

# **PLAISIO COMPUTERS S.A.**



## **ANNUAL FINANCIAL REPORTS JANUARY 1<sup>st</sup> to MARCH 31<sup>st</sup> 2006**

**According to International Financial Reporting Standards**

The attached Financial Statements account for those that were approved by the Board of Directors of «PLAISIO COMPUTERS S.A.» on the 16<sup>th</sup> of May 2006 and have been posted on the company's web site [www.plaisio.gr](http://www.plaisio.gr).



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## Income Statement

(Figures in thousand €)

	Note	THE GROUP		THE COMPANY	
		01/01-31/03/06	01/01-31/03/05	01/01-31/03/06	01/01-31/03/05
Turnover	3.23	76.328	62.822	76.122	62.822
Cost of Sales		(62.491)	(50.836)	(62.839)	(50.836)
<b>Gross Profit</b>		<b>13.837</b>	<b>11.986</b>	<b>13.733</b>	<b>11.986</b>
Other operating income		12	175	12	175
Distribution/Selling expenses		(9.700)	(8.223)	(9.544)	(8.223)
General administrative expenses		(1.564)	(1.511)	(1.414)	(1.511)
Other income / expenses		(94)	(232)	(94)	(232)
<b>EBIT</b>		<b>2.491</b>	<b>2.195</b>	<b>2.693</b>	<b>2.195</b>
Financial Income		81	88	81	88
Financial expenses		(365)	(97)	(362)	(97)
Profit / (loss) from associates		22	18	-	-
<b>Earnings before taxes</b>		<b>2.230</b>	<b>2.204</b>	<b>2.412</b>	<b>2.186</b>
Income taxes	3.24	(745)	(769)	(776)	(769)
<b>Earnings after taxes</b>		<b>1.485</b>	<b>1.435</b>	<b>1.636</b>	<b>1.417</b>
<i>Distributed to:</i>					
Parent Company's shareholders		1.485	1.435	1.636	1.417
Minority interest		0	0	-	-
Basic earnings per share	3.22	0,07	0,06	0,07	0,06

The notes on pages 7 – 36 are an indispensable part of the attached financial statements.

## Balance Sheet

(Figures in thousand €)

Assets	Note	THE GROUP		THE COMPANY	
		31/03/06	31/12/05	31/03/06	31/12/05
<b>Non current assets</b>					
Tangible fixed assets	3.1	15.048	15.477	14.814	15.228
Intangible fixed assets	3.1	1.561	1.757	1.531	1.724
Investments in subsidiaries	3.2	0	0	1.057	1.057
Investments in associates	3.3	1.512	1.489	1.580	1.580
Other investments	3.4	314	314	314	314
Other non current assets	3.5	578	531	578	531
		<b>19.013</b>	<b>19.568</b>	<b>19.874</b>	<b>20.434</b>
<b>Current assets</b>					
Inventories	3.6	40.915	39.887	39.536	38.637
Trade receivables	3.7	32.258	30.142	34.396	31.818
Other receivables	3.8	2.855	2.647	2.451	2.287
Cash and cash equivalents	3.9	3.734	4.371	3.339	4.072
<b>Total Assets</b>		<b>98.775</b>	<b>96.615</b>	<b>99.596</b>	<b>97.248</b>
<b>Shareholders' Equity and Liabilities</b>					
<b>Shareholders' Equity</b>					
Share capital	3.10	6.845	6.845	6.845	6.845
Additional paid-in capital		12.051	12.051	12.051	12.051
Reserves retained from earnings		24.320	22.393	25.180	23.102
Dividends	3.11	5.520	5.962	5.520	5.962
		<b>48.736</b>	<b>47.251</b>	<b>49.596</b>	<b>47.960</b>
<b>Long term liabilities</b>					
Long term banking liabilities	3.12	0	0	0	0
Deferred tax liabilities	3.13	468	652	592	745
Provision for pensions and similar commitments	3.14	264	258	264	258
Long term provisions	3.15	190	740	190	740
Other long term liabilities	3.16	40	21	40	21
		<b>962</b>	<b>1.671</b>	<b>1.086</b>	<b>1.764</b>
<b>Short term liabilities</b>					
Suppliers and related liabilities	3.17	24.836	26.320	24.725	26.192
Tax liabilities		1.655	2.075	1.655	2.075
Short term banking liabilities	3.12	16.000	12.070	16.000	12.070
Short term provisions	3.15	1.180	651	1.180	651
Other short term liabilities	3.17	5.406	6.577	5.354	6.536
		<b>49.077</b>	<b>47.693</b>	<b>48.914</b>	<b>47.524</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>98.775</b>	<b>96.615</b>	<b>99.596</b>	<b>97.248</b>

The notes on pages 7 - 36 are an indispensable part of the attached financial statements.

## Statement of changes in net equity

(Figures in thousand €)

### Consolidated statement of changes in net equity

	Share Capital	Additional paid in capital	Reserves and earnings carried forward	Total
<b>Net equity balance at the beginning of the period (1<sup>st</sup> of January 2005)</b>	<b>6.845</b>	<b>12.051</b>	<b>29.103</b>	<b>47.999</b>
Dividends paid			0	0
Net profit / (losses) after taxes			1.435	1.435
<b>Net equity balance at the end of the period (31<sup>st</sup> of March 2005)</b>	<b>6.845</b>	<b>12.051</b>	<b>30.538</b>	<b>49.434</b>
<b>Net equity balance at the beginning of the period (1<sup>st</sup> of January 2006)</b>	<b>6.845</b>	<b>12.051</b>	<b>28.355</b>	<b>47.251</b>
Dividends paid			0	0)
Net profit / (losses) after taxes			1.485	1.485
<b>Net equity balance at the end of the period (31<sup>st</sup> of March 2006)</b>	<b>6.845</b>	<b>12.051</b>	<b>29.840</b>	<b>48.736</b>

### Parent company's statement of changes in net equity

	Share Capital	Additional paid in capital	Reserves and earnings carried forward	Total
<b>Net equity balance at the beginning of the period (1<sup>st</sup> of January 2005)</b>	<b>6.845</b>	<b>12.051</b>	<b>29.027</b>	<b>47.923</b>
Dividends paid			0	0
Net profit / (losses) after taxes			1.417	1.417
<b>Net equity balance at the end of the period (31<sup>st</sup> of March 2005)</b>	<b>6.845</b>	<b>12.051</b>	<b>30.444</b>	<b>49.340</b>
<b>Net equity balance at the beginning of the period (1<sup>st</sup> of January 2006)</b>	<b>6.845</b>	<b>12.051</b>	<b>29.064</b>	<b>47.960</b>
Dividends paid			0	0
Net profit / (losses) after taxes			1.636	1.636
<b>Net equity balance at the end of the period (31<sup>st</sup> of March 2006)</b>	<b>6.845</b>	<b>12.051</b>	<b>30.700</b>	<b>49.596</b>

The notes on pages 7 – 36 are an indispensable part of the attached financial statements.

## Cash Flow Statement

(Figures in thousand €)

	THE GROUP		THE COMPANY	
	01/01/06 – 31/03/06	01/01/05 – 31/03/05	01/01/06 – 31/03/06	01/01/05 – 31/03/05
<b><u>Operating Activities</u></b>				
Profits before taxes	2.230	2.204	2.412	2.186
<i>Plus / less adjustments for:</i>				
Depreciation / amortization	972	918	953	918
Provisions	-15	182	-15	182
Exchange differences				
Results (income, expenses, profit and loss) from investing activities	-22	-18		
Interest expenses and related costs	283	9	281	9
<i>Plus/less adjustments for changes in working capital or related to operating activities</i>				
Decrease / (increase) in inventories	-1.028	3.654	-899	3.654
Decrease / (increase) in receivables	-2.985	-2.129	-3.402	-2.363
(Decrease) / increase in liabilities (except for banks)	-2.636	-6.926	-2.630	-6.692
<i>Less:</i>				
Interest charges and related expenses paid	-364	-97	-362	-97
Income taxes paid	-736	-769	-736	-769
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>-4.301</b>	<b>-2.972</b>	<b>-4.398</b>	<b>-2.972</b>
<b><u>Investing Activities</u></b>				
Acquisition of subsidiaries, affiliated companies, joint ventures and other investments	0	-439	0	-439
Purchase of tangible and intangible fixed assets	-349	-641	-348	-641
Earnings from sales of tangible, intangible fixed assets and other investments	2	0	2	0
Received interest	81	88	81	88
Received dividends	0	0	0	0
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>-266</b>	<b>-992</b>	<b>-265</b>	<b>-992</b>
<b><u>Financing Activities</u></b>				
Proceeds from share capital increase	0	0	0	0
Proceeds from issued loans	3.930	0	3.930	0
Payments of loans	0	0	0	0
Payments of financial leasing liabilities (capital installments)	0	-90	0	-90
Dividends paid	0	0	0	0
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>3.930</b>	<b>-90</b>	<b>3.930</b>	<b>-90</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>-637</b>	<b>-4.054</b>	<b>-733</b>	<b>-4.054</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4.371</b>	<b>11.399</b>	<b>4.072</b>	<b>11.288</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3.734</b>	<b>7.345</b>	<b>3.339</b>	<b>7.234</b>

The notes on pages 7 – 36 are an indispensable part of the attached financial statements.

## Notes to the Annual Financial Statements

### 1. General information

PLAISIO COMPUTERS S.A. (hereafter “The Company”) was founded in 1988 and is listed in the Athens Stock Exchange since 1999. The company’s headquarters are located in 5 Favierou Street, in Metamorphosi Attiki (Num. M.A.E 16601/06/B/88/13).

PLAISIO COMPUTERS S.A., together with its totally consolidated subsidiary PLAISIO COMPUTERS Bulgaria JSC (hereafter “The Group”) assembles and trades PCs, Telecommunication and Office Equipment. The subsidiary’s headquarters are located in Sofia of Bulgaria (Angel Kantcef 5).

On the 31<sup>st</sup> of March 2006 the employed personnel of the Company was 1.035 employees and of the Group 1.075 employees.

The Board of Directors of PLAISIO COMPUTERS S.A. approved the financial statements for the period ending on March 31<sup>st</sup> 2006 on the 16<sup>th</sup> of May 2006.

### 2. Basic Accounting Principles

#### 2.1. Basis of Preparation of Financial Statements

The Company’s and the consolidated financial statements as of March 31<sup>st</sup> 2006, have been prepared according to the principal of historical cost, the going concern principle and in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their



interpretations which have been issued by the International Financial Reporting Interpretation Committee (IFRIC) of IASB.

All the fundamental accounting principles of the financial statements of December 31st 2005 have been observed in the interim financial statements of March 31st 2006.

The preparation of the financial statements according to the International Financial Reporting Standards requires the management to perform estimations and assumptions. All the important assumptions made by the Company's management for the application of the company's accounting methods and policies have been appropriately highlighted whenever this has been deemed necessary.

## **2.2. Basis of Consolidation**

The attached consolidated financial statements include the financial statements of PLAISIO COMPUTERS S.A. and its subsidiaries and affiliates. The companies that have been included in the consolidation are presented in note 3.3, along with the relevant percentages of participation, the method of consolidation and the country of incorporation and domicile of each subsidiary or affiliate.

### **Subsidiaries**

Subsidiaries are considered to be all the companies that are managed or controlled, directly or indirectly, by the parent company PLAISIO COMPUTERS S.A., either via the holding of the majority of voting rights of the company in which the investment took place, or via its dependence on the know how that is provided by the Group. In other words subsidiaries are the companies over which the control is exercised by the parent company. PLAISIO COMPUTERS S.A. acquires and exercises control via voting rights. The existence of any potential voting rights that are exercisable at the time of compilation of the present financial statements has been taken into consideration in





order to determine whether the parent company exercises control over the subsidiaries. Subsidiaries are fully consolidated with the purchase method from the day that the parent company acquires the right to control them and their consolidation ceases the day that the aforementioned control stops.

The acquisition of a subsidiary by the Group is accounted for by the purchase method. The acquisition cost of a subsidiary is the fair value of the assets, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued at their fair value regardless of the participation percentage. The cost of acquisition over and above the fair value of the individual assets acquired is recorded as goodwill. If the total cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss statement.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary, in order to ensure consistency with the policies adopted by the Group.

## **Associates**

Associates are the companies over which the Group exerts significant influence, but cannot be classified as subsidiaries or joint ventures. Significant influence implies the holding between 20% and 50% of the voting rights of a company. The participations in associate companies are initially recognized at cost and are subsequently valued using the equity method. At the end of each period, the value increases by the proportion of the investing company in the changes of net equity of the associate and decreases by the dividends received from the associate.

## Group structure

The Group's structure at 31<sup>st</sup> of March 2006 is analyzed as follows:

Company	Country	Participation %	Relation to the parent company	Consolidation method
PLAISIO Computers S.A.	Greece	Parent company	Parent company	Full consolidation
PLAISIO Computers J.S.C.	Bulgaria	100%	Direct	Full consolidation
PLAISIO Estate S.A.	Greece	20%	Indirect	Equity consolidation
PLAISIO Estate J.S.C.	Bulgaria	20%	Indirect	Equity consolidation
ELNOUS S.A.	Greece	24%	Indirect	Equity consolidation

During the 1<sup>st</sup> quarter 2006 there was no change in the participation percentage of the aforementioned companies in the Group's structure.

### 2.3. Segment reporting

A business sector is defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. The Group and the Company are organized into two main segments, office equipment and PC's and telecom applications. The segment results of the Group are presented in note 3.23.

A geographical segment is engaged in providing products and services within a particular economic environment (area) that are subject to risks and return that are different from those in other economic environments. For the first quarter of 2006, the great majority (over 95%) of the Group's turnover came from operations in Greece, which is considered as a separate geographical segment.

### 2.4. Conversion of foreign currency



## **Operating currency and reporting currency**

Items included in the financial statements of the Group's companies are measured using the currency of the primary economic environment in which each company operates (operating or functional currency). The consolidated financial statements are presented in euros, which is the operating currency of the Parent Company.

## **Transactions and balances**

The transactions in other currencies are converted to euros using the foreign currency exchange rates prevailing at the transaction day. The receivables and obligations under foreign currency are adjusted in order to be in line with the foreign currencies that are in effect the day of preparation of the financial statements. The profits or losses that result from the adjustments of the currency differences are included in the profits (losses) from currency differences in the attached financial statements.

## **Group Companies**

The conversion of the financial statements of the companies of the group, which have an operating currency other than the one of the parent company, takes place as follows:

1. The assets and obligations are converted using the foreign exchange rate at the close of the balance sheet date.
2. Equity is converted using the foreign exchange rates that were in effect the date they came up.
3. Revenue and expenses are converted using the average rates of the period.

Any differences that may arise from the aforementioned process is being debited or credited to the equity for conversion of foreign subsidiaries' balance sheets in foreign currency. Goodwill and adjustments of the fair values that arise from obtaining foreign economic units are converted using the exchange rates at the date of the balance sheet.

## **2.5. Tangible fixed assets**

Tangible fixed assets are displayed in the acquisition cost, minus the accumulated depreciations as well as the possible accumulated devaluation losses. Acquisition cost includes all the direct expenses that the acquisition of these assets entailed.

Subsequent costs are added to the carrying value of the tangible fixed assets or are recognized as a separate fixed asset only if it is probable that future economic benefits, associated with the asset, will flow to the Group or to the Company and the cost of the asset can accurately be measured.

Depreciation of tangible fixed assets is calculated using the straight-line method over their estimated useful lives, as follows:

- Buildings: 30 years
- Vehicles: 5 – 10 years
- Other equipment: 3 – 6 years

Land as well as the fixed assets under construction are not depreciated. Improvements in leased real estates are depreciated based on the length of their lease contract.

The Group's management examines periodically the tangible fixed assets in order to ascertain any possible decrease in their fair value. If there are indications that the book value of a tangible fixed asset exceeds its recoverable value, then a provision is formed for loss from devaluation, so that the fixed asset's book value displays its recoverable value. Tangible fixed assets are written off from the balance sheet only when they are distributed or not expected to bring future economic benefits.

Gains or losses on disposals of tangible fixed assets are determined by comparing the proceeds with the residual value and are included in the profit and loss statement of the period.

## **2.6. Intangible Fixed Assets**

The intangible fixed assets concern mainly the cost of software as well as any expense that has been realized during the software development in order for it to be functional. The software depreciation is calculated using the straight-line method and within a period of 3 - 5 years.

After the initial recognition, the Group's management examines periodically the intangible fixed assets in order to find any possible decrease in their value. When facts or changes indicate that the book value of an intangible property may not be regained, a provision for loss from devaluation is formed so that the accounting value of the property displays its recoverable value. Tangible fixed assets are written off from the balance sheet only when they are distributed or not expected to bring future economic benefits.

## **2.7. Investments**

All the investments are initially recognized at cost, including market expenses that are related to the investment. After the initial recognition, the investments are classified according to the purpose for which they were purchased.

The investments that are classified as available for sale are valued at their fair value. In the case that the fair value cannot be estimated reliably, the investment is valued at cost. Profits or losses from investments available for sale are entered as a special part in the net equity until the investment gets sold, settled, distributed or until there is an indication of devaluation. Then the above profits or losses are transferred to the income statement of the period.

For investments that are traded in organized markets, the fair value is determined through the current market prices, which are provided from these markets during the balance sheet closing date. Investments for which there is no stock market price, the



fair value is determined based on the current market value of another financial mean that is similar (similar risks and returns) or is calculated using the discounted cash flow method of the net equity of the issuer.

On the balance sheet date the management examines the investments in order to find any possible indications of devaluation of their value. When the value of the investment has come to a level that does not allow the retrieval of the invested capital in the near future a provision for devaluation is formed. The aforementioned provision is posted to the income statement of the period.

## **2.8. Inventories**

Inventories are valued at the lower value between cost and net realizable value. Cost is determined using the moving average price method. The cost of inventories does not include financial expenses. The net realizable value is the expected selling price during the regular business proceedings, reduced by the calculated cost that is necessary for the sale to take place.

## **2.9. Trade receivables and other receivables**

Trade receivables are recognized initially at fair value (invoice value), less provisions for non-receivables (bad debt). Provision for doubtful receivables is conducted when there is objective evidence that the Group or the Company will not be able to collect all amounts due according to the terms of receivables. The doubtful receivables (bad debt) are written off against the formatted bad debt provision.

## **2.10. Cash and Equivalents**

Cash and cash equivalents include cash on hand, short-term bank deposits and other short-term highly liquid investments with maturity dates of three (3) months or less and insignificant risk.



## **2.11. Banking liabilities (loans)**

Banking loans are recognized initially at fair value, decreased by any transaction costs incurred. Subsequently, they are stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss statement over the borrowing period using the effective interest method.

Loans are classified as short-term liabilities when the Group or the Company has the obligation to pay them back within twelve months from the date of the balance sheet. In the opposite case they are classified as long-term liabilities.

## **2.12. Income Tax (Current and Deferred)**

The period's income tax includes the current tax, the deferred tax and the provisions for unaudited tax periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked to equity.

Current income tax concerns tax over the taxable profits of the companies that are included in the consolidation as restated according to the requirements of the tax law and calculated based on the current tax coefficient in effect in the countries where the subsidiaries are activated.

The deferred tax is calculated using the liability method, for all the temporary differences arising between the tax base and the accounting value of the assets and liabilities. The expected tax burdens from the temporary tax differences are calculated and displayed either as future (deferred) tax assets, or as deferred tax liabilities. The deferred tax is calculated based on the rates that applied on the date of the Balance Sheet.

Deferred income tax assets are recognized to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilized. The book value of the deferred tax assets is restated in every balance sheet date and

reduced in the degree that is speculated that there will not be enough tax profits charged with a part or the total of the deferred liabilities.

## **2.13. Employee Benefits**

### **Short-term benefits**

Short-term employee benefits, monetary and in items, are recognized as an expense when they accrue.

### **Benefits for employee compensation**

According to the Greek Law 2112/20 the company pays the employees compensations for dismissals or resignations due to pensions. The aforementioned payments depend on the years of working experience, the remunerations, and the way of leaving the company (dismissal or resignation). The compensations for pensions and dismissals fall under the defined benefit plans according to the IFRS 19 «Employee benefits». The above obligations are calculated based on an actuarial projected unit credit method. A program of specific benefits that operates taking into consideration various factors such as age, years of experience, remuneration and other specific obligations.

The provisions that concern the fiscal year, are included in the relative personnel cost in the attached consolidated financial statements and consist of the current and previous personnel cost, the relative financial cost, the actuarial profits or losses and any other possible charges. According to the IFRS 19, for the non-recognized actuarial profits or losses, the method of corridor approach is followed. IFRS 19 states that the profits and losses are systematically registered during the average employee working life.





The provision for personnel compensation for the current period, which is displayed in the results of the Group and the Company, is based on an actuarial study made by an independent actuarial company.

## **2.14. Provisions and contingent liabilities, potential receivables**

The company forms provisions when:

- a. There is a legal or presumed obligation as a result of past events.
- b. Possible outflows encompass financial gains of the obligation settling.
- c. The amount of the relevant obligation can be reliably estimated.

The company's management reassesses the need of provisions at the date of the financial statement, and adjusts them so that they display the best possible estimations. In the case it is thought necessary; these are discounted based on a pre-tax rate.

Contingent liabilities are not posted in the financial statements, but are disclosed, unless the possibility of outflows that encompass financial gains is very small.

Contingent claims are not posted in the financial statements but are disclosed as long as the inflows of financial gains are probable.

## **2.15. Revenue and cost recognition**

### **Sale of goods**

Revenue from the sale of goods is recognized, after the deduction of possible discounts, when all significant risks and rewards of ownership of the goods are transferred to the buyer.

### **Sale of services**



Income from services is recognized in the accounting period in which the services are rendered, based on the stage of completion of the services provided in relation to the total services to be provided.

### **Interest income**

Interest income is recognized in the income statement on a time proportion basis using the effective interest method.

### **Dividend income**

Income from dividends is recognized when the right to receive payment is established.

### **Expenses**

Expenses are recognized when they accrue.

## **2.16. Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the Annual Shareholders' Meeting approves the distribution of these dividends.

## **2.17. Earnings per share**

Earnings per share are calculated dividing the net profit of the period that corresponds to the holders of common stocks, with the weighted average number of the ordinary shares during the fiscal year. There have been no bonds or other potential titles convertibles in shares that reduce the profits during the period. Consequently, reduced profits per share have not been calculated.

## **2.18. Financial items**

The financial receivables and the financial obligations in the balance sheet include cash, receivables, participations and investments as well as short-term obligations. The

company does not use financial derivatives for hedging or speculative purposes. The accounting policies of recognition and devaluation of these elements are included in the relating accounting policies, which are presented in this note. The financial products are presented as assets, liabilities or elements of net equity based on their essence and content from which they stem. Interests, dividends, profits or losses that result from the financial products (assets or liabilities) are posted to the income statement. The financial products are offset when the company, according to the law, holds the legal right and intends to offset them on a clear basis (between them) or to retrieve the financial element and offset at the same time the obligation.

**I) Fair Value:** The amounts displayed in the attached balance sheets for the cash, receivables and short-term obligations, approximate their respective fair values due to their short-term expirations.

**II) Credit Risk:** The Group has no significant credit risk, mainly because of the large dispersion of its customers. Retail sales are paid in cash or credit cards. For wholesales the Group has the necessary policies in order to ensure that sales are made to customers with an appropriate credit history. Furthermore, the Groups receivables are insured.

**III) Foreign exchange risk:** The majority of the Group's transactions and balances is in Euro. Therefore the management estimates that the Group is not exposed to foreign exchange risks. The management will observe the foreign currency risks that may arise and will evaluate the need for relevant measures.

**IV) Interest rate risk:** The management observes the interest rate fluctuations and the financing needs of the Group. The type (fixed or variable interest rate) and the duration of each loan depend on the financing need, which is planned to cover.

**V) Liquidity Risk:** The Group has adequate working capital and approved credit limits by credit institutions so as to minimize liquidity risk. The group's policy is to take advantage of discounts provided by suppliers for cash payments (cash discounts) throughout the year as it has low cost credit lines available from the cooperating banks.



**VI) Inventory Risk:** The Group takes all the necessary measures (insurance, safekeeping) so as to minimize the risk and contingent damages due to physical disasters, thefts etc.

### 3. Notes to the Annual Financial Statements

#### 3.1. Tangible and Intangible Assets

(Figures in thousand €)

The tangible and intangible assets of the Group and the Company are analyzed as follows:

##### Tangible & Intangible Assets

THE GROUP					
	Land & Buildings	Furniture & Other Equipment	Tangible Assets under construction	Intangible Assets	Total
<b>Acquisition Cost</b>					
<b>Book Value on January 1<sup>st</sup> 2006</b>	15.135	8.592	495	3.912	<b>28.134</b>
Additions	143	150	0	56	<b>349</b>
Reductions	0	-8	0	0	<b>-8</b>
Transfers	0	0	0	0	<b>0</b>
<b>Book value on March 31<sup>st</sup> 2006</b>	<b>15.278</b>	<b>8.734</b>	<b>495</b>	<b>3.968</b>	<b>28.475</b>
<b>Depreciations</b>					
<b>Book Value on January 1<sup>st</sup> 2006</b>	-3.566	-5.179	0	-2.155	<b>-10.900</b>
Additions	-283	-437	0	-252	<b>-972</b>
Reductions	0	6	0	0	<b>6</b>
Transfers	0	0	0	0	<b>0</b>
<b>Book value on March 31<sup>st</sup> 2006</b>	<b>-3.849</b>	<b>-5.610</b>	<b>0</b>	<b>-2.407</b>	<b>-11.866</b>
<b>Remaining value on March 31<sup>st</sup> 2006</b>	<b>11.429</b>	<b>3.124</b>	<b>495</b>	<b>1.561</b>	<b>16.609</b>
<b>Remaining value on December 31<sup>st</sup> 2005</b>	<b>11.569</b>	<b>3.413</b>	<b>495</b>	<b>1.757</b>	<b>17.234</b>



## Tangible & Intangible Assets

THE COMPANY					
	Land & Buildings	Furniture & Other Equipment	Tangible Assets under construction	Intangible Assets	Total
<b>Acquisition Cost</b>					
<b>Book Value at January 1<sup>st</sup> 2006</b>	15.135	8.309	495	3.872	<b>27.811</b>
Additions	143	149	0	56	<b>348</b>
Reductions	0	-8	0	0	<b>-8</b>
Transfers	0	0	0	0	<b>0</b>
<b>Book value at March 31<sup>st</sup> 2006</b>	<b>15.278</b>	<b>8.450</b>	<b>495</b>	<b>3.928</b>	<b>28.151</b>
<b>Depreciations</b>					
<b>Book Value at January 1<sup>st</sup> 2006</b>	-3.566	-5.145	0	-2.148	<b>-10.859</b>
Additions	-283	-421	0	-249	<b>-953</b>
Reductions	0	6	0	0	<b>6</b>
Transfers	0	0	0	0	<b>0</b>
<b>Book value at March 31<sup>st</sup> 2006</b>	<b>-3.849</b>	<b>-5.560</b>	<b>0</b>	<b>-2.397</b>	<b>-11.806</b>
<b>Remaining value at March 31<sup>st</sup> 2006</b>	<b>11.429</b>	<b>2.890</b>	<b>495</b>	<b>1.531</b>	<b>16.345</b>
<b>Remaining value at December 31<sup>st</sup> 2005</b>	<b>11.569</b>	<b>3.164</b>	<b>495</b>	<b>1.724</b>	<b>16.952</b>

There are no mortgages or collateral on the tangible fixed assets of the Group and the Company.

Intangible assets include mainly bought software and licenses for software (SAP R3, BW, CRM etc.).



### 3.2. Participations in subsidiaries

(Figures in thousand €)

Participation in subsidiaries is the participation of the parent company PLAISIO COMPUTERS S.A. in the share capital of the fully consolidated PLAISIO COMPUTERS JSC. The percentage of participation of the parent company is 100%. In the company's financial statements the participation in subsidiaries is displayed in cost. In the consolidated financial statements participation in subsidiaries is omitted. The value of participation in subsidiaries on March 31<sup>st</sup> 2006 and December 31<sup>st</sup> 2005 was:

Participation of parent company in subsidiaries	31/03/2006	31/12/2005
PLAISIO COMPUTERS JSC	1.057	1.057

### 3.3. Participations in affiliated companies

(Figures in thousand €)

The participation in affiliated companies on March 31<sup>st</sup> 2006 and December 31<sup>st</sup> 2005 is analyzed as follows:

Participation in affiliated companies	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
PLAISIO Estate S.A.	1.196	1.178	1.087	1.087
ELNOUS S.A.	97	95	281	281
PLAISIO Estate J.S.C.	219	216	212	212
	<b>1.512</b>	<b>1.489</b>	<b>1.580</b>	<b>1.580</b>

The participation in affiliated companies is presented at cost in the Company's financial statements. In the Group's financial statements the affiliates are consolidated using the net equity method, in accordance with IAS 28.

The participation of the Company in affiliates on March 31<sup>st</sup> 2006 is analyzed as follows:

	Participation percentage	Country of incorporation	Activity
PLAISIO Estate S.A.	20%	Greece	Real estate
ELNOUS S.A.	24%	Greece	Educational services
PLAISIO Estate J.S.C.	20%	Bulgaria	Real estate

### 3.4. Other long-term Investments

(Figures in thousand €)

Other investments consist of portfolio investments in companies not listed in organized stock markets. According to IAS 32 and 39, these investments are displayed in the financial statements at their cost of acquisition less any provision for devaluation. The Group and the Company's other investments on March 31<sup>st</sup> 2006 are analyzed as follows:

Other long-term investments	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
High-tech Park Acropolis Athens S.A.	295	295	295	295
High-tech Park Technopolis Thessalonica S.A.	19	19	19	19
	<b>314</b>	<b>314</b>	<b>314</b>	<b>314</b>

### 3.5. Other non-current assets

(Figures in thousand €)

Other non-current assets include long-term guarantees and receivables that are going to be collected after the end of the following period. In particular, other current assets on March 31<sup>st</sup> 2006 are analyzed as follows:





Other non-current assets	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Long-term guarantees	549	501	549	501
Other non-current receivables	29	30	29	30
	<b>578</b>	<b>531</b>	<b>578</b>	<b>531</b>

### 3.6. Inventories

(Figures in thousand €)

The Group and Company's inventories on March 31<sup>st</sup> 2006 are analyzed as follows:

Inventories	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Inventories of merchandise	39.461	37.931	38.082	36.681
Inventories of finished products	134	34	134	34
Inventories of raw materials	98	132	98	132
Inventories of consumables	214	339	214	339
Down payments to vendors	1.675	1.688	1.675	1.688
	<b>41.582</b>	<b>40.124</b>	<b>40.203</b>	<b>38.874</b>
<i>Minus: Provision for devaluated – destroyed inventories</i>	667	237	667	237
<b>Net realizable value of inventories</b>	<b>40.915</b>	<b>39.887</b>	<b>39.536</b>	<b>38.637</b>

The provision for devaluation - destruction 667 thousand €, that are depicted in the financial Statements to the Group and the Company refer to slow-moving stock and technologically depreciated stock to be destroyed.

### 3.7. Trade and other receivables

(Figures in thousand €)

The Group and Company's trade and other receivables on March 31<sup>st</sup> 2006 are analyzed as follows:



Trade and other receivables	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Receivables from subsidiaries	0	0	2.395	1.911
Trade receivables – credit cards	28.445	25.704	28.188	25.469
Cheques and bills receivables	4.375	5.016	4.375	5.016
	<b>32.820</b>	<b>30.720</b>	<b>34.958</b>	<b>32.396</b>
<i>Minus: bad debt provision</i>	562	578	562	578
	<b>32.258</b>	<b>30.142</b>	<b>34.396</b>	<b>31.818</b>

All the above receivables are short-term and there is no need to discount them at the date of the balance sheet. The above mentioned bad debt provision includes specific and general bad debt provision. The receivables from subsidiaries and from the public sector are omitted in the formation of the bad debt provision.

### 3.8. Other short –term receivables

(Figures in thousand €)

The other short-term receivables of the Group and of the Company are analyzed as follows:

Other short-term receivables	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Income tax assets	457	958	67	612
Deferred expenses	46	120	40	111
Other short-term receivables	2.352	1.569	2.344	1.564
	<b>2.855</b>	<b>2.647</b>	<b>2.451</b>	<b>2.287</b>

### 3.9. Cash and cash equivalents

(Figures in thousand €)

Cash and cash equivalents represent cash in the cash register of the Group and the Company as well as time deposits available on first demand. Their analysis on the 31<sup>st</sup> of March 2006 and 31<sup>st</sup> of December 2005 respectively was:

Cash and cash equivalents	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Cash in hand	342	377	306	355
Short-term bank deposits	2.841	3.994	2.533	3.717
Short-term bank time deposits	551	0	500	0
	<b>3.734</b>	<b>4.371</b>	<b>3.339</b>	<b>4.072</b>

### 3.10. Share capital and difference over par

(Figures in thousand)

The share capital of the company is analyzed as follows:

	Number of shares	Share capital	Share premium	Treasury shares	Total
<b>1<sup>st</sup> of January 2005</b>	22.080	6.845	12.051	0	18.896
<b>31<sup>st</sup> of December 2005</b>	22.080	6.845	12.051	0	18.896
<b>31<sup>st</sup> of March 2006</b>	22.080	6.845	12.051	0	18.896

The company's share capital consists of twenty-two million eighty thousand ordinary shares with a par value of thirty-one cents (0.31 €) each. All issued shares are fully paid and are traded at the Athens Stock Exchange.



### 3.11. Dividends

(Figures in thousand €)

On the 16<sup>th</sup> of March 2006 the Board of Directors of PLAISIO COMPUTERS S.A. proposed the distribution of dividend of total value € 5.520 thousand (0,25 € per share) from the profits of the fiscal year 2005. The Annual General Shareholders' Meeting, which will take place on May 23<sup>d</sup> 2006, must approve the proposed dividend in order for it to be distributed to the Company's shareholders. According to IFRS, the aforementioned dividend is included in the Net Equity of March 31<sup>st</sup> 2006 of the company, until the General Shareholder's Meeting approves it. The distributed dividend for the fiscal year 2004 was € 5.962 thousand (0,27 € per share).

### 3.12. Banking liabilities

(Figures in thousand €)

The banking liabilities of the Group and of the Company on March 31<sup>st</sup> 2006 are analyzed as follows:

Banking liabilities	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
<b><u>Long-term banking liabilities</u></b>				
Banking loans	0	0	0	0
<b>Total long-term banking liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Short-term banking liabilities</u></b>				
Banking loans	16.000	12.070	16.000	12.070
<b>Total short-term banking liabilities</b>	<b>16.000</b>	<b>12.070</b>	<b>16.000</b>	<b>12.070</b>
<b>Total banking liabilities</b>	<b>16.000</b>	<b>12.070</b>	<b>16.000</b>	<b>12.070</b>

### 3.13. Differed income tax

(Figures in thousand €)

Based on the current tax law, the tax rate over company profits for 2006 is 29% while for the period 2007 the tax rate will be 25%. For the relevant periods the tax rate in Bulgaria is 15%. According to the above tax rates, the deferred income tax in the balance sheet of the Group and the Company is analyzed as follows:

Deferred tax income	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
<b>Deferred tax liabilities</b>				
Depreciation of tangible and intangible assets	(1.196)	(1.294)	(1.196)	(1.294)
Other	(19)	(8)	(19)	(8)
<b>Deferred tax assets</b>				
Bad debt provision	140	145	140	145
Provisions for pensions and similar commitments	66	65	66	65
Other provisions	417	347	417	347
Prior year losses	124	93	0	0
	<b>(468)</b>	<b>(652)</b>	<b>(592)</b>	<b>(745)</b>

### 3.14. Provisions for pensions and similar commitments

(Figures in thousand €)

The provision for pensions and similar commitments, based on an actuarial study, for the 1<sup>st</sup> quarter 2006 was:

Provisions for pensions and similar commitments	<u>Q1 2006</u>
Opening balance	258
Provision for the year	41
Minus: paid compensations	(35)
<b>Closing balance</b>	<b>264</b>

The main actuarial principals used were:

<b>Actuarial assumptions</b>	
Discount rate	2,3%
Rate of compensation increase	4%
Average future working life	1,04 years

### 3.15. Provisions

(Figures in thousand €)

The balances of accounts of provisions for the Group and the Company on March 31<sup>st</sup> 2006 are analyzed respectively as follows:

Provisions		THE GROUP		THE COMPANY	
	Note	31/03/2006	31/12/2005	31/03/2006	31/12/2005
<u>Long-term provisions</u>					
Provision for unaudited tax periods	(a)	50	600	50	600
Provision for bringing the stores in their primary condition according to the lease contracts	(b)	140	140	140	140
Total long-term provisions		190	740	190	740
<u>Short-term provisions</u>					
Provision for unaudited tax periods	(a)	600	0	600	0
Provision for copyrights	(c)	314	415	314	415
Provision for computer guarantees	(d)	86	86	86	86
Provision for recycling Law 2939/2001	(e)	180	150	180	150
Total short-term provisions		1.180	651	1.180	651

(a). The Company has formed a provision of € 650 thousand for un-audited tax periods. The above provision is € 200 thousand for each unaudited period. The reclassification of € 600 thousand under short-term provisions was done with the rationale that it is expected that the tax audit for the periods 2003, 2004 and 2005 will be completed in the current period. The provision of € 50 thousand that is displayed under long-term provisions refers to the first quarter of 2006. For the other companies of



the Group no provision for un-audited tax periods has been formed, as it is believed that no extra tax burden will occur. The un-audited tax periods are analyzed in note 3.19.

(b). The Company has formed a provision for restoring the stores in their primary condition according to the lease contracts.

(c). The Company has formed a provision for the copyright fees that should be paid, based on the relevant regulations for the importers / manufacturers of digital products, electronic storage means, copy paper and specific office machines in the relevant organizations of total control. The aforementioned copyrights are calculated in 4% and 6% on the import invoice values.

(d). The Company has formed provision of total amount of € 86 thousand for computer guarantees given to its customers.

(e). The Company has formed provision of total amount of € 180 thousand for recycling fees, according to the Greek Law 2939/2001, for the distributors of computer and electronic equipment.

### 3.16. Other Long-Term Liabilities

(Figures in thousand €)

Other long-term liabilities of the Group and of the Company refer to deferred income (duration longer than twelve (12) months from the date of compilation of the balance sheet) and their balance on March 31<sup>st</sup> 2006 was € 40 thousand.

### 3.17. Suppliers and related short-term liabilities

(Figures in thousand €)

Suppliers and related short-term liabilities are analyzed as follows:

Suppliers and related short-term liabilities	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>



Trade payables	24.835	26.320	24.725	26.192
Advance payments	792	825	792	820
Dividends payable	163	164	163	164
Deferred income	26	26	19	26
Social security liabilities	532	978	532	978
Other short-term liabilities	3.894	4.584	3.848	4.548
	<b>30.242</b>	<b>32.897</b>	<b>30.079</b>	<b>32.728</b>

All the aforementioned liabilities are short-term and there is no need to be discounted.

### 3.18. Related party transactions

(Figures in thousand €)

The intra-company transactions can be analyzed as follows:

Intra-company transactions 31-03-2006						
Intra-company sales	Intra-company purchases					Total
	PLAISIO COMPUTERS S.A.	PLAISIO Estate S.A.	ELNOUS S.A.	PLAISIO COMPUTERS J.S.C.	PLAISIO Estate J.S.C.	
PLAISIO COMPUTERS S.A.	-	0	1	704	0	705
PLAISIO Estate S.A.	267	-	0	0	0	267
ELNOUS S.A.	0	0	-	0	0	0
PLAISIO COMPUTERS J.S.C.	0	0	0	-	0	0
PLAISIO Estate JSC	0	0	0	30	-	30
<b>Total</b>	<b>267</b>	<b>0</b>	<b>1</b>	<b>734</b>	<b>0</b>	<b>1.002</b>

Intra-company receivables – liabilities 31-03-2006
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Intra-company receivables	Intra-company liabilities					Total
	PLAISIO COMPUTERS S.A.	PLAISIO Estate S.A.	ELNOUS S.A.	PLAISIO COMPUTERS J.S.C.	PLAISIO Estate J.S.C.	
PLAISIO COMPUTERS S.A.	-	0	0	2.395	0	2.395
PLAISIO Estate S.A.	11	-	0	0	0	11
ELNOUS S.A.	0	0	-	0	0	0
PLAISIO COMPUTERS J.S.C.	0	0	0	-	139	139
PLAISIO Estate JSC	0	0	0	0	-	0
<b>Total</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>2.395</b>	<b>139</b>	<b>2.545</b>

In the consolidated financial statements all the necessary eliminations have been made.

### 3.19. Litigations

There are no litigations or other forms of commitments for the fixed assets of the companies of the Group.

The un-audited tax periods of the companies of the Group are presented as follows:

Company	Un-audited tax periods
PLAISIO COMPUTERS S.A.	2003 – 2004 – 2005
PLAISIO Estate S.A.	2003 – 2004 – 2005
ELNOUS S.A.	2005
PLAISIO COMPUTERS J.S.C.	2004 – 2005
PLAISIO Estate JSC	2004 - 2005

In paragraph (a) of note 3.15 the provisions formed for un-audited periods are analyzed.

### 3.20. Number of personnel



The Group and the Company's employed personnel on March 31<sup>st</sup> 2006 were 1.075 and 1.035 employees respectively. On 31<sup>st</sup> of March 2005 the Group and the Company's employed personnel were 877 and 864 employees respectively.

### 3.21. Post balance sheet events

There are no post balance sheet events, concerning the Group or the Company, that have to be noted, according to the International Financial Reporting Standards.

### 3.22. Profit per Share

Profit per share is calculated with the weighted average of the issued shares of the company on March 31<sup>st</sup> 2006, which was 22.080.000 shares (March 31<sup>st</sup> 2005 – 22.080.000 shares).

### 3.23. Segment reporting

(Figures in thousand €)

The segment results of the Group are analyzed as follows:

01.01.06-31.03.06	Segment reporting			
	Office equipment	Computer, telecom and digital equipment	Non specified	Total
Sales	23.708	52.134	306	<b>76.328</b>
Operating profit / (loss)				<b>2.491</b>
Finance cost				<b>261</b>
Income tax expense				<b>745</b>
Profits / (losses) after taxes				<b>1.485</b>

01.01.05-31.03.05	Segment reporting			
	Office equipment	Computer, telecom and digital equipment	Non specified	Total



Sales	20.605	41.995	222	<b>62.822</b>
Operating profit / (loss)				<b>2.195</b>
Finance cost				<b>(8)</b>
Income tax expense				<b>769</b>
Profits / (losses) after taxes				<b>1.434</b>

### 3.24. Income tax expense

(Figures in thousand €)

The income tax expense, according to the current income tax rates on March 31<sup>st</sup> 2006, is analyzed as follows:

Income tax expense	THE GROUP		THE COMPANY	
	<u>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
Income tax expense	878	793	878	793
Deferred income tax	(183)	(74)	(152)	(74)
Provision for un-audited tax periods	50	50	50	50
	<b>745</b>	<b>769</b>	<b>776</b>	<b>769</b>

### 3.25. Accounting policies and estimations

(Figures in thousand €)

All the fundamental accounting principles of the financial statements of December 31<sup>st</sup> 2005 have been observed in the interim financial statements of March 31<sup>st</sup> 2006.

Athens, 16<sup>th</sup> of May 2006

The Chairman of the BoD

The Vice President

The Chief Financial Officer



& Managing Director

George Gerardos  
Α.Δ.Τ. Ν 318959

Anna Gerardou  
Α.Δ.Τ. Ρ 539089

Filippos Karagounis  
Α.Δ.Τ. Π 706801

**Note:** These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.