

Peristeri, November 30 2006

In the framework of the underlying legislation with the occasion of releasing the nine months 2006 financial statements (1/1-30/9/2006), according to the International Financial Reporting Standards (I.F.R.S) and the Presidential Decree 360/85, we inform the investing public and you on the following:

Nine Months 2006 Financial Results

- Growth through mergers & acquisitions**
- Gradual recovery (Positive EBITDA)**
- Further decrease in operating cost**
- New Agreements**

FINANCIAL HIGHLIGHTS

Based on the International Financial Reporting Standards (I.F.R.S)

<i>Income Statement</i>	<i>GROUP 30/09/2006</i>	<i>COMPANY 30/09/2006</i>	<i>COMPANY 30/09/2005</i>	<i>Δ %</i>
Turnover	38.214.499,00	37.407.344,00	40.435.121,00	-7,49%
Gross Profit	20.377.119,00	19.598.154,00	18.513.535,00	5,86%
(%)	53,32%	52,39%	45,79%	14,43%
Operating Expenses	24.601.541,00	23.782.762,00	29.506.773,00	-19,40%
EBITDA	385.226,00	77.114,00	-7.465.897,00	101,03%
(%)	1,01%	0,21%	-18,46%	101,12%
Financing Cost	0,00	2.191.143,00	2.267.214,00	-3,36%
Net Income Before Taxes	-5.388.025,00	-5.637.408,00	-13.198.712,00	57,29%
(%)	-14,10%	-15,07%	-32,64%	53,83%
<i>Balance Sheet</i>	<i>30/09/2006</i>	<i>30/09/2006</i>	<i>31/12/2005</i>	<i>Δ %</i>
Fixed Assets	54.615.203,00	30.182.557,00	33.296.585,00	-9,35%
Current Assets	48.625.731,00	71.950.592,00	37.785.717,00	90,42%
Total Assets	103.240.934,00	102.133.149,00	71.082.302,00	43,68%
Equity Capital	53.545.494,00	58.690.501,00	33.285.935,00	76,32%
Liabilities (Short-term)	36.996.005,00	30.883.203,00	18.052.521,00	71,07%
Liabilities (Total)	49.695.440,00	43.442.648,00	37.796.367,00	14,94%
Quick Ratio (χ)	1,31	2,33	2,09	11,31%

Consolidated Results

The company, in the context of the announced actions for gradual growth through mergers and acquisitions, concluded gradually as of 30/09/2006 the acquisition of COLUMBIA SA (1/7/2006 - 100% stake) active in telecoms and one of the major ideal providers of fixed line telephony and

Internet services (Virtual Network Operator), PRIMUS SA (1/9/2006 - 100% stake) a support telecom services company (Call Center) and ORBITECH SA (1/9/2006 - 100% stake) a technology and know-how provider in the telecoms market that has developed a customer oriented technological platform (Cultis) for the provision of advanced value added services (triple play). Hence LAN-NET compiled for the first time consolidated financial statements (Group) under the full consolidation method, including the results of these companies as of the date of acquisition.

Differences between Group data and company data are minor as consolidation of the latter companies took place based on the acquisition date (July and September). For that reason and for comparison reasons we will analyse the financials of the parent company.

Turnover

Turnover of the company from Telecoms decreased in the nine months of 2006 by approximately 20% in relation to the respective nine month period of 2005 and amounted to € 31.4 mil. from € 39.25 mil. in 2005. This decrease is mainly attributed to the decline by 21% approximately in fixed line telephony revenues for the period 1.1-30.9.2006 with respect to 1.1-30.9.2005. This decline is essentially attributed to loss of clientele, particularly of household clients by 12% with simultaneous decrease in the price list of services provided (charge of long distance calls as local) that took place in November 2005.

At the same time the company's total turnover for the period noted a minor decline by 7.5% approximately amounting to €37.4 mil. against €40.4 mil. in the respective previous year's period. For the nine months of 2006 the company posted revenues from other IT activities of €5.8 mil. approximately, mainly associated with the sale of the 'Triple Play' technology for the establishment of telephony, video on demand and IPTV services in broadband networks, for the amount of €5.5 mil. with respective charge in the cost of sales by €500 thous.

Gross income for the nine months of 2006 noted an increase by 5.9% reaching 19.6 mil. € versus 18.5 mil. € in the nine months of 2005.

Operating Expenses

The company's operating expenses noted significant decrease by 19.4% at €23.8 mil. versus €29.5 mil. in the respective nine months of 2005, due to the systematic control of all expenses and the implementation of the restructuring plan, aiming at the utmost effective use of the corporate resources.

EBITDA & Αποτέλεσμα

The company's EBITDA turned around at €77.1 thous. approximately with respect to the previous year losses of €7.46 mil. This turnaround attributed to the increase in gross income as mentioned above and also due to major cost trimming.

It is noted that the period's depreciation amounts to €3.52 mil. approximately. As a result, the company's net results reported loss of €5.63 mil. approximately, improved by 58% from the respective previous year period with reported losses of €13.2 mil.

Liabilities

Total liabilities of the company for the nine months of 2006 increased by 14.9% compared to 12-31-2005, amounting to €43.44 mil. versus €37.79 mil., a fact attributed to the issue of a Convertible Bond of €6 mil. according to the corporate announcement on 7/25/2006. it is worth mentioning that during the same period the company drastically decreased its debt from €27.9 mil. on 31.12.2005 to €20.8 mil. on 30.09.2006

Current Assets

Current assets posted major increase by 90.4% at €71.9 mil. versus €37.78 mil. as of 12/31/2005, a change justified by the acquisition of new participations (€26 mil. approximately) arising from the acquisition of the three companies mentioned above.

Equity Capital

The company's equity capital on 9/30/2006 reached €102.13 mil. versus €71.1 mil. on 12/31/2005, significantly increased by 43.68%. This increase is mainly attributed to the share capital increase by €28.41 mil. due to conversion of corporate bonds to shares during the nine months of 2006.

Activities of the Nine Months in 2006

- Conversion of series of Corporate Bonds into LAN-NET Communications S.A. common nominal shares of € 28,413,788.
- Project assignment by the Ministry of Justice total amounting to €5.47 million with a two year duration.
- Resolution by the Board of Directors of Lannet and TELEPASSPORT for merger through absorption of the latter by the former.
- Conclusion of the acquisition of COLUMBIA TELECOM, PRIMUS CALL and ORBITECH
- Signing of agreement with the Canadian Craig Wireless for the exploitation of the WiMax extended network developed by the latter in Greece aiming to promote LAN-NET's broadband services
- Implementation of the company's stock option plan to its Management and staff.
- Launch of new highly competitive products ('Cut-Bill II', 'EGO-Free', 'BROADNET ADSL').
- Tentative disposal of triple-play services at 2 Mbps with one "DSL Net home by Lannet" connection and a set-top-box.
- Lannet, in the framework of Corporate Social Responsibility actions, took the initiative to financially support the research program carried out by the **International Research Institution for Juvenile Diabetes.**

Action plan of the 2nd half

- Conclusion of the merger with TELEPASSPORT
- Restructuring of the sales and promotion networks
- Further capital support of the company
- Place part of investments for the development of broadband services at competitive pricing

Referring to the results, the Management stated: *«Pursuant to its commitments, Lannet enters a new growth era, adhering to its strategy presented to the public at the press conference on October 9, 2006. The time lag in entering into broadband products is our strategic choice so as to conclude optimal agreements at competitive prices, avoid unfavorable conditions and create the foundation for the best possible outcome. In this context, we concluded the agreement with Craig Wireless promoting at the same time new products in the market in an effort to achieve organic growth. At the same time we continue with growth through acquisitions, both in the telecoms and technology sections aiming to improve services provided. In an era when technology evolves rapidly, Lannet with its systematic and disciplined conduct, abiding to its strategic planning, already outruns conventional technology solutions and works effectively so as to develop new generation services and pursue its strategic goal».*