

LAN-NET TELECOMMUNICATIONS S.A.
S.A. Reg No. 2640/06/B/86/03
FINANCIAL STATEMENTS AS OF DECEMBER 31st 2004
28th FISCAL YEAR (JANUARY 1st - DECEMBER 31st 2004)

AMOUNTS IN €

ASSETS	Amounts for 2004 fiscal year			Amounts for 2003 fiscal year			CAPITAL AND LIABILITIES	
	Acquisition Cost	Adjustment Value	Written-Down Value	Acquisition Cost	Adjustment Value	Written-Down Value	Amounts for 2004 fiscal year	Amounts for 2003 fiscal year
B. ESTABLISHMENT EXPENSE								
1. Formation and set-up expenses	3.650.758,97	3.220.407,77	430.351,20	3.084.279,07	2.569.892,94	514.386,13		
4. Other foundation expenses	21.013.621,17	10.542.536,36	10.471.234,81	15.190.430,89	7.533.557,11	7.656.873,78		
Total (B)	24.664.380,14	13.762.744,13	10.901.636,01	18.274.709,96	10.103.460,05	8.171.249,91		
C. FIXED ASSETS								
I. Intangible Assets								
1. Research and development expenses	586.940,58	469.552,48	117.388,10	586.940,58	352.164,36	234.776,22		
II. Tangible assets								
1. Fields - Lots			0,00			0,00		
3. Buildings and technical works	962.748,21	167.040,51	795.707,70	962.748,21	61.138,22	901.609,99		
4. Machinery-technical installations and other mechanical equipment	27.739.070,50	5.220.826,28	22.518.244,22	26.182.205,57	2.361.289,92	23.820.915,65		
5. Transportation equipment	29.168,70	25.104,86	4.063,84	29.228,70	24.387,70	4.841,00		
6. Furniture and other equipment	6.074.521,34	2.494.350,54	3.580.170,80	6.076.812,59	1.491.474,62	4.585.337,97		
7. Fixed assets under construction and downpayments	2.637.285,12	0,00	2.637.285,12	0,00	0,00	0,00		
	37.442.793,87	7.907.322,19	29.535.471,68	33.259.956,07	3.938.290,46	29.317.664,61		
Total Intangible and Tangible Assets (C1 + CII)	38.202.734,45	8.376.874,67	29.852.859,78	33.837.935,65	4.290.454,82	29.547.480,83		
III. Participations and Other Long-term Financial Assets								
7. Other long-term claims			432.009,36			174.203,18		
			432.009,36			174.203,18		
Total Fixed Assets (CII+CIII)			30.084.869,14			29.721.684,01		
D. CURRENT ASSETS								
I. Stock								
1. Merchandise			2.095.423,66			2.563.153,27		
5. Downpayments for stocks			154,48			0,00		
			2.095.578,14			2.563.153,27		
II. Receivables								
1. Customers	24.983.543,16			29.802.089,73				
Less: Allowances	0,00	24.983.543,16		23.107,88	29.778.981,85			
3a. Bills overdue			25.617,70			25.617,70		
3b. Cheques receivable (postdated)			396.981,11			2.064.098,00		
3c. Cheques receivable (postdated) overdue			248.708,55			248.703,55		
8. Blocked deposits			351.760,62			3.470.913,22		
10. Doubtful - disputed customers and debtors	640.043,12			366.797,46		0,00		
Less: Allowances	0,00	640.043,12		366.797,46		0,00		
11. Sundry debtors			1.295.403,41			1.287.858,84		
12. Advances and credits control account			290.865,15			876.658,72		
			28.232.922,82			37.752.831,88		
III. Securities								
1. Shares	8.365.630,68			5.002.234,45				
Less: Allowances for value decline	2.385.600,28		5.980.030,40	1.272.042,58		3.730.191,87		
			5.980.030,40			3.730.191,87		
IV. Cash								
1. Cash on hand			58.110,41			85.744,37		
3. Sight and time deposits			2.792.060,94			5.616.656,36		
			2.850.171,25			5.702.400,73		
Total Current Assets (D1+DII+DIII+DIV)			39.158.702,61			49.748.577,75		
E. TRANSIT DEBIT BALANCES								
1. Prepaid expenses			148.657,09			1.205.692,65		
2. Noncurrent receivables from currently earned income			2.650,25			0,00		
3. Other transit debit balances			1.745.000,00			0,00		
TOTAL (E)			1.896.307,34			1.205.692,65		
TOTAL ASSETS (B+C+D+E)			82.041.515,10			88.847.204,32		
DEBIT MEMO ACCOUNTS								
2. Debit accounts of guarantees and collateral security			2.547.634,87			1.738.616,88		
4. Other memo accounts			1.312.641,40			1.125.120,54		
			3.860.276,27			2.863.737,42		
OWNERS EQUITY								
I. Share capital								
(36.302.690 shares of Euro 1.04)								
1. Paid in capital							38.378.797,60	38.378.797,60
II. Premium on Capital Stock							1.257.707,62	1.257.707,62
III. Revaluation Reserves - Investment Grants & Subsidies							74.198,05	83.368,60
3. Investment allowances for fixed assets							74.198,05	83.368,60
IV. Reserves								
1. Statutory reserve						1.223.193,25		
Less: Losses from the sale or depreciation of securities						2.385.600,28		
3. Special reserves						107,45		107,45
4. Extraordinary reserves						1.259.798,74		1.259.798,74
5. Special law untaxed reserves						3.897.289,29		3.897.289,29
						3.994.788,45		3.994.788,45
V. Retained earnings								
Period's loss carried forward							-13.849.962,57	-2.812.432,56
							-13.849.962,57	-2.812.432,56
Total Shareholders Equity (A1+AII+AIII+AIV+AV)							29.855.529,15	43.287.829,99
B. PROVISIONS FOR CONTINGENCIES AND EXPENSE								
1. Personnel dismissal and retirement compensation provision							341.789,83	295.741,25
2. Other provisions							52.891,97	32.491,86
Total (B)							394.681,80	328.233,11
C. LIABILITIES								
I. Long-term liabilities								
2. Bank loans							13.839.433,99	15.000.000,00
II. Short-term liabilities								
1. Suppliers			25.241.748,46			15.211.423,32		
3. Banks- short-term liabilities accounts			8.331.922,26			13.910.856,88		
4. Customers down payments			51.224,46			174.528,94		
5. Tax and duties payable			244.093,08			454.485,41		
6. Insurance and pension funds due			196.241,24			242.410,64		
7. Current installments of long-term obligations			3.229.247,44			0,00		
10. Dividends payable			101.754,85			101.487,99		
11. Sundry creditors			391.344,14			87.017,01		
			37.787.575,93			30.182.210,19		
Total Liabilities (C1+CII)			51.627.069,92			45.162.210,19		
D. TRANSIT CREDIT BALANCES								
2. Accrued expenses							164.294,23	48.931,03
Total (D)							164.294,23	48.931,03
TOTAL OWNERS' EQUITY AND LIABILITIES (A+B+C+D)			82.041.515,10			88.847.204,32		
CREDIT MEMO ACCOUNTS								
2. Credit accounts of guarantees and collateral security			2.547.634,87			1.738.616,88		
4. Other memo accounts			1.312.641,40			1.125.120,54		
			3.860.276,27			2.863.737,42		

Notes :

- Upon decision of the Extraordinary Shareholder's General Meeting as of 11/17/2003, the company absorbed LANTEC COMMUNICATIONS S.A., according to the provisions of articles 69-77 of Law 2190/20 and articles 1-5 of Law 2166/93. The aforementioned merger was approved by decision no. K2-8928/1-12-2003 of the Ministry of Development. Hence the company's share capital increased by € 8.339.757,60 through the issue of 25.168.690 nominal shares and simultaneous decrease in the shares' nominal value from € 2.56 to € 1.04. The new shares started trading on 12/09/2003.
- Following the decision of the Shareholder's Ordinary General Meeting as of 06/20/2003, the assets of the industrial sector were transferred on 09/04/2003. As of this date the company operates as a telecommunication company. The company has published an informative bulletin regarding the change of activity, within the framework of the decision 94/13-2-2003 of the ASE Bd.
- The amounts of the current period are not comparable with the respective amounts of the previous period due to the merger via the absorption of "LAN-NET S.A." (relative note 1 above) and the transfer of assets of industrial sector (see note 2 above). More analytically the positive results of the fiscal year 2003€ 1.115.627,00 is based principally in the above mentioned transmission from which a positive result came up of amount € 10.524.134,19. Also, the period's depreciation is increased by around € 3.32 million Euro in comparison to those of the previous period, an amount that involves depreciations of the tangible assets of the telecommunications sector which as note No.7 explains were not executed in the previous period.
- Investments in Fixed Assets for the period 1/1-12/31/2004 amounted to € 4.255.056,58.
- Average employed personnel for the period 1/1-12/31/2004 was 194 individuals.
- For securing bank loans, the company has pledges over its fixed equipments of € 17.550.574,00 and over shares owned by the company of € 980.000,00.
- The company for the current period depreciate tangible assets on the contrary to the three previous fiscal years, based on article 1 of P.D. 1001/999 and the tax circular 1051542/MIN. of ECON/POL/1122/1998, regarding new corporations did not depreciate the tangible assets.
- The Company (LAN-NET COMMUNICATIONS SA) has been audited until fiscal year 2001, while the absorbed company LANTEC COMMUNICATIONS S.A. has been audited until 2002.
- There are disputed cases of € 4.4 million that the company believes that their outcome will not have significant effects on the financial statements.
- Turnover analysis by code of activity (STAKOD-2003) has as follows:

	1/1-12/31/2004	1/1-12/31/2003
Code: 64.0 Telecommunications	65.607.510,32	52.017.077,48
Code: 17.0 Finishing of textile products	0,00	5.728.379,18
Code: 514.3 Wholesale commerce of electric appliances, radios & televisions	1.024.508,01	756.442,90
Code: 726.0 Other activities related to information systems	2.006.418,61	40.390,17
	68.638.436,94	58.542.289,73

	PROFIT AND LOSS ACCOUNT		APPROPRIATION ACCOUNT	
	Amounts for 2004 fiscal year	Amounts for 2003 fiscal year	Amounts for 2004 fiscal year	Amounts for 2003 fiscal year
I. Operating Results				
Turnover (sales)	68.638.436,94	58.542.289,73		
Less: Cost of sales	38.229.882,49	30.885.509,06		
Gross operating results (profit)	30.408.554,45	27.656.780,67		
Plus: Other operating income	2.700,00			
Total	30.411.254,45	27.656.780,67		
LESS :				
1. Administrative Expenses	6.270.811,10	5.497.131,05		
2. Research and Development expense	478.486,93	418.185,65		
3. Selling expenses	32.653.570,44	28.051.110,46		
Operating Results	-8.991.614,02	-3.966.427,16		
LESS :				
1. Income from participations	0,00	2.375,53		
2. Income from securities	42.503,84	703.132,74		
3. Gain/loss sale of participations and securities	25.692,57	5.560,39		
4. Interest and related income	68.196,41	711.068,66		
Less:				
1. Participation and securities value decline allowances	0,00	1.272.042,58		
2. Participation and securities expenses and losses	389.224,04	1.291.401,90		
3. Interest charges and related expenses	2.564.160,65	4.347.083,50		
Total net operating results	-11.487.578,26	-9.894.052,29		
II. PLUS: Extraordinary items				
1. Extraordinary and non operating income	607.408,01	213.310,90		
2. Extraordinary profits	0,00	11.483.333,77		
3. Prior period income	607.800,35	11.697.860,51		
Less :				
1. Extraordinary and non operating expenses	133.853,06	184.339,02		
2. Extraordinary losses	18.849,98	502.292,88		
3. Prior period expenses	5.049,06	1.549,92		
Net results	157.752,10	688.181,22		
LESS :				
Total depreciation recorded	8.001.933,40	6.893.912,21		
Less .Less normal depreciation (included in operating cost)	8.001.933,40	6.893.912,21		
NET RESULTS (Profits / Losses) FOR THE PERIOD before tax	-11.037.530,01	-1.115.627,00		
CHAIRMAN OF THE BOARD & C.E.O.	THOMAS CH.LANARAS	ALEXANDRA KALPATSOLOU-KORESSI	FINANCIAL MANAGER	ACCOUNTING