


8.5. Financial Statements

 HELLENIC TELECOMMUNICATIONS & POST COMMISSION BALANCE SHEET AS OF 31 ST DECEMBER 2004 - 10 TH OPERATING PERIOD (1 ST JANUARY - 31 ST DECEMBER 2004) (AMOUNTS IN EUROS)								
ASSETS			CAPITAL & LIABILITIES					
			Amounts for the Period ended 2004		Amounts for the Period ended 2003			
			Acquisition Value	Depreciation	Undepreciated Value	Acquisition Value	Depreciation	Undepreciated Value
B. INSTALLATION EXPENSES								
1. Establishment & first installation expenses	465,538.60	24,971.23	440,567.37	6,876.60	662.80	6,213.80		
4. Other installation expenses (PC software)	1,994,739.39	685,527.01	1,309,212.38	1,715,058.25	115,137.44	1,599,920.81		
	<u>2,460,277.99</u>	<u>710,498.24</u>	<u>1,749,779.75</u>	<u>1,721,934.85</u>	<u>115,800.24</u>	<u>1,606,134.61</u>		
C. FIXED ASSETS								
II. Tangible Fixed Assets								
5. Transportation Equipment	149,117.69	97,140.26	51,977.43	147,317.69	82,129.58	65,188.11		
6. Furniture & other equipment	11,112,980.34	2,687,310.51	8,425,669.83	3,799,991.68	982,562.59	2,817,429.09		
7. Fixed Assets under Construction & Down payment	164,530.80	0.00	164,530.80	1,818,767.40	0.00	1,818,767.40		
Total Tangible Assets (C II)	<u>11,426,628.83</u>	<u>2,784,450.77</u>	<u>8,642,178.06</u>	<u>5,766,076.77</u>	<u>1,064,692.17</u>	<u>4,701,384.60</u>		
III. Participations & other long-term financial assets								
7. Other long-term claims			165,117.00			199,753.79		
Total Fixed Assets (C II+C III)			<u>8,807,295.06</u>			<u>4,901,138.39</u>		
D. CURRENT ASSETS								
I. Stock								
4. Fixed assets parts			277,540.00			0.00		
II. Receivables								
1. Customers			775,206.97			440,325.23		
11. Sundry debtors			2,845,240.05			1,371,102.81		
			<u>3,620,447.02</u>			<u>1,811,428.04</u>		
IV. Cash								
1. Cash on hand			2,377.61			897.81		
2. Time & Sight deposits			174,835,683.46			153,132,246.76		
			<u>174,838,061.07</u>			<u>153,133,144.57</u>		
Total current assets (DI+DII+DIV)			<u>178,736,048.09</u>			<u>154,944,572.61</u>		
E. TRANSIT DEBIT BALANCES								
1. Prepaid expenses			309,126.22			1,583.14		
2. Non-current receivables from currently earned income			1,079,461.93			2,660,821.58		
			<u>1,388,588.15</u>			<u>2,662,404.72</u>		
TOTAL ASSETS (B+C+D+E)			<u>190,681,711.05</u>			<u>164,114,250.33</u>		
DEBIT MEMO ACCOUNTS								
2. Debit balances of guarantees & collateral security			27,541,636.18			27,396,286.99		
4. Other debit memo accounts			145,987,354.73			157,625,077.22		
			<u>173,528,990.91</u>			<u>185,021,364.21</u>		
NOTE:								
1. Balance sheet account "Sundry debtors" includes receivables standing at € 2,754,206.34 from penalties by means of EETT decisions to liable persons due to violations of the applicable legislation during this year as well as previous years, and shall be collected with the procedure laid down in the Public Revenue Collection Code and shall be registered under the respective revenues of the periods to be collected. The respective amounts of those penalties have been entered under credit transit account "Unearned & Deferred income".								
INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2004 (1ST JANUARY - 31ST DECEMBER 2004)							APPROPRIATION ACCOUNT	
I. OPERATING RESULTS			Amounts for the Year ended 2004		Amounts for the Previous Year 2003			
Turnover (collected duties)			32,234,471.77			26,981,564.61		
Less: Cost of services			11,882,849.54			8,782,156.15		
Gross results			20,351,622.23			18,199,408.46		
Plus: Other operating income			1,282,493.81			4,735,004.98		
Total			21,634,116.04			22,934,413.44		
Less: 1. Administrative expenses			2,388,909.31			1,610,430.01		
Partial operating results			19,245,206.73			21,323,983.43		
Plus: 4. Credit interest & related income	3,606,380.24				3,684,961.99			
Less: 3. Debit interest & related expenses	2,346.66		3,604,033.58		4,516.86	3,680,445.13		
Total operating results			22,849,240.31			25,004,428.56		
II. PLUS: EXTRAORDINARY RESULTS								
1. Extraordinary & non-operating income	149,886.46				20,425.99			
3. Prior period income	70.23				0.00			
	<u>149,956.69</u>				<u>20,425.99</u>			
Less: 1. Extraordinary & non-operating expenses	781.35		245.56					
3. Prior period expenses	0.00		781.35		149,175.34	20,180.43		
Operating & extraordinary results			22,998,415.65			25,024,608.99		
Total depreciation of fixed assets			2,314,456.60			401,046.08		
Less: Depreciation incorporated to operating costs			0.00			0.00		
NET PROFIT BEFORE TAXES			<u>22,998,415.65</u>			<u>25,024,608.99</u>		
THE ACCOUNTABLE FINANCIAL ADMINISTRATOR EETT CHAIRMAN			Marousi, 4 March 2005			THE HEAD OF THE EETT ACCOUNTING DEPARTMENT		
EMMANOUIL A. GIAKOUAKIS ID Card No. Σ 517270						GIORGOS M. ORFANOS IDENTITY No. Σ 521075 ECONOMIC CHAMBER OF GREECE CLASS A REG NO 0003970		
CERTIFIED AUDITOR - ACCOUNTANT CERTIFICATE								
To the Hellenic Telecommunications and Post Commission								
<p>We have audited the above Financial Statements of the Hellenic Telecommunications and Post Commission for the period ended on 31st December 2004. Our audit was conducted in accordance with the provisions of article 13 (b) of Law 2867/2000 "on the organization and operation of the telecommunications sector and other provisions," and with the auditing procedures which we considered appropriate, according to the auditing principles and rules followed by the Charter of Certified Auditors, in line with the basic principles of the International Auditing Standards. The books and records kept by the company were made available to us, along with the information and clarifications requested for our audit. The Greek Chart of Accounts has been correctly applied. The inventory valuation method has not been modified compared to the previous year. We have reviewed the contents of the annual report of the President of the Hellenic Telecommunications and Post Commission to the EETT Plenary. Our aforementioned audit has shown the following: The account "Customers" also includes receivables amounting to € 439,046.45 in total, from fines which were charged to the parties liable and were included in the operating revenues of 2000 and are to be collected in accordance with the procedure provided by the Public Revenues Collection Code. In our opinion, the above Financial Statements which result from EETT's books and records, reflect, taking also into account our remark as above the structure of assets and financial position of EETT as at of December 31st, 2004, as well as the profit and loss account for the financial year ended on that date, in accordance with the relevant provisions in force and with the general accepted accounting principles which do not differ from those applied in the previous period.</p>								
Athens 8 March 2004								
The Certified Auditor - Accountant								
ILIAS ATHAN. METSIOS ICPA REG. NO. 16391 SOL S.A. CERTIFIED PUBLIC AUDITORS								

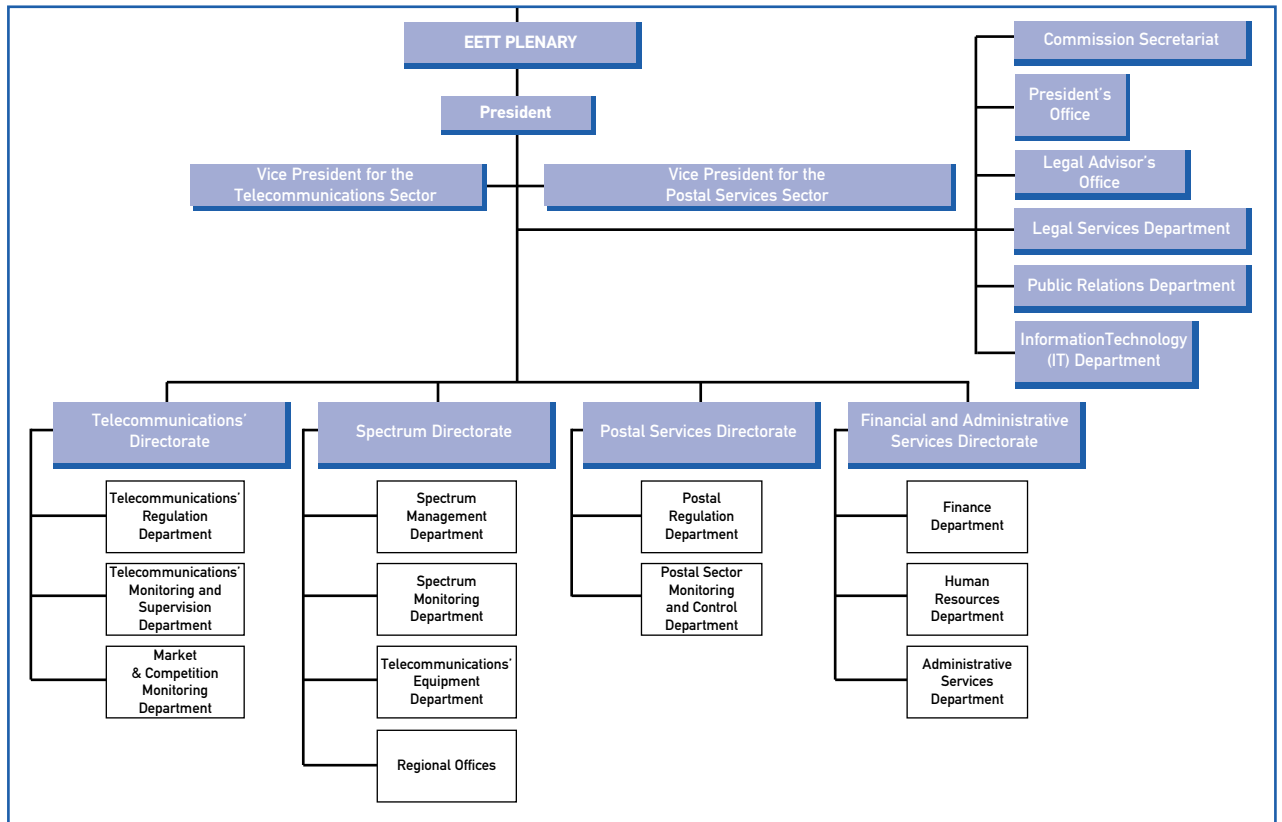


Figure 3: EETT Organizational Chart

8.6. Goals

As regards the internal operation and information support of EETT, the following goals have been set:

- Increase of efficiency in the internal organization and operation of EETT, by meeting its needs in human resources and operating a modern and effective human resources management system.
- Enhancement of the information support to EETT administrative units with the development of new and further improvement of existing software applications.
- Transition to an integrated IT infrastructure for EETT and the introduction of a digital culture with the implementation of the IIS.
- Upgrading of the EETT website, in order to be more user-friendly.
- Further improvement of quality of services provided to the users of EETT's Information Systems.
- Purchase of property to host EETT premises.