



P.G. NIKAS S.A

Interim Financial Statements

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

1st Half 2006 (30/6/2006)

P.G. NIKAS S.A.

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

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Balance sheet

		GROUP		COMPANY	
Amounts in €	Note	30/06/2006	31/12/2005	30/06/2006	31/12/2005
ASSETS					
Non-currents assets					
Property, plant and equipment	6	54.709.651	56.817.575	40.344.088	38.631.431
Intangible assets		147.756	163.531	79.261	79.915
Investments in subsidiaries	7	8.752.645	9.647.268	13.050.643	13.991.588
Trade and other receivables		724.048	725.660	1.207.540	1.207.540
		64.334.100	67.354.034	54.681.532	53.910.474
Current assets					
Inventories		11.833.516	9.222.569	7.361.609	4.948.976
Trade and other receivables		44.398.838	42.926.291	41.216.833	36.210.460
Public sector - Income tax advance		805.649	1.374.008	687.866	1.258.546
Cash and cash equivalents		1.113.692	4.024.369	207.545	3.297.619
		58.151.695	57.547.237	49.473.853	45.715.601
Total assets		122.485.795	124.901.271	104.155.385	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		(55.721)	(55.721)	-	-
Fair value and other reserves		10.596.507	10.595.306	9.218.353	9.218.353
Retained earnings		914.451	3.651.798	5.054.559	9.375.569
Shareholders' equity		29.663.432	32.399.578	32.481.107	36.802.117
Minority interest		82.790	31.758	-	-
Total equity		29.746.222	32.431.336	32.481.107	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		3.724.621	3.800.240	4.346.855	4.127.458
Retirement benefit obligations	9	536.714	791.558	345.471	594.449
Government grants		1.561.849	1.437.445	1.370.362	1.112.705
Provisions		158.135	158.135	150.000	150.000
		40.013.929	40.243.468	40.212.688	39.984.612
Current liabilities					
Trade and other payables		29.205.334	26.921.164	24.029.205	18.744.933
Current income tax liabilities		832.870	1.413.976	599.389	1.094.413
Borrowings	8	22.687.440	23.891.327	6.832.996	3.000.000
		52.725.644	52.226.467	31.461.590	22.839.346
Total liabilities		92.739.573	92.469.935	71.674.278	62.823.958
Total equity and liabilities		122.485.795	124.901.271	104.155.385	99.626.075

The notes on pages 7 to 18 are an integral part of these financial statements.



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Income Statement

1st Half 2006

<i>Amounts in €</i>	<i>Note</i>	GROUP		COMPANY	
		1/1 up to 30/06/2006	1/1 up to 30/06/2005	1/1 up to 30/06/2006	1/1 up to 30/06/2005
Sales		53.029.088	51.877.529	44.803.810	41.123.583
Cost of sales		<u>(37.773.369)</u>	<u>(36.144.492)</u>	<u>(31.544.831)</u>	<u>(27.825.749)</u>
Gross profit		15.255.719	15.733.037	13.258.979	13.297.834
Selling and marketing costs		(9.952.417)	(8.786.471)	(7.929.493)	(6.831.674)
Administrative expenses		(2.561.254)	(2.674.111)	(1.889.445)	(1.749.381)
Other operating income / (expense)-net	10	<u>1.425.233</u>	<u>2.400.477</u>	<u>(1.216.398)</u>	<u>653.697</u>
Operating profit		4.167.281	6.672.932	2.223.643	5.370.476
Finance costs - net		<u>(1.015.125)</u>	<u>(1.019.476)</u>	<u>(713.343)</u>	<u>(613.041)</u>
Profit before income tax		3.152.156	5.653.456	1.510.300	4.757.435
Income tax expense	11	<u>(577.125)</u>	<u>(1.344.801)</u>	<u>(571.164)</u>	<u>(1.244.678)</u>
Profit for the year from continued operations		2.575.031	4.308.655	939.136	3.512.757
Discontinued operations					
Profit / (loss) from discontinued operations		<u>-</u>	<u>352</u>	<u>-</u>	<u>-</u>
Profit for the period		2.575.031	4.309.007	939.136	3.512.757
Attributable to:					
Equity holders of the Company		2.666.611	4.314.967	939.136	3.512.757
Minority interest		<u>(91.580)</u>	<u>(5.960)</u>	<u>-</u>	<u>-</u>
		2.575.031	4.309.007	939.136	3.512.757
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>0,132</u>	<u>0,213</u>	<u>0,046</u>	<u>0,174</u>

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Income Statement

2nd Quarter 2006

<i>Amounts in €</i>	GROUP		COMPANY	
	1/4 up to 30/06/2006	1/4 up to 30/06/2005	1/4 up to 30/06/2006	1/4 up to 30/06/2005
Sales	26.866.139	26.496.230	22.787.749	20.388.152
Cost of sales	(19.214.352)	(19.458.294)	(16.289.033)	(14.739.335)
Gross profit	7.651.788	7.037.936	6.498.716	5.648.817
Selling and marketing costs	(5.089.482)	(4.538.638)	(3.935.277)	(3.492.470)
Administrative expenses	(1.292.699)	(1.393.472)	(1.016.951)	(886.870)
Other operating income / (expense)-net	(304.388)	1.771.840	(1.597.760)	(333.624)
Operating profit	965.219	2.877.666	(51.272)	935.853
Finance costs - net	(490.238)	(402.437)	(370.311)	(257.401)
Profit before income tax	474.981	2.475.229	(421.583)	678.452
Income tax expense	(180.135)	(200.981)	(212.983)	(102.351)
Profit for the year from continued operations	294.846	2.274.248	(634.566)	576.101
Discontinued operations				
Profit / (loss) from discontinued operations	-	352	-	-
Profit for the period	294.846	2.274.600	(634.566)	576.101
Attributable to:				
Equity holders of the Company	389.591	2.156.731	(634.566)	576.101
Minority interest	(94.745)	117.869	-	-
	294.846	2.274.600	(634.566)	576.101
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)				
Basic and Diluted	0,019	0,107	(0,031)	0,028

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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	-	-	4.314.967	-	4.314.967	(5.960)	4.309.007
Dividend paid for 2004	-	-	(4.855.518)	-	(4.855.518)	-	(4.855.518)
Balance at 30 June 2005	18.208.195	10.484.403	(17.181)	(55.896)	28.619.521	112.780	28.732.301
Currency translation adjustments	-	-	-	175	175	-	175
Profit for the period	-	-	3.779.882	-	3.779.882	(81.022)	3.698.860
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	-	-	2.666.611	-	2.666.611	(91.580)	2.575.031
Dividend paid for 2005	-	-	(5.260.145)	-	(5.260.145)	-	(5.260.145)
Reserves formed	-	3.670	(3.670)	-	-	-	-
Disposal of subsidiary (PLATAION)	-	(2.469)	(140.143)	-	(142.612)	142.612	-
Balance at 30 June 2006	18.208.195	10.596.507	914.451	(55.721)	29.663.432	82.790	29.746.222
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	-	-	3.512.756	-	3.512.756	-	3.512.756
Dividend paid for 2004	-	-	(4.855.518)	-	(4.855.518)	-	(4.855.518)
Balance at 30 June 2005	18.208.195	9.107.450	5.205.438	-	32.521.083	-	32.521.083
Profit for the period	-	-	4.281.034	-	4.281.034	-	4.281.034
Reserves formed	-	110.903	(110.903)	-	-	-	-
Balance at 31 December 2005	18.208.195	9.218.353	9.375.569	-	36.802.117	-	36.802.117
Profit for the period	-	-	939.135	-	939.135	-	939.135
Dividend paid for 2005	-	-	(5.260.145)	-	(5.260.145)	-	(5.260.145)
Balance at 30 June 2006	18.208.195	9.218.353	5.054.559	-	32.481.107	-	32.481.107

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Cash flow statement

	GROUP		COMPANY	
	1/1 up to 30/06/2006	1/1 up to 30/06/2005	1/1 up to 30/06/2006	1/1 up to 30/06/2005
<i>Amounts in €</i>				
Cash flows from operating activities				
Profit for the period (before tax)	3.152.156	5.653.456	1.510.300	4.757.435
Adjustments to the profit	2.038.902	4.047.943	3.504.661	1.996.904
Changes in working capital	(3.179.108)	(1.255.692)	(3.123.563)	(661.948)
Cash generated from operations	2.011.950	8.445.707	1.891.398	6.092.391
Interest paid	(940.239)	(758.651)	(735.562)	(348.155)
Income tax paid	(48.161)	(352.609)	(48.161)	(111.654)
Net cash generated from operating activities	1.023.550	7.334.447	1.107.675	5.632.582
Cash flows from investing activities				
Purchases of property, plant and equipment	(3.324.766)	(1.999.322)	(2.962.068)	(454.348)
Purchases of intangible assets	(626)	(39.558)	(441)	(34.523)
Sales of property, plant and equipment	951.923	1.384.696	116.815	1.072.168
Income from investments	452.405	-	452.405	-
Share capital increase in subsidiary which is sold	(2.718.483)	-	(2.718.483)	-
Proceeds from sales of investments in other companies	2.007.220	-	2.007.220	-
Government grants received	327.489	-	327.489	-
(Purchases) / sales of available-for-sale financial assets	-	(1.547.229)	-	(1.547.229)
Interest received	22.758	38.507	22.219	34.448
Investment in subsidiaries	(15.756)	-	(15.756)	-
Net cash generated from investing activities	(2.297.836)	(2.162.906)	(2.770.600)	(929.484)
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	3.871.624	-	3.832.996	-
Repayments of borrowings	-	(1.089.322)	-	-
Net cash used in / (generated from) financing activities	(1.388.521)	(5.944.841)	(1.427.149)	(4.855.519)
Net increase / (decrease) in cash and bank overdrafts	(2.662.807)	(773.300)	(3.090.074)	(152.421)
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	1.113.692	3.116.777	207.545	1.624.475

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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 June 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 49,92% and holds 10.100.000 shares. On 19th July 2006, GCI FOOD ENTERPRISE LTD submitted a voluntary public tender offer to acquire in cash the total number of common registered shares of the company NIKAS S.A. (refer to note 19).

The financial statements have been approved for issue by the Board of Directors on 10 August 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 June 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.

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.



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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 six months ended 30 June 2006 and 2005, are as follows:

6 months up to 30 June 2006

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Total gross segment sales	58.220.462	3.354.721	61.575.183
Intersegment sales	<u>(8.399.944)</u>	<u>(146.151)</u>	<u>(8.546.095)</u>
Sales	<u>49.820.518</u>	<u>3.208.570</u>	<u>53.029.088</u>
Operating profit	4.370.357	(203.076)	4.167.281
Finance costs - net	<u>(936.521)</u>	<u>(78.604)</u>	<u>(1.015.125)</u>
Profit before income tax	<u>3.433.836</u>	<u>(281.680)</u>	<u>3.152.156</u>
Income tax	<u>(577.125)</u>	-	<u>(577.125)</u>
Profit for the period	<u>2.856.711</u>	<u>(281.680)</u>	<u>2.575.031</u>

6 months up to 30 June 2005

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Total gross segment sales	55.135.382	4.127.455	59.262.837
Intersegment sales	<u>(7.164.308)</u>	<u>(221.000)</u>	<u>(7.385.308)</u>
Sales	<u>47.971.074</u>	<u>3.906.455</u>	<u>51.877.529</u>
Operating profit	5.125.889	1.547.043	6.672.932
Finance costs - net	<u>(813.054)</u>	<u>(206.422)</u>	<u>(1.019.476)</u>
Profit before income tax	<u>4.312.835</u>	<u>1.340.621</u>	<u>5.653.456</u>
Income tax	<u>(1.344.801)</u>	-	<u>(1.344.801)</u>
Profit for the period	<u>2.968.034</u>	<u>1.340.621</u>	<u>4.308.655</u>



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

6 months up to 30 June 2006

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Depreciation of tangible & intangible assets	1.662.664	289.555	1.952.219

6 months up to 30 June 2005

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Depreciation of tangible & intangible assets	2.032.169	297.051	2.329.220

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

6 months up to 30 June 2006

<i>Amounts in €</i>	GREECE	OTHER COUNTRIES	TOTAL
Assets	113.059.880	9.425.915	122.485.795
Liabilities	86.786.982	5.952.591	92.739.573
Capital expenditure	3.193.513	131.879	3.325.392

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.



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Secondary reporting format – business segments.

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

<i>Amounts in €</i>	6 months ended 30 June 2006	6 months ended 30 June 2005
Processed meat products	36.420.000	34.475.307
Other products	16.609.088	17.402.222
Total	53.029.088	51.877.529

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

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

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



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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	1.325.795	1.837.847	161.124	3.324.766
Disposals/ Write-offs	(248.034)	(753.797)	(121.171)	(1.123.002)
Balance at 30 June 2006	54.289.644	37.271.783	6.855.012	98.416.440
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	(581.364)	(1.165.400)	(199.523)	(1.946.286)
Disposals/ Write-offs	-	654.288	108.383	762.671
Balance at 30 June 2006	(9.317.149)	(28.709.276)	(5.680.364)	(43.706.789)
Net book value at 30 June 2006	44.972.496	8.562.507	1.174.648	54.709.651
COMPANY - Cost				
Balance at 1 January 2006	39.139.065	24.631.996	5.002.618	68.773.679
Additions	1.273.556	1.587.949	100.563	2.962.068
Disposals/ Write-offs	-	(523.329)	(100.430)	(623.759)
Balance at 30 June 2006	40.412.621	25.696.616	5.002.751	71.111.988
Accumulated depreciation				
Balance at 1 January 2006	(6.057.030)	(19.915.459)	(4.169.759)	(30.142.248)
Depreciation charge	(373.854)	(679.402)	(128.961)	(1.182.217)
Disposals/ Write-offs	-	464.279	92.286	556.565
Balance at 30 June 2006	(6.430.884)	(20.130.582)	(4.206.434)	(30.767.900)
Net book value at 30 June 2006	33.981.737	5.566.034	796.317	40.344.088

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	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Beginning of period	9.647.268	8.366.184	13.991.588	13.022.835
Share of profit from associates	567.514	282.285	-	-
Additions, share capital increase	15.756	-	2.734.240	-
Proceeds from investments in associates and subsidiaries	(1.477.893)	-	(3.675.185)	-
End of period	8.752.645	8.648.469	13.050.643	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	700.000	1.000.000	U.S.A	100,00%
Total	18.659.786		10.338.978		
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		13.050.643		

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

Name	Cost	Impairment	Balance sheet value	Country of incorporation	% Interest held
PELOPONISSOS S.A	384.840	-	384.840	GREECE	96,98%
NIKAS ROMANIA S.A	4.674	-	4.674	ROMANIA	3,50%
	389.514		389.514		



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Summarised financial information for significant associates (according to IFRS):

<i>Amounts in €</i>	30/06/2006	30/06/2006	1/1-30/06/2006	1/1-30/06/2006
Name	Assets	Liabilities	Sales	Profit after tax
ALLANTIKA GRIGORIOU LTD	14.987.531	6.503.138	-	1.306.982
GRIGORIOU BE LTD	21.335.369	8.686.598	9.364.965	2.980.341
	36.322.900	15.189.736	9.364.965	4.287.323

“ALLANTIKA GRIGORIOU LTD” does not have commercial activity. It participates with 70% to “GRIGORIOU BE LTD” and its revenues comprises of the dividends received from its subsidiary.

8. Borrowings

<i>Amounts in €</i>	GROUP		COMPANY	
	30/06/2006	31/12/2005	30/06/2006	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	19.687.440	20.891.327	3.832.996	-
Bond	3.000.000	3.000.000	3.000.000	3.000.000
Total current borrowings	22.687.440	23.891.327	6.832.996	3.000.000
Total borrowings	56.720.050	57.947.417	40.832.996	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	3.871.625
Borrowings as at 30.06.2006	56.720.050

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	
	30/06/2006	31/12/2005	30/06/2006	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



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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.

9. Retirement benefit obligations

<i>Amounts in €</i>	GROUP		COMPANY	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
Balance sheet obligations for:				
Pension benefits	536.714	791.558	345.471	594.449
Total	536.714	791.558	345.471	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	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
Present value of funded obligations	527.036	781.902	337.026	586.004
Unrecognised actuarial gains/ (losses)	9.678	9.656	8.445	8.445
Liability in the balance sheet	536.714	791.558	345.471	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	
	30/06/2006	31/12/2005	30/06/2006	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	
	30/06/2006	31/12/2005	30/06/2006	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	1.021	-	1.022	-
Total expense - charged in the income statement	956	105.280	-	76.233
Contributions paid	-	(3.665)	-	-
Closing balance	536.714	791.558	345.471	594.449

10. Other operating income - loss (net)

<i>Amounts in €</i>	GROUP		COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Income from investments	1.019.919	999.925	452.405	717.642
Income from sale of equity participation	522.106	-	1.043.300	-
Loss from disposition of equity participation	(617.677)	(42.300)	(2.711.264)	(42.300)
Losses from sales of PP&E	(21.834)	(473.378)	(5.024)	(309.354)
Income from sales of PP&E	615.048	290.859	54.646	283.765
Amortisation of government grants	77.548	7.715	69.833	-
Income from compensation received from insurance company for damaged PP&E and inventories	-	1.456.288	-	-
Other	(169.877)	161.368	(120.294)	3.944
Total	1.425.233	2.400.477	(1.216.398)	653.697

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 €

	30 June 2006	31 December 2005
Payables		
Guarantees given to suppliers	300.239	270.212
Bank guarantees in favour of subsidiaries	21.119.847	27.261.978
	21.420.086	27.532.190

14. Related-party transactions

The following transactions were carried out with related parties:

	GROUP		COMPANY	
<i>Amounts in €</i>	30/06/2006	30/06/2005	30/06/2006	30/06/2005
i) Sales of goods and services and other revenues				
Sales og goods	776.065	417.087	5.288.931	5.371.014
	776.065	417.087	5.288.931	5.371.014
ii) Purchase of goods and services and other expenses charged				
Purchases of goods	39.915	91.381	3.805.780	2.216.566
	39.915	91.381	3.805.780	2.216.566
iii) Key management compensation				
Salaries and other short-term employee benefits	393.002	433.615	393.002	433.615
	393.002	433.615	393.002	433.615
iv) Year-end balances arising from sales/purchases of goods/services				
Receivables from related parties				
-Parent limited	-	-	6.162.891	5.939.820
-Associates	629.322	435.538	-	-
	629.322	435.538	6.162.891	5.939.820
Payables to related parties				
-Parent limited	-	-	1.164.840	287.984
-Associates	6.829	30.374	-	-
	6.829	30.374	1.164.840	287.984
v) Loans to related parties	707.540	707.540	707.540	707.540

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 έως 30/06/2006	1/1 έως 30/06/2005	1/1 έως 30/06/2006	1/1 έως 30/06/2005
Profit attributable to equity holders of the Company	2.666.611	4.314.967	939.136	3.512.757
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)	0,132	0,213	0,046	0,174

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 605, Company 366.

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) Submission of voluntary public tender offer for the acquisition of the total number of the company’s shares

The company GCI FOODS ENTERPRISES LTD, which participates in the share capital of NIKAS S.A. with a shareholding of 49.92%, announced the submission of 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. for the price of € 6.00 per share.

On 2 August 2006, the Board of Directors of the Hellenic Capital Market Commission, approved the Information Bulletin for the voluntary public tender offer, which offer will last from 7 August 2006 up to 8 September 2006.

The Board of Directors of NIKAS S.A. on 10 August 2006 disclosed its explicit opinion which is in agreement with the above public tender offer, taking into consideration the interests of the company, its shareholders and its employees and in particular that the offer price of Euro 6.00 per share is fair since it is within the range of prices mentioned in the Report of the Financial Consultant employed.



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b) 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.

c) 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 after 30.06.2006. 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.

Agios Stefanos, 10 August 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



P.G NIKAS S.A.
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Report of the auditors

(This is a translation of the original Greek audit report)

To the Shareholders of the “P. G. NIKAS A.V.E.E.”

We have reviewed the accompanying condensed interim balance sheet of P.G. NIKAS AVEE (the “Company”) and the condensed interim consolidated balance sheet of the Company and its subsidiaries (the “Group”) as of 30 June 2006 and the related condensed interim Company and consolidated statements of income, cash flows and changes in shareholders’ equity for the six months ended 30 June 2006. Our review was restricted to financial information for the six months period ended 30 June 2006 and did not encompass a review of financial information relating to the Company’s performance for the three months period ended 30 June 2006 as a separate quarter which is presented in the income statement of the accompanying condensed interim financial statements. These condensed interim financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed company and consolidated interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim company and consolidated financial statements for the six monthly period ended 30 June 2006 has not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.



Athens, August 10th, 2006
Certified Auditor

PricewaterhouseCoopers
SOEL Reg. No: 113

Konstantinos Michalatos
SOEL Reg. No: 17701