



**INFORMATION FOR ALL S. A.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

**IN ACCORDANCE WITH THE**

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**(TRANSLATED FROM THE GREEK ORIGINAL)**

The attached Financial Statements are those approved by the Board of Directors of INFOTE INFORMATION FOR ALL S. A. on 27 April 2006

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**INCOME STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

(Amounts in EURO)

	<b>Note</b>	<b>2005</b>	<b>2004</b>
Operating revenues	20	57.718.421,14	59.327.199,26
Operating expenses	21	42.746.845,33	43.788.873,41
<b>Gross profit</b>		<b>14.971.575,81</b>	<b>15.538.325,85</b>
Other revenues		228.495,84	78.022,24
Other expenses		(41.410,70)	(90.804,13)
	22	187.085,14	(12.781,89)
Financial income	23	246.569,92	227.408,56
Financial expenses	23	(20.676,82)	(13.754,04)
		225.893,10	213.654,52
<b>Profit before taxes</b>		<b>15.384.554,05</b>	<b>15.739.198,48</b>
Income taxes	16	(4.793.646,71)	(4.003.769,59)
<b>Net profit for the year</b>		<b>10.590.907,34</b>	<b>11.735.428,89</b>
Basic earnings per share	24	<u>2,51</u>	<u>2,78</u>

The attached notes on pages 7 through to 29 are an integral part of the present Financial Statements.

**BALANCE SHEET AS OF 31<sup>ST</sup> DECEMBER 2005**  
(Amounts in EURO)

	<b>Note:</b>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	5	8.112.434,74	6.208.665,84
Intangible assets	6	4.326.899,29	2.105.560,07
Long-term receivables	7	249.186,04	222.483,62
Deferred taxes	16	-	6.324,47
<b>Total non-current assets</b>		<b>12.688.520,07</b>	<b>8.543.034,00</b>
<b>Current assets</b>			
Inventories	8	4.736.201,69	6.240.385,86
Customers and accounts receivable	9	24.638.549,10	36.124.777,14
Short-term receivables from related companies		143.935,00	78.210,00
Other current assets	10	6.447.520,22	6.737.159,13
Cash and cash equivalents	11	9.020.457,71	8.352.130,32
<b>Total current assets</b>		<b>44.986.663,72</b>	<b>57.532.662,45</b>
<b>TOTAL ASSETS</b>		<b>57.675.183,79</b>	<b>66.075.696,45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	12.351.441,37	12.351.441,37
Legal reserve	13	2.278.193,47	1.723.853,21
Non-taxable reserve	13	5.274.695,73	5.274.695,73
Retained earnings		19.059.265,12	18.296.817,84
<b>Total equity</b>		<b>38.963.595,69</b>	<b>37.646.808,15</b>
<b>Long-term liabilities</b>			
Reserve for staff retirement indemnities	15	282.096,00	158.518,00
Deferred taxes	16	1.893.117,62	1.403.544,14
Other long-term liabilities		-	18.217,73
<b>Total long-term liabilities</b>		<b>2.175.213,62</b>	<b>1.580.279,87</b>
<b>Short-term liabilities</b>			
Suppliers	17	3.410.266,72	3.675.312,98
Liabilities to related companies		5.299.202,87	14.727.067,68
Sundry creditors	18	4.249.847,24	4.499.002,01
Other short-term liabilities	19	1.891.372,22	1.968.304,81
Taxes		1.685.685,43	1.978.920,95
<b>Total short-term liabilities</b>		<b>16.536.374,48</b>	<b>26.848.608,43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57.675.183,79</b>	<b>66.075.696,45</b>

The attached notes on pages 7 through to 29 are an integral part of the present Financial Statements.

Georgios Ioan. Ioannidis

Chairman of the Board of Directors

Dr. Ioannis Sp. Vasilaras

Managing Director

Ioannis Emm. Rogdakis

Accounting Manager

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005

(Amounts in EURO)

	Share Capital	Legal Reserve	Non-taxable Reserve	Retained Earnings	Total
Balance 01.01.2004	12.351.441,37	1.174.084,34	1.618.732,72	19.451.069,37	<b>34.595.327,80</b>
<b>Effect on income statement</b>					
Profit for the year	-	-	-	11.735.428,89	<b>11.735.428,89</b>
<b>Equity effect</b>					
Transfer to Legal Reserve	-	549.768,87	-	(549.768,87)	-
Dividends	-	-	-	(8.683.948,54)	<b>(8.683.948,54)</b>
Transfer to Non-taxable Reserve	-	-	3.655.963,01	(3.655.963,01)	-
<b>Equity effect</b>	-	549.768,87	3.655.963,01	(12.889.680,42)	<b>(8.683.948,54)</b>
<b>Balance as at 31.12.2004</b>	<b>12.351.441,37</b>	<b>1.723.853,21</b>	<b>5.274.695,73</b>	<b>18.296.817,84</b>	<b>37.646.808,15</b>
	Share Capital	Legal Reserve	Non-taxable Reserve	Retained Earnings	Total
Balance 01.01.2005	12.351.441,37	1.723.853,21	5.274.695,73	18.296.817,84	<b>37.646.808,15</b>
<b>Effect on income statement</b>					
Profit for the year	-	-	-	10.590.907,34	<b>10.590.907,34</b>
<b>Equity effect</b>					
Transfer to Legal Reserve	-	554.340,26	-	(554.340,26)	-
Dividends	-	-	-	(9.274.119,80)	<b>(9.274.119,80)</b>
<b>Equity effect</b>	-	554.340,26	-	(9.828.460,06)	<b>(9.274.119,80)</b>
<b>Balance as at 31.12.2005</b>	<b>12.351.441,37</b>	<b>2.278.193,47</b>	<b>5.274.695,73</b>	<b>19.059.265,12</b>	<b>38.963.595,69</b>

The attached notes on pages 7 through to 29 are an integral part of the present Financial Statements.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

(Amounts in EURO)

	<b>2005</b>	<b>2004</b>
<b>Cash flow from operating activities</b>		
<b>Profit before taxes</b>	<b>15.384.554,05</b>	<b>15.739.198,48</b>
Adjustments for:		
Depreciation and amortization	2.701.354,70	1.991.393,60
Provisions	123.578,00	78.048,00
Investment and financial (income)	(246.569,92)	(227.408,56)
Interest expense	20.676,82	13.754,04
Adjustments for working capital movements related to operating activities:		
Decrease/ (Increase) in inventories	1.504.184,17	(1.995.449,73)
Decrease in accounts receivable	11.775.866,95	17.528.233,80
Decrease in liabilities (except banks)	(10.018.998,43)	(17.351.316,21)
Minus:		
Income taxes paid	(4.564.976,73)	(6.171.263,19)
Transactions of Cyprus' branch	(31.384,30)	-
<b>Net cash provided by operating activities</b>	<b>16.648.285,31</b>	<b>9.605.190,20</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(6.922.143,22)	(4.051.710,59)
Purchase of participating interests	(10.000,00)	-
Proceeds from sale of tangible assets	412,00	-
Gains from sale of investments	181.111,11	224.499,49
<b>Net cash (used in) investing activities</b>	<b>(6.750.620,11)</b>	<b>(3.827.211,07)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	(9.274.119,80)	(8.683.948,54)
Interest paid	(20.676,82)	(13.754,04)
Interest received	65.458,81	2.909,07
<b>Net cash (used in) financing activities</b>	<b>(9.229.337,81)</b>	<b>(8.694.793,51)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>668.327,39</b>	<b>(2.916.814,38)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8.352.130,32</b>	<b>11.268.944,70</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>9.020.457,71</b>	<b>8.352.130,32</b>

The attached notes on pages 7 through to 29 are an integral part of the present Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS AS OF 31<sup>ST</sup> DECEMBER 2005**  
(Amounts in EURO)

## 1. COMPANY'S ESTABLISHMENT AND OPERATIONS

INFOTE, a subsidiary of OTE Group of Companies, was established in May 21<sup>st</sup> 2001. Its main commercial activity started on October 1<sup>st</sup> 2001 following the spin-off of the business directories sector from OTE and the transfer of operations to the new subsidiary. The spin-off was finalised on October 8<sup>th</sup> 2002.

Prior to the Company's commencement of operation, OTE's Directory Department was in charge of the publication of the White Pages, the Yellow Pages and the Blue Pages.

INFOTE, a member of OTE Group, is a leader in the Greek market in the field of preparation, process and publication of business directories, as well as the provision of pioneering online and voice services, aiming at creating the widest possible range of reliable and innovative information sources in order meet the needs of every citizen.

The information provided to the public by INFOTE is designed and implemented at three levels: Printed directories, voice services and online products. INFOTE's portfolio of products includes: the Yellow Pages, the Talking Pages (11811) for Greece, International Directory Enquiries Service (11844), - available in Greece - the Talking Pages (11822) for Cyprus and International Directory Enquiries Service - available in Cyprus - the Local Yellow Pages, the Greek Yellow Pages, the Yellow Pages on the Road, the Maritime Yellow Pages, the B2B Directory and the Public Services Directory.

Some of these products are described herebelow:

- Yellow Pages – facilitate transactions between consumers and businesses as well as other professionals.
- Business-to-Business (B2B) Directory – facilitates transactions between businesses both in Greece and Cyprus.
- Greek Yellow Pages – addressed to the English-speaking community or visitors to Greece.
- Yellow Pages on the Road – catering for the needs of motorists travelling across Greece.
- Talking Pages (11811, 11822) for Greece & Cyprus respectively – telephone-based information service for effective product and service search through live telephone communication.
- 11844, the number for international directory enquiries.
- Maritime Yellow Pages – a useful guide on board when sailing the Greek seas.
- Public Services Directory – a complete information guide for Public Services and Organisations as well as the banking sector (Greek and foreign banks) of the greater public and private sector.
- Pocket guides – they provide every visitor with geographical information for particular cities.

INFOTE is an affiliate company of OTE with 99,999% participation.

The financial statements for the year ended December 31<sup>st</sup> 2005 are included in the Consolidated Financial Statements of OTE S.A. (registered in Maroussi, Attiki, 99, Kifissias Ave. Reg. No. 347/06/B/86/10).

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

**I. Basis of preparation of Financial Statements:** The Financial Statements have been prepared according to the principal of historical cost. The Financial Statements have been prepared according to the International Financial Reporting Standards (“IFRS”) and the Interpretations adopted by the European Union. These are the first annual financial statements to be prepared according to the IFRS and therefore the IFRS 1 “First-time Adoption of International Financial Reporting Standards” applies with transition date January 1<sup>st</sup> 2004.

**II. First Time Adoption of IFRS:** Until December 31<sup>st</sup> 2004, the Company’s Financial Statements were prepared according to the Codified Law 2190/1920 and the applicable provisions of the Greek Accounting Standards, which, in many cases, varied from the provisions of the IFRS. According to the European Legislation 1606/2002 and based on Law 3229/04 (as amended by Law 3301/04) the Greek companies listed in any Stock Exchange (domestic or international) and their affiliate companies are obliged to prepare their financial statements for the fiscal years beginning on January 1<sup>st</sup> 2005 onwards, according to the IFRS. Based on IFRS 1 and the aforementioned Greek legislation, the above companies are obliged to present comparative Financial Statements according to the IFRS, at least for one fiscal year (December 31<sup>st</sup> 2004).

Based on the relevant provisions of IFRS 1, during the preparation of the first financial statements according to the IFRS, a company must use the IFRS in force on the date on which the first Financial Statements are closing for all periods presented. The IFRS must also be used in the transition Balance Sheet. Therefore, since the date of the first Financial Statements according to the IFRS for INFOTE is December 31<sup>st</sup> 2005, all Standards in force on the particular date have been applied for the preparation of the attached Financial Statements.

The accounting policies presented herebelow have been applied with consistency in all periods.

### 3. SIGNIFICANT ACCOUNTING POLICIES

**I. Use of Estimates:** The preparation of the financial statements according to the IFRS requires the Management to make estimates and adopt the assumptions that may influence the application of accounting policies as well as the amounts that are included in the financial statements. These estimates and assumptions are being revised on a constant basis. These revisions are recognised in the period during which they are effected and affect the relevant periods to which they refer. These estimates and assumptions are based on the existing experience and various other factors that are considered fair under the current conditions. These estimates and assumptions are the basis for decision making as to the carrying amounts of assets and the liabilities that do not derive from other sources. The actual future results may vary from the above estimates, while any deviations may have a significant effect on the financial statements.

**II. Foreign Currency Conversion:** INFOTE keeps accounting books in Euros. Transactions made in foreign currencies are converted into Euros based on the official foreign exchange rate applicable on the day of the transaction. On the balance sheet date, all receivables and liabilities in foreign currencies are converted into Euros based on the official foreign exchange rate applicable on the relevant date. Profit or loss from such exchanges is recognised in the Operating Results.

**III. Tangible Assets:** Tangible assets are presented in their historical acquisition cost, less any grants received, increased by taxes from the construction period and decreased by accumulated depreciations and possible impairment of their value. Any readjustments of fixed assets based on the applicable Greek Legislation are reversed.

Repairs and maintenance works are recognised after they have been performed. Their acquisition cost and accumulated depreciation of tangible assets that are sold or withdrawn are transferred from the relevant accounts upon selling or withdrawal and any profit or loss is recognised in the operating results.

Expenditures for replacement of sections of tangible assets are embodied in the assets' value, provided these may be calculated with reliability and increase the future profits that the Company shall make. In any other case they are directly recognised upon performance.

**IV. Depreciation:** Depreciation of tangible assets is being recognised systematically with the straight-line depreciation method, during the estimated useful life of tangible assets, which is reviewed periodically. The estimated useful life of property, plant and equipment and the relevant depreciation rates are as follows:

	<u>Estimated useful life</u>	<u>Depreciation rates</u>
Machinery - Technical Installations - Other Mechanical Equipment	3-10 years	10% - 33%
Transportation equipment	3 years	33%
Furniture and other equipment	3-5 years	20%-33%

#### **V. Employee benefits:**

a) **Defined Contribution Plans:** Obligations for contributions to defined contribution plans are recognised as expenses in the operating results upon performance. The obligation expires upon payment of the specific contribution on a case by case basis.

b) **Defined Benefit Plans:** Obligations arising from defined employee benefit plans are calculated separately per plan with the calculation of future benefits to employees which have become accrued on the date of the balance sheet. Future benefits are discounted at their

present value, after deducting the fair value of the plan's assets, considering the adjustments for any actuarial results (gains/losses) and for the service cost of previous years. Discount rate is considered the performance of government bonds on the balance sheet date, of which the expiry date approaches the time limits of obligations. These obligations are calculated on the basis of financial and actuarial assumptions which are made by an independent actuary with the Project Unit Credit Method. The net cost of the period is included based on the straight-line method, is included in the results and consists of the present value of benefits which became accrued during the period, compounding of interest for the future obligation, the recognised cost of previous employment and the actuarial gains or losses. The unrecognised cost of previous service is recognised on a consistent basis on the average remaining service period for employees who are expected to receive benefits. The actuarial gains or losses will be recognised during the average remaining period of service for active employees and will be included in the net cost for the period if during the beginning of the period they are over 10% of the estimated future obligation.

**VI. Taxes:** Taxes include the current income tax and the deferred taxes. The current income tax is calculated on the taxable income for the year, based on the taxation provisions in force and tax rates, on the date of the balance sheet.

Deferred income taxes refer to cases of temporary differences between tax recognition of fixed assets and liabilities elements and their recognition for the purposes of the preparation of the Financial Statements. They are calculated based on taxation rates that shall apply during the periods from which the elements of the fixed assets are expected to be retrieved and the liabilities settled. Deferred tax assets are recognised for all deductible temporary differences. The value of the deferred tax assets is checked on each balance sheet date and it is decreased in the extent that not enough taxable income is expected to exist to cover the deferred tax asset.

The tax for the period (current and deferred) is recognised in the Operating Results, except the tax that related to transactions that are directly recognised in Equity.

**VII. Advertising Costs:** All advertising costs are charged to expenses as incurred.

**VIII. Recognition of Revenues and Expenses:** Revenues from goods sold are recognised (in the income statement), when the main risks and benefits related to ownership of goods have been transferred to the buyer. Revenues from provision of services are recognised (in the income statement) depending on the project's phase entered on the balance sheet date. Revenues are not recognised in case of significant uncertainty, as to retrieving the due section or the possible refund of goods.

Fixed revenues include mostly revenues from promotion and services, as well as revenues from the printing and distribution of OTE's White Pages.

**IX. Earnings per share:** Basic earnings per share are calculated by dividing the net profits by the number of shares during each period.

**X. Dividends:** The dividends to the shareholders are presented as liabilities at the time of their approval for distribution by the General Meeting of the Shareholders.

**XI. Leases:** A lease that transfers the rights and liabilities that derive from the ownership of a fixed asset is considered by the lessee a finance lease, while the lessor considers such lease a sale and/or provision of financing. In this case, the rents paid are separated into financial expenses (interest) and a decrease in the undertaken obligation. Financial expenses are recognised directly in Operating Results. The fixed assets that were acquired through finance leases appear in the lowest amount between their fair value and the

present value of the minimum rents paid at the beginning of the lease, reduced by their accumulated depreciation or impairment losses.

If the lease agreement does not transfer the rights and liabilities (risks) that derive from ownership of a fixed asset then the lease is considered operating for the lessee and the rents will be recognised as expenses during the lease.

**XII. Related parties:** The transactions and balances of receivables/obligations with related parties are separately presented in the Financial Statements.

**XIII. Inventories:** Inventories are assessed in the lowest price between the acquisition price and their net realisable value. Cost is determined using the monthly weighted average cost formula. This particular method is followed on a standard basis.

The net realisable value is the estimated selling value in the course of the usual activities, reduced by the estimated costs for their completion and the estimated costs for the realisation of the sale. In case of a future increase in the net realisable value of impaired inventories, the said impairment is reversed.

**XIV. Intangible Assets** The intangible assets that are separately acquired are recognised at their acquisition cost. Thereafter they are calculated at this amount less the accumulated depreciation and any accumulated impairment losses on their value. The useful life of intangible assets may be finite or infinite. The cost of intangible assets with finite useful life is depreciated during the period of their estimated useful life with the straight-line method. Intangible assets are depreciated as of the date on which they are available for use. Intangible assets with infinite useful life are not depreciated but are subject periodically (at least on an annual basis) to review for possible impairment of their value based on the provisions of IAS 36 "Impairment of assets". Residual values are not recognised. The useful life of intangible assets is reviewed on an annual basis and any possible readjustments are applied in the future. Intangible assets are reviewed for impairment at least every year at a specialized level or at the level of cash flow creation of the unit to which they belong.

**XV. Provisions:** Provisions are recognised when the Company has a present commitment (legal or inferred) as a result of past events and it is possible that there will be an outflow of resources for the settlement of the commitment and its amount can be reviewed with reliability. If the impact of the time value of money is significant, the provisions are recognised on a prepaid basis with the use of interest rate before tax which reflects the current estimates of the market for the overtime value of money and risks associated with liability. Provisions are reviewed on each Balance Sheet date and if it is no longer possible that there will be an outflow of resources for the settlement of the commitment the provisions will be reversed. Provisions are used only for the purpose for which they were originally made.

**XVI. Impairment of Assets:** The carrying amounts of the Company's assets are reviewed for impairment when there are indications that their carrying amounts are not recoverable. In such a case the recoverable amount of the assets is determined and, if the carrying amounts exceed the estimated recoverable amount, these are recognised as impairment loss, which is directly recognised in the operating results.

**4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (LAW 2190/20)**

The Financial Statements have been prepared in accordance with the IFRS. The accounting policies provided by the IFRS were applied in the preparation of the Financial Statements and the Balance Sheet as at December 31<sup>st</sup> 2004.

Certain amounts that had been published in financial statements prepared according to the previously applied Greek Accounting Standards had to be recalculated for the preparation of the Financial Statements according to the IFRS.

The most important adjustments that were considered necessary for the adjustment of the financial statements prepared according to Codified Law 2190/1920, to the IFRS mostly concern:

1. Accounting of dividends at the time of their approval by the General Meeting of the Shareholders.
2. Entry and monitoring of fixed assets acquired through finance leasing.
3. Adjustment of depreciation of fixed assets based on their useful life.
4. Calculation of the provision for personnel indemnity based on the actuarial study.
5. Recognition of deferred taxation.
6. Presentation of lease interests relating to finance leasing in the operating results.
7. Income tax recognition as expense.

**RECONCILIATION OF BALANCE SHEET AS OF 31<sup>ST</sup> DECEMBER 2003**

	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	1.338.256,80	4.168.315,62	5.506.572,42
Intangible assets	205.947,88	682.149,02	888.096,90
Long-term receivables	68.970,98	-	68.970,98
Deferred taxes	-	43.812,98	43.812,98
<b>Total non-current assets</b>	<b>1.613.175,66</b>	<b>4.894.277,62</b>	<b>6.507.453,28</b>
<b>Current assets</b>			
Inventories	3.754.391,48	490.544,65	4.244.936,13
Customers and accounts receivable	49.769.246,06	-	49.769.246,06
Short-term receivables from related companies	4.223.663,67	-	4.223.663,67
Other current assets	8.441.569,34	(1.919.390,60)	6.522.178,74
Cash and cash equivalents	11.268.944,70	-	11.268.944,70
<b>Total current assets</b>	<b>77.457.815,25</b>	<b>(1.428.845,95)</b>	<b>76.028.969,30</b>
<b>TOTAL ASSETS</b>	<b>79.070.990,91</b>	<b>3.465.431,67</b>	<b>82.536.422,58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12.351.441,37	-	12.351.441,37
Legal reserve	1.174.084,34	-	1.174.084,34
Non-taxable reserve	1.618.732,72	-	1.618.732,72
Retained earnings	6.850.517,06	12.600.552,31	19.451.069,37
<b>Total equity</b>	<b>21.994.775,49</b>	<b>12.600.552,31</b>	<b>34.595.327,80</b>
<b>Long-term liabilities</b>			
Reserve for staff retirement indemnities	-	80.470,00	80.470,00
Deferred taxes	-	2.152.753,47	2.152.753,47
Other long-term liabilities	-	44.709,94	44.709,94
<b>Total long-term liabilities</b>	<b>-</b>	<b>2.277.933,41</b>	<b>2.277.933,41</b>
<b>Short-term liabilities</b>			
Suppliers	2.505.245,28	-	2.505.245,28
Liabilities to related companies	35.292.590,90	-	35.292.590,90
Sundry creditors	2.854.528,14	-	2.854.528,14
Other short-term liabilities	10.252.587,91	(8.683.948,54)	1.568.639,37
Taxes	6.171.263,19	(2.729.105,51)	3.442.157,68
<b>Total short-term liabilities</b>	<b>57.076.215,42</b>	<b>(11.413.054,05)</b>	<b>45.663.161,37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>79.070.990,91</b>	<b>3.465.431,67</b>	<b>82.536.422,58</b>

RECONCILIATION OF BALANCE SHEETS AS OF 31<sup>ST</sup> DECEMBER 2004

	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	1.979.461,34	4.229.204,50	6.208.665,84
Intangible assets	1.698.935,50	406.624,57	2.105.560,07
Long-term receivables	222.483,62	-	222.483,62
Deferred taxes	-	6.324,47	6.324,47
<b>Total non-current assets</b>	<b>3.900.880,46</b>	<b>4.642.153,54</b>	<b>8.543.034,00</b>
<b>Current assets</b>			
Inventories	6.203.263,55	37.122,31	6.240.385,86
Customers and accounts receivable	36.124.777,14	-	36.124.777,14
Short-term receivables from related companies	78.210,00	-	78.210,00
Other Current assets	9.127.191,95	(2.390.032,82)	6.737.159,13
Cash and cash equivalents	8.352.130,32	-	8.352.130,32
<b>Total current assets</b>	<b>59.885.572,96</b>	<b>(2.352.910,51)</b>	<b>57.532.662,45</b>
<b>TOTAL ASSETS</b>	<b>63.786.453,42</b>	<b>2.289.243,03</b>	<b>66.075.696,45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12.351.441,37	-	12.351.441,37
Legal reserve	1.723.853,21	-	1.723.853,21
Non-taxable reserve	5.274.695,73	-	5.274.695,73
Retained earnings	5.571.140,30	12.725.677,54	18.296.817,84
<b>Total equity</b>	<b>24.921.130,61</b>	<b>12.725.677,54</b>	<b>37.646.808,15</b>
<b>Long-term liabilities</b>			
Reserve for staff retirement indemnities	156.538,80	1.979,20	158.518,00
Deferred taxes	-	1.403.544,14	1.403.544,14
Other long-term liabilities	-	18.217,73	18.217,73
<b>Total long-term liabilities</b>	<b>156.538,80</b>	<b>1.423.741,07</b>	<b>1.580.279,87</b>
<b>Short-term liabilities</b>			
Suppliers	3.675.312,98	-	3.675.312,98
Liabilities to related companies	14.727.067,68	-	14.727.067,68
Sundry creditors	4.499.002,01	-	4.499.002,01
Other short-term liabilities	11.242.424,61	(9.274.119,80)	1.968.304,81
Taxes	4.564.976,73	(2.586.055,78)	1.978.920,95
<b>Total short-term liabilities</b>	<b>38.708.784,01</b>	<b>(11.860.175,58)</b>	<b>26.848.608,43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63.786.453,42</b>	<b>2.289.243,03</b>	<b>66.075.696,45</b>

**RECONCILIATION OF INCOME STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup>  
DECEMBER 2004**

	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
Operating revenues	59.327.199,26		59.327.199,26
Operating expenses	(42.613.580,82)	(1.175.292,59)	(43.788.873,41)
<b>Gross profit</b>	<b>16.713.618,44</b>	<b>(1.175.292,59)</b>	<b>15.538.325,85</b>
Other revenues	78.022,24	-	78.022,24
Other expenses	(90.804,13)	-	(90.804,13)
	(12.781,89)	-	(12.781,89)
Financial income	227.408,56	-	227.408,56
Financial expenses	(12.279,78)	(1.474,26)	(13.754,04)
	215.128,78	(1.474,26)	213.654,52
<b>Profit before taxes</b>	<b>16.915.965,33</b>	<b>(1.176.766,85)</b>	<b>15.739.198,48</b>
Income taxes	-	(4.003.769,59)	(4.003.769,59)
<b>Net profit for the year</b>	<b>16.915.965,33</b>	<b>(5.180.536,44)</b>	<b>11.735.428,89</b>

**RECONCILIATION OF EQUITY AND OPERATING RESULTS BETWEEN THE GREEK GAAP AND IFRS**

	Total equity 31.12.2003	Profit for the year ended 31 December 2004	Total equity 31.12.2004
<b>Balances in accordance with Greek GAAP</b>	<b>21.994.775,49</b>	<b>2.926.355,12</b>	<b>24.921.130,61</b>
<b>IFRS Adjustments</b>			
Recognition of dividends declared in the period they are approved by the General Assembly	8.683.948,54	9.274.119,80	17.958.068,34
Dividends distribution for the year 2003	-	-	(8.683.948,54)
Machinery from finance lease acquired following the company's spin-off	6.502.089,37	-	6.502.089,37
Adjustment of depreciation of fixed assets based on useful lives.	(1.730.243,36)	(214.635,57)	(1.944.878,93)
Change in inventories/ Work in progress	490.544,65	-	490.544,65
Changes in expenses of next year	809.714,91	-	809.714,91
Reserves for employee benefit plans based on IAS 19	(80.470,00)	78.490,80	(1.979,20)
Expense credit from finance leases for furniture	37.648,11	27.966,47	65.614,58
Recognition of deferred tax assets	43.812,98	(37.488,51)	6.324,47
Recognition of deferred tax liabilities	(2.152.753,47)	749.209,33	(1.403.544,14)
Difference in consumptions	-	(1.067.114,29)	(1.067.114,29)
Interests on leaseholds from finance leases	(3.739,42)	(1.474,26)	(5.213,68)
Total IFRS adjustments	3.916.603,77	(465.046,03)	3.451.557,74
<b>Balances in accordance with IFRS</b>	<b>34.595.327,80</b>	<b>11.735.428,89</b>	<b>37.646.808,15</b>

**5. TANGIBLE ASSETS**

Tangible assets are presented at their historical acquisition cost decreased by accumulated depreciations. Tangible assets for the year 2005 according to the IFRS are analysed as follows:

	Land	Machinery - technical installations and other mechanical equipment	Transportatio n equipment	Furniture and fixtures	Payments on account to acquire tangible assets	Total
<b>31/12/2003</b>						
Cost	-	9.315.261,21	10.383,09	4.491.682,04	342.650,00	14.159.976,34
Accumulated depreciation	-	(5.519.775,22)	(9.541,69)	(3.124.087,01)	-	(8.653.403,92)
<b>Net Book Value 31/12/2003</b>	<b>-</b>	<b>3.795.485,99</b>	<b>841,40</b>	<b>1.367.595,03</b>	<b>342.650,00</b>	<b>5.506.572,42</b>
<b>1/1/2004</b>						
Net Book Value 01/01/2004	-	3.795.485,99	841,40	1.367.595,03	342.650,00	5.506.572,42
Additions	-	47.847,60	40.010,00	1.379.339,87	760.265,52	2.227.462,99
Disposals, cost	-	-	-	(40.000,00)	-	(40.000,00)
Depreciation for the year	-	(802.661,02)	(1.368,11)	(681.340,44)	-	(1.485.369,57)
<b>Net Book Value 31/12/2004</b>	<b>-</b>	<b>3.040.672,57</b>	<b>39.483,29</b>	<b>2.025.594,46</b>	<b>1.102.915,52</b>	<b>6.208.665,84</b>
<b>31/12/2004</b>						
Cost	-	9.363.108,81	50.393,09	5.831.021,91	1.102.915,52	16.347.439,33
Accumulated depreciation	-	(6.322.436,24)	(10.909,80)	(3.805.427,45)	-	(10.138.773,49)
<b>Net Book Value 31/12/2004</b>	<b>-</b>	<b>3.040.672,57</b>	<b>39.483,29</b>	<b>2.025.594,46</b>	<b>1.102.915,52</b>	<b>6.208.665,84</b>
<b>1/1/2005</b>						
Net Book Value 01/01/2005	-	3.040.672,57	39.483,29	2.025.594,46	1.102.915,52	6.208.665,84
Additions	610.668,48	350,00	-	732.113,06	4.206.512,17	5.549.643,71
Disposals, cost	-	(3.800,00)	-	(412,00)	(1.926.623,24)	(1.930.835,24)
Depreciation for the year	-	(811.525,20)	(11.789,40)	(891.724,97)	-	(1.715.039,57)
<b>Net Book Value 31/12/2005</b>	<b>610.668,48</b>	<b>2.225.697,37</b>	<b>27.693,89</b>	<b>1.865.570,55</b>	<b>3.382.804,45</b>	<b>8.112.434,74</b>
<b>31/12/2005</b>						
Cost	610.668,48	9.359.658,81	50.393,09	6.562.722,97	3.382.804,45	19.966.247,80
Accumulated depreciation	-	(7.133.961,44)	(22.699,20)	(4.697.152,42)	-	(11.853.813,06)
<b>Net Book Value 31/12/2005</b>	<b>610.668,48</b>	<b>2.225.697,37</b>	<b>27.693,89</b>	<b>1.865.570,55</b>	<b>3.382.804,45</b>	<b>8.112.434,74</b>

There are no restrictions on title on tangible assets.

**6. INTANGIBLE ASSETS**

The intangible assets that are separately acquired are recognised at their acquisition cost. Thereafter they are valued at the above amount less any accumulated depreciation. The cost of intangible assets with finite useful life is depreciated during the period of their estimated useful life with the straight-line method. The useful life of intangible assets is reviewed on an annual basis.

Intangible assets are analysed as follows:

	Rights on industrial property	Other setup expenses	Other intangible assets	Payments on account for acquisition of intangible assets	Total
<b>31/12/2003</b>					
Cost	-	803.461,70	1.693.306,50	-	2.496.768,20
Accumulated amortization	-	(302.225,78)	(1.306.445,52)	-	(1.608.671,30)
<b>Net Book Value 31/12/2003</b>	<b>-</b>	<b>501.235,92</b>	<b>386.860,98</b>	<b>-</b>	<b>888.096,90</b>
<b>1/1/2004</b>					
Net Book Value 01/01/2004	-	501.235,92	386.860,98	-	888.096,90
Additions	220.000,00	881.878,20	621.609,00	-	1.723.487,20
Amortization for the year	(40.333,45)	(324.222,15)	(141.468,43)	-	(506.024,03)
<b>Net Book Value 31/12/2004</b>	<b>179.666,55</b>	<b>1.058.891,97</b>	<b>867.001,55</b>	<b>-</b>	<b>2.105.560,07</b>
<b>31/12/2004</b>					
Cost	220.000,00	1.685.339,90	2.314.915,50	-	4.220.255,40
Accumulated amortization	(40.333,45)	(626.447,93)	(1.447.913,95)	-	(2.114.695,33)
<b>Net Book Value 31/12/2004</b>	<b>179.666,55</b>	<b>1.058.891,97</b>	<b>867.001,55</b>	<b>-</b>	<b>2.105.560,07</b>
<b>1/1/2005</b>					
Net Book Value 01.01.05	179.666,55	1.058.891,97	867.001,55	-	2.105.560,07
Additions	-	2.883.280,82	140.856,50	183.450,00	3.207.587,32
Amortization for the year	(44.000,40)	(729.844,80)	(212.402,90)	-	(986.248,10)
<b>Net Book Value 31.12.2005</b>	<b>135.666,15</b>	<b>3.212.327,99</b>	<b>795.455,15</b>	<b>183.450,00</b>	<b>4.326.899,29</b>
<b>31/12/2005</b>					
Cost	220.000,00	4.568.620,72	2.455.772,00	183.450,00	7.427.842,72
Accumulated amortization	(84.333,85)	(1.356.292,73)	(1.660.316,85)	-	(3.100.943,43)
<b>Net Book Value 31/12/2005</b>	<b>135.666,15</b>	<b>3.212.327,99</b>	<b>795.455,15</b>	<b>183.450,00</b>	<b>4.326.899,29</b>

**7. LONG-TERM RECEIVABLES**

Long-term receivables include:

	<b>2005</b>	<b>2004</b>
Guarantees provided	239.186,04	222.483,62
Other	<u>10.000,00</u>	<u>-</u>
<b>Total</b>	<b><u>249.186,04</u></b>	<b><u>222.483,62</u></b>

**8. INVENTORIES**

Inventories are assessed in the lowest price between the acquisition price and their net realisable value. Cost is determined using the monthly weighted average method. The particular method is followed on a fixed basis. Inventories are analysed as follows:

	<b>2005</b>	<b>2004</b>
Merchandise	65.172,83	1.921,01
Complete and incomplete products	45.251,47	52.399,48
Production in progress	1.191.824,79	1.267.503,10
Raw & auxiliary materials - consumables - spare parts	<u>3.433.952,60</u>	<u>4.918.562,27</u>
<b>Total</b>	<b><u>4.736.201,69</u></b>	<b><u>6.240.385,86</u></b>

**9. CUSTOMERS AND ACCOUNTS RECEIVABLE**

Customers and Accounts receivable are analysed as follows:

	<b>2005</b>	<b>2004</b>
Domestic customers*	24.612.050,87	36.097.215,38
International Customers	22.151,23	23.785,76
Cheques receivable	<u>4.347,00</u>	<u>3.776,00</u>
<b>Total</b>	<b><u>24.638.549,10</u></b>	<b><u>36.124.777,14</u></b>

\* Domestic customers include, for the year 2005, the amount of € 24.095.635,50 and for the year 2004 the amount of € 35.665.945,57, which relate to the Company's receivables from OTE S.A.

**10. OTHER CURRENT ASSETS**

Other current assets are analysed as follows:

	<b>2005</b>	<b>2004</b>
Revenues receivable from the fiscal year	132.852,29	9.773,21
Expenses of future periods*	5.904.246,18	6.306.262,84
Doubtful – Disputed Debtors	345.000,00	345.000,00
Advances and credits control account	122,06	15.196,68
Other Sundry Debtors	40.636,91	25.892,51
Personnel Money facilities	14.075,00	6.570,00
Prepayments to Suppliers & Creditors	-	28.463,89
Cyprus VAT to be offset in the next period	<u>10.587,78</u>	<u>-</u>
<b>Total</b>	<b><u>6.447.520,22</u></b>	<b><u>6.737.159,13</u></b>

\* Expenses for future periods include expenses for the publication of directories which are not recognised in the operating results, since the revenues resulting from the entries (advertisements) in the particular directories have not occurred within the current year.

## 11. CASH AND CASH EQUIVALENTS

For the purposes of the preparation of the cash flow statement, time deposits are considered as cash and cash equivalents. Cash and cash equivalents include shares which the company acquires with the purpose of temporary deposit of its capitals and the realisation of direct proceeds.

Cash and cash equivalents are analysed as follows:

	<b>2005</b>	<b>2004</b>
Cash in hand	1.908,42	1.201,90
Sight and time deposits	9.009.549,29	4.350.928,42
Cash equivalents	<u>9.000,00</u>	<u>4.000.000,00</u>
<b>Total</b>	<b><u>9.020.457,71</u></b>	<b><u>8.352.130,32</u></b>

## 12. SHARE CAPITAL

The company's share capital as at December 31<sup>st</sup> 2005 amounts to Euros 12.351.441,37 divided into 4.215.509 shares of nominal value 2,93 Euros (two Euros and ninety three cents) each.

## 13. LEGAL AND NON-TAXABLE RESERVE

### I. LEGAL RESERVE

Under Greek corporate law, corporations are required to transfer a minimum of five percent of their annual net profit shown in their statutory books to a legal reserve, until such reserve equals one – third of the outstanding share capital. As at December 31<sup>st</sup> 2004 the Legal Reserve amounted to € 1.723.853,21 and as at December 31<sup>st</sup> 2005 it amounts to € 2.278.193,47.

### II. NON-TAXABLE RESERVE

According to the provisions of article 2 Law 3220/2004 tax initiatives are provided through the formation of non-taxable reserve.

In particular, the company has created non-taxable reserve for the fiscal years 2003 and 2004 based on Law 3220/2004 (Government Gazette 151 A).

## 14. DIVIDENDS

Under Greek corporate law, each year companies are generally required to declare from their statutory profits, dividends of at least 35% of after-tax profits, after allowing for legal reserve, or a minimum of 6% of the paid-in share capital, whichever is the greater. Dividends that were approved and declared in 2005 (from 2004 profits) amounted to € 9.274.119,80.

## **15. RESERVE FOR STAFF RETIREMENT INDEMNITIES**

In accordance with the provisions of the current legislation, the company publishes complete accounting statements of its liabilities as to retirement benefits in full compliance with the International Accounting Standards (IAS 19). The particular accounting standards require the presentation of the company's obligations resulting from the benefits that are granted upon retirement.

The actuarial valuation method that was followed is the Projected Unit Credit Method, which is the only method acceptable by IAS 19. According to this method, the benefits corresponding to the service completed on the date of valuation are treated separately from the expected benefits in the year following the date of valuation (future service). This practice allows the calculation of the obligation from past service and the obligation deriving from a one-year service.

The present value of all benefits accumulated until the day of valuation is calculated. The present value is the current estimate at a particular point of time (present) of an amount estimated to express the financial equivalent (at present) of one or more amounts due to be paid in the future.

The need of calculating the present value results from the standard principle that amounts referring to different time periods are not comparable. In order to be able to perform a comparison between two or more amounts these must be referred to the same date. This is achieved by calculating their present value.

The above method aims to establish with great accuracy the amount of accumulated obligations from promised benefits and to maintain the level of financing of obligations at such a point so that the accumulated capital may offset the long-term cost of the benefits by 100%.

INFOTE – Retirement Indemnity  
Accounting presentations according to the IAS 19.

Period	1.1.05-31.12.05	1.1.04-31.12.04
Present value of non-financed obligations	377.504	194.513
Unrecognised actuarial gains / (losses)	(95.408)	(35.995)
<b>Net liability recognised in the balance sheet</b>	<b>282.096</b>	<b>158.518</b>
<b>Amounts recognised in the operating results</b>		
Current service cost	94.411	75.050
Interest on obligation	8.753	4.024
Recognition of actuarial losses / (gains)	604	-
Recognition of past service cost	21.565	-
<b>Regular expense in the operating results</b>	<b>125.333</b>	<b>79.094</b>
Cost of additional benefits	939	2.475
<b>Total expense in the operating results</b>	<b>126.272</b>	<b>81.549</b>
<b>Changes to the net liability recognised in the balance sheet</b>		
Net liability at the beginning of the year	158.518	80.470
Benefits paid by the employer	(2.693)	(3.501)
Total expenditure recognised in the operating results	126.272	81.549
<b>Net liability at the end of the year</b>	<b>282.096</b>	<b>158.518</b>
Adjustment	-	-
<b>Net liability at the end of the year</b>	<b>282.096</b>	<b>158.518</b>
<b>Change to the present value of obligation</b>		
Present value of obligation at the beginning of the period	194.513	80.470
Current service cost	94.411	75.050
Interest cost	8.753	4.024
Benefits paid by the employer	(2.693)	(2.693)
Additional payments or expenses / (revenues)	939	2.475
Past service cost during the period	21.565	-
Actuarial losses / (gains)	60.016	35.995
<b>Present value of obligation at the end of the period</b>	<b>377.504</b>	<b>194.513</b>
<b>Actuarial assumptions</b>		
Discount rate	4,00 %	4,50 %
Future salary increases	4,50 %	4,50 %
Expected remaining working life	23,80	23,37

amounts in €

## 16. INCOME TAXES

In accordance with the Greek tax regulations, the income tax rate on December 31<sup>st</sup> 2004 was 35%. Based on Law 3296/2004, it was reduced to 32% for 2005, 29% for 2006 and 25% from the fiscal year 2007 onwards.

The Greek tax legislation and the relevant provisions are subject to interpretations by the tax authorities. The income tax statements are submitted on an annual basis. However, profits or losses that are declared for taxation purposes remain temporary until the tax authorities review the tax statements and the books of the taxable entities, a period at which the relevant tax obligations will also be settled.

According to the provisions of the Greek tax legislation, each year companies make an advance payment of income tax calculated on the income tax of the current fiscal year. Upon settlement of taxes in the next fiscal year, any excess amount paid in advance is refunded to the company following an audit by the tax authorities.

The Company has not been audited since its establishment (fiscal years 2001 – 2005) and therefore the tax obligations for the particular fiscal years are yet final.

The income tax burdening the Operating Results is analysed as follows:

	<b>2005</b>	<b>2004</b>
Current income tax	4.297.748,76	4.715.490,41
Deferred income tax	<u>495.897,95</u>	<u>(711.720,82)</u>
Total income tax	<b><u>4.793.646,71</u></b>	<b><u>4.003.769,59</u></b>

The reconciliation between the amounts of the income tax as presented in the Operating Results and the amounts resulting from the application of the current income tax rate (2005:32%, 2004:35%) on the operating results before tax, is the following:

	<b>2005</b>	<b>2004</b>
Profit before tax	15.384.554,05	15.739.198,48
Statutory tax rate	32%	35%
	4.923.057,30	5.508.719,47
Tax for expenditure that are not recognised in terms of taxation	71.290,13	74.489,60
Tax for non-taxable and specially taxed income	-	(1.279.587,06)
Difference of tax rates in deferred taxation	(192.940,13)	(299.852,42)
Other cases	<u>(7.760,59)</u>	<u>-</u>
Income tax	<b><u>4.793.646,71</u></b>	<b><u>4.003.769,59</u></b>

Deferred income taxes resulting from temporary differences between the carrying amount and the taxation bases of Fixed Assets and Liabilities are presented in summary in the following figures:

	<b>2005</b>	<b>2004</b>
Fixed assets	(1.830.472,48)	(1.328.937,66)
Inventories	(64.347,23)	(74.606,48)
Employee benefits	(6.057,63)	494,80
Finance Leases	-	5.829,67
Other cases	7.759,72	-
<b>Total deferred taxes</b>	<b><u>(1.893.117,62)</u></b>	<b><u>(1.397.219,67)</u></b>

The movements of deferred taxes are as follows:

	<b>2005</b>	<b>2004</b>
Net deferred tax liability (at the beginning of the year)	1.397.219,67	2.108.940,49
Amount transferred to the Operating Results	495.897,95	(711.720,82)
<b>Net deferred tax liability (at the end of the year)</b>	<b><u>1.893.117,62</u></b>	<b><u>1.397.219,67</u></b>

## 17. SUPPLIERS

The Suppliers account includes balances payable to domestic and international suppliers as well as suppliers for purchase of fixed assets. The account is analysed as follows:

	<b>2005</b>	<b>2004</b>
Domestic suppliers *	711.445,96	403.477,55
Foreign suppliers**	2.347.339,13	3.097.691,31
Domestic suppliers of fixed assets	351.481,63	174.144,12
<b>Total</b>	<b><u>3.410.266,72</u></b>	<b><u>3.675.312,98</u></b>

\* Includes mainly raw and auxiliary materials, such as paper for the printing of directories as well as spare parts for presses (printing machines).

\*\* Includes mainly suppliers for the acquisition of the software "DIRECTORY SYSTEM" and for the printing, binding and packaging of the "Attica Yellow Pages".

## 18. SUNDRY CREDITORS

Sundry creditors include:

	<b>2005</b>	<b>2004</b>
Sundry Debtors advances	-	23.066,59
Seconded personnel of OTE S.A. advances	-	8.542,76
Salaries payable	(17.054,32)	2.542,97
Pending fees payable	30.673,21	21.717,18
Other creditors *	4.236.228,35	4.443.132,51
<b>Total</b>	<b><u>4.249.847,24</u></b>	<b><u>4.499.002,01</u></b>

\* Includes mainly liabilities relating to the distribution of directories, advertising, development of the Company's website and the study for the restructure of the IT infrastructure.

**19. OTHER SHORT-TERM LIABILITIES**

Other short-term liabilities include customers' advances, liabilities from taxes and dues, social security, deferred income and accrued expenses. These are analysed as follows:

	<b>2005</b>	<b>2004</b>
Customers' advances	26.412,93	798,54
Taxes and dues	754.663,34	633.091,30
Social security	704.311,87	460.554,48
Deferred income	395.741,88	102.186,21
Accrued expenses	<u>10.242,20</u>	<u>771.674,28</u>
<b>Total</b>	<b><u>1.891.372,22</u></b>	<b><u>1.968.304,81</u></b>

**20. REVENUES**

Revenues include the following revenues categories:

	<b>2005</b>	<b>2004</b>
Revenues from promotional activities	55.196.788,95	49.682.948,04
Revenues from services	1.146.017,89	588.999,00
Revenues from printing & distribution of OTE's White Pages.	1.221.222,59	7.193.719,96
Other revenues	<u>154.391,71</u>	<u>1.861.532,26</u>
<b>Total</b>	<b><u>57.718.421,14</u></b>	<b><u>59.327.199,26</u></b>

**21. OPERATING EXPENSES**

Operating expenses are analysed as follows:

	<b>2005</b>	<b>2004</b>
Payroll expenses	19.541.366,87	20.275.545,13
Third parties' fees and commissions	4.327.205,75	4.102.700,45
Cost of stock sold	5.701.111,69	7.569.661,35
Depreciation - Amortization	2.701.354,70	1.991.393,60
Promotion & advertising expenses	2.566.656,76	2.202.669,78
Rentals	2.524.415,87	2.262.707,59
Other third parties' utilities	3.248.050,45	3.356.981,27
Taxes and dues	356.255,49	335.996,46
Sundry expenses	1.656.849,75	1.613.169,78
Operating provisions	<u>123.578,00</u>	<u>78.048,00</u>
<b>Total operating expenses</b>	<b><u>42.746.845,33</u></b>	<b><u>43.788.873,41</u></b>

**22. OTHER REVENUES - EXPENSES ANALYSIS**

Other Revenues / (Expenses) are analysed as follows:

	<b>2005</b>	<b>2004</b>
Grants and other sales revenue	45.003,84	-
Income from side business	10.111,36	15.374,00
Other revenues *	173.380,64	62.648,24
Other expenses **	<u>(41.410,70)</u>	<u>(90.804,13)</u>
<b>Total Other Revenues - Expenses</b>	<b><u>187.085,14</u></b>	<b><u>(12.781,89)</u></b>

\* Include extraordinary & non-operating income, prior years' income & extraordinary gains

\*\* Include extraordinary & non-operating expenses & prior years' expenses

**23. FINANCIAL INCOME - EXPENSES ANALYSIS**

Financial Income - Expenses are analysed as follows:

	<b>2005</b>	<b>2004</b>
Gains from sale of securities	181.111,11	224.499,49
Credit interest	<u>65.458,81</u>	<u>2.909,07</u>
<b>Total financial income</b>	<b><u>246.569,92</u></b>	<b><u>227.408,56</u></b>
Interest and similar charges	<u>(20.676,82)</u>	<u>(13.754,04)</u>
<b>Total financial expenses</b>	<b><u>(20.676,82)</u></b>	<b><u>(13.754,04)</u></b>

**24. BASIC EARNINGS PER SHARE**

The basic earnings per share, after tax, are computed by dividing the profit corresponding to the Company's shareholders by the number of shares in circulation during the year.

Earnings after tax per share are analysed as follows:

	<b>2005</b>	<b>2004</b>
Net profit for the year	10.590.907,34	11.735.428,89
Number of shares	4.215.509	4.215.509
Basic earnings per share	<u>2,51</u>	<u>2,78</u>

**25. CONTRACTUAL OBLIGATIONS**

The Company has entered into the following lease agreements:

<b>Building leases</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Future years</b>
Iosif ton Rogon	155.801,28	155.801,28	-	-
15-17 Syngrou Ave.	997.620,48	997.620,48	-	-
Lebessi Building	201.408,12	201.408,12	-	-
Agravli Factory	542.323,20	542.323,20	542.323,20	3.796.262,40
Warehouse - 137, Orfeos St.	35.216,40	35.216,40	35.216,40	-
Marinou Antypa St, N. Iraklio	70.963,20	70.963,20	47.308,80	-
Regional offices	<u>151.876,08</u>	<u>151.876,08</u>	<u>151.876,08</u>	<u>501.584,40</u>
<b>TOTAL</b>	<b><u>2.155.208,76</u></b>	<b><u>2.155.208,76</u></b>	<b><u>776.724,48</u></b>	<b><u>4.297.846,80</u></b>
<b>Car rentals</b>	<b><u>391.061,88</u></b>	<b><u>391.061,88</u></b>	<b><u>391.061,88</u></b>	

## **26. RELATED PARTY TRANSACTIONS**

The main transactions between the Company, OTE S. A. and the affiliate companies of OTE Group are the following:

### **OTE**

- INFOTE invoices OTE S. A. for the production of the White Pages.
- INFOTE's revenues come from promotional entries in the directories it publishes. The companies promoted in the directories are invoiced by OTE S.A. through periodic bills following the instructions and according to data provided by INFOTE. INFOTE receives said revenues by issuing invoices to OTE S.A.
- OTE S.A. invoices INFOTE with the commission for the billing of its customers, mainly promotional entries in the business directories.
- OTE S.A. invoices INFOTE for the provision of services of its seconded personnel.
- INFOTE invoices OTE S.A. in connection with revenues from calls due to network interface through the Talking Pages (11811).

### **OTENET**

OTENET provides services for direct access to the Internet (Internet services) and supplies equipment and software licenses. It has undertaken the development of INFOTE's web portal, with the integration of the company's current websites ([www.xo.gr](http://www.xo.gr), [www.gbn.gr](http://www.gbn.gr), [www.infote.gr](http://www.infote.gr)), the development of applications, the extension and upgrading of the INFOTE's portal functionality.

### **OTE ESTATE**

OTE ESTATE leases real estate to INFOTE.

### **COSMO-ONE**

COSMO-ONE invoices INFOTE for e-commerce services and online auctions.

### **OTE PLUS**

OTE PLUS provides consultancy services and carries out studies upon INFOTE's request.

### **COSMOTE**

COSMOTE provides telecommunications equipment (mobile telephones) as well as all the necessary services related to mobile telephony.

Revenues, expenses, receivables and liabilities of INFOTE with related parties are analysed as follows:

	2005		2004	
	REVENUES	EXPENSES	REVENUES	EXPENSES
OTE	1,40	20,10	7,60	22,10
OTHER	0,05	1,09	0,29	1,20
	<b>1,45</b>	<b>21,19</b>	<b>7,89</b>	<b>23,30</b>

	2005		2004	
	RECEIVABLES	LIABILITIES	RECEIVABLES	LIABILITIES
OTE	24,40	5,40	34,70	13,70
OTHER	0,05	0,61	0,13	0,50
	<b>24,45</b>	<b>6,01</b>	<b>34,83</b>	<b>14,20</b>

(Amounts in millions of Euro)

## 27. LITIGATION AND CLAIMS

The Company is a litigant party in a number of legal disputes, of which the most important are the following:

1. A claim has been filed against INFOTE with the Athens Single-Member Court of First Instance (Labour Dispute procedure) by Mr P. F. which shall be heard on 30/01/2007 by which the above claimant is seeking, inter alia, the ruling of the total amount of € 139.975,64 for salaries in default, for the time period from 01/10/2001 to 28/02/2005, as well as the amount of € 30.000,00 for non-material damage that he claims to have suffered.
2. A claim has been filed with the Thessaloniki Multi-Member Court of First Instance (Ordinary Proceedings) against INFOTE by Mr L. M. which was discussed on 04/04/2006. The above claimant requests that the company pays him the amount of € 82.505,94 plus taxes and expenses for erroneous entries in the Yellow Pages. The decision of the Court is expected and the judge's decision is also pending.
3. A claim has been filed before the Athens Multi-Member Court of First Instance (Ordinary Proceedings) against INFOTE by the company "YELLOW PAGES LTD". The above claimant requests that INFOTE be ordered to pay the amount of € 1.000.000,00 for unfair competition. A counter claim has also been filed by INFOTE. INFOTE requests that its brands are no longer promoted by "YELLOW PAGES LTD". The two claims were jointly heard on 08/12/2004, no decision was issued within eight months as stipulated by the Law and, therefore, the case was withdrawn by the Judge and shall be discussed anew on 10/05/2006.
4. A claim has been filed with the Athens Multi-Member Court of First Instance (Ordinary Proceedings) against INFOTE by the company "EPSILON GIS TECHNOLOGIES S. A. - GEOPLIFOFORIKIS" for the amount of € 3.977.993,50 due to the invalid termination by INFOTE of the agreement for the supply of digital and electronic maps by EPSILON plus financial compensation due to non-material damage. A counter claim has been filed by INFOTE against the above company for the amount of € 5.750.171,68 due to the termination of the above agreement plus compensation for non-material damage, plus loss of profits, plus expenses for reprinting, plus refund of amounts paid in error. The cases will be discussed in Court on 10/05/2007.

5. The company “G. H. K. & CO. G. P.” has issued three payment orders of the Athens Single-Member Court of First Instance against INFOTE and more specifically:
- A. Payment Order No. 6085/2004 by which INFOTE was ordered to pay the total amount of € 117.657,29. The above amount was paid on 01/11/2004. However, i) an opposition has been entered according to article 632 et. seq. of the Code of Civil Procedure against the above payment order, which was discussed in the Athens Multi-Member Court of First Instance on 18/01/2006, and ii) an opposition has been entered according to article 933 et. seq. of the Code of Civil Procedure against its execution, which was discussed on 11/10/2005 and the decision of the Court is still pending.
- B. Payment Order No. 1356/2005 by which INFOTE was ordered to pay the total amount of € 105.617,46.
- An application for suspension has been filed by INFOTE on the above payment order which was granted. An opposition has also been entered with the Athens Multi-Member Court of First Instance by which the payment order is disputed. The case shall be discussed on 10/05/2006.
- C. Payment order No.1500/2006 by which INFOTE was ordered to pay the total amount of € 65.094,18.
- An application for suspension was filed against the above payment order and an injunction decision was issued in favour of INFOTE, which was discussed on 14/04/2006. The opposition entered with regard to the payment order shall be discussed on 18/04/2007.
- The above company has also filed a claim against INFOTE with the Athens Multi-Member Court of First Instance for the violation of the provisions on intellectual property rights demanding payment of € 2.300.000,00. The case was discussed in Court on 08/03/2006 and the Court decision is pending.
6. A claim has been filed by INFOTE with the Athens Multi-Member Court of First Instance against K. P. by which INFOTE requests that the opposite party be ordered to pay the amount of € 1.500.000,00 for unfair competition. The case was to be discussed on 12/04/2006 but it was remanded. The new date has not yet been set.

According to the law firm “A. PETROPOULOS & ASSOCIATES”, every possible effort shall be made for the successful outcome of these cases and it is believed that any amounts awarded at the expense of INFOTE shall have no significant financial impact.

## **28. FINANCIAL RISK MANAGEMENT**

### **a. Liquidity risk**

The liquidity risk is maintained at low levels through the availability of cash and credit limits.

### **b. Credit risk**

The credit risk is maintained at low levels due to the fact that the Company’s largest claim is related to OTE, which is the parent company.

### **c. Interest rate risk**

The interest rate risk is kept at low levels since the Company is not exposed to borrowing.

### **d. Foreign exchange risk**

The foreign exchange risk is maintained at low levels since the Company has no significant transactions in foreign currencies.

## **29. SUBSEQUENT EVENTS**

There are no subsequent events after December 31<sup>st</sup> 2005 that may affect the financial status of the Company.

**BOARD OF DIRECTORS' REPORT OF THE**  
**“INFOTE INFORMATION FOR ALL S.A.”**  
**TO THE FINANCIAL STATEMENTS**  
**AS OF 31<sup>ST</sup> DECEMBER 2005**

The Board of Directors' Report of the “INFOTE INFORMATION FOR ALL S.A.” was prepared in accordance with article 136 of the Codified Law 2190/1920 and refers to the Annual Financial Statements as of 31 December 2005 and for the year then ended, which have been prepared for the first time in accordance with International Financial Reporting Standards (I.F.R.S).

**A. SIGNIFICANT EVENTS OF THE YEAR**

In the framework of the Company's activities, the fiscal year 2005 is characterised by the following events:

- Expansion of the Company into the Cypriot market with two new products, namely, the Talking Pages (11822) - a telephone-based service - and the Local Yellow Pages of Nicosia. By dialling number 11822, the user in Cyprus may make directory enquiries about Greece as well as international directory enquiries.
- Purchase of a plot of total area one thousand two hundred and thirty seven square meters (1.237 sq. m.) and erection of a building for the relocation of the Company's entire personnel into one single and privately-owned building with the contractual obligation on the part of the Contractor to hand over the building in July 2007.
- INFOTE restructuring aiming at the company's upgraded and more effective operation.
- Transfer to the new production software (STIBO).
- Automated contract entry.
- Introduction of new Local Yellow Pages, development of Pocket Guides, launching of the Maritime Yellow Pages.
- New business plan 2006 - 2008
- Promotion of the Company and its products through different mass media with a view to enhancing public awareness of its activities.
- Sponsoring non-governmental organisations.
- Financing of cultural and sports events.
- Printing of special leaflets within the scope of Corporate Social Responsibility.

**B. FINANCIAL HIGHLIGHTS OF 2005**

INFOTE's financial figures for the fiscal year 2005 based on the International Financial Reporting Standards (IFRS) as well as the relevant adjustment of financial figures for the year 2004 to the IFRS, are as follows:

- The revenues amounted to € 57,72 million compared to € 59,33 million for the fiscal year 2004. It is estimated that, in 2006, the revenues shall amount to € 65,27 million.  
The decline in revenues in 2005 as compared to fiscal year 2004 is due to the decrease in revenues from printing and distributing the White Pages of the telecommunication service provider. Notwithstanding this event, there has been an increase in revenues by 12,07% in the fiscal year 2005 as compared to 2004 since the main source of revenues are the provision of services and promotion of products.
- The net profits before tax amounted to € 15,38 million as compared to € 15,74 million for 2004.
- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) amounted to € 17,73 million compared to € 17,54 million for the year 2004. The EBITDA margin was 30,7% for 2005 as compared to 29,6% for 2004.
- In 2005 investments amounted to € 6,9 million (approx.) or 11,83% of the total revenues as compared to 2004 (€ 4 million or 6,7% of the total revenues).

**C. DIVIDEND POLICY**

The Company's Board of Directors is planning to propose to the Ordinary General Meeting of Shareholders the distribution of dividends for the year 2005 of a total amount of € 3.512.798,48.

**D. STRATEGY – OBJECTIVES**

INFOTE's main goal is to constantly make such decisions that will enable it to maintain its leading position in its field of activity, with positive impact on its profits, meeting the wishes of its shareholders and the expectations of its employees.

The main issues and strategies of the Company for the year 2006 include the following:

- Sustain its current activities and revise them to suit the needs of the market, which will lead to an increase in revenues and enhance its profitability.
- Develop new activities by penetrating new geographical areas in order to conquer new markets.
- Proceed with internal development and modernisation of INFOTE's operation through the optimisation of its productivity, the further development of new technologies as well as the development of the appropriate company culture.
- Further promote the Brand Name of the company and its products, so as to make them more easily identified by the consumers.
- Effectively utilise the company's human resources and maximise its potential and abilities.
- Foster continuous training of the company's human resources to meet the challenge of ever-growing developments and better serve the "Knowledge Economy".
- Promote the Company's social image within the scope of Corporate Social Responsibility.

**E. OTHER INFORMATION**

There are no significant events after December 31<sup>st</sup> 2005 and until the date of approval of the financial statements by the Board of Directors, which could greatly affect the Company's financial position and activity.

There are no significant losses that could arise in the future from the Company's contingent liabilities.

Athens, 27/04/2006

Georgios Ioan.Ioannidis  
Chairman of the Board of  
Directors

**Independent Auditor's Report**  
(translation from the Greek original)

To the Shareholders of

INFOTE INFORMATION FOR ALL S. A.

We have audited the accompanying Financial Statements of INFOTE INFORMATION FOR ALL S.A. (the "Company") which comprise the balance sheet as at 31<sup>st</sup> December 2005 and the income statement, the statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards which are aligned with the International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the consistency of the content of the Board of Directors' Report with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Financial Statements a true and fair view of the financial position of the Company as of 31<sup>st</sup> December 2005 and the results of operations and the cash flows for the year then ended, in accordance with the International Financial Reporting Standards which have been adopted by the European Union and the content of the Board of Directors' report is consistent with the accompanying Financial Statements.

Without any reservation as to the conclusions of our audit, we draw your attention to Note 16 to the Financial Statements according to which the Company's tax obligations for the fiscal years 2001 to 2005 have not been reviewed by the tax authorities and, therefore, the above statements have not yet been characterised final as to the relevant fiscal years. The outcome of the tax audit cannot be determined at present.

Athens, 27<sup>th</sup> April 2006

KPMG Kyriakou Certified Auditors S. A.

Michael Kokkinos  
Certified Auditor - Accountant  
SOEL Reg. No. 12701