

**LANNET COMMUNICATIONS S.A.**

REG. No. S.A. 2640/06/B/86/03 - Location: Konstantinoupoleos str. 1 & Kifissou str., Peristeri Attikis -Internet address:www.lannet.gr  
**Data and information of period January 1, 2005 to September 30, 2005 (amounts in Euro)**

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 interim financial statements are setting up in accordance with the International Accounting Standards as well the certified accountant auditor's review report where it is demanded, before any reader will proceed to an investment or any other transaction with the Company.

Certified Accountant Auditor: Theodoros G. Zervos SOEL R.N. 17591  
 Auditing Company: BKR PROTYPOS ELEGKTIKI S.A.  
 Review report: Positive opinion

**BALANCE SHEET as of September 30, 2005**

	<u>30/9/2005</u>	<u>31/12/2004</u>
<b>ASSETS</b>		
Tangible assets	30.708.415	32.720.044
Intangible assets	3.569.124	3.569.124
Inventories	1.947.621	2.095.578
Trade Debtors	24.232.896	24.794.893
Other assets	7.529.107	10.246.377
Cash and cash equivalents	2.786.552	2.850.171
<b>TOTAL ASSETS</b>	<b>70.773.715</b>	<b>76.276.187</b>
<b>LIABILITIES</b>		
Long-term liabilities	20.611.454	13.839.433
Other long-term liabilities	209.902	209.902
Bank borrowings	2.839.307	11.857.121
Other current liabilities	36.385.627	26.443.595
<b>Total liabilities (a)</b>	<b>60.046.290</b>	<b>52.350.051</b>
<b>Retained Earnings (b)</b>	<b>10.727.425</b>	<b>23.926.136</b>
<b>TOTAL LIABILITIES (a+b)</b>	<b>70.773.715</b>	<b>76.276.187</b>

**PROFIT AND LOSS OF PERIOD 1/1-30/9/2005**

	<u>1/1-30/9/2005</u>	<u>1/1-30/9/2004</u>	<u>1/7-30/9/2005</u>	<u>1/7-30/9/2004</u>
Sales	40.435.121	53.468.007	11.646.051	17.174.484
Gross profit /(Loss)	18.513.535	23.651.644	5.738.856	7.609.415
Profit /(Loss) before taxes, finance and investment results	-10.931.497	-11.881.564	-3.253.904	-2.269.452
Profit /(Loss) before taxes, finance and investment results and depreciations	-7.465.896	-7.162.709	-1.967.610	-1.195.023
Profit /(Loss) before taxes	-13.198.711	-13.746.942	-3.457.466	-2.954.954
Less Taxes				
<b>Profit /(Loss) after taxes</b>	<b>-13.198.711</b>	<b>-13.746.942</b>	<b>-3.457.466</b>	<b>-2.954.954</b>
<b>Allocated at:</b>				
Company's shareholders	-13.198.711	-13.746.942	-3.457.466	-2.954.954

**RETAINED EARNINGS CHANGE OF PERIOD 1/1-30/6/2005**

	<u>30/9/2005</u>	<u>30/9/2004</u>
Retained earnings at the beginning of period	23.926.136	39.403.595
Loss /(Profit) of period, after taxes	-13.198.711	-13.746.942
<b>Retained earnings at the end of period</b>	<b>10.727.425</b>	<b>25.656.653</b>

Peristeri, November 10, 2005

PRESIDENT OF BOARD OF DIRECTORS	AUTHORIZED CONSULTANT	FINANCIAL MANAGER	ACCOUNTING MANAGER
THOMAS CH. LANARAS			
I.C. X.085877/03	Per g. Dahl PASS.N. 34522534 from SWEDEN	GEORGE CH. KARAPLIS I.C. P.551771/97	STAMATIS K. TSARDAKAS I.C. I. 253446/77 LICENSE G.C.E. A'CLASS 20046

**CASH FLOW STATEMENT**

	<u>30/9/2005</u>	<u>30/9/2004</u>
<b>Cash flows from operating activities</b>		
Loss before taxes	-13.198.711	-13.746.942
Plus /Less adjustments:		
Depreciations	3.465.601	3.523.832
Results from investing activities	627.334	346.718
Debit interest and similar expenses	1.486.502	1.523.415
Operating loss before working capital changes	-7.619.274	-8.352.977
Decrease of inventories	147.957	329.928
Decrease of receivables	913.759	5.351.982
Increase of current liabilities (except from banks)	9.942.033	10.977.113
Cash generated from operations	11.003.749	16.659.023
Debit interest and similar expenses paid	-1.486.502	-1.523.415
<b>Total cash flows from / used in operating expenses (a)</b>	<b>1.897.973</b>	<b>6.782.631</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plan and equipment and intangible fixed assets	-422.973	-4.388.039
Purchase of securities	-975.618	
Interest received	-13.174	-47.259
Decrease /(increase) long-term receivables	2.365.508	-1.174.783
<b>Total cash flows from / used in investing expenses (b)</b>	<b>953.743</b>	<b>-5.610.081</b>
<b>Cash flows from financing activities</b>		
Repayments of liabilities from financing activities	-738.541	-845.424
Proceeds of borrowings	83.664	92.055
Repayments on borrowings	-2.260.458	-3.615.954
<b>Total cash flows from / used in financing expenses (c) of period (a) + (b) + (c)</b>	<b>-2.915.335</b>	<b>-4.369.323</b>
Cash and cash equivalents at the beginning of period	2.850.171	5.702.400
<b>Cash and cash equivalents at the end of period</b>	<b>2.786.552</b>	<b>2.505.627</b>

**ADDITIONAL DATA AND INFORMATION**

- Basic Accounting Principles have observed at the balance sheet as of 31.12.2004.
- The company has been audited from tax authorities up to the year 2001, and the absorbed company LANTEC COMMUNICATIONS S.A. up to the year 2002.
- The company, for the security of its bank loans, has made pledges on its fixed assets totalling to € 11.271.956 and to shares owned by the company value of € 1.046.732.
- Doubtful debts receivables exist of a total amount € 4.400.000 approximately, for which the company has formed a provision on 30/09/2005 amounted to € 3.780.000 as well as for the other doubtful debt receivables the company believes that outcome will not have a serious effect on financial statements.
- The average of the occupied personnel on 30.09.2005 is 190 persons.
- Turnover is analyzed per category of economic activity (STACOD 03) for period 01.01.2005 - 30.09.2005 as following:

Code: 642.0 Telecommunications	39.254.947
Code: 518.6 Wholesale trade of other electrical accessories and equipment	234.034
Code: 726.0 Other activities similar with the information	946.140
<b>TOTAL</b>	<b>40.435.121</b>
- Investments of fixed assets for the period 01.01-30.09.2005 amounted to € 422.973.
- No significant contingent liabilities exist.
- "LANNET COMMUNICATIONS S.A." shares are listed in A.S.E. with code LANNET and every share has the right of one vote. The total amount of capitalization of the company dated at September 30, 2005 arose to € 45.021.282.
- According to the Second Repetitive General Assembly of the shareholders of the Company, it has been decided the increase of the share capital of the company for an amount of € 15.351.519 by issuing 14.761.076 shares in favour of the existing shareholders in proportion of 4 issued shares to 10 existing ones with nominal value € 1,04 and price of issue € 1,04. Consequently, the share capital of the Company will amount to € 53.730.317 divided to 51.663.766 shares of nominal value € 1,04 each. The increase will be accomplished according to the provisions of Law 2190/20 and the existing provisions of the Stock Market legislation.