
PRESS RELEASE

Peristeri, May 30 2007

PROFITABILITY FOR LAN-NET COMMUNICATIONS S.A. WITH INCREASED SALES

- ☑ **Group revenue increases 47% over last year**
- ☑ **Consolidation strategy has a positive impact on results**

Substantial improvement to the financial results for Lannet Communications in the first quarter of 2007 in comparison to the previous period of 2006, confirming the appropriate choices and strategies followed in relation to the applied growth model.

Revenues increased 47% and the number of active CLI's reached 1.048.671 in March. This level of revenue already incorporates the one time loss of over 35 000 contracts caused by the reduction in interconnection capacity with OTE. This event is estimated to have caused a loss of €2.1 million revenue per month. Despite this the combined group revenue reached an average billing of €5.6 million per month. New marketing programs launched in the first quarter will further increase revenues. Initial results show an uptake in new customer acquisition and an increasingly higher ARPU.

The above results also reflect the cost reduction effort. A reduction of both backbone and interconnection lines of about €700 000 per month can be realized by the merging of the networks.

Maintenance costs and reduction in the number of technologies used will further reduce costs by €400 000 per month. As administrative systems are reduced - 4 are already obsolete- administrative costs will also be reduced.

The acquisition of Telepassport, Columbia Telecom, Orbitech and Primus increased the asset base of the company by € 80 million. The above mentioned acquisitions and absorptions practically doubled the financial results of the consolidated Balance Sheet. Thus, total assets increased to the amount of € 152.81 million versus € 71.08 million in the respective 1st quarter of 2006. Total liabilities reached € 89.81 million compared to the € 37.8 million of the previous period (1/1-31/3/2006) of which should be noted that the financial data taken into account, include figures of the mother company only.

Successful renegotiation of supplier terms of payments has enabled the company to meet its payment commitments, despite minimum bank credit facilities- a short term €5 million facility was successfully renewed and a new €4 million credit line was extended to the company by another triple A bank.

Taking into account the fact that operational restructuring and consolidation of the Fixed Telephony Companies of our Group will be completed by July 2007- at which time the cost levels will be as indicated above. Consequently, the first quarter results use €5.1 million, a portion of a €12.3 million restructuring provision that was taken in 2006.

Activities in the 1st Quarter

- 34 nodes are LLU ready and connected to OTE with about 300 lines each and with potential for another 600 lines per node.
- Offering wholesale OTE broadband product.

- Installation of Wi Max network of Craig Wireless proceeding on schedule.
- Consolidation on schedule.
- Redesign of the network by Orange Business Services almost complete.

Management Commentary.

“This is the first fiscal quarter where all three companies have operated as a single unit. The results were negatively impacted by our differences with OTE., However, since then, our relations with OTE have been smoothed out and discussions towards resolving outstanding issues are progressing in a spirit of mutual understanding and fair play. Renegotiations with our suppliers and a bank credit extension, allow the company to meet all its obligations from the expected operations cash flow. We will however continue to seek financing to maximize our equity returns. Furthermore, a number of initiatives are under way, by our marketing and technical groups, introducing innovative solutions to be launched shortly. These actions, along with our readiness to offer unbundled local loop all over Greece, makes us optimistic about Lannet’s future”.

1st Quarter 2007 Financial Results

In the framework of the underlying legislation with the occasion of releasing the first quarter 2007 financial results (1/1-31/3/2007), 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:

KEY FINANCIAL HIGHLIGHTS

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

Item	Group			Company		
	31.03.2007	31.03.2006	Δ%	31.03.2007	31.03.2006	Δ%
Revenue	16.921	11.477	47	14.873	11.477	30
EBITDA	2.519	-2.300	209	3.089	-2.300	230
Net Income B.T.	-156	-3.882	103	407	-3.882	110
Liabilities	89.806	37.796		83.514	37.796	
Equity	63.003	33.285		69.014	33.285	
Total Assets	152.809	71.081		152.529	71.081	