(2.912.357)	2.378.892
Cash and bank equivalents at beginning of period	4.024.369	3.890.077	3.297.619	1.776.896
Cash and bank equivalents at beginning of period of subsidiary that is sold	(247.870)	-	-	-
Cash and bank equivalents at end of period	865.325	4.956.824	385.262	4.155.788

The notes on pages 7 to 19 are an integral part of these financial statements.



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Notes to the financial statements

1. General information

The interim financial statements include the financial statements of P.G. NIKAS S.A (the «Company») and the consolidated financial statements of the Company and its subsidiaries (together the «Group»), for the period 1 January 2006 to 30 September 2006. The subsidiaries are detailed in Note 7 of the financial statements.

The main activities of the Group are the production and selling of processed meat, processed meat products, pizza and cheese products.

The Group operates in Greece, Bulgaria, Skopje and Cyprus. The Company has listed on the Athens Stock Exchange.

The Company is located on Agios Stefanos of Attica, in Greece. The Internet address of the Company is www.nikas.gr.

The main shareholder of P.G NIKAS S.A is GCI FOOD ENTERPRISE LTD (a subsidiary of GLOBAL CAPITAL INVESTORS (II) L.P Group), which participates with 79,43% and holds 16.070.757 shares.

GCI FOOD ENTERPRISE LTD which participated with a shareholding of 49,92%, on 18th July 2006, submitted a voluntary public tender offer, pursuant to Law 3461/2006, to acquire in cash the total number of common registered shares of the company NIKAS S.A. The offer period ended at 8/9/2006. Through the public offer, 804.516 shares were offered (3,98% of total number of shares). GCI FOOD ENTERPRISE LTD, also acquired 5.166.241 shares (25,53% of total number of shares) during the period of public offer.

The financial statements have been approved for issue by the Board of Directors on 16 November 2006.

2. Summary of significant accounting policies

These interim financial statements of P.G NIKAS S.A, refer to the six months period from 1 January 2006 to 30 September 2006. They have been prepared by management in accordance to IAS 34, «Interim Financial Reporting». The interim financial statements have to be considered together with the financial information under IFRS for the year ended 31 December 2005 and is available at the internet address of the Group www.nikas.gr.

The accounting policies used for the preparation and presentation of these interim financial statements are consistent with the policies used to prepare the IFRS financial information for the year ended 31 December 2005.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and management to exercise judgement in the process of applying the Company's accounting policies. It also requires the use of estimation and assumptions that affect financial assets and liabilities, the notification of any contingencies at the balance sheet date and income/expense occurred during the period under examination. Despite the fact that the above-mentioned estimations and assumptions are based on the best knowledge of management in relation to the current terms and conditions, the actual results may be different than those estimated. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.



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3. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The provision for income taxes is an area in which management believes that there is a significant risk of material adjustments within the next financial years due to the existing tax law in Greece, according to which, tax liabilities of the Company are final only after a tax audit has been carried out by the tax authorities.

A significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. Segment information

Company's Head office is located in Athens and its primary activity is in Greece. The Group primary sells its products in Greece, Balkans and Cyprus. The main activities of the Group are the production and selling of processed meat and processed meat products. Other Group operations comprise the production of pizza, cheese products and other foodstuff. Based on the above, segment analysis of the Group is as follows:

Primary reporting format – geographical segments

The Group's segment results for the nine months ended 30 September 2006 and 2005, are as follows:

9 months up to 30 September 2006

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Total gross segment sales	89.172.059	5.423.898	94.595.957
Intersegment sales	<u>(13.520.459)</u>	<u>(217.983)</u>	<u>(13.738.442)</u>
Sales	<u>75.651.600</u>	<u>5.205.915</u>	<u>80.857.515</u>
Operating profit	6.917.002	(651.037)	6.265.965
Finance costs - net	<u>(1.721.823)</u>	<u>(124.412)</u>	<u>(1.846.235)</u>
Profit before income tax	<u>5.195.179</u>	<u>(775.449)</u>	<u>4.419.730</u>
Income tax	<u>(1.080.263)</u>	-	<u>(1.080.263)</u>
Profit for the period	<u>4.114.916</u>	<u>(775.449)</u>	<u>3.339.467</u>



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9 months up to 30 September 2005

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Total gross segment sales	83.757.196	6.513.771	90.270.967
Intersegment sales	(11.389.477)	(624.126)	(12.013.603)
Sales	72.367.719	5.889.645	78.257.364
Operating profit	7.458.919	1.225.086	8.684.005
Finance costs - net	(1.264.157)	(219.356)	(1.483.513)
Profit before income tax	6.194.762	1.005.730	7.200.492
Income tax	(1.829.267)	-	(1.829.267)
Profit for the period	4.365.495	1.005.730	5.371.225

Other segment items included in the income statement are as follows:

9 months up to 30 September 2006

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Depreciation of tangible & intangible assets	2.499.952	438.678	2.938.630
Amortisation of intangible assets	2.558	6.345	8.903

9 months up to 30 September 2005

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Depreciation of tangible & intangible assets	3.082.718	582.486	3.665.205
Amortisation of intangible assets	5.138	-	5.138

The segment assets and liabilities at 30 September 2006 and 31 December 2005 and the capital expenditure relating to tangible and intangible assets are as follows:

9 months up to 30 September 2006

<i>Amounts in €</i>	GREECE	OTHER	TOTAL
Assets	115.579.808	9.574.204	125.154.012
Liabilities	87.977.389	6.681.720	94.659.109
Capital expenditure	5.042.349	346.791	5.389.140



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12 months up to 31 December 2005

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Assets	114.164.101	10.737.170	124.901.271
Liabilities	85.987.771	6.482.164	92.469.935
Capital expenditure	4.147.491	1.104.240	5.251.731

Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash.

Segment liabilities comprise operating liabilities (payables, borrowings, etc).

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Secondary reporting format – business segments.

The Group's segment revenues for nine months up to 30 September 2006 and 2005, are as follows:

<i>Amounts in €</i>	9 months ended 30 September 2006	9 months ended 30 September 2005
Processed meat products	56.272.000	52.501.196
Other products	24.585.515	25.756.168
Total	80.857.515	78.257.364

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated parties.



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5. Sale of Equity Participations

On 30 April 2006 the Company sold its participation in Plataion SA for the amount of Euro 7.220. For the disposition of the above investment the Company participated in a capital increase of Euro 2.784.000 and purchased part of its property (mainly land) for Euro 1.081.000. The subsidiary's balance sheet on the date of disposition was as following:

Amounts in €

Assets

Non-currents assets

Property, plant and equipment	2.131.767
Inventories	1.430.662
Trade and other receivables	5.695.839
Cash and cash equivalents	940.413
Total assets	10.198.680

EQUITY

Share capital	2.427.000
Fair value and other reserves	3.292
Retained earnings	(1.806.777)
Total equity	623.515

LIABILITIES

Trade and other payables	3.541.458
Borrowings	5.563.182
Deferred income tax liabilities	323.515
Other liabilities	147.010
Total liabilities	9.575.165
Total equity and liabilities	10.198.680

On 27 April 2006, the Company sold its participation (40.89%) in Hellenic Gyros SA for the amount of Euro 2.000.000.

On 30 September 2006, clearance of the subsidiary PELOPONISOS S.A took place, in which Group participated through its subsidiary NIKAS SPARTI S.A with a shareholding of 96.98%.



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6. Property, Plant and Equipment

<i>Amounts in €</i>	Land & buildings	Vehicles & machinery	Furniture fittings and equipment	Total
GROUP - Cost				
Balance at 1 January 2006	55.532.916	38.005.520	8.064.849	101.603.285
Decrease on PP&E due to sale of subsidiary	(2.321.032)	(1.817.787)	(1.249.790)	(5.388.609)
Additions	2.213.472	2.899.286	275.535	5.388.293
Disposals/ Write-offs	(248.034)	(937.995)	(242.452)	(1.428.481)
Balance at 30 September 2006	55.177.322	38.149.023	6.848.143	100.174.488
Accumulated depreciation				
Balance at 1 January 2006	(8.805.112)	(29.453.772)	(6.526.826)	(44.785.710)
Decrease on depreciation due to sale of subsidiary	69.327	1.255.607	937.602	2.262.536
Depreciation charge	(873.999)	(1.763.669)	(300.962)	(2.938.630)
Disposals/ Write-offs	-	724.775	166.413	891.187
Balance at 30 September 2006	(9.609.784)	(29.237.059)	(5.723.774)	(44.570.617)
Net book value at 30 September 2006	45.567.538	8.911.965	1.124.369	55.603.871
COMPANY - Cost				
Balance at 1 January 2006	39.139.065	24.631.996	5.002.618	68.773.679
Additions	2.156.833	2.268.385	180.861	4.606.079
Disposals/ Write-offs	-	(706.822)	(216.078)	(922.900)
Balance at 30 September 2006	41.295.898	26.193.559	4.967.401	72.456.858
Accumulated depreciation				
Balance at 1 January 2006	(6.057.030)	(19.915.459)	(4.169.759)	(30.142.248)
Depreciation charge	(572.654)	(1.030.544)	(197.557)	(1.800.755)
Disposals/ Write-offs	-	534.765	144.702	679.466
Balance at 30 September 2006	(6.629.684)	(20.411.239)	(4.222.615)	(31.263.537)
Net book value at 30 September 2006	34.666.215	5.782.320	744.786	41.193.321

No mortgage commitment exists in the above fixed assets, except for fixed assets with net book value Euro 1.761.120 of a Group's subsidiary (ALLANTIKA MAKEDONIAS) that are mortgaged as collateral for a loan amounting to Euro 32.610 (refer to note 8).

In the consolidated financial statements of the previous period, an amount of Euro 78.486 has been reclassified from the cost of furniture and fixtures to the cost of buildings.



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7. Investments in subsidiaries and associates

<i>Amounts in €</i>	GROUP Associates		COMPANY Subsidiaries & Associates	
	30/09/2006	30/09/2005	30/09/2006	30/09/2005
Beginning of period	9.647.268	8.366.184	13.991.588	13.022.835
Share of profit from associates	567.514	338.400	-	-
Additions, share capital increase		-	2.734.240	-
Proceeds from investments in associates and subsidiaries	(2.477.893)	-	(4.675.185)	-
End of period	7.736.889	8.704.584	12.050.643	13.022.835

The summarised financial information of principal subsidiaries and associates, all of which are unlisted, is as follows:

Name	Cost	Impairment	Balance sheet value	Country of incorporation	% Interest held
<i>Amounts in €</i>					
i) subsidiaries					
NIKAS SPARTI S.A	3.464.121	-	3.464.121	GREECE	100,00%
NIKAS CRETE S.A	26.481	-	26.481	GREECE	100,00%
DOMOKOS S.A	205.429	-	205.429	GREECE	70,00%
ALLANTIKA MAKEDONIAS S.A	2.230.374	2.230.374	-	GREECE	55,00%
P.G NIKAS GMBH	1.059.941	1.059.941	-	GERMANY	90,00%
NIKAS SKOPJE L.T.D	4.330.492	4.330.492	-	SKOPJE	98,45%
NIKAS BULGARIA S.A	5.514.444	-	5.514.444	BOULGARIA	100,00%
NIKAS ROMANIA S.A	128.503	-	128.503	ROMANIA	96,50%
NIKAS USA INC	1.700.000	1.700.000	-	U.S.A	100,00%
Total	18.659.786		9.338.978		
ii) associates					
ALLANTIKA GRIGORIOU LTD	1.218.724	-	1.218.724	CYPRUS	35,98%
GRIGORIOU BE LTD	1.492.941	-	1.492.941	CYPRUS	35,98%
Total	2.711.665		2.711.665		
Total	21.371.451		12.050.643		

In addition, the Company participates -through its subsidiary NIKAS SPARTI S.A- to the following company:

Name	Cost	Impairment	Balance sheet value	Country of incorporation	% Interest held
NIKAS ROMANIA	4.674	-	4.674	ROMANIA	3,50%
	4.674	-	4.674		



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8. Borrowings

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Non-current borrowings				
Bank borrowings	32.610	56.090	-	-
Bond	34.000.000	34.000.000	34.000.000	34.000.000
Total non-current borrowings	34.032.610	34.056.090	34.000.000	34.000.000
Current borrowings				
Bank borrowings	23.456.913	20.891.327	7.194.180	-
Bond	-	3.000.000	-	3.000.000
Total current borrowings	23.456.913	23.891.327	7.194.180	3.000.000
Total borrowings	57.489.523	57.947.417	41.194.180	37.000.000

The movement in Group's borrowings from 31 December 2005 has as follows:

Borrowings as at 01.01.2006	57.947.417
Decrease in borrowings due to sale of subsidiary	(5.098.992)
Proceeds from borrowings	4.641.098
Borrowings as at 30.09.2006	57.489.523

Long term borrowings of Euro 32.610 are secured over the land and buildings of a Group's subsidiary (ALLANTIKA MAKEDONIAS) at an amount of Euro 1.761.120 (refer to note 6).

The maturity of non-current borrowings is as follows:

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Between 1 and 2 years	3.032.610	3.056.090	3.000.000	3.000.000
Between 2 and 5 years	31.000.000	31.000.000	31.000.000	31.000.000
	34.032.610	34.056.090	34.000.000	34.000.000

The carrying amounts of short-term borrowings approximate their fair value. The carrying amounts of short-term borrowings reflect borrowings in Euro, except for the amount of Euro 2.000.000 at 30 June 2006 and 31 December 2005 of the subsidiary NIKAS BULGARIA S.A- for which the liability is in BGN (LEVA 3.912.000).

The Group has adequate credit limits in order to cover foreseeable borrowings.



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9. Retirement benefit obligations

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Balance sheet obligations for:				
Pension benefits	538.712	791.558	347.469	594.449
Total	538.712	791.558	347.469	594.449
Income statement charge for:				
Pension benefits	956	105.280	-	76.233
Total	956	105.280	-	76.233

(a) Pension benefits

The amounts recognised in the balance sheet are determined as follows:

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Present value of funded obligations	529.034	781.902	339.024	586.004
Unrecognised actuarial gains/ (losses)	9.678	9.656	8.445	8.445
Liability in the balance sheet	538.712	791.558	347.469	594.449

The above-mentioned liabilities are long term liabilities and the majority of them are expected to be paid after 12 months.

The amounts recognised in the income statement are as follows:

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Current service cost	187	71.775	-	51.709
Interest cost	501	23.849	-	16.079
Unrecognised actuarial (gains)/ losses	268	9.656	-	8.445
Total	956	105.280	-	76.233



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The movement in the liability recognised in the balance sheet is as follows:

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Opening balance	791.558	689.943	594.449	518.216
Currency translation adjustment	(1.392)	-	-	-
Reversal of unused provision	(255.429)	-	(250.000)	-
Provision used	3.019	-	3.020	-
Total expense - charged in the income statement	956	105.280	-	76.233
Contributions paid	-	(3.665)	-	-
Closing balance	538.712	791.558	347.469	594.449

10. Other operating income - loss (net)

<i>Amounts in €</i>	GROUP		COMPANY	
	30/09/2006	30/09/2005	30/09/2006	30/09/2005
Income from investments	1.019.919	1.056.040	452.405	717.642
Income from sale of equity participation	522.106	-	1.043.300	-
Loss from disposition of equity participation	(618.612)	(42.300)	(2.711.264)	(42.300)
Losses from sales of PP&E	(58.659)	(484.737)	(41.814)	(313.743)
Income from sales of PP&E	646.570	314.821	76.488	306.121
Amortisation of government grants	161.352	426.387	149.779	370.694
Income from compensation received from insurance company for damaged PP&E and inventories	-	1.456.288	-	-
Other	(223.797)	(160.880)	(223.647)	(272.310)
Total	1.448.878	2.565.619	(1.254.753)	766.103

11. Income tax expense

Tax rate for 2006 is 29% based on the law, reduced by Euro 57.284 due to absorption of "NIKAS SALONICA S.A".

12. Commitments

There are no significant capital commitments at the balance sheet that would have an impact on the interim financial statements of 2006.

13. Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. No additional charges are anticipated from contingent liabilities. The Guarantees given by the Group in ordinary course of business are as follows:



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Amounts in €

	<u>30 September 2006</u>	<u>31 December 2005</u>
Payables		
Guarantees given to suppliers	315.564	270.212
Bank guarantees in favour of subsidiaries	21.119.817	27.261.978
	<u>21.435.381</u>	<u>27.532.190</u>

14. Related-party transactions

The following transactions were carried out with related parties:

	GROUP		COMPANY	
<i>Amounts in €</i>	30/09/2006	30/09/2005	30/09/2006	30/09/2005
i) Sales of goods and services and other revenues				
Sales og goods	1.153.343	1.011.188	8.669.470	9.509.043
	<u>1.153.343</u>	<u>1.011.188</u>	<u>8.669.470</u>	<u>9.509.043</u>
ii) Purchase of goods and services and other expenses charged				
Purchases of goods	39.915	180.993	5.923.357	3.118.412
	<u>39.915</u>	<u>180.993</u>	<u>5.923.357</u>	<u>3.118.412</u>
iii) Key management compensation				
Salaries and other short-term employee benefits	583.433	723.474	583.433	723.474
	<u>583.433</u>	<u>723.474</u>	<u>583.433</u>	<u>723.474</u>
iv) Year-end balances arising from sales/purchases of goods/services				
Receivables from related parties				
-Parent limited	-	-	8.609.242	8.325.395
-Associates	576.474	702.873	-	-
	<u>576.474</u>	<u>702.873</u>	<u>8.609.242</u>	<u>8.325.395</u>
Payables to related parties				
-Parent limited	-	-	1.471.753	817.501
-Associates	6.829	20.909	-	-
	<u>6.829</u>	<u>20.909</u>	<u>1.471.753</u>	<u>817.501</u>
v) Loans to related parties	<u>707.540</u>	<u>707.540</u>	<u>707.540</u>	<u>707.540</u>

Services from and to related parties and purchases and sales of goods are negotiated on the basis of the price lists in force with non-related parties.

The consolidated financial statements of the previous period have been adjusted for comparability purposes.



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15. Earnings per share

Basic and diluted

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company with the weighted average number of ordinary shares during the period.

Amounts in €

	GROUP		COMPANY	
	1/1 up to 30/09/2006	1/1 up to 30/09/2005	1/1 up to 30/09/2006	1/1 up to 30/09/2005
Profit attributable to equity holders of the Company	3.428.207	5.494.760	2.429.700	5.003.902
Weighted average number of ordinary shares in issue	20.231.328	20.231.328	20.231.328	20.231.328
Basic earnings per share (€ per share)	0,169	0,272	0,120	0,247

16. Unaudited tax years

The Company and the most significant subsidiaries which are included in the consolidation have been audited by the tax authorities until 2003, except for “NIKAS CRETE S.A” and “ALLANTIKA MAKEDONIAS S.A” that have been audited by the tax authorities until 2000. As described in note 3, according to existing tax law in Greece, tax liabilities of a company are final only after a tax audit has been carried out by the tax authorities.

17. Number of employees

Number of employees at the end of the period under examination: Group 612, Company 370.

18. Dividends per share

With the approval of the financial statements of 2005, the Company’s Board of Directors declared a dividend from the profits of 2005 amounting to € 5.260 thousand (€ 0,26 per share), which has been approved by the General Meeting of the Shareholders at their annual meeting on 27 April 2006. This amount has been paid to the shareholders on 10 May 2006.

19. Events after the balance sheet date

a) Sale of a plot of land in Agios Stefanos

The Board of Directors of NIKAS S.A. decided the sale of a plot of land (20.000 sq. meters) in Agios Stefanos for the minimum amount of Euro 7.800.000. The above plot of land is a non operating asset. The proceeds of the above sale will be used for the repayment of company’s loans.

b) Sale - merger of Subsidiaries

The General Meeting of Shareholders at their meeting on 24 February 2006 decided –according to article 23a of Law 2190/1920- to sell the total number of shares of NIKAS USA INC (a 100% subsidiary) to its founder Mr P. Nikas for Euro 1.000.000. The above-mentioned sell took place on 21 July 2006.



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In addition, the company's management decided the absorption of the subsidiaries "SPARTI S.A" and "CRETE S.A" with balance sheet date 31 December 2005. The aforementioned absorptions have not been completed at the time of publication of the financial statements as of 30/09/2006.

Agios Stefanos, 16 November 2006

**PRESIDENT OF THE
BOARD**

**VICE PRESIDENT OF THE
BOARD & MANAGING
DIRECTOR**

CFO

CHIEF ACCOUNTANT

MINAS TANES

DIONISIOS P. RORRIS

GEORGE TH. VANIS

IOANNIS TSANTILIS

ID No K-217608

ID No X -501424

ID No Σ -700943

ID No Φ 362758