

Peristeri, October 11, 2006

Announcement based on article 18 Law 3371/7.14.2005

Regarding our Company's share capital increase by 16,437,356.00 Euro due to the conversion of Series E and F of the Bond Loan, we clarify the following:

The B' repeat Extraordinary General meeting of the Shareholders on 6/30/2005 approved the issue of a convertible to shares bond loan in series within three years of the above resolution, with maximum nine year duration as of the issue date, according to the terms of article 1 par. 2 and 3 of L. 3156/2003, up to the amount of Euro 50,000,000, authorizing as well the Board of Directors, according to the above, to decide on all actions required for the writing of the issue into series, providing coverage (full or partial) up to the amount covered.

- In the framework of the above command by the EGM, the Board of Directors in its meeting on 9/28/05 decided the issue of the first series. On 11/11/2005 the first series of Euro 5,720,000.00 was issued, divided to 5,500 bonds of nominal value and issue price 1.04 Euro. The first series was fully covered by Mediterranean Telecom Ltd through loan conversion of Euro 5.5 million previously granted to the company and through rights issue and interest capitalization of Euro 0.22 million to the Company, converted to share capital in three conversions, of Euro 520,000, Euro 2,080,000 and Euro 3,120,000 respectively.

The listing of the new shares due to the conversion of the related series took place in three conversions and the Company's shareholder structure was the following:

Conversion Date: 12/11/2005 New Shares: 500,000	Before listing on 1/31/2006		After listing	
Name	Position	Percentage	Position	Percentage
BANK HOFMANN AG	9,755,176	18.8820	9,755,176	18.5867
KLONATEX GROUP OF COMPANIES S.A.	2,830,000	5.4777	2,830,000	5.3920
MEDITERRANEAN TELECOM LIMITED	0	0.0000	500,000	0.9527
NAOUSSA SPINNING MILLS S.A.	210,000	0.4065	210,000	0.4001
FREE FLOAT (*)	38,868,590	75.2338	39,189,676	74.6685
TOTAL SHARES	51,663,766	100.0000	52,484,852	100.0000
Total Shareholders <5%	8,218		8,218	

(*) Together with the listing of the new shares from the bond conversion, 321,086 shares were listed due to the exercise of stock options by 22 executives & employees of the Company.

Conversion Date: 1/11/2006 New Shares: 2,000,000	Before listing 2/14/2006		After listing	
Name	Position	Percentage	Position	Percentage
BANK HOFMANN AG	8,530,000	16.2523	8,530,000	15.6557
KLONATEX GROUP OF COMPANIES S.A.	2,750,000	5.2396	2,750,000	5.0473
MEDITERRANEAN TELECOM LIMITED	0	0.0000	2,000,000	3.6707
NAOUSSA SPINNING MILLS S.A.	210,000	0.4001	210,000	0.3854
FREE FLOAT	40,994,852	78.1080	40,994,852	75.2408
TOTAL SHARES	52,484,852	100.0000	54,484,852	100.0000
Total Shareholders <5%	8,841		8,841	

Conversion Date: 2/11/2006 New Shares: 3,000,000	Before listing 3/8/2006		After listing	
Name	Position	Percentage	Position	Percentage
BANK HOFMANN AG	7,140,000	13.1046	7,140,000	12.4207
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	3.8543	2,100,000	3.6531
MEDITERRANEAN TELECOM LIMITED	553,840	1.0165	3,553,840	6.1822
NAOUSSA SPINNING MILLS S.A.	210,000	0.3854	210,000	0.3653
FREE FLOAT	44,481,012	81.6392	44,481,012	77.3787
TOTAL SHARES	54,484,852	100.0000	57,484,852	100.0000
Total Shareholders <5%	9,522		9,521	

- On 12/31/2005 the Company's Board of Directors decided the issue of Series B' of Convertible Bond Loan amounting to Euro 20,800,000 with Mediterranean Telecom Ltd as bond creditor. According to the related debt agreement the loan will be issued into three issues of 5.2, 5.2 and 10.4 million Euro by 12/31/2007. On 5/31/2006 the Board of Directors of LAN-NET issued the first series of the bond amounting to 5.2 million Euro in cash, divided to ten bonds of nominal value and issue price of 520,000 Euro, which was converted into share capital with one conversion. Two more issues of this series are pending amounting to 5.2 and 10.4 million Euro accordingly, which will be issued should the special terms of the bond agreement are met and the BoD of LAN-NET acknowledges the issue as necessary. The issue of the above series has been approved by the Shareholders' Repeat Ordinary General Meeting on 7/20/2006.

By the conversion of the related series, the Company's shareholder structure was the following:

Conversion Date: 6/30/2006 New Shares: 5,000,000	Before listing 7/18/2006		After listing	
Name	Position	Percentage	Position	Percentage
MEDITERRANEAN TELECOM LIMITED	2,000,000	3.4792	7,000,000	11.2027
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	3.6531	2,100,000	3.3608
NAOUSSA SPINNING MILLS S.A.	210,000	0.3653	210,000	0.3361
FREE FLOAT	53,174,852	92.5024	53,174,852	85.1004
TOTAL SHARES	57,484,852	100.0000	62,484,852	100.0000
Total Shareholders <5%	10,538		10,537	

- On 7/21/2006 the Board of Directors of LAN-NET Communications S.A. resolved the issue of series C' amounting to 3,779,048 Euro, covering the acquisition cost of COLUMBIA TELECOMS SA by LAN-NET. According to the terms of the related series, in total 1,253 nominal bearer bonds of nominal value and issue price of 3.016 Euro were issued to five parties, that might be converted into shares in four annual conversions. Therefore, according to the terms of the issue, the bond creditors exercised the right of first conversion for 583 bonds, converted into 1,515,800 common nominal shares.

For the valuation of COLUMBIA Telecoms S.A., the due diligence legal audit was conducted by Drillerakis and Associates Law Firm and due diligence by BKR S.A. Audit Company. The final price was set according to historic and future financial data and after negotiations the amount of 3,990,000 Euro was set out of which Euro 210,952.00 was paid in cash and Euro 3,779,048.00 through issue of CBL. It is noted that the above acquisition and payment of the acquisition price have been pre-approved by the Shareholders' Repeat Ordinary General Meeting on 7/20/2006.

By conversion of the related series the Company's shareholder structure was the following:

Conversion Date: 7/31/2006 New Shares: 1,515,800	Before listing 8/30/2006		After listing	
Name	Position	Percentage	Position	Percentage
MEDITERRANEAN TELECOM LIMITED	7,000,000	11.20272	7,000,000	10.93739
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	3.360815	2,100,000	3.281217
NAOUSSA SPINNING MILLS S.A.	210,000	0.336081	210,000	0.328122
EROTOKRITOU ANDREAS	9,150	0.014644	1,285,750	2.008964
OTHER COLUMBIA SHAREHOLDERS	0	0	239,200	0.373746
FREE FLOAT	53,165,702	85.08575	53,165,702	83.07056
TOTAL SHARES	62,484,852	100.0000	64,000,652	100.0000
Total Shareholders <5%	10,457		10,457	

- On 7/21/2006 the Board of Directors of LAN-NET Communications S.A. resolved the issue of series D' amounting to Euro 728,000 which was entirely covered by a private investor in cash. According to the terms of the related Bond series, 7 nominal bonds were issued of nominal value and disposal price Euro 104,000 each. For this series the conversion right has not been exercised up to today.
- On 8/29/2006 the Board of Directors of LAN-NET Communications S.A. decided the issue of the E' series of amount Euro 4,470,180.00 with primary disposal towards TELEPASSPORT (HELLAS) S.A. for value given payment off for the transmission of PRIMUS S.A. shares, divided to five hundred and fifty (550) bonds of nominal value and disposal price of Euro 8,127.60. According to the terms of the issue, the bond creditor requested its titles cancellation and the issue of new ones of equal amounts, which were transmitted to 2 of its creditors for debt payment and the new bond creditors, requested the transmission of 550 of its bonds to shares. Therefore, on 8/31/2006 the bonds were transmitted to 3,725,150 new common nominal shares.
- For the estimation of the price of PRIMUS SOCIETE ANONYME TELECOMMUNICATIONS SUPPORT SERVICES, a legal audit by the Law Company Drillerakis and Associates and a special financial audit by the Audit Company BKR S.A was conducted. The initial price was defined according to the discount of future cash flows processed by both of the financial managements of the two companies and amounts to Euro 8.053 million. The related acquisition and the payment of the price have been pre-approved by the Shareholders' Repeat Ordinary General Meeting on 7/20/2006. The final price was adjusted to the amount of 7,600,200.00 Euro and was deposited: Euro 3,130,020.00 in cash and through the issue of CBL of amount Euro 4,470,180.00.
- On 8/30/2006 the Board of Directors of LAN-NET Communications S.A. decided the issue of the F' series of the Convertible Bond Loan, amount Euro 14,496,000.00, through which the acquisition price of Orbitech S.A. is paid off towards its 100% shareholder PRENSCO Holdings Ltd, divided to one thousand (1,000) bonds of nominal value and disposal price of Euro 14,496.60. On 8/31/2006 the transmission of the related series of CBL was made through the issue of 12,080,000 new common nominal shares.
- As far ORBITECH is concerned, a legal audit by the Law Company Drillerakis and Associates was conducted and the estimation of the 100% of ORBITECH's share capital by KPMG was made, dated on March 31, 2006. The Cash Flows Discount and the Comparable Companies Ratios methods were used. KPMG estimated that the fair market value of ORBITECH ranges

LAN-NET COMMUNICATIONS S.A.

Kifissou and 1 Konstantinoupoleos Str., Peristeri 121-32, Tel.: +30 210 5708300, Fax: +30 210 5708322

www.lannet.gr

from EURO 14.0 million to EURO 17.0 million. The final price was defined to 14.496,000 Euro and was paid off with the issue of the F' series of the Convertible Bond Loan. The related acquisition and the payment of the price have been pre-approved by the Shareholders' Repeat Ordinary General Meeting on 7/20/2006.

By the conversion of the E' and F' series the Company's share structure based on its shareholders on 9/29/2006 is adjusted as follows:

Conversion Date: 8/31/2006 New Shares: 15,805,150	Before listing 9/29/2006		After listing	
Name	Position	Percentage	Position	Percentage
MEDITERRANEAN TELECOM LIMITED	7,000,000	10.9374	7,000,000	8.7713
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	3.2812	2,100,000	2.6314
NAOUSSA SPINNING MILLS S.A.	210,000	0.3281	210,000	0.2631
PASSPOINT S.A.	0	0.0000	745,030	0.9336
TELEPASS S.A.	0	0.0000	2,980,120	3.7342
PRENSCO HOLDINGS Ltd	0	0.0000	12,080,000	15.1367
FREE FLOAT	54,690,652	85.4533	54,690,652	68.5297
COMPANY'S TOTAL SHAREHOLDERS	64,000,652	100.0000	79,805,802	100.0000
Company's Total Shareholders <5%	10,424			

It is clarified that an entry has been made to the SOCIETE ANONYME RECORD and the related decisions have been published by the MINISTRY OF DEVELOPMENT for the issue of **each series** according to **C.L. 2190/20**, that is:

- Issue of convertible Bond Loan
- Deposit certification of the convertible Bond Loan
- Share capital increase due to conversion of convertible Bond Loan
- Certification of share capital increase due to conversion of convertible Bond Loan

More analytically, the **announcements** made by LAN-NET for the issues of the CBL series have been published to the website of the ATHEX, which are the following:

- 9/1/2006 Share Capital Increase of LAN-NET Communications S.A. due to conversion of Bonds E' and F' series.
- 8/30/2006 Announcement re the issue of E' and F' series of the convertible bond loan by Lannet Communications.
- 8/30/2006 Listing of the company's new common nominal shares by the conversion of C' series.
- 8/3/2006 Announcement for the conversion of bonds into shares and the share capital increase of C' series.
- 7/25/2006 Announcement for the Issue of convertible Bond Loans C' and D' series and issue of common bond loan.
- 7/18/2006 Listing of shares from the share capital increase after the conversion of bonds into shares – Correction B' series (amount 5.2 million Euro).

- 7/4/2006 Announcement for the conversion of bonds into shares and the share capital increase A' dose B' series of amount 5.2 million Euro.
- 6/5/2006 Issue of Convertible Bond Loan into company's shares A' issue B' series of amount 5.2 million Euro.
- 3/3/2006 Listing of shares from the share capital increase after the conversion of bonds into shares third conversion of A' series of amount 3,120 thousand Euro.
- 2/13/2006 Announcement for the conversion of bonds into shares and the share capital increase second conversion of A' series of amount 2,080 thousand Euro.
- 2/10/2006 Listing of shares from the share capital increase after the conversion of bonds into shares first conversion of A' series of amount 520 thousand Euro.
- 1/18/2006 Announcement for the conversion of bonds into shares and the share capital increase first conversion of A' series of amount 520 thousand Euro.
- 1/12/2006 Announcement for the Issue of the Convertible Bond Loan into company's shares B' series.

It is noted that for the issue of the A' series, a detailed report to the A.R. of LAN-NET's share capital increase is made.

BRIEFLY THE PUBLICATIONS OF THE C.B.L. APPEAR IN THE TABLE BELOW

LOAN SERIES	AMOUNT	ISSUE DATE	CONVERSION	DATE OF CONVERSION	NEW SHARES	SHARE CAPITAL OF THE COMPANY €	BALANCE FOR ISSUE/CONVERSION
A	5,720,000 €	11/11/2006	520,000 €	12/11/2005	500,000	54,584,246.08	
			2,080,000 €	1/11/2006	2,000,000	56,664,246.08	
			3,120,000 €	2/11/2006	3,000,000	59,784,246.08	0 €
B	20,800,000 €	1/6/2006					
B1	5,200,000 €	5/31/2006	5,200,000 €	6/30/2006	5,000,000	64,984,246.08	0 €
B2	10,400,000 €	-	0 €				10,400,000 €
B3	5,200,000 €	-	0 €				5,200,000 €
C	3,779,048 €	7/21/2006	1,758,328 €	7/31/2006	1,515,800	66,560,678.08	2,020,720 €
D	728,000 €	7/21/2006	0 €	-	-		728,000 €
E	4,470,180 €	8/29/2006	4,470,180 €	8/31/2006	3,725,150	70,434,834.08	0 €
F	14,496,000 €	8/30/2006	14,496,000 €	8/31/2006	12,080,000	82,998,034.08	0 €
TOTAL	49,993,228 €		31,644,508		27,820,950		18,348,720 €

EGM APPROVAL 06-30-2005	50,000,000 €
ISSUED / FOR ISSUE	49,993,228 €
INDISPOSED BALANCE	6,772 €

Conclusively, are on hold:

For Issue and possible conversion:

B' SERIES B' ISSUE	10,400,000 €
B' SERIES C' ISSUE	5,200,000 €

For Issue and possible conversion:

C' ISSUE (BALANCE)	2,020,720 €
D' ISSUE	728,000 €

It is also noted that the total of the materialized with private position issues were disposed originally into nine (9) persons.

According to data, the cumulative persons that originally covered the above issues of the CBL, are not related to the company or its shareholders until the coverage of the corresponding series, except Telepassport (HELLAS) S.A. with which we are in the process of merger through its absorption from our Company.

As a consequence of the above conversions, the company's share capital amounts today to eighty-two million nine hundred ninety-eight thousand thirty-four Euro and eight cents (82,998,034.08) Euro, divided to seventy-nine million eighty-five thousand and eighty-two (79,805,802) common nominal shares, of nominal value of one Euro and four cents (1.04) Euro each, according to C-2 12.802 (Fin.)/9.6.06 decision of Ministry of Growth.

Calculating the already converted first issue of the B' series and the conversion of the issued and not converted until today D' and C' series (balance conversion), the company's share capital, under the condition that no other conversion will be made and without calculating the share capital increase that will result from the merger through absorption of Telepassport (HELLAS) S.A., is expected to be formed as follows:

New Shares:	Before listing		After listing	
	Position	Percentage	Position	Percentage
MEDITERRANEAN TELECOM LIMITED	7,000,000	8.7713	7,000,000	83904
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	2.6314	2,100,000	2.5171
NAOUSSA SPINNING MILLS S.A.	210,000	0.2631	210,000	0.2517
PASSPOINT S.A.	745,030	0.9336	745,030	0.8930
TELEPASS S.A.	2,980,120	3.7342	2,980,120	3.5720
PRENSCO HOLDINGS Ltd	12,080,000	15.1367	12,080,000	14.4794
COLUMBIA TELECOM SHAREHOLDERS (**)	0	0.0000	2,923,265	3.5039
FREE FLOAT	54,690,652	68.5297	55,390,652	66.3925
COMPANY'S TOTAL SHAREHOLDERS ΣΥΝΟΛΟ ΜΕΤΟΧΩΝ ΕΤΑΙΡΕΙΑΣ	79,805,802	100.0000	83,429,067	100.0000

(**) The shares of COLUMBIA TELECOM shareholders are amounted to the FREE FLOAT.

Finally, calculating the remaining two issues of the B' series of amounts Euro 10.4 and Euro 5.2 million respectively, which are expected to be materialized, if and only if the special terms of this series are met, according to the 12/31/2005 decision of the BoD for the issue of the convertible bond loan, and with its conversion into shares, as well as the published and non converted until today D' and C' series (balance conversion), the company's share structure, under the condition that no change will be made without calculating the share capital increase resulted from the merger through absorption of Telepassport (HELLAS) S.A., will be adjusted as follows:

New Shares:	Before listing		After listing	
Name	Position	Percentage	Position	Percentage
MEDITERRANEAN TELECOM LIMITED	7,000,000	8.7713	22,000,000	22.3511
KLONATEX GROUP OF COMPANIES S.A.	2,100,000	2.6314	2,100,000	2.1335
NAOUSSA SPINNING MILLS S.A.	210,000	0.2631	210,000	0.2134
PASSPOINT S.A.	745,030	0.9336	745,030	0.7569
TELEPASS S.A.	2,980,120	3.7342	2,980,120	3.0277
PRENSCO HOLDINGS Ltd	12,080,000	15.1367	12,080,000	12.2728
COLUMBIA TELECOM SHAREHOLDERS (**)	0	0.0000	2,923,265	2.9699
FREE FLOAT	54,690,652	68.5297	55,390,652	56.2747
COMPANY'S TOTAL SHAREHOLDERS	79,805,802	100.0000	98,429,067	100.0000

(**)The shares of COLUMBIA TELECOM shareholders are amounted to the Free Float.

Sincerely,
LAN-NET COMMUNICATIONS S.A.