

S.A Reg No. 2640/06/B/86/03
FINANCIAL STATEMENTS AS OF DECEMBER 31st 2003
 27th FISCAL YEAR (JANUARY 1st 2003 - DECEMBER 31st 2003)
 AMOUNTS IN EUROS

| ASSETS | Amounts for 2003 fiscal year | | | | | | Amounts for 2002 fiscal year | | | | | | ΠΑΘΗΤΙΚΟ | |
|---|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------------|-------------------|--------------------|------------------|-------------------|--------------------|------------------------------|------------------------------|
| | Acquisition Cost | Value Adjustments | Written-Down Value | Acquisition Cost | Value Adjustments | Written-Down Value | Acquisition Cost | Value Adjustments | Written-Down Value | Acquisition Cost | Value Adjustments | Written-Down Value | Amounts for 2003 fiscal year | Amounts for 2002 fiscal year |
| B. ESTABLISHMENT EXPENSES | | | | | | | | | | | | | | |
| 1. Formation and set-up expenses | 3,084,279.07 | 2,569,892.94 | 514,386.13 | 2,531,182.28 | 1,371,974.24 | 1,159,208.04 | 15,190,430.89 | 7,533,567.11 | 7,656,863.78 | 1,400,025.19 | 669,746.54 | 730,278.65 | | |
| 4. Other foundation expenses | | | | | | | | | | | | | | |
| Total (B) | 18,274,709.96 | 10,103,460.05 | 8,171,249.91 | 3,931,207.47 | 2,041,720.78 | 1,889,486.69 | | | | | | | | |
| C. FIXED ASSETS | | | | | | | | | | | | | | |
| I. Intangible Assets | | | | | | | | | | | | | | |
| 1. Research & Development Expenses | 586,940.58 | 352,164.36 | 234,776.22 | 645,047.58 | 292,883.24 | 352,164.34 | | | | | | | | |
| II. Tangible Assets | | | | | | | | | | | | | | |
| 1. Fields - Lots | | | 0.00 | 1,692,210.88 | | 1,692,210.88 | | | | | | | | |
| 3. Building and technical works | 962,748.21 | 61,138.22 | 901,609.99 | 8,290,047.34 | 7,523,901.71 | 766,145.63 | | | | | | | | |
| 4. Machinery-technical installations and other mechanical equipment | 26,182,205.57 | 2,361,289.92 | 23,820,915.65 | 34,901,214.69 | 10,853,611.15 | 24,047,603.54 | | | | | | | | |
| 5. Transportation equipment | 29,228.70 | 24,387.70 | 4,841.00 | 358,572.58 | 347,087.23 | 11,485.35 | | | | | | | | |
| 6. Furniture and other equipment | 6,076,812.59 | 1,491,474.62 | 4,585,337.97 | 2,525,763.47 | 311,141.48 | 2,214,621.99 | | | | | | | | |
| Total Intangible and Tangible Assets (C1+CII) | 33,250,995.07 | 3,938,290.46 | 29,312,704.61 | 47,767,808.96 | 19,035,741.57 | 28,732,067.39 | | | | | | | | |
| III. Participations and other Long Term Financial Assets | | | | | | | | | | | | | | |
| 7. Other Long Term Receivables | | | 174,203.18 | | | 200,227.44 | | | | | | | | |
| Total Fixed Assets (CII+CIII) | | | 174,203.18 | | | 200,227.44 | | | | | | | | |
| D. CURRENT ASSETS | | | | | | | | | | | | | | |
| I. Inventories | | | | | | | | | | | | | | |
| 1. Merchandise | | | 2,563,153.27 | | | 1,577,790.59 | | | | | | | | |
| 4. Raw direct and indirect material-consumable material-spare parts and containers. | | | | | | 306,696.15 | | | | | | | | |
| 5. Downpayments for Inventories | | | | | | 11,421.22 | | | | | | | | |
| II. Receivables | | | | | | | | | | | | | | |
| 1. Customers | | 29,802,089.73 | | | 12,796,336.46 | | | | | | | | | |
| Less: Provisions | | 23,107.88 | | | 214,697.04 | | | | | | | | | |
| 2. Cheques Receivables | | | 29,778,981.85 | | | 12,581,639.42 | | | | | | | | |
| 3a. Cheques receivable (postdated) | | | 25,617.70 | | | 0.00 | | | | | | | | |
| 3b. Cheques receivable (postdated) overdue | | | 2,064,098.00 | | | 1,076,420.57 | | | | | | | | |
| 8. Pledged deposits accounts | | | 248,703.55 | | | 130,775.07 | | | | | | | | |
| 10. Doubtful-diputed customers and debtors | | 366,797.46 | | | 130,102.46 | | | | | | | | | |
| Less: Provisions | | 366,797.46 | | | 130,102.46 | | | | | | | | | |
| 11. Sundry Debtors | | | 1,287,858.84 | | | 3,036,647.78 | | | | | | | | |
| 12. Accounts of advance payments & credit | | | 876,658.72 | | | 0.00 | | | | | | | | |
| III. Securities | | | | | | | | | | | | | | |
| 1. Shares | | 5,002,234.45 | | | 2,601,500.00 | | | | | | | | | |
| Less: Provisions for devaluations | | 1,272,042.58 | | | 247,500.00 | | | | | | | | | |
| IV. Cash | | | | | | | | | | | | | | |
| 1. Cash on hand | | | 85,744.37 | | | 62,359.79 | | | | | | | | |
| 3. Sight and time deposits | | | 5,616,656.36 | | | 1,731,568.46 | | | | | | | | |
| Total Current Assets (DI+DII+DIII+DIV) | | | 49,748,577.76 | | | 22,869,319.05 | | | | | | | | |
| E. TRANSIT DEBIT BALANCES | | | | | | | | | | | | | | |
| 1. Prepaid expenses | | | 1,205,692.65 | | | 101,144.18 | | | | | | | | |
| 2. Noncurrent receivables from currently earned income | | | | | | 1,347.58 | | | | | | | | |
| 3. Other transit debit balances | | | | | | 1,351.72 | | | | | | | | |
| Total (E) | | | 1,205,692.65 | | | 103,843.48 | | | | | | | | |
| TOTAL ASSETS (B+C+D+E) | | | 88,847,204.32 | | | 54,147,108.39 | | | | | | | | |
| DEBIT MEMO ACCOUNTS | | | | | | | | | | | | | | |
| 2. Debit accounts of guarantees and collateral security | | | 1,738,616.88 | | | 58,831.99 | | | | | | | | |
| 4. Other memo accounts | | | 1,125,120.54 | | | 1,624.45 | | | | | | | | |
| Total | | | 2,863,737.42 | | | 60,456.44 | | | | | | | | |

Σημειώσεις :

- According to the decision of the Extraordinary Shareholder's General Meeting as of 11/17/2003, the company absorbed the company LANTEC COMMUNICATIONS S.A., based on the provisions of the articles 69-77 of C.L.2190/20 and the articles 1-5 of L.2166/93. The aforementioned merger was approved with no. K2-8928/1-12-2003 decision of the Ministry of Development. With this decision the share capital increased by € 8,339,757.60 with an issue of 25,168,690 nominal shares and a change of the nominal price of the shares from € 2.56 σε € 1.04. The new shares started trading on 12/08/2003.
- Investments in Fixed Assets for the period 1/1-12/21/2003 were € 6,827,865.62.
- Average employed personnel for the period 1/1-21/21/2003 was 205 άτομα.
- For securing bank loans, the company has pledges over its fixed equipments of € 17,750,574.00 and over shares owned by the company of value € 3,336,500.28.
- The company, as far as telecommunication sector is concerned, based on article 1 of P.D. 100/1998 and the tax circular 1051542/MIN. of ECON./POL.1122/1998, regarding new corporations will not depreciate the tangible assets for 3 years starting from fiscal year 2001.
- The company has been under tax inspection until the period of 2001, regarding the absorbed LANTEC COMMUNICATIONS S.A. UNTIL THE PERIOD 2002.
- Following the decision of the Shareholder's Ordinary General Meeting as of 06/20/2003, on 09/04/2003 the assets of the industrial sector were transferred. As of this date the company operates as a telecommunication company. For the change of activity the company has published an informative bulletin in the framework of the decision 94/13-2-2003 of the BoD of ASE.
- Turnover is analysed by code of activity (STAKOD-91) as follows:

| | | |
|---|----------------|----------------|
| Code.: 642.0 Telecommunications | 1/1-12/31/2003 | 1/1-12/31/2002 |
| Code.: 173.0 Dyeing - Finishing services | 52,017,077.48 | 16,863,827.00 |
| Code.: 514.3 Wholesale of electrical home devices, radio and TV devices | 5,728,379.18 | 9,666,511.86 |
| Code.: 726. Other activities related to information systems | 756,442.90 | 1,513,239.58 |
| | 40,390.17 | |
- The amounts for 2002 fiscal year concern the absorber company before the merger, while the amounts of fiscal year 2003 include as well the amounts of the Balance Sheet of the results of LANTEC COMMUNICATIONS S.A. since 08/01/2003 onwards. Finally in the results of 2003 are included the activities of the dyeing-finishing sector until 09/04/2003. Therefore the results of fiscal year 2003 cannot be compared with that of 2002. Especially, those regarding the account "other establishment expenses" the difference between 2003 and 2002, occurs mainly to the equivalent amounts of the absorbed LANTEC COMMUNICATIONS S.A.

| PROFIT AND LOSS ACCOUNT | | | | | | APPROPRIATION ACCOUNT | | | | |
|--|------------------------------|---------------|----------------------|------------------------------|---------------|-----------------------|------------------------------|------------------------------|---------------------|-----------------------|
| DECEMBER 31st 2003 (JANUARY 1st- DECEMBER 31st 2003) | | | | | | | | | | |
| | Amounts for 2003 fiscal year | | | Amounts for 2002 fiscal year | | | Amounts for 2003 fiscal year | Amounts for 2002 fiscal year | | |
| I. Operating results | | | | | | | | | | |
| Turnover (sales) | | | 58,542,289.73 | | | 28,043,578.44 | | | 1,115,627.00 | -3,162,985.67 |
| Less: Cost of Sales | | | 30,885,509.06 | | | 17,196,936.92 | | | -5,490,734.19 | -7,717,665.65 |
| Group operating results (profit) | | | 27,656,780.67 | | | 10,846,641.52 | | | 1,860,311.74 | -10,880,651.32 |
| Plus: Other operating income | | | 51,609.04 | | | 5,150.43 | | | | |
| Total | | | 27,708,389.71 | | | 10,851,791.95 | | | | |
| Less: 1. Administrative expenses | | 5,497,131.05 | | | 3,745,722.79 | | | | | |
| 2. Research and Development expenses | | 418,185.65 | | | 255,196.40 | | | | | |
| 3. Selling expenses | | 28,051,110.46 | | | 9,329,920.03 | | | | | |
| Total Operating results (losses) | | | -6,258,037.45 | | | -2,479,047.27 | | | | |
| LESS: | | | | | | | | | | |
| 1. Income from participations | | | | | 650.00 | | | | | |
| 2. Income from securities | | 2,375.53 | | | 1,273.58 | | | | | |
| 3. Gains on sale of participation and securities | | 703,132.74 | | | 252,762.40 | | | | | |
| 4. Interest and related income | | 5,560.39 | 711,068.66 | | 9,757.29 | 264,443.27 | | | | |
| Less: | | | | | | | | | | |
| 1. Provisions for devaluation of partic. & securities | | 1,272,042.58 | | | 0.00 | | | | | |
| 2. Participation and securities expenses and losses | | 1,291,401.90 | | | 484,934.07 | | | | | |
| 3. Interest charges and related expenses | | 1,783,639.02 | 4,347,083.50 | | -3,636,014.84 | 1,153,660.57 | | | | |
| Total net operating results (losses) before extraordinary items and taxes | | | -9,894,052.29 | | | -3,368,264.57 | | | | |
| II. PLUS: Extraordinary items | | | | | | | | | | |
| 1. Extraordinary and non operating income | | 213,310.90 | | | 289,855.22 | | | | | |
| 2. Extraordinary profits | | 11,483,333.77 | | | 79,689.86 | | | | | |
| 3. Prior period income | | 1,215.84 | 11,697,860.51 | | 0.00 | 369,545.08 | | | | |
| Less: | | | | | | | | | | |
| 1. Extraordinary and non operating expenses | | 184,339.02 | | | 114,454.68 | | | | | |
| 2. Extraordinary losses | | 502,292.88 | | | 48,518.73 | | | | | |
| 3. Prior period expenses | | 1,549.32 | 688,181.22 | | 1,292.77 | 164,266.18 | | | 205,278.90 | -3,162,985.67 |
| Net results after extraordinary items and before taxes and depreciation | | | 1,115,627.00 | | | -3,162,985.67 | | | | |
| LESS: Total depreciation recorded | | 6,893,912.21 | | | 2,045,854.45 | | | | | |
| Less: Normal depreciation | | 6,893,912.21 | | | 2,045,854.45 | | | | 0.00 | 0.00 |
| NET RESULTS (profit-losses) FOR THE PERIOD before taxes | | | 1,115,627.00 | | | -3,162,985.67 | | | | |

CERTIFIED AUDITORS ACCOUNTANT'S REPORT

To the shareholders of " LANNET COMMUNICATIONS S.A."

We audited the above financial statements of as well as the associated Annex, of LANNET IT.&T.S.A. for the fiscal year, which ended as of December 31st 2003. We applied the standards and requirements accepted by the Institute of Certified Auditors-Accountants and the International Accounting Standards and the auditing procedures that we considered pertinent, in accordance with provisions of article 37, L. 2190/1920 "regarding corporations", and within the framework of which we took account of the company's branch operations. We have examined the books of accounts and records kept by the Company and we obtained all the information and explanations, which we needed for the purpose of our audit. The company followed the General Accounting Plan rules effective in Greece. The inventory evaluation method has not been modified compared to the previous fiscal year. We verified the consistency of the content of the Board of Directors' Management Report to the shareholders' Ordinary General Meeting as well as the relevant financial statements. The Annex includes information according to paragraph 1, article 43a of C.L. 2190/1920, while the Cash Flow Statement has been created based on the financial statements and the books kept by the company. From our audit resulted the following: The company based on article 1 of PD 100/1998 and the tax circular 1051542/MIN of Fin/ POL. 1122/1998 regarding new corporations has not depreciated its tangible fixed assets of the telecommunication sector. If the company had performed depreciation based on the factors PD 100/1998 for fiscal year 2001 and 2002, as well as the lowest factor of PD 299/2003, their accumulated amount would reach approximately € 9,848 thousands, from which approximately € 3,112 thousands would burden the results of the closing period. Based on the audit we conducted, we verified that the above Financial Statements as they result from the company's books and records reflect together with the Annex the asset structure, and financial position of the company as of December 31st 2003 as well as the results of the period that ended on that date, according to the generally accepted accounting principles and methods applied by the company and applied on a basis consistent with that of the preceding year.

Athens, February 24 2004
 THE
 CERTIFIED AUDITOR ACCOUNTANT

PANAGIOTIS BR. DAMLAKOS
 ΑΜ.Σ.Ο.Ε.Α 10431

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| HOMAS CH. LANARAS A.D.T. X.085877/03 | NIKOLAOS S. SOFKLEOUS A.ΔΙΑΒ. ΚΥΠΡΟΥ C.232848 | FILIPOSS S. KANATARAKIS A.Δ.Τ. Ε.177086/86 | STAMATIS K. TSARI A.Δ.Τ. I.253446/77 ΔΕΛΙΑ ΟΕΕ ΑΤΑΞΗΣ 20046 |
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