

# LANNET COMMUNICATIONS S.A.

REG. No. S.A. 2640/06/B/86/03 - Location: Konstantinoupoleos str. 1 & Kifissou str., Peristeri Attikis

Data and information for the period January 1, 2006 to September 30, 2006

(In accordance with the Decision 2/396/31.8.2006 of the BoD of the Hellenic Capital Market Commission)

The data and information following below aim to present a general information for the financial position and the results of the company "LANNET COMMUNICATIONS S.A.". Therefore, we recommend the reader to go back at company's internet address where the financial statements are displayed in accordance with the International Accounting Standards as well as the certified accountant auditor's report, before he/she proceeds to an investment or any other transaction with the Company.

Internet address: www.lannet.gr

Date of approval of Interim Financial Statements by the Board of Directors: 11th of December 2006

BALANCE SHEET (amounts in €)					CASH FLOW STATEMENT (amounts in €)				
	CONSOLIDATED DATA		COMPANY DATA		CONSOLIDATED DATA		COMPANY DATA		
	30/9/2006	31/12/2005	30/9/2006	31/12/2005	1.1-30.9.2006	1.1-30.9.2005	1.1-30.9.2006	1.1-30.9.2005	
<b>ASSETS</b>					<b>Cash flows from operating activities</b>				
Tangible assets	54.615.203	33.296.585	56.268.757	33.296.585	Loss before taxes	-5.388.025	-13.198.711	-5.637.407	-13.198.711
Inventories	162.418	228.096	144.418	228.096	Plus /Less adjustments for:				
Trade receivables	31.058.641	21.169.905	29.225.286	21.169.905	Depreciations	3.548.051	3.465.601	3.523.379	3.465.601
Other assets	17.404.672	16.387.716	16.494.688	16.387.716	Results (revenues, expenses, profit&loss) from investing activities	-158.750	627.334	-158.750	627.334
<b>TOTAL ASSETS</b>	<b>103.240.934</b>	<b>71.082.302</b>	<b>102.133.149</b>	<b>71.082.302</b>	Debit interest and similar expenses	2.385.536	1.486.502	2.351.480	1.486.502
<b>LIABILITIES</b>					Plus/minus adjustments for working capital changes				
Long-term liabilities	12.699.435	19.743.846	12.559.445	19.743.846	Decrease/(increase) in inventories	65.678	147.957	83.678	147.957
Short-term bank borrowings	9.459.741	8.492.219	9.085.347	8.492.219	Decrease/(increase) in receivables	-9.888.736	913.759	-8.055.381	913.759
Other short-term liabilities	27.536.264	9.560.302	21.797.856	9.560.302	(Decrease)/increase of liabilities (excl. banks)	17.362.869	9.942.033	11.764.449	9.942.033
<b>Total liabilities (a)</b>	<b>49.695.440</b>	<b>37.796.367</b>	<b>43.442.648</b>	<b>37.796.367</b>	Less:				
<b>Equity (b)</b>	<b>53.545.494</b>	<b>33.285.935</b>	<b>58.690.501</b>	<b>33.285.935</b>	Debit interest and similar expenses paid	-2.385.536	-1.486.502	-2.351.480	-1.486.502
<b>TOTAL LIABILITIES AND EQUITY (a)+(b)</b>	<b>103.240.934</b>	<b>71.082.302</b>	<b>102.133.149</b>	<b>71.082.302</b>	Profit from security sales	325.911	0	325.911	0
<b>INCOME STATEMENT (amounts in €)</b>					<b>Total inflows/outflows from operating activities (a)</b>				
	CONSOLIDATED DATA				<b>Cash flow from investing activities</b>				
	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	Acquisition of subsidiaries and other investments	-29.191.634	-975.618	-26.086.200	-975.618
Turnover	38.214.499	40.435.121	10.723.452	11.646.051	Purchase of tangible and intangible assets	-419.327	-422.973	-413.624	-422.973
Gross profit /(Loss)	20.377.119	18.513.535	5.207.008	5.738.856	Receipts from the sale of tangible and intangible assets	4.273	0	4.273	0
Profit/(Loss) before taxes, finance and investment results and depreciations	385.228	-7.465.896	-486.675	-1.967.610	Interest received	38.183	13.174	38.183	13.174
Profit/(Loss) before taxes, finance and investment results	-3.162.824	-10.931.498	-1.676.952	-3.253.904	Decrease/(increase) long-term receivables	-4.389.032	2.365.508	-3.866.097	2.365.508
Profit/(Loss) before taxes	-5.388.025	-13.198.711	-2.386.122	-3.457.466	<b>Total inflows/outflows from investing activities (b)</b>	<b>-33.957.537</b>	<b>980.091</b>	<b>-30.323.465</b>	<b>980.091</b>
Less Taxes	0	0	0	0	<b>Cash flow from financing activities</b>				
<b>Profit/(Loss) after taxes from continuing operations (a)</b>	<b>-5.388.025</b>	<b>-13.198.711</b>	<b>-2.386.122</b>	<b>-3.457.466</b>	Receipts from share capital increase	28.413.788	0	28.413.788	0
<b>Profit/(Loss) after taxes from discontinued operations (b)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Repayments of liabilities from financing activities	-330.942	-738.541	-330.942	-738.541
<b>Profit/(Loss) after taxes from continuing and discontinued operations (a)+(b)</b>	<b>-5.388.025</b>	<b>-13.198.711</b>	<b>-2.386.122</b>	<b>-3.457.466</b>	Proceeds of borrowings	0	83.664	0	83.664
<b>Distributed to</b>					Repayments on borrowings	-3.364.385	-2.286.806	-3.364.385	-2.286.806
Shareholders of the parent	-5.388.025	-13.198.711	-2.386.122	-3.457.466	<b>Total inflows/outflows from financing activities (C)</b>	<b>24.718.461</b>	<b>-2.941.683</b>	<b>24.718.461</b>	<b>-2.941.683</b>
Minority interest	0	0	0	0	<b>Net increase / (decrease) in cash and cash equivalent of the period (a)+(b)+(c)</b>	<b>-3.372.078</b>	<b>-63.619</b>	<b>-3.759.125</b>	<b>-63.619</b>
Profit after tax per share - Basic (in €)	-0,0887	-0,3457	-0,0347	-0,1024	Cash and cash equivalents at the beginning of the period	7.225.046	2.850.171	7.225.046	2.850.171
					Cash and cash equivalents at the end of the period	<b>3.852.968</b>	<b>2.786.552</b>	<b>3.465.921</b>	<b>2.786.552</b>
<b>INCOME STATEMENT (amounts in €)</b>					<b>ADDITIONAL DATA AND INFORMATION</b>				
	COMPANY DATA				1. The accounting principles adopted on 30/9/2006 are those the Group applied on 31/12/2005 and are in accordance with IFRS. The attached interim consolidated financial statements (first consolidation period 30/9/2006) include, further to the parent company LAN-NET COMMUNICATIONS SA the subsidiaries mentioned in Note 2 which were consolidated with the full consolidation method. It is noted that the consolidation of the companies on 30/9/2006 did not change the turnover, the profits after tax and minority interest and the equity of the consolidated statements by more than 25% on 30.9.2006. The consolidated results for the period 1/1-30/9/2006 include the results of the company LAN-NET COMMUNICATIONS SA for the period 1/1-30/9/2006, of the company COLUMBIA COMMUNICATIONS SA for the period 1/1-30/9/2006, of the company ORBITECH SA for the period 1/9-30/9/2006, and of the company PRIMUS COMMUNICATIONS SERVICES SUPPORT SA for the period της περιόδου 1/9-30/9/2006.				
Turnover	37.407.344	40.435.121	9.916.297	11.646.051	2. The companies of the Group that are included in the consolidated financial statements together with their respective addresses and participation percentages are:				
Gross profit /(Loss)	19.598.154	18.513.535	4.428.043	5.738.856	Companies				
Profit/(Loss) before taxes, finance and investment results and depreciations	77.114	-7.465.896	-794.789	-1.967.610	Base Total % of participation Consolidation method Un-audited tax years				
Profit/(Loss) before taxes, finance and investment results	-3.446.265	-10.931.498	-1.960.393	-3.253.904	LAN-NET COMMUNICATIONS SA Greece Parent ----- 2002-2005				
Profit/(Loss) before taxes	-5.637.408	-13.198.711	-2.635.507	-3.457.466	(LANTEC COMMUNICATIONS SA absorbed on 1/8/2003) ----- 2003				
Less Taxes	0	0	0	0	COLUMBIA COMMUNICATIONS SA Greece 100% Full 2002-2005				
<b>Profit/(Loss) after taxes from continuing operations (a)</b>	<b>-5.637.408</b>	<b>-13.198.711</b>	<b>-2.635.507</b>	<b>-3.457.466</b>	PRIMUS SA COMMUNICATIONS SERVICES SUPPORT Greece 100% Full 2003-2005				
<b>Profit/(Loss) after taxes from discontinued operations (b)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	ORBITECH TECHNOLOGIES OF INFORMATION AND COMMUNICATIONS SA Greece 100% Full 2003-2005				
<b>Profit/(Loss) after taxes from continuing and discontinued operations (a)+(b)</b>	<b>-5.637.408</b>	<b>-13.198.711</b>	<b>-2.635.507</b>	<b>-3.457.466</b>	3. To secure its loans the group has pledged its fixed assets for the amount of € 11,271,956 and held shares for the amount of € 684,000.				
<b>Distributed to</b>					4. Doubtful debts receivables exist of a total amount € 4.400.000 approximately, for which the company has formed a provision on 30.09.2006 amounted to € 3.780.000 as well as for the other doubtful debt receivables the company believes that the outcome will not have a serious effect on financial statements				
Shareholders of the parent	-5.637.408	-13.198.711	-2.635.507	-3.457.466	5. The number of personnel of the group on 30.09.2006 was 248 people while of the parent was 200 and 185 people on 30.09.2006 and on 30.09.2005 respectively.				
Minority interest	0	0	0	0	6. Turnover, purchases of goods and services, balance of receivables and liabilities, transactions, remuneration, receivables and liabilities to and from executives and BoD members of the Company and the Group with related parties according to IAS 24 are as follows:				
Profit after tax per share - Basic (in €)	-0,0928	-0,3457	-0,0384	-0,1024	Amounts in €:				
					GROUP 30/9/2006 COMPANY 30/9/2006				
					Sales of goods and services - 845.313				
					Purchases of goods and services - 430.845				
					Receivables - 169.168				
					Liabilities - 134.703				
					Transactions and remuneration of executives and BoD members 553.337 521.662				
					Receivables from executives and BoD members -----				
					Liabilities to executives and BoD members 9.825 -----				
					7. Investments in fixed assets for the period 01.01-30.09.2006 amounted to :Group € 419,327 and Parent € 413,624.				
					8. The share capital of the parent company constitutes of 79,805,802 common registered shares with nominal value of € 1.04 each amounting to € 82,998,034. The shares of the company are traded in the medium and small capitalisation category of Athens Exchange. During the period 1.1-30.9.2006 share capital increased five times for a total amount of € 28,413,788, of which € 2,080,000 resulted from the conversion of 2,000 bonds in 2,000,000 new shares (in accordance with the BoD decision on 13.1.2006), € 3,120,000 resulted from the conversion of 3,000 bonds to 3,000,000 new shares (in accordance with the BoD decision on 11.2.2006), € 5,200,000 resulted from the conversion of 5,000 bonds to 5,000,000 new shares (in accordance with the BoD decision on 30.6.2006), € 1,576,432 resulted from the conversion of 583 bonds to 1,515,800 new shares (in accordance with the BoD decision on 31.7.2006), and € 16,437,356 resulted from the conversion of 1,550 bonds to 15,805,150 shares (in accordance with the BoD decision on 31.08.2006).				
<b>Peristeri, December 11, 2006</b>									
Chairman of the BoD and Managing Director	Advisor	Finance Director	Head of Accounting						
Thomas Ch. Lanaras ID No. X.085877/03	Vasileios N. Tsilbaris ID No. N.055127/84	George Ch. Karaplis ID No.T. P.551771/97	Stamatis K. Tsardakas ID No.T I.253446/77 LICENSE G.C.E. A'CLASS 20046						