

Contents

1. Brief Financial Information on the Company	4
2. Information on the compilation of the 2005 Annual Report and the Company's Auditors	8
3. Use of Funds Raised through Previous Share Capital Increase	10
4. Information on the Company 's Stock	13
5. Shareholders' Rights	14
5.1. General	14
5.2. Dividend Taxation	15
6. Information on the Company	16
6.1. General Information	16
6.2. Legal Framework	17
6.3. Brief History	18
6.4. Object of Operations	20
6.4.1. Turnover analysis	20
6.4.2. Television Programming - Productions	21
6.4.3. Broadcasting Ratings	24
6.5. Fixed Assets	25
6.5.1. Intangible Assets	25
6.5.2. Land and Buildings	25
6.5.3. Broadcasting Network Facilities	26
6.5.4. Signal Flow Chart	27
6.5.5. Mechanical Equipment	27
6.5.6. Investments 2004-2005	29
6.6. Stock Capital Evolution	30
6.7. Shareholders	32
6.8. Administration – Operations Management	32
6.9. Organization Chart	34
6.10. Personnel	34

7. Industry Information	35
7.1. General Industry Information	35
7.2. Competition - Prospects	36
7.3. The Company's Position in the Industry	37
8. Financial Results	40
8.1. Progress of Operations – Results	40
8.2. Distribution of Earnings before Depreciation and Amortization	46
8.3. Financial Statement Analysis	47
8.4. Cash Flow Statement	54
9. Long-term Objectives - Prospects	55
10. Dividend Policy	56
Appendix	
○ Board of Directors' Management Report for the 16th Company Year for the period January 1st to December 31st 2005	58
○ Financial Statements 31st December 2005 according to International Financial Reporting Standards (I.F.R.S.)	64
○ Consolidated Financial Statements 31st December 2005 according to International Financial Reporting Standards (I.F.R.S.)	94
○ Broadcasting Network Facilities	124

Brief Financial Information on the Company

Brief Financial Information on the Company (I.F.R.S.)

2004

2005

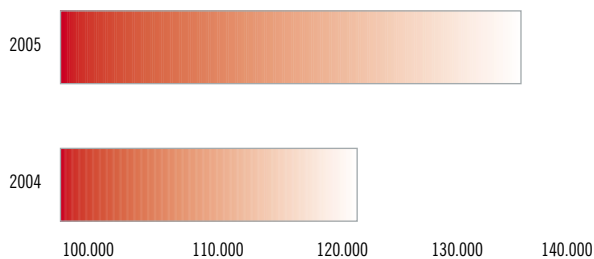
(in thousand euro)

Turnover (sales)	121,169	136,222
% increase		12.4%
Earnings before Interest, Taxes, Depreciation & Amortization	72,422	79,895
% increase		10.3%
Earnings Before Taxes	10,391	6,156
% increase		-40.8%
Earnings After Taxes	7,520	3,695
% increase		-50.0%
programme Investments (acquisitions)	74,750	81,670
Fixed asset Investments (acquisitions)	2,460	2,870
	77,210	84,540
% increase		9.5%
Current Assets	92,564	82,039
% increase		-11.4%
Total Assets	226,184	231,271
% increase		2.2%
Total Equity	84,029	83,807
% increase		-0.3%
Long-term Liabilities	44,379	41,507
% increase		-6.5%
Short-term Liabilities	92,918	100,496
% increase		8.2%
Return on Equity	8.9%	4.4%

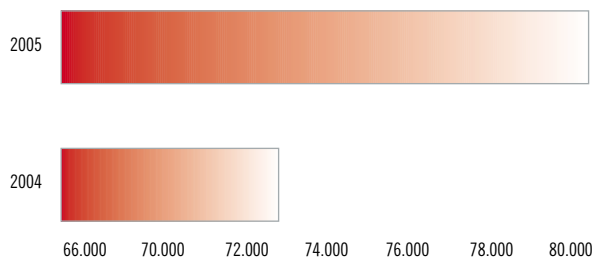
(in euro)

Earnings per Share	0.24	0.12
% increase		-50.0%
Book Value of Share	2.69	2.68
% increase		-0.4%
Earnings for Distribution	9,204	5,300
Dividends	3,749	4,061
% of Earnings for Distribution	40.7%	76.6%
Dividend per Share	0.12	0.13
% increase		8.3%

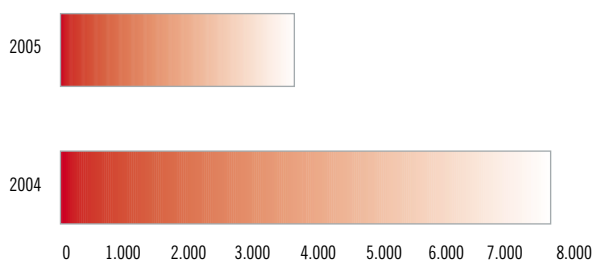
TURNOVER (in thousand euro)



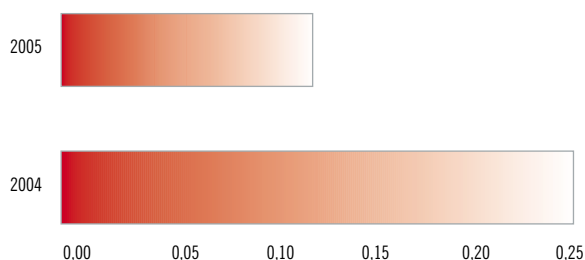
EARNINGS BEFORE INTEREST TAXES DEPRECIATION & AMORTIZATION (in thousand euro)



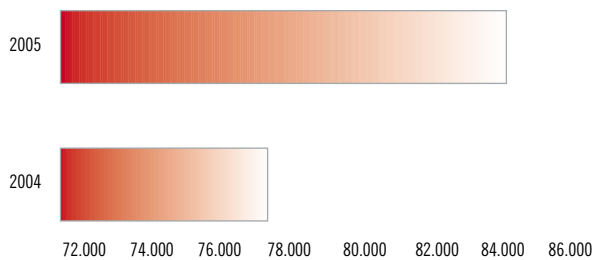
EARNINGS AFTER TAXES (in thousand euro)



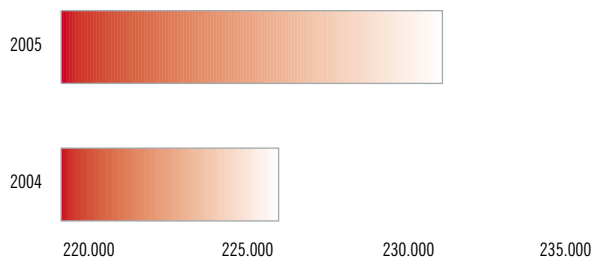
EARNINGS PER SHARE (in euro)



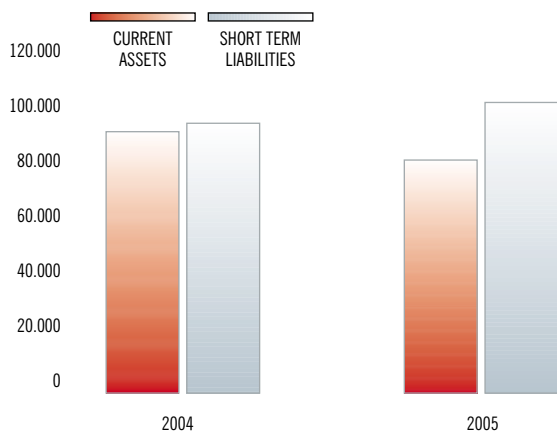
INVESTMENTS IN PROGRAMME AND FIXED ASSETS (in thousand euro)



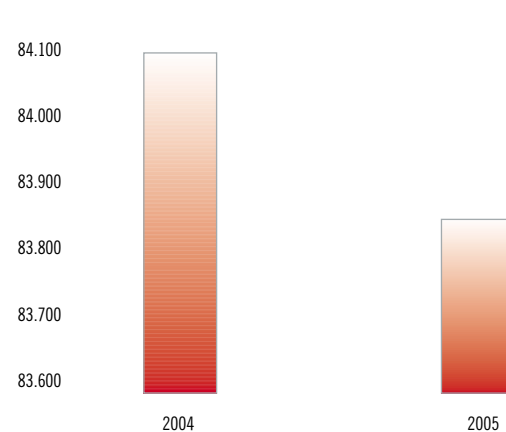
TOTAL ASSETS (in thousand euro)

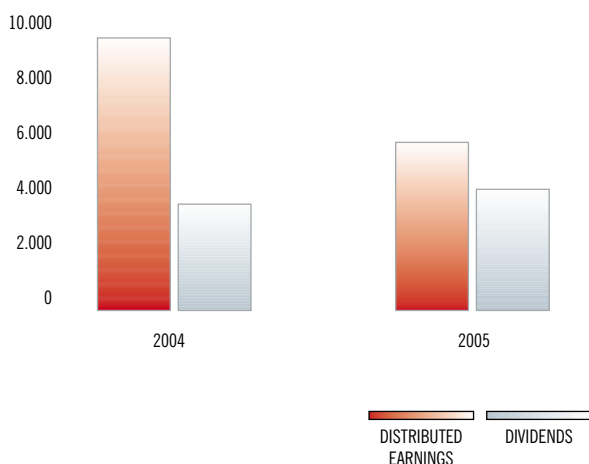
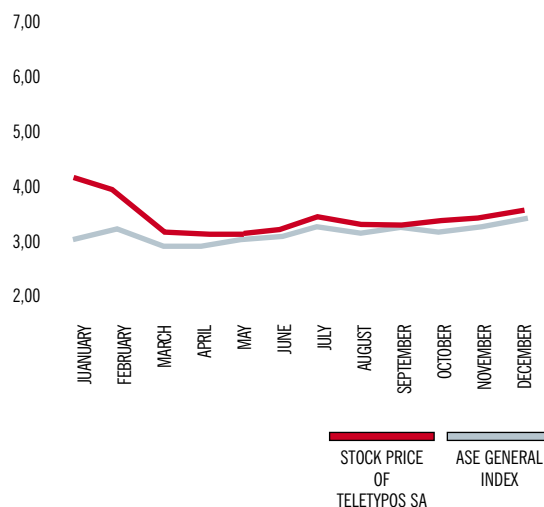


CURRENT ASSETS-SHORT TERM LIABILITIES (in thousand euro)



TOTAL EQUITY (in thousand euro)



PROFIT DISTRIBUTION/DIVIDENDS (in thousand euro)**STOCK PRICE OF TELETYPOS SA & ASE GENERAL INDEX 2005****INCOME STATEMENT (I.F.R.S.)****2004****2005****(in thousand euro)****Turnover (Sales) from:**

Sales of Advertising Time 120,249 133,975

Sales of Rights & TV Programmes 920 2,247

Total Turnover 121,169 136,222**Cost of sales before Depreciation and Amortization -51,504 -49,666****Other Operating Income 6,876 6,203**

Gross Results (Earnings) before Depreciation and Amortization 76,541 92,759

% of Turnover 63.2% 68.1%

Administrative & Distribution Expenses -10,222 -10,804

Operating Results (Earnings) before Depreciation and Amortization 66,319 81,955

% of Turnover 54.7% 60.2%

Extraordinary and Non-Operating Results 6,103 -2,060

Earnings before Interest, Taxes, Depreciation and Amortization 72,422 79,895

% of Turnover 59.8% 58.7%

Interest Income/Expenses & Related Expenses -4,338 -4,805

Earnings before Taxes, Depreciation and Amortization 68,084 75,090

% of Turnover 56.2% 55.1%

Total Earnings before Taxes 10,391 6,156

% of Turnover 8.6% 4.5%

Earnings after Taxes**7,520****3,695**

% of Turnover 6.2%

2.7%

PER SHARE INFORMATION (in euro)	2004	2005
Number of Shares	31,237,500	31,237,500
Earnings before Taxes, Depreciation and Amortization	2.18	2.40
Earnings before Taxes	0.33	0.20
Earnings after Taxes	0.24	0.12
Dividend	0.12	0.13

BALANCE SHEET INFORMATION (I.F.R.S.)	2004	2005
(in thousand euro)		
ASSETS		
Fixed Assets		
Net Book Value of Intangible Assets	120,513	135,977
Net Book Value of Tangible Assets	11,235	11,364
Participations	1,447	1,447
Other Long Term Receivables	425	444
Total Fixed Assets	133,620	149,232
Total Current Assets	92,564	82,039
TOTAL ASSETS	226,184	231,271

EQUITY & LIABILITIES

(in thousand euro)		
Total Equity	84,029	83,807
Provisions for Contingencies and Expenses	4,858	5,461
Liabilities		
Long-term Liabilities	44,379	41,507
Short-term Liabilities	92,918	100,496
Total Liabilities	137,297	142,003
TOTAL EQUITY & LIABILITIES	226,184	231,271

Information on the compilation of the 2005 ANNUAL REPORT and the Company's Auditors

The present Annual Report contains all the information and financial data that are necessary for the proper evaluation of the assets, financial status, results and prospects of TELETYPOS TELEVISION PROGRAMMES SA (hereafter "TELETYPOS SA" or "the Company") by investors.

All investors that are interested in further information, or any clarification, may address the Company's offices on any working day and hour (4 Roussou Street and Mesoghion Avenue, Politia Business Center, tel. + 30 210 6903 312, Ms. Stella Roussi).

The present Annual Report has been prepared and distributed in accordance to article 16, Chapter F, of the Hellenic Capital Market Commission Rule 5/204/14.11.2000 on "Obligations for notification of data and information concerning the status and the activity of the Company."

The persons responsible for the preparation of the 2005 Annual Report and the accuracy of the information contained therein are Messrs.: Elias E. Tsigas, Managing director, Thanos G. Andreoulis, Finance Director, Vassilis A. Kritikos, Head Accountant, Kiki Silvestriadou, Head of Financial Analysis, Mando Campell, Head of Internal Audit, all residents of Athens, 4 Roussou Street and Mesoghion Avenue, Politia Business Center, PC 11526, tel. 30 210 690 3000.

The editors of this Annual Report guarantee that:

1. All the data and information contained therein are complete and accurate.
2. There is no other information, or event, whose concealment or omission may render all, or part, of the information contained in the Annual Report misleading.
3. The contingent liabilities of the Company are the following:

- A) Various letters of guarantee issued by banks for the coverage of liabilities towards foreign programme suppliers on behalf of the Hellenic Football Association and on behalf of TELESTARE , amounting to USD 3,890,000 (€ 3.28 million), CHF 4,250,000 (€ 2.75 million), and € 708,000.
- B) The payment of compensation of approximately € 16 million to third parties that may be awarded by the above lawsuits.
- C) Contracts amounting to € 40.3 million approximately for the production of Greek programmes.
- D) Lease contracts for the right to air foreign programmes from foreign houses, amounting to a total of € 6.96 million approximately.
- E) Additional income tax that may be imposed by the tax authorities in the case of a tax audit for the un-audited tax fiscal years from 2000 until 2005.

It should be noted that the Company's certified auditor has been informed about Contingent Liability (B) by means of an attorney's letter, and decided not to include it in the audit report, after taking into consideration the following facts:

- The attorney's assurance that the possibility of such contingencies materializing is very remote.
- The fact that these are contingent liabilities, whose estimation is not specified by law. They are mere presumptive estimates of the plaintiff, as results from the lawsuit.

- The fact that the issue was raised in court, ten years after the beginning of the channel's operation.
- The practice of such lawsuits to overstate claims.
- The existence of no evidence regarding any progress of the trial hitherto.
- All hitherto experience.
- The provisions of the International Financial Reporting Standards, which instruct the auditor in dealing with contingent liabilities (IAS No. 10, par. 9), according to which: "The existence of any contingent liability must be disclosed along with the financial statements, even if the conditions of paragraph 8 do not occur, unless the possibility of the loss is very remote".

The Company is audited by certified auditors. The Audit for the fiscal years 2002, 2003, 2004 and 2005 was performed by certified auditor Damianos Konstantinou (SOEL Register No. 11141) of "Moore Stevens Auditors SA".

The audit report for fiscal year 2005, states the following:

"We have audited the accompanying financial statements of the company TELETYPOS TELEVISION PROGRAMMES SA "MEGA CHANNEL" as of 31 December, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements, based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the management the overall financial statements presentation, as well as the consistency of the Board of Director's report with the aforementioned financial statements. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the aforementioned financial statements present fairly in all material respects, the financial position of the company, the results of its operations and its cash flow for the year then ended, in accordance with the International Financial Reporting Standard (IFRS) that have been adopted by the European Union and the Board o Director's Report is consistent with the aforementioned financial statements.

Without qualifying our report, we draw your attention to note 33.1 of the financial statements, it is mentioned that the company's tax liability is not finalized unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999. The tax authorities have not yet examined the years 2000 to 2005 and the result of such examination cannot be currently forecasted. As a result, no provision has been made of future tax examination."

Use of funds raised through previous share capital increase

The last share capital increase took place in 1999, through capitalization of reserves amounting to GRD 825 million and through cash payment (option exercising period 10.11.1999-10.12.1999) with the issuance of 10,612,500 new shares.

The total funds raised whose payment was certified on 28.12.1999 amounted to GRD 11,677,500 thousand, including issuance expenses of GRD 130 million.

The new shares were listed on the Athens Stock Exchange: those related to the capitalization of reserves (free at a ratio of 2 new to 10 existing shares) on 25.11.1999, and those related to cash (at a ratio of 3 new to 10 existing shares) on 14.1.2000.

The above funds of GRD 11,548 million (11,677.5 million – 130 million) were used as follows:

- An amount of GRD 2,987 million, that is 25.9% of the net proceeds from the issue, was used for the acquisition of fixed assets. Specifically, GRD 707 million was used for relocation investments, concerning equipment for signal routing and control and programme production equipment, cabling, Programme Flow and Master Control infrastructure, technical project studies, as well as office and IT equipment.
- GRD 2,280 million was invested in digital electronic audio-visual equipment, in the purchase of advanced technology transmitters for the Broadcasting Network and in other electrical equipment and machinery.
- An amount of GRD 4,441 million, that is 38.5% of the net proceeds from the issue, was used for the purchase of new owned TV programmes and movies.
- An amount of GRD 4,120 million, that is 35.7% of the net proceeds from the issue, was used for the partial repayment of short-term loans.

TELETYPOS TELEVISION PROGRAMMES SA

Use of funds raised from the share capital increase (option exercising period 10/11/99-10-/12/99)

SEMI-ANNUAL ALLOCATION OF NEW FUNDS (GRD MN)

TYPE OF INVESTMENT	SCHEDULED USE OF FUNDS				REALIZED INVESTMENTS			
	2nd Half 1999	1st Half 2000	2nd Half 2000	TOTAL	2nd Half 1999	1st Half 2000	2nd Half 2000	TOTAL
A/ Repayment of short-term loans used for relocation at the Politia Business Center								
1a. Signal routing and control equipment	100.0	-	-	100.0	100.0	-	-	100.0
2a. Programme production equipment	100.0	-	-	100.0	100.0	-	-	100.0
3a. Cabling infrastructure	50.0	-	-	50.0	50.0	-	-	50.0
4a. Programme flow and Master Control equipment	178.0	-	-	178.0	178.0	-	-	178.0
5a. Office/IT equipment	112.0	-	-	112.0	112.0	-	-	112.0
6a. Technical project studies / Electro-mechanical equipment	167.0	-	-	167.0	167.0	-	-	167.0
Total	707.0	-	-	707.0	707.0	-	-	707.0
B/ Tangible assets								
1b. Audio-visual electronic equipment	347.0	600.0	500.0	1,447.0	381.1	493.8	383.8	1,258.7
2b. Programme broadcasting network	0.0	300.0	300.0	600.0	3.7	31.7	203.5	239.0
3b. Office/IT equipment	30.0	50.0	20.0	100.0	118.1	229.8	20.0	367.9
4b. Technical project studies / Electro-mechanical equipment	133.0	0.0	0.0	133.0	392.0	18.2	4.3	414.5
Total	510.0	950.0	820.0	2,280.0	894.9	773.5	611.6	2,280.0
C/ Intangible assets								
1c. Royalties	1,740.5	1,000.0	1,700.0	4,440.5	629.7	3,433.5	377.3	4,440.5
Total	1,740.5	1,000.0	1,700.0	4,440.5	629.7	3,433.5	377.3	4,440.5
D/ Working capital requirements servicing	4,120.0	-	-	4,120.0	4,120.0	-	-	4,120.0
FUNDS ALLOCATION (A+B+C+D)	7,077.5	1,950.0	2,520.0	11,547.5	6,351.6	4,207.0	988.9	11,547.5

QUARTERLY ALLOCATION OF NEW FUNDS (GRD MN)

TYPE OF INVESTMENT	3rd Quarter 1999	4th Quarter 1999	1st Quarter 2000	2nd Quarter 2000	3rd Quarter 2000	4th Quarter 2000	TOTAL
A/ Repayment of short-term loans used for relocation at the Politia Business Center							
1a. Signal routing and control equipment	-	100.0	-	-	-	-	100.0
2a. Programme production equipment	-	100.0	-	-	-	-	100.0
3a. Cabling infrastructure	-	50.0	-	-	-	-	50.0
4a. Programme flow and Master Control equipment	-	178.0	-	-	-	-	178.0
5a. Office/IT equipment	-	112.0	-	-	-	-	112.0
6a. Technical project studies / Electro-mechanical equipment	-	167.0	-	-	-	-	167.0
Total	-	707.0	-	-	-	-	707.0
B/ Tangible assets							
1b. Audio-visual electronic equipment	-	381.1	302.5	1,913	383.8	-	1,258.7
2b. Programme broadcasting network	-	3.7	4.4	27.3	203.5	-	239.0
3b. Office/IT equipment	-	118.1	37.4	192.4	20.0	-	367.9
4b. Technical project studies / Electro-mechanical equipment	-	392.0	7.6	10.6	4.3	-	414.5
Total	-	894.9	351.9	421.6	611.6	-	2,280.0
C/ Intangible assets							
1c. Royalties	-	629.7	1,435.7	1,997.8	377.3	-	4,440.5
Total	-	629.7	1,435.7	1,997.8	377.3	-	4,440.5
D/ Working capital requirements servicing	-	4,120.0	-	-	-	-	4,120.0
FUNDS ALLOCATION (A+B+C+D)	-	6,351.6	1,787.6	2,419.4	988.9	-	11,547.5

ADDITIONAL INFORMATION (DECISION No 58)

- THE LAST SHARE CAPITAL INCREASE CY CASH PAYMENT WAS CERTIFIED ON 28.12.1999
- THE FUNDS RAISED AMOUNT TO GRD 11,677,500,000.
- THE EXPENSES OF THE SPECIFIC ISSUE AMOUNT TO GRD 130 MILLION.
- THE OPTION-EXERCISING PERIOD WAS FROM 10/11/99 TO 10/12/99.
- THE NUMBER OF NEW SHARES THAT RESULTED FROM THE SPECIFIC ISSUE IS 10,612,500 SHARES.
- THE NEW SHARES WERE LISTED ON THE STOCK EXCHANGE ACCORDING TO THE FOLLOWING TIMETABLE:
 - 1) ON 25.11.1999, 4,125,000 NEW SHARES WERE DISTRIBUTED FREE OF CHARGE TO THE SHAREHOLDERS (2 NEW SHARES FOR EVERY 10 EXISTING SHARES) AFTER THE CAPITALIZATION OF RESERVES AMOUNTING TO GRD 825,000,000.
 - 2) ON 14.01.2000 6,187,500 NEW SHARES WERE DISTRIBUTED CY CASH PAYMENT THROUGH THE EXERCISE OF OPTIONS IN FAVOR OF EXISTING SHAREHOLDERS, AT A PRICE OF GRD 1,800 PER SHARE, AT A RATIO OF 3 NEW FOR 10 EXISTING SHARES.
 - 3) ON 14.01.2000 300,000 NEW SHARES WERE DISTRIBUTED THROUGH PRIVATE PLACEMENT WITH THE COMPANY'S PERSONNEL AND EXECUTIVES AT A PRICE OF GRD 1,800 PER SHARE.
- THE USE OF THE FUNDS RAISED WAS COMPLETED IN THE THIRD QUARTER OF 2000.
- THE CERTIFICATE OF THE COMPANY'S CERTIFIED AUDITOR THAT CERTIFIES THE CONCLUSION OF THE ISSUE AND THE USE OF THE FUNDS RAISED HAS BEEN PUBLISHED:
 - 1) IN THE BALANCE SHEET AS PER 30.9.2000 IN THE NEWSPAPERS VIMA, ELEFTHEROTYPIA AND IMERISIA ON 30.11.2000.
 - 2) IN THE BALANCE SHEET AS PER 31.12.2000 IN THE NEWSPAPERS VIMA, NEA, ELEFTHEROTYPIA, IMERISIA, ETHNOS ON 28.02.2001, AND IN VIMA KYRIAKIS AND ELEFTHEROTYPIA KYRIAKIS ON 4.3.2001.

Information on the Company's stock

The Company was listed on the Main Market of the ASE on 17/8/1994 and its shares are in free float in the Athens Stock Exchange. The following tables and diagram present some brief financial information concerning the course of the stock from 1/1/2005-31/12/2005.

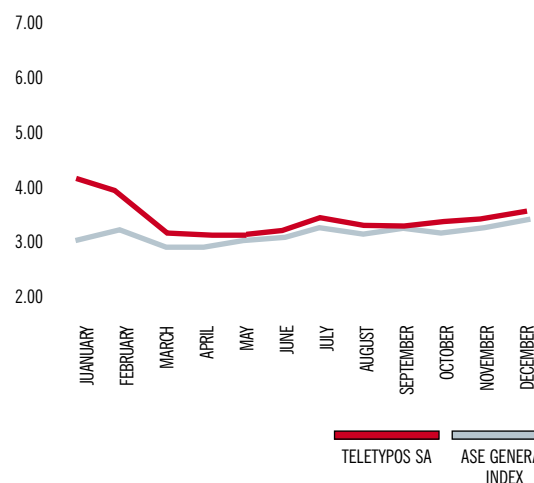
TELETYPOS S.A.

	Closing Price			Transactions			Capitalization			
	Price Low (euro)	Price High (euro)	End of Month (euro)	%Monthly change	%change from Dec.'04	Volume	Avg. Trans.	Low (million euro)	High (million euro)	End of Month (million euro)
December 2004	3.90	4.46	4.20							
January	3.90	5.30	4.22	0.5%	0.5%	2,387,267	119,363	121.826	165.559	131.822
February	3.92	4.12	3.94	-6.6%	-6.2%	446,045	22,302	122.451	128.699	123.076
March	3.32	3.98	3.32	-15.7%	-21.0%	986,461	49,323	103.709	124.325	103.709
April	2.98	3.46	3.30	-0.6%	-21.4%	396,035	19,802	93.088	108.082	103.084
May	3.18	3.34	3.24	-1.8%	-22.9%	99,713	4,748	99.335	104.333	101.210
June	3.20	3.36	3.24	0.0%	-22.9%	363,997	17,333	99.960	104.958	101.210
July	3.20	3.76	3.60	11.1%	-14.3%	694,655	33,079	99.960	117.453	112.455
August	3.34	3.70	3.38	-6.1%	-19.5%	346,780	15,763	104.333	115.579	105.583
September	3.30	3.50	3.46	2.4%	-17.6%	260,082	11,822	103.084	109.331	108.082
October	3.36	3.68	3.68	6.4%	-12.4%	441,615	22,081	104.958	114.954	114.954
November	3.68	3.86	3.76	2.2%	-10.5%	502,683	22,849	114.954	120.577	117.453
December	3.70	3.92	3.86	2.7%	-8.1%	539,372	25,684	115.579	122.451	120.577

GENERAL INDEX

	Closing Price End of Month	% Monthly change	% Change from Dec.'04
December 2004	2,786.18		
January	2,919.93	4.8%	4.8%
February	3,145.16	7.7%	12.9%
March	2,854.91	-9.2%	2.5%
April	2,868.45	0.5%	3.0%
May	2,959.53	3.2%	6.2%
June	3,060.73	3.4%	9.9%
July	3,271.78	6.9%	17.4%
August	3,231.48	-1.2%	16.0%
September	3,381.96	4.7%	21.4%
October	3,307.32	-2.2%	18.7%
November	3,441.64	4.1%	23.5%
December	3,663.90	6.5%	31.5%

EVOLUTION OF TELETYPOS S.A.'s STOCK PRICE



Shareholders' Rights

5.1. General

- Each Company share has all the rights and obligations specified by the Law and the Company's Articles of Association, albeit the provisions included in the latter are not more restrictive than those of the Law. The possession of a share implies, ipso facto, that its holder accepts the Company's Articles of Association and the legal decisions of the Board of Directors and of the General Shareholders' Assembly, even if the shareholder did not attend such.
- The Company's Articles of Association do not provide for any special rights in favor of certain shareholders.
- The Company's shares are freely tradable.
- The Shareholders' liability is limited to the nominal value of the shares they hold. The Shareholders participate in the management and earnings of the Company, according to the provisions of the law and of the Articles of Association. The rights and obligations emanating from each share are transferred to every entire, or special, successor of the shareholder.
- Shareholders can exercise their rights concerning the Company's management only through the General Assemblies.
- The shareholders enjoy a pre-emptive right on every future increase of the Company's share capital, on the basis of their participation in the existing share capital, as specified by article 13, paragraph 5, of Codified Law 2190/1920.
- The shareholder's lenders, and their successors, have no right to seize, or seal, any Company asset or record, nor demand its distribution, or liquidation, nor get in any way involved in its administration or management.
- Each shareholder, irrespective of place of residence, is considered as legally residing at the Company's domicile in regard to any relationship with it, and is subject to the Greek Law. Every dispute between the Company and the shareholders, or any other third party, is subject to the sole competence of the ordinal courts, and the Company can be sued only in the courts of its domicile.
- Each share provides one voting right. In order to be entitled to vote at the General Assembly, the joint-owners of a share must indicate in writing a common representative for the share, which will represent them at the General Assembly. Any exercise of their rights is suspended until such a representative has been appointed.
- Each shareholder may participate in the Company's General Assembly, either in person, or by means of an assignee. In order for a shareholder to attend the General Assembly, he/she must present a relevant confirmation by the Central Securities Depository (CSD), in accordance to the provisions of article 51 of Law 2396/96, a confirmation corresponding to this confirmation of CSD SA, at least five (5) days prior to the date on which the General Assembly has been scheduled. The same deadline applies for the submission of the share deposit receipts and the representation documents to the Company, and the provision of the shareholder with a receipt voucher allowing participation in the General Assembly. Any shareholders that do not fulfill the above conditions, will attend the General Assembly only after permission from the latter.
- All shareholders representing 5% of the paid-up share capital:
 1. Are entitled to demand from the Court of First Instance of the Company's domicile, the audit of the Company in accordance to articles 40, 40e of Law 2190/1920 and,
 2. Can demand the convocation of an Extraordinary General Assembly of the shareholders. The Board of Directors is obliged to convoke the Assembly within at least thirty (30) days from the submission of the application to its Chairman. The applicant shareholders must include in their application all the issues, on which the General Assembly will have to decide.

- Each shareholder may ask to receive the Company's annual financial statements and the relevant reports of the Board of Directors and the Auditors, ten (10) days prior to the Ordinary General Assembly.
- The dividend of each share is paid to the shareholder within two months from the date the Ordinary General Assembly approved the annual financial statements. The method and place of payment is announced to shareholders through the daily Press.
- Shareholders who fail to claim the payment of the dividends they are entitled to, have no claim on interest. All dividends that have not been sought after within five years after the date they became collectible, are written off.

5.2 Dividend Taxation

According to the law that is currently applicable (L.2238/94), all companies listed on the Stock Exchange are subject to a 35% tax on their taxable earnings, prior to any distribution.

Thus, dividends are distributed out of the already taxed earnings of the legal entity, and, therefore, shareholders incur no tax liability on the amount of dividends collected.

The date that the Balance Sheet of the Company is approved by its General Assembly, is considered as the date the income from dividends is gained.

According to the provisions of the law, the portion of the dividends that are distributed to the parent company from the earnings gained during each accounting period by subsidiaries on which dividends are distributed, is paid in the next accounting period (unless an interim dividend is paid within the same accounting period), and therefore, is included in the earnings of the parent company for the next accounting period. Thus, the dividends from the earnings of the parent company, which are partly formed by the distribution of the earnings of the companies in which it participates, are paid, if distributed, in the year following their appropriation.

Moreover, it is noted that the portion of the parent company's earnings that is generated from dividends is subject to a 5% tax, which, is then subject to a 35% tax, since these earnings have been taxed at their source.

Information on the Company

6.1 General Information on the Company

TELETYPOS SA was founded in 1989 (Govt. Gazette 1016/2.5.89) under the name “TELETYPOS TELEVISION PROGRAMMES SA” and the distinctive title “MEGA CHANNEL.”

TELETYPOS SA was the first company to be licensed pursuant to Common Ministerial Decision 19710/29.9.1989. According to this decision, every incorporated company may hold only one license for the operation of a television station, or participate in only one company that has been granted such a license.

Currently, the Company operates by virtue of a license granted by common decision 19229/10.9.1993 of the Prime Minister’s Office and the Ministries of the Interior, Finance and Transport and Communications (Govt. Gazette B 713/10.09.1993). The validity of this license was granted consecutive extensions through laws 2328/1995 (article 5 par. 1), 2438/1996 (article 4) and 2644/1998 (article 17). According to article 17, par. 3 of Law 2644/1998, the licenses of this category will continue to apply until the issuance of the licenses proclaimed by the Minister of Press and Mass Media. On 20.03.1998, the Company submitted an application (protocol number 6440/20.03.1998), supported by a complete file. On 1.4.1999 the Ministry of Transport and Communications confirmed, by means of document 55291/1615, the adequacy of the relevant technical study, and the Company awaits the completion of the procedure provided for by the law.

The Company is based in the Municipality of Athens, and is registered in the Sociétés Anonymes Register with number 19407/06/B/89/20. The duration of the Company has been set until 31.12.2090.

According to article 2 of the Company’s Articles of Association, its objectives are:

1. The production of, and trading in, television programmes and broadcasts, the installation, operation and utilization of television stations all over Greece, whenever, and under any conditions, this will be permitted. The creation, equipment, organization and operation of studios for the production and exploitation of television broadcasts, programmes and commercials.
2. The establishment, installation, operation and utilization of radio stations all over Greece. The production of, and trading in, radio programmes and broadcasts. The creation, equipment, organization and operation of studios for the production and exploitation of radio broadcasts, programmes and commercials.
3. In order to realize its objectives the Company may:
 - Participate in any enterprise with the same, or a similar, objective, of any corporate structure, and provide guarantees in favor of the latter, in order to facilitate their financing, provided that this serves the Company’s business activities.
 - Co-operate with any person, or legal entity, in any manner.
 - Establish branches, or agencies, or offices, in any place.
 - Represent any other enterprise, domestic or otherwise, which has the same, or a similar, objective.
4. The Company may cede, at a price, the use of its facilities to third parties. Moreover, the Company may assign its management to other legal entities and undertake the management of other enterprises.

It is noted, that the only amendment to the Company's objective during the last five years, which was decided on during the General Assembly of its shareholders held on 28.6.1996 (Govt. Gazette 5657/2.8.96), concerns the addition of the following lines to paragraph 3(a): "and to provide guarantees in favor of the latter, in order to facilitate their financing, provided that this serves the Company's business activities."

6.2 Legal Framework

The establishment and operation of television stations is subject to a license granted by decision of the Minister of Press and Mass Media, subject to the concurrent opinion of the National Broadcast Council. The conditions for the licensing, as well as operation, of the television stations, are regulated by the provisions of L. 2328/1995, in conjunction with a series of other provisions (L.1866/89, L.2429/1996, Presidential Decree (P.D.) 310/1996, L. 1746/198 etc).

Article 1 of Law 2328/95 specifies the nature and operation of Private Television and specifies the main conditions for the granting and renewal of licenses for the establishment and operation of television stations. The key points of this article are the following:

- According to the provisions of article 1, par. 9 of Law 2328/95, in conjunction to those of article 24, L.1746/88, the shares of radio-television companies must be registered up to the personal degree, i.e. both to the degree of shareholding companies, and of companies participating in shareholding companies up to the ultimate shareholder (person). Domestic, or European Union, Undertakings for Collective Investments in Transferable Securities (UCITS), which are allowed to hold, in total, up to 10% of the stock capital of a radio-television company, and up to 2,5% each, are excluded from the above obligation. Sociétés Anonymes that operate legally in accordance to the laws of another state, without the obligation to register their shares, may hold up to 15% of the total equity of the company. In case of excess, the law provides for the limitation of the corresponding shareholder rights. The participation of a foreign (not originating in the European Union) fund cannot exceed 25% of the total capital of the Company. Moreover, the paid up capital of a television company is set to a minimum of GRD 1 billion.
- Television stations are obliged to pay a minimum annual fee to the State for the use of the frequencies, which is equivalent to 2% of gross receipts, as well as to proceed to the annual submission and renewal of a good performance guarantee amounting to GRD 250 million.
- The participation of each person, or legal entity, in a television company is not allowed to exceed 25% of the company's total equity capital. In case of excess, there is provision, among other things, for the levying of a fine, which amounts to 50 times the market capitalization of the excess participation.
- Every person, or legal entity, can participate in only one television company (excluding those listed on the Stock Exchange), or in one company, which is a shareholder in a television company. The same restriction also applies to participation in the company's management, or administration. The participation of blood relatives, up to a certain degree, in the same, or another, television company is permitted only if they can demonstrate their entrepreneurial and financial independence. The same persons, or legal entities, are prohibited from participating in Media that belong to more than one category (television, radio, and newspapers).

Moreover, the possession of a television station operation license, or the possession of a shareholding in a television company, is incompatible to participation in the capital, management, or exercise of a business activity related to the undertaking of projects-supplies for the wider public sector, to advertising activities, and to certain other activities (audio-visual media producer, radio television surveys).

Article 3 of Law 2328/95 specifies the broadcasting and advertising principles and sets the conditions for the protection of personal freedom and privacy, as well as for the protection of childhood. The broadcasting and advertising principles provide for the following:

- The broadcasting of commercials must not last for more than 20% of the intermissions, or commercial breaks. Moreover, the broadcasting of commercials must not occupy more than 20% of each hour, while intermissions between programmes can last for 4 minutes.
- As far as sponsorship terms are concerned, the sponsor cannot interfere with the contents of the broadcast, while the name and logo of the sponsor must appear at the beginning and the end of the programme.

Article 12 of Law 2328/95 specifies the rules concerning transparency in relations between Media-advertising agencies and advertisers. More specifically, according to this article, at the end of each calendar year the Media are entitled to award bonuses to advertising agencies, calculated on the basis of the entire advertising expenditure (turnover) realized by the former. As a percentage, this bonus cannot exceed 9.9% of turnover.

The shareholders of a television company are subject to the obligation of submitting a financial statement, in accordance to the provisions of Law 2429/1996, and if their participation is more than 2.5% they are subject to certain additional obligations. The transfer of company shares over-the-counter, as well as any pledging of its shares, must assume the form of a notarial deed.

6.3 Brief History

MEGA Channel (hereafter “MEGA”) was the first TV station to be established in Greece (1989) on the basis of the legal framework that permitted the formation of private television stations (L.1866/1989).

During its 16 years of operation, MEGA has attained a high position in the public’s preference, remaining at the same time the financially healthier Greek TV station. This achievement was mainly based on substantial investments implemented over time until 2005 for the production of Greek television programmes, amounting to approximately € 496 million, for the purchase of sports broadcast rights and movies broadcast rights from foreign houses of approximately € 232 million and to purchase of state-of-the-art electronic and technical equipment amounting to approximately € 32 million.

- By the end of the first fiscal year (1990) sales amounted to GRD 6.5 billion, while investment in TV programmes and electronic equipment reached GRD 2.7 billion. Reruns of the 1990’s Greek productions “Aythairetoi” and “Treis Charites” are still broadcasted today with great success. The station’s media ratings for the same period reached 32%, as compared to 20% for the second best station.
- In 1992 MEGA purchases the football season rights for 1992-92 and 1993-94 seasons for € 6 million, as is the first channel to simultaneously broadcast the 8 best matches of the season with the show “Minute to Minute (Lepto pros Lepto)”.
- In 1993 the channel’s ratings during the national elections day reached 53% compared to 26.7% for the second channel. In the same year, MEGA completes the self-owned ground programme transmission and transfer network, amounting to approximately € 7 million, thus ensuring coverage of 98% of the Greek population.

- In 1994, Teletypos S.A. became the first Media Company to list its shares on the Main Market of the Athens Stock Exchange. From 1994 until 2004, Teletypos S.A. produced approximately € 56 million in net earnings, from which approximately € 38 million was distributed to its shareholders, namely 68%.
The same year (1994), it established the first cable television company in Greece, under the name "Multichoice Hellas SA," in which it participated with 42%, along with Myriad Development (51%) and Lumiere (7%). It is also the year when MEGA begins to exclusively broadcast the football matches of the CHAMPIONS LEAGUE championship. These matches are continuously broadcasted by MEGA each year from 1994 until today.
- During the national elections day of 1996, 35% of Greek nationals viewed MEGA and 18% the second channel, thus establishing the former at the top position in their selection and verifying its credibility.
- In December 1999, Teletypos SA completed a share capital increase of € 34.3 million, which resulted from the distribution of 4,125,009 free shares to the shareholders (at a ratio of 2 new for ten existing shares), from the issuance of 6,187,500 new shares (at a ratio of 3 new to ten existing shares) and from the issuance of 300,000 shares by means of cash payment (private placement with the Company's personnel and executives). Part of the increase was used to streamline the Company's equipment and convert most of the electronic equipment from analogue to digital.
The same year MEGA is co-producer and co-owner of rights by 50% in one of the most successful Greek motion pictures of all times, "SAFE SEX".
- In 2000, once again Mega concentrates the largest media rating (31%) for the national elections, compared to the second best channel (22%).
Mega also participates by 35% in the production and exploitation of the successful motion picture of L. Lazopoulos "My best friend". The same year, it founded Teletypos Cyprus Ltd, a 100% subsidiary of Teletypos SA, whose objective is the purchase and sale of programmes and technical know-how in the Cypriot and Middle East markets. The cumulative profit of Teletypos Cyprus until 31.12.2005 amounts to approximately € 3.5 mn.
- In 2002, the company showed the highest profit since its formation with € 17mn before tax, while the value of its share increases by 28%.
The same year, on the day of municipal and prefecture elections, once again the Greek audience preferred to be informed by Mega (21%) while the second best channel managed a media rating of 14%.
- In 2004, Teletypos SA sold 7% of its participation in Multichoice Hellas SA, retaining a profit of € 5.9 mn, and exchanged the remaining 35% with a 12.5% participation in the Dutch cable television company NETMED NV.
The same year Mega purchases the rights to broadcast the home games of the Greek European Champion team (men's and adolescent's) for the preliminary matches of the world cup championship in Germany. In March and May of 2004, in a published survey (EXPRESS 19.11.2004) of GK Market Analysis, with the topic "Which brands to Greeks consider as the best", in the results for television stations it is stated that "Mega is the best television channel both in terms of impulsive references (89%) and in terms of being the theoretically best television channel (27%)".
- In 2005, Teletypos SA signed a contract with SportFive for the coverage and broadcast of national men's and adolescent's national team games abroad, which will take place in the context of the preliminary phase of the 2008 European championship.

6.4 Object of Operations

The Company broadcasts television programmes, almost covering the entire country (98% of Greece), 24 hours a day. Its programming is structured in order to approach the general audience of all ages and contains Greek comedy, drama, and variety series, Greek and foreign movies, news and informational programmes, sports and music/dance shows, game shows and children's shows.

The Greek programme is either produced in-house by MEGA, or outsourced to independent production studios. This programme includes:

- Greek series (comedy, drama etc).
- Game shows
- Sports
- News
- Talk shows
- Music/dance shows
- Variety shows

The foreign programme, which includes movies, TV series and children's programmes, is purchased from overseas houses with the right of one, or two, re-runs.

MEGA generates 96% of its revenue from the sale of advertising time through advertising agencies and from the sale of royalties to Cyprus (2%) USA, and Australia (1.5%), while operating costs mainly comprise the in house production of programmes, the purchase of royalties from third parties, overheads and distribution expenses.

As far as television advertising expenditure is concerned, MEGA holds a large market share, retaining at the same time its dominant position in all audiences of commercial interest (see Chapter 7.3., the Company's position in the Industry). This achievement resulted from MEGA's constant effort to:

1. Maintain a programming structure that appeals to all ages and demographic groups of the general television audience.
2. Constantly renew its programming and appropriately select its programmes.

6.4.1 Turnover Analysis

The following table analyzes the course of the Company's turnover for the last two years:

Analysis of Turnover (I.F.R.S.)	2004	2005	Total
(in thousand euro)			
Sales of Advertising Time	120,249	133,975	254,224
Income from Motion Picture & TV Rights	135	1,498	1,633
Sales of Rights abroad	189	12	201
Income from the exploitation of Studios & TV programmes	596	737	1,333
TOTAL	121,169	136,222	257,391
% Change		12.4%	

According to StaCod 2003, the Company's turnover is analyzed as follows: code 921.1 € 86 thousand "production of motion pictures and videos" and code 922.0 € 136.14 million "radio and television activities".

The Company's turnover amounting to € 136.2 million, thus posting an increase of 12.4%. This increase is due to an increase of MEGA's market share (by 2.1%) and also to the 1.7% total increase of advertising expenditure in television compared to 2004.

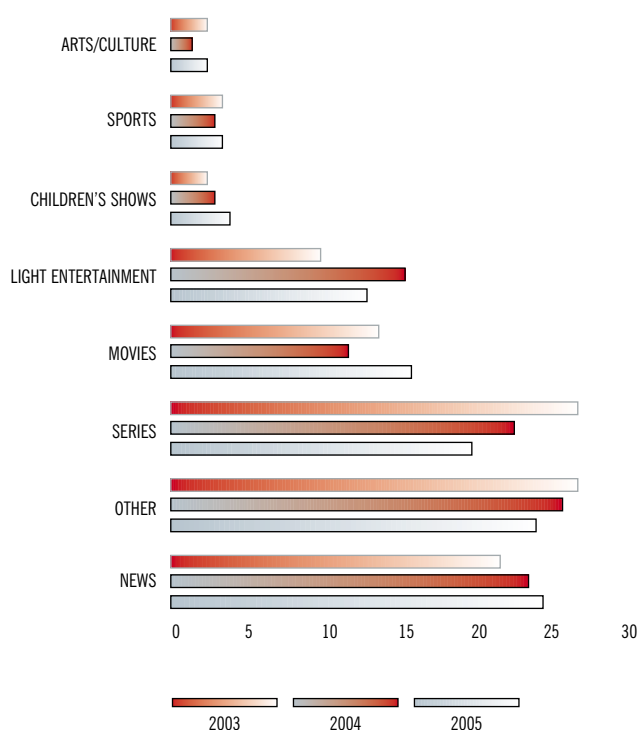
6.4.2 Television Programming –Productions

MEGA places great emphasis on the constant renewal of its entertainment programme, as well as on the reliability and image of its news programmes and the quality of its foreign and sports programmes, which determine both the profile of its audience, and its own overall image. Programme selection and design have been based on two pillars:

- The awareness of the channel's social role, with respect to the viewer; and
- The awareness of its business objective, which is to attract audiences of commercial interest for MEGA's clients, i.e. the advertising industry.

The following chart illustrates programme allocation as a percentage of total broadcasting time.

CHART PROGRAMME ALLOCATION (% OF BROADCASTING TIME)



During the past three years there has been an increase in Greek series (mostly company owned programme). These programmes are mainly broadcasted during prime time and are more preferred by the Greek television audience (as demonstrated by the large ratings commanded by MEGA from 21:00 to 23:59).

The programme provided by MEGA consists of:

News-Informational Programmes

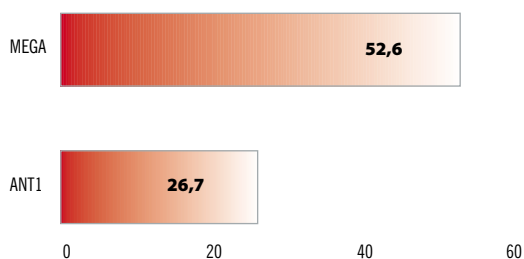
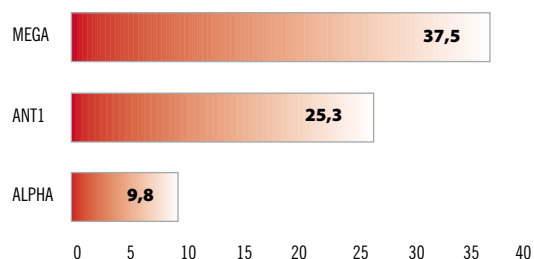
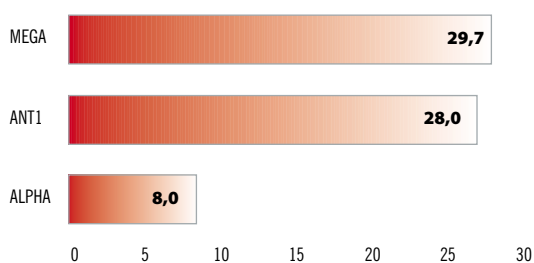
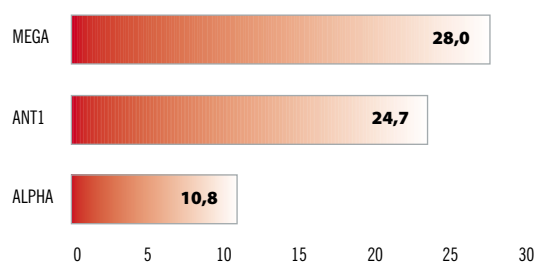
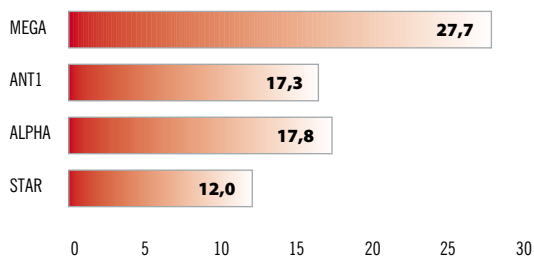
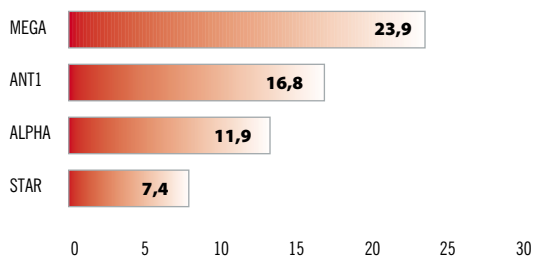
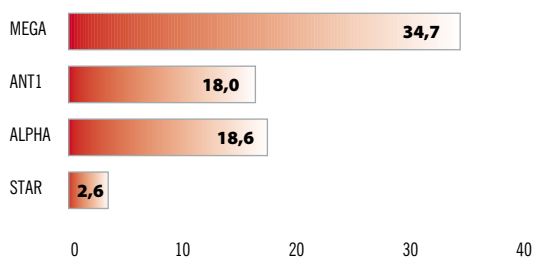
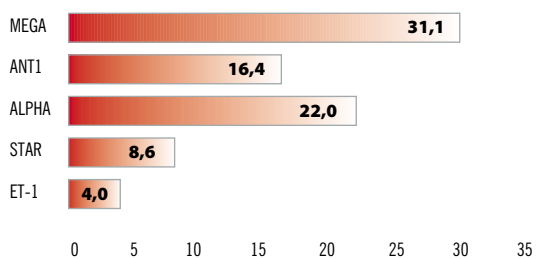
From its very first steps, MEGA has been covering facts in a reliable, serious, objective and speedy manner.

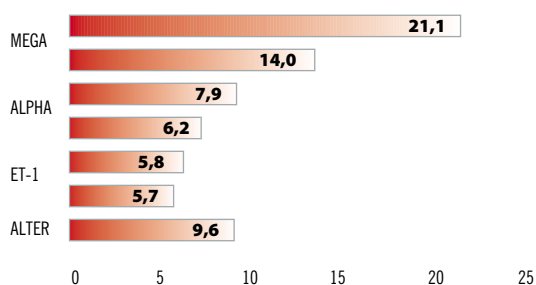
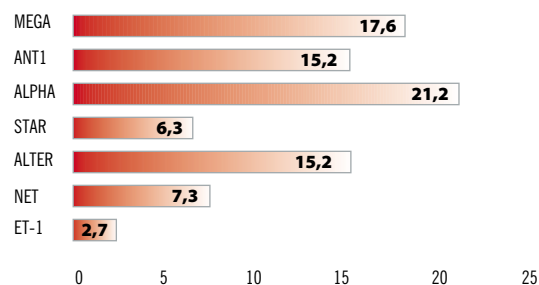
Having the most powerful and experienced journalist team, along with seasoned technicians and state-of-the-art equipment, MEGA is a leader in providing the Greek public with news updates and information. MEGA's reporters and local correspondents cover events of great public interest, thus maintaining the high TV ratings of the channel's news broadcast (news at 20:00 and 24:00).

MEGA is in the core of international developments, having established a powerful network of permanent correspondents in Brussels, Rome, London, Paris, Moscow, Ankara, Nicosia, Washington and New York. It also co-operates with the largest and most reliable international news agencies, such as Reuters, CNN and Associated Press.

From the very first day of its operation, MEGA has been recognized and preferred by the Greek public as the most prestigious and reliable channel in regard to all elections and major political events.

The supremacy of MEGA against its competitors is evident in the following charts, which present the TV ratings of MEGA and its major competitors during national elections.

NATIONAL ELECTIONS '93**EUROPEAN PARLIAMENTARY ELECTIONS '94****MUNICIPAL – PREFECTURE ELECTIONS '94****MUNICIPAL – PREFECTURE ELECTIONS '94
(second run)****EUROPEAN PARLIAMENTARY ELECTIONS '99****MUNICIPAL ELECTIONS '98****NATIONAL ELECTIONS '96****NATIONAL ELECTIONS '2000**

MUNICIPAL – PREFECTURE ELECTIONS '02**NATIONAL ELECTIONS '2004****MEGA Productions**

These programmes include Greek series (comedy and drama), mainly broadcasted during prime time (21:00-23:59), TV-movies, game shows, music-dance shows, soap operas and variety shows. These programmes are both produced in-house by the Company, or outsourced to independent producers and purchased by the Company as such.

MEGA was the first channel to create the successful "Greek series" zone during prime-time, with series such as "S'agapo-M'agapas", "Peri Anemon kai Idaton", "Aerines Siopes", "10 Mikroi Mitsoi", "Afthairetoi", "Anastasia", "Tris Harites", "Gynekes", "To Soi Mas", "Love Sorry", "Aparadektoi", "Mi Fovasai Ti Fotia", "Psithiroi Kardias", "Tzivarei", "To Teleftaio Antio", "Dyo Xenoi", "To Dis Examartein", "To Kokkino Feggari", "Eisai to Tairi mou", "Na me proseheis", "Kleise ta Matia", "Leni", "I ora I kali", "10 Lepta Kyrigma", "Singles", "Epta Thanasimes Petheres" and many more, and music-dance shows such as "Bravo" and "Alla Colpa."

Re-runs of the above shows are broadcasted during the midday hours of the main TV season (October-June), but mainly during the summer season, when the revenues of the channel are much more limited.

Apart from the aforementioned shows, MEGA's production includes the daily morning programming (6:30-13:00), which includes both news and entertainment and is 100% depreciated within the month it is broadcasted.

The main independent production studios that co-operate with the Company are: ATA SA, ON PRODUCTIONS SA, ANOSI SA, EPSILON SA, FREMANTLE PRODUCTIONS SA, PAPANDREOU SA, J.K. PRODUCTIONS S.A., PLD PRODUCTIONS S.A., TNT, SONAR PRODUCTIONS.

Programmes from overseas and Greek firms

These are movies, TV-movies, series and children's programmes from overseas firms, as well as Greek movies from Greek firms (Finos, Karayiannis/Karatzopoulos etc).

The cost of these programmes is incurred within the fiscal year of their broadcasting.

MEGA has signed agreements, lasting until the year 2010, with 7 major studios, mainly US, of approximately US\$ 40 million and € 8.4 million, of which:

- approx. US\$ 33.2 million with COLGEMS;
- approx. US\$ 0.2 million with FEMEWAY;
- approx. US\$ 0.2 million with PARAMOUNT;
- approx. US\$ 0.5 million with WALT DISNEY;
- approx. US\$ 4.4 million with ODEON;
- approx. € 4.6 million with VILLAGE;
- approx. € 1.3 million with PROCTER & GAMBLE.

Sports programming

MEGA was the first channel that simultaneously broadcasted the 8 most important matches of the Greek soccer league through its "Minute by Minute (Lepto pros lepto)" show during the 1992-1993 and 1993-1994 seasons.

Since 1994 MEGA is the channel that exclusively broadcasts the European Football Championship known as "Champions League" in Greece. Mega has reached a new agreement with the company TEAM for the exclusive broadcasting of one (of a total of two) "Champions League" day for the 2003-2004, 2004-2005, 2005-2006 seasons against a total price of CHF 25.5 mn.

Also, Mega has signed an agreement with Greek Football Federation for the coverage and broadcasting of the national men's and adolescent's teams' home-based football matches that will take place in the context of the 2008 European Championship preliminary phase. This agreement, amounting to a total of € 2.5 million, also covers the respective royalties of the national team's friendly matches. MEGA has also signed an agreement with SportFive for the coverage and broadcast of the national men's and adolescent's football team matches abroad, that will take place in the context of the preliminary phase of the 2008 European Championship.

6.4.3 Broadcasting ratings

As illustrated by the following table, the overall ratings achieved by MEGA during the past five years bear proof of the station's appropriate selections that cover the manifold requirements of the Greek public.

Especially as far as prime time (21:00-23:59) is concerned, the following table shows that during the period 2004-2005 MEGA retains its dominant position as a high TV ratings channel, especially in regard to audiences of increased commercial interest, thus attaining the preference of the advertising market.

AVERAGE DAILY BROADCASTING RATINGS (total per year)	2004	2005
MEGA	16.9%	18.5%
ANT1	20.8%	19.4%
ALPHA	13.0%	14.2%
STAR	11.5%	11.5%
ET1&NET	14.0%	13.3%
ALTER	11.5%	10.2%
OTHER	12.3%	12.9%

AVERAGE DAILY PRIME TIME BROADCASTING RATINGS (21:00 - 23:59 / total per year)	2004	2005
MEGA	19.3%	20.5%
ANT1	22.4%	20.8%
ALPHA	11.2%	12.7%
STAR	10.6%	11.1%
ET1&NET	16.6%	14.5%
ALTER	7.9%	7.7%
OTHER	12.0%	12.7%

6.5 Fixed Assets

6.5.1 Intangible assets

The most important asset of the Company is its self-owned programme, which consists of Greek series, TV-movies, seasonal shows, entertainment shows, talk shows, variety shows and game shows, whose royalties belong to Teletypos SA.

The acquisition cost of these programmes amounts to € 577.4 million as per 31.12.2005, while their net book value amounts to € 135.8 million. These programmes constitute an important asset for the Company and are capitalized (as royalties), since they provide the Company with the capability of their continuous exploitation through re-runs and trading, which leads to further revenue generation.

6.5.2 Land and Buildings

The Company owns the following plots of land:

- A plot of land covering a total area of 18,686 m² at Irinis Street, at Soros, Amarousion. This plot of land was gradually acquired from December 1990 to August 1993, and its acquisition cost amounts to € 1.5 million (GRD 519.3 million).
- A plot of land covering a total area of 495 m² at Ahendria, Crete, acquired in July 1991 for € 1,761 (GRD 600,000).
- According to Law 2065/92, as amended by Law 2443/96, the value of the Company's land was readjusted by € 840 thousand (GRD 285.7 million) on 31.12.1998 (which have been capitalized) and by € 946 thousand (GRD 322 million - POL:1287/5.12.2000) on 31.12.2000 (also capitalized in 2001). In 2004 the land value was readjusted by € 1.5 million. Therefore, the value of the Company's plots of land amounted on 31.12.2004 to € 4.8 million.

In addition, MEGA occupies leased premises in Athens and Thessalonica.

The entire operation of the Company takes place in the leased building of Mesoghion Avenue (Politia Business Center) at 4 Roussou Street. It covers a total area of approximately 5,500 m², with 400 m² of underground storage space and almost 3,000 m² of parking space.

The above premises include:

- The facilities of the Finance, Sales, Marketing and IT Departments.
- The News and Programme services.
- The Technical Services (with the mobile external broadcasting ENG units).
- Two (2) studios (of 90 and 120 m² respectively) covering the news programmes of the morning information zone and various talk shows, capable of simultaneous operation.
- Fourteen (14) editing rooms for news-sports programmes' production and post-production.
- Master Control Room for the receipt of satellite and terrestrial broadcasts.
- A double Programme Flow Room (fully automated), with an option for extension and creation of further flows.
- Graphics room.
- Two (2) audio recording rooms.
- A film library room.

The main parts of the facility are the following:

- The image routing and processing facility is fully digitalized, capable of immediate adaptation to future technological advances.
- The state-of-the-art automated programme flow system, with the parallel use of server systems for the recording and broadcasting of the programme and the commercials.
- Digital optic fiber links for programme transferring and the receipt of signals from the Hellenic Telecommunication Organization (OTE).

6.5.3 Broadcasting Network Facilities

In its effort to cover the entire population of Greece, the Company has developed an extended broadcasting network, which undergoes constant modernization and upgrading.

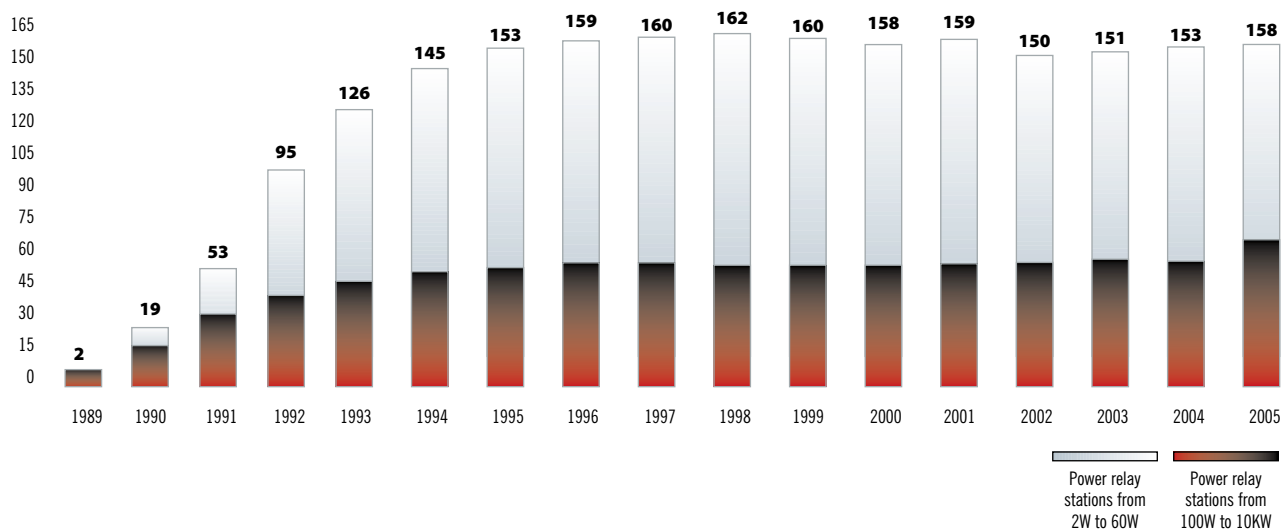
The broadcasting network has been structured as a “tree.” The television signal is produced at the station’s Headquarters at Mesoghion Avenue (Politia Business Center). From there it is transferred to the Broadcasting Centers through approximately 2,000 klm of OTE’s digital TV arteries. The signal transmitted by these Centers is received and relayed by High, Medium and Low power relay stations. (In certain cases, signals in the countryside are also received via satellite).

Since 1993, MEGA has been covering 98% of the Greek population by means of its owned terrestrial programme broadcasting-transmission network, which comprises technical equipment worth almost € 7 million. Moreover, it uses a remote control system, applied in Greece for the first time, which enables malfunctions at the main transmission points throughout the country to be diagnosed and restored from its own premises (on Mesoghion avenue).

158 transmitter-relay station facilities have been installed in Greece, while a further 500 have been installed on the initiative of local organizations. These facilities belong to the following categories:

- Power relay stations from 100W to 10KW. These are 66 relay stations covering big cities.
- Power relay stations from 2W to 60KW. These are 92 relay stations covering smaller areas.

The development of broadcasting facilities over time is illustrated in the following chart:



The above facilities ensure 98% coverage of the population, a rather high percentage given the peculiarities of the Greek landscape (mountainous country, with many islands). The geographical illustration of MEGA’s broadcasting network is presented in the Appendix.

TELETEXT

In 1996, MEGA created for the first time in Greece an integrated application of the teletext service, which enables viewers to draw information that cover daily needs and functions, by properly handling their remote controls.

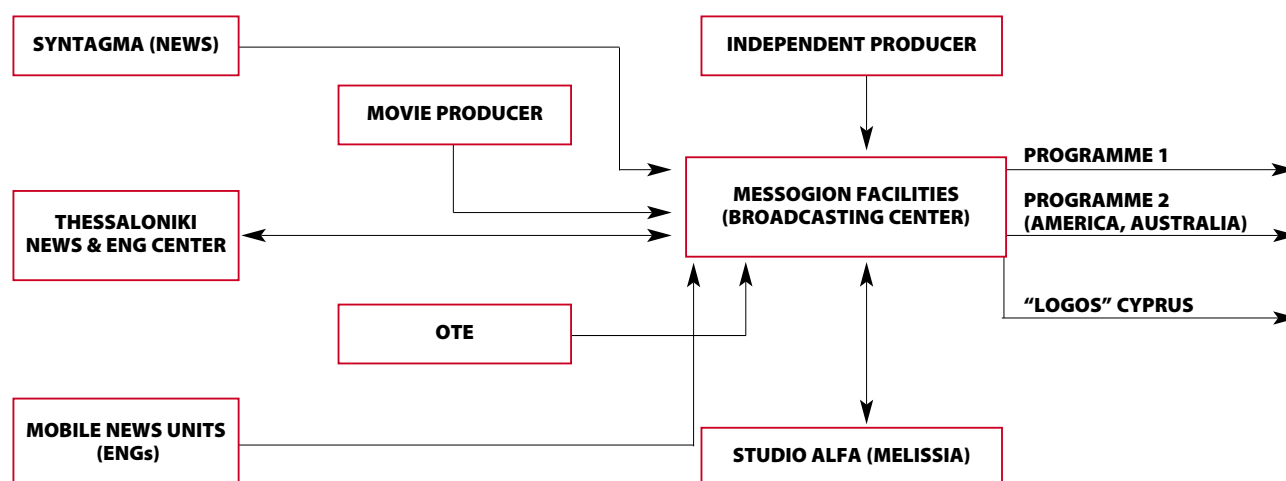
In its current form, teletext provides information about the station's programme and updates for each stock from the ASE trading sessions.

Moreover, the teletext service provides easy and reliable coverage of extraordinary information requirements, such as the University entrance exam results, the election results etc.

STEREO SIGNAL

By the end of 2000, MEGA has ensured (almost for the whole of Greece) the broadcasting and transmission of stereophonic signal through the broadcasting network facilities.

6.5.4 SIGNAL FLOW CHART



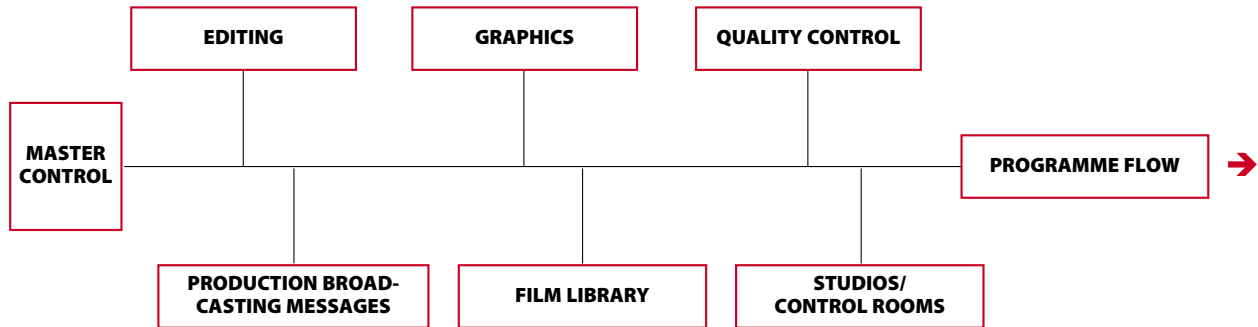
6.5.5 Mechanical Equipment

The Company's long-standing policy is to use new, instead of second-hand, equipment. It has to be noted that the selected equipment is of broadcasting quality, compliant with the standards of international organizations such as the International Telecommunication Union (ITU), the European Broadcasting Union (EBU) and the Society of Motion Pictures and Television Engineers (SMPTE) and adheres to the guidelines of the European Union, as well as the national guidelines, if applicable. The aim of all undertaken investment is:

- ensuring the best possible quality
- automating operations
- flexibility and speed
- satisfying medium and long-term needs of the television market (e.g. processing, digital signal recording and transmission, wide screen TV {16:9}, server use etc).

All machinery is installed in the company's headquarters, at number 4 Roussou Street and Messogion Avenue and includes:

MESSOGION FACILITIES – PRODUCTION PROCEDURE



MASTER CONTROL

This is the room for the co-ordination and recording of all domestic and overseas broadcasts reaching the station (through OTE, satellites, ENGs).

NEWS SPORTS PROGRAMMES EDITING (EDIT ROOMS)

Consists of 8 editing rooms, from which 7 are linear with BETACAM SP equipment and 1 non-linear. This is where the synthesis of the final product, which originates from the shooting of various external and internal (in-studio) scenes and from archive material, is completed.

DIGITAL PROMOTIONAL MESSAGE PRODUCTION

Consists of four rooms with state-of-the-art equipment, as well as one main audio recording and processing room.

GRAPHICS ROOM

This is where the design of the graphics required for the News, the presentation of the Weather Forecast and the production of various broadcasts, takes place.

QUALITY CONTROL

Before going "on the air," programmes are quality controlled in respect to image and sound in the Quality Control area (actually, all material produced by associates is controlled here).

TELEVISION PROGRAMME DIGITAL PRODUCTION SYSTEMS (STUDIOS)

Two studios have been created in the premises of Mesoghion Avenue, containing Control Rooms that serve the News Programmes, the morning informational talk shows and certain current affair broadcasts.

The design of these two studios enables the operation of up to four state-of-the-art cameras in each.

In addition, a virtual studio has been installed and is in operation, in which certain productions take place (broadcasts, programme promotion), in conjunction with the Company's graphics department.

MOBILE EQUIPMENT

Apart from the above equipment, there is also the mobile equipment used for the production of news programmes, as well as part of the informational programme.

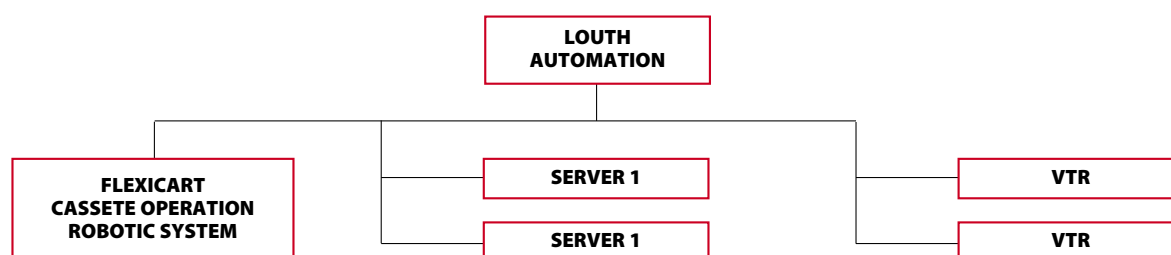
It includes:

- Four (4) external broadcasting vehicles (ENG), fully equipped (with 12 meter telescopic masts, microwave link system, video, etc)
- Nine (9) camera crews, fully equipped.

PROGRAMME FLOW

The Programme Flow enables the automated operation of digital programme broadcasting.

PROGRAMME FLOW CHART



It includes:

- A FLEXICART system, with three VIDEO DIGITAL BETACAM, in which the programme about to go “on the air” is stored.
- Two SERVERS (1 and 2) with capacities of 12 and 30 hours respectively, in whose hard drives the commercials, the station’s trailers and part of the programme are stored.
- A Video which feeds the above servers and enables direct programme broadcasting.
- The automation system is made by the US company LOUTH, and enables the simultaneous operation of more than two programmes.

6.5.6 Investments 2004-2005

The following table provides a detailed description of the Company’s investments during the period 2004-2005:

INVESTMENTS - ACQUISITIONS 2004-2005	2004	2005	TOTAL
(in thousand euro)			
Intangible Assets (Programme)			
Royalties of Teletypos	71,539	77,109	148,648
Own-production in progress	3,211	4,561	7,772
Total	74,750	81,670	156,420
Tangible (Fixed) Assets			
Buildings and Technical Works	604	0	604
Mechanical Equipment	522	1,355	1,877
Vehicles	0	265	265
Furniture and other (IT) equipment	1,334	1,250	2,584
Total Tangible Assets	2,460	2,870	5,330
TOTAL INVESTMENTS	77,210	84,540	161,750
(%) change		9.5%	

6.6 Stock Capital Evolution

The evolution of the changes in the Company's share capital is as follows:

1. Initially the Company's share capital was set to five million Greek Drachmas (GRD 5,000,000), was fully paid in accordance to article 35 of the Articles of Association and was distributed to five thousand (5,000) common registered shares, with a nominal value of a thousand (1,000) drachmae each, as described in detail in the published Gazette 1016/2.5.1989, Sociétés Anonymes and Limited Liability Companies Issue.
2. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 18.5.1989, the share capital was increased by two hundred and forty five million (245,000,000) drachmae, which were paid up in full through the issuance of two hundred and forty five thousand (245,000) common registered shares, with a nominal value of a thousand (1,000) drachmae each. This increase was published in Gazette 3193/17.9.89, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to two hundred and fifty million Greek Drachmas (GRD 250,000,000), divided in 250,000 common registered shares, with a nominal value of a thousand (1,000) drachmae each.
3. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 22.9.89, the share capital was increased by two hundred and fifty million (250,000,000) drachmae, which were paid up in full through the issuance of two hundred and fifty thousand (250,000) common registered shares, with a nominal value of a thousand (1,000) drachmae each. This increase came into effect through the amendment of article 5 of the Articles of Association and was published in Gazette 3858/6.11.89, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to five hundred million drachmas (GRD 500,000,000), divided in 500,000 common registered shares, with a nominal value of a thousand (1,000) drachmae each.
4. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 30.10.89, the share capital was increased by five hundred million (500,000,000) drachmae, which were paid up in full through the issuance of five hundred thousand (500,000) common registered shares, with a nominal value of a thousand (1,000) drachmae each. This increase came into effect through the amendment of article 5 of the Articles of Association and was published in Gazette 286/7.2.90, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion drachmas (GRD 1,000,000,000), divided in 1,000,000 common registered shares, with a nominal value of a thousand (1,000) drachmae each.
5. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 8.8.90, the share capital was increased by five hundred million (500,000,000) drachmae, which were paid up in full through the issuance of five hundred thousand (500,000) common registered shares, with a nominal value of a thousand (1,000) drachmae each. This increase was published in Gazette 3642/26.9.90, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion five hundred million drachmas (GRD 1,500,000,000), divided in 1,500,000 common registered shares, with a nominal value of a thousand (1,000) drachmae each.
6. On 9.2.94, the Extraordinary General Assembly of the Company's shareholders decided to reduce the nominal value of the Company's shares from one thousand (1,000) drachmae per share to one hundred (100) drachmae per share and to increase the Company's share capital by three hundred and seventy five million (375,000,000) drachmae through the issuance of three hundred and seventy five thousand (375,000) common registered shares, with a nominal value of a hundred (100) drachmae each and an issue price of one thousand nine hundred drachmas (GRD 1,900) each. The new shares were distributed by means of an Initial Public Offering and were listed in the Athens Stock Exchange. This increase was published in Gazettes 869/9.3.94 and 4114/12.7.94, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion eight hundred and seventy five million drachmas (GRD 1,875,000,000), divided in eighteen million seven hundred and fifty thousand (18,750,000) common registered shares, with a nominal value of one hundred (100) drachmae each.
7. By means of a decision of the Ordinary General Assembly of the Company's shareholders that was held on 16.6.95, the share capital was increased by one billion eight hundred and seventy five million (1,875,000,000) drachmae, through the capitalization of sixty five million five hundred and twenty three thousand eight hundred and seventy five drachmas (GRD 65,523,875) that resulted from asset

revaluation, nine million four hundred and seventy six thousand one hundred and twenty five drachmas (GRD 9,476,125) from the tax free reserve and one billion eight hundred million (1,800,000,000) from the issuance of shares above par, with a simultaneous increase of the nominal value of the Company's existing shares from one hundred (100) to two hundred (200) drachmae per share. This increase was published in Gazette 4362/20.7.95, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to three billion seven hundred and fifty million drachmas (GRD 3,750,000,000), divided in seventeen million seven hundred and fifty thousand (17,750,000) common registered shares, with a nominal value of two hundred (200) drachmae each.

8. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 1.12.98, the share capital was increased by three hundred and seventy five million (375,000,000) drachmae, through the capitalization of two hundred and eighty five million seven hundred and forty nine thousand five hundred drachmas (GRD 285,749,500) that resulted from asset revaluation, and eighty nine million two hundred and fifty thousand five hundred (GRD 89,250,500) from the tax free reserve, with the issuance of one million eight hundred and seventy five thousand (1,875,000) common registered shares, with a nominal value of two hundred (200) drachmae each. This increase was published in Gazette 10053/21.12.98, Sociétés Anonymes and Limited Liability Companies Issue. After the aforementioned increase, the Company's share capital amounts to four billion one hundred and twenty five million (4,125,000,000) drachmae, allocated in twenty million six hundred and twenty five thousand (20,625,000) common registered shares, with a nominal value of two hundred (200) drachmae each.
9. By means of a decision of the Second Repetitive General Assembly of the Company's shareholders that was held on 21.7.99, the Company's share capital was increased by eight hundred and twenty five million (825,000,000) drachmae, through the issuance of four million one hundred and twenty five thousand 4,125,000 common registered shares, with a nominal value of two hundred (200) drachmae each, by capitalizing the reserves of a/c "Untaxed Reserves (exemption specific)", and by one billion two hundred ninety seven million five hundred thousand (1,297,500,000) through the issuance of six million four hundred and eighty seven thousand five hundred (6,487,500) new common registered shares with a nominal value of two hundred (200) drachmae and a buying price of one thousand eight hundred (1,800) drachmae per share. All new shares were listed on the Athens Stock Exchange: those related to the capitalization of reserves were listed on 25.11.1999, and those related to cash payment on 14.1.2000. This increase was published in Gazette 8243/14.10.99, Sociétés Anonymes and Limited Liability Companies Issue. The aforementioned increase, brought the Company's share capital to six billion two hundred and forty seven five million five hundred thousand (6,247,500,000) drachmae, divided in thirty one million two hundred and thirty seven thousand five hundred (31,237,500) common registered shares, with a nominal value of two hundred (200) drachmae each.
10. By means of a decision of the Ordinary General Assembly of the Company's shareholders that was held on June 27th, 2001, the company's share capital was increased by four billion three hundred and ninety six million six hundred and seventy eight thousand one hundred and twenty five (4,396,678,125) drachmae, or twelve million nine hundred and two thousand nine hundred and forty three Euro and eighty seven cents (12,902,943.87), through the capitalization of three hundred and twenty two million two hundred and fifty nine thousand five hundred and fifty drachmas (GRD 322,259,550) or nine hundred and forty five thousand seven hundred and thirty six euro and two cents (€ 945,736.02) from the reserve from the revaluation of fixed assets, six hundred and eighty one million two hundred and seventy three thousand three hundred and seventy five drachmas (GRD 681,273,375) (€ 1,999,334.92) from the untaxed reserves of article 22 Law 1828/89 and three billion three hundred and ninety three million one hundred and forty five thousand two hundred (GRD 3,393,145,200) (€ 9,957,872.93) from the reserve formed by the value of previous share capital increases above par, with a simultaneous increase of the nominal value of the Company's share from two hundred (200) to three hundred and forty drachmae and seventy five lepta (GRD 340.75) / one (1) Euro (Gazette 7241/13.8.01). After the aforementioned increase, the Company's share capital amounts to ten billion six hundred and forty four million one hundred and seventy eight thousand one hundred and twenty five (10,644,178,125) drachmae/thirty one million two hundred and thirty seven thousand five hundred Euro, has been paid up in full, and is allocated in thirty one million two hundred and thirty seven thousand five hundred (31,237,500) common registered shares, with a nominal value of three hundred and forty drachmae and seventy five lepta (GRD 340.75) / one (1) Euro each.

The following table summarizes the evolution of the Company's stock capital:

METHOD OF INCREASE

Date of General Assemble	Govt. Gazette	CASH	CAPITALIZATION OF RESERVES	TOTAL SHARE CAPITAL (in GRD)	NUMBER OF SHARES	NOMINAL VALUE (in GRD)
Establishment	1016/ 2.5.89	5,000,000		5,000,000	5,000	1,000
18/5/1989	3193/17.8.89	245,000,000		250,000,000	250,000	1,000
22/9/1989	3858/6.11.89	250,000,000		500,000,000	500,000	1,000
30/10/1989	286/7.2.90	500,000,000		1,000,000,000	1,000,000	1,000
8/8/1990	3642/26.9.90	500,000,000		1,500,000,000	1,500,000	1,000
9/2/1994	869/9.3.94	Decrease of nominal value		1,500,000,000	15,000,000	100
5/5/1994	4114/12.7.94	375,000,000		1,875,000,000	18,750,000	100
16/6/1995	4362/20.7.95		1,875,000,000	3,750,000,000	18,750,000	200
1/12/1998	10053/31.12.98		375,000,000	4,125,000,000	20,625,000	200
21/7/1999	8243/14.10.99	1,297,500,000	825,000,000	6,247,500,000	31,237,500	200
27/6/2001	7241/13.8.01		4,396,678,125	10,644,178,125	31,237,500	340.75 (1 €)

6.7 Shareholders

The following table presents the Company's shareholder structure as per 28.02.2006 (Shareholders with holdings over 2.5%):

Shareholder	Number of Shares	Percentage
Pegasus Publishing and Printing S.A.	7,486,743	23.97%
Lambrakis Press S.A.	6,797,573	21.76%
BNP PARIBAS Private Bank (Switzerland) S.A.	1,464,250	4.69%
Eurofinanciere D.Invetsissement Monaco	1,260,792	4.04%
Saran Holdings S.A.	843,000	2.70%
K. Tegopoulos Publishing S.A.	836,162	2.68%

6.8 Administration – Operations management

The Company's Board of Directors consists of six members, and according to its composition as per 18.10.2002 the following persons occupy the corresponding seats:

Christos K. Tegopoulos	Chairman- Non-executive member
Elias E. Tsigas	Managing Director-Executive member
Christos D. Lambrakis	Non-executive member
Yiorgos F. Bobolas	Non-executive member
Yiorgos I. Prousanidis	Independent non-executive member
Yiorgos X. Aidinis	Independent non-executive member

The term of office of the above board ends in 2006.

The Company is represented by its Managing Director, in accordance to the stipulations of the Board's minutes as per 18.10.2002.

Furthermore, according to a decision made by the Company's Board on 5.7.2001, certain managers and employees of the Company have been granted special authorization to represent the latter, on the basis of the stipulations of the aforementioned Minutes. The members of the Board have received no compensation from the foundation of the Company and up to the fiscal year 2001. The Ordinary General Assembly of the Company's shareholders held on 26.06.2003 approved a fee for the two Independent non-executive members of the Board that amounts to € 24,000. For the fiscal year 2005 the same fee of € 24,000 for the two non-executive members of the Board is proposed to the General Assembly of the Company's shareholders.

Board member Mr. Tsigas is linked to the former by an employment agreement with the Company. His annual ordinary earnings for the period 27.6.2005 to 27.6.2006 have been specified by the Ordinary General Assembly that was held on 28.6.2005.

The Company's senior executives are the following:

Elias E. Tsigas: Hired in 1994 as General Manager and assumed duties as Chairman of the Board and Managing Director by late 1997. He holds a degree from a Business Administration School of a US University.

Thanos G. Andreoulis: Assumed responsibility of the Finance Department in September 1996. He holds degrees in Economics and Mathematics from a US University.

Ioannis A. Kotopoulos: Technical Manager since 1996. He holds a degree in Electrical Engineering and has been working with Teletypos SA since 1990. He is very experienced in the design and development of telecommunications systems.

Petros I. Boutos: Assumed duties as Programme Manager in June 1999. He holds degrees in Economics and History from a US University.

Ioannis G. Purgalis: Human Resources Manager since 1995, graduate of the Law School of the University of Athens.

Leonidas N. Florakis: Hired in 2001 as IT Manager. He holds a degree in Physics from the University of Athens, and a postgraduate degree in Management Information Systems.

Dimitrios P. Petropoulos: Operations Manager since 2000. He has been working with Teletypos since the station started operating. He holds a diploma in Mechanical Technology, and has great experience in the television industry.

Zafiris I. Charalambidis: Commercial Manager since 2000, with previous experience in Teletypos since 1994, holder of a degree in Business Administration from a US University.

Christos N. Panayotopoulos: Assumed duties as Head of News and Current Affairs in August 2003 and has been with Teletypos since 1991.

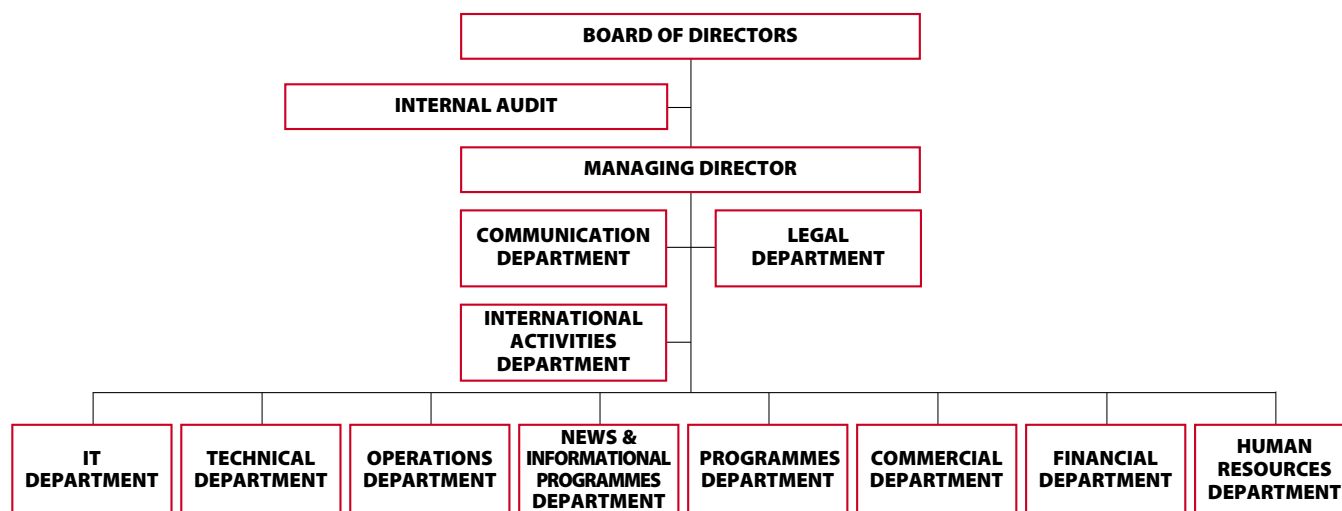
As far as the management of the Company's operations is concerned, both the managers and the members of the Board are surrounded by a group of experienced executives.

None of the members of the Company's board or its managers has been finally sentenced for dishonorable deeds, or financial crimes, nor has any implication in cases outstanding in court and pertaining to bankruptcy, criminal action and prohibition to practice:

- Business activities;
- stock exchange transactions;
- the profession of investment consultant, bank and insurance company manager, underwriter, brokerage firm executive etc.

All the members of the Board, as well as the managers, are of Greek nationality and citizenship. There is no blood relation among any of the Board members and the managers of the Company.

6.9 Organization Chart



6.10 Personnel

The average number of persons employed by Teletypos SA during the period 2004-2005 per operational unit is as following:

AVERAGE NUMBER OF EMPLOYEES	2004	2005
Production	539	532
Administrative Services	75	81
Sales and Marketing	33	35
TOTAL	647	648

By 31.12.2005, 11.6% of personnel held a University degree and 1.9% held a Masters degree.

The following table presents the total gross earnings of the Company's personnel per operational unit for the last two-year period:

PAYROLL (in thousand euro)	2004	2005
Production	24,327	24,405
Administrative Services	3,473	3,918
Sales and Marketing	1,559	1,793
TOTAL	29,359	30,116

The Company places great emphasis on the utilization of its human resources and tries to ensure good working conditions for its personnel. The constant improvement of personnel training is one of the Management's priorities, leading to an approximate € 66.9 thousand investment in training seminars in 2004 and 2005.

Industry Information

7.1 General Industry Information

According to the analysis of the National Statistical Service (StaCod 91), the Company belongs to sector E922, Radio and Television Activities. This sector includes companies whose main activity is:

- the broadcasting of radio and television programmes, the production of radio and television programmes, either broadcasted live, or
- recorded in tape or other recording means, and either combined, or not, with a subsequent broadcast.

The programmes produced and broadcasted may be intended for entertainment, advertisement, education, training, or news broadcasting. The production of the programmes may, usually, result in a permanent tape recording, which can be sold, leased, or stored for broadcasting, or re-broadcasting.

Private television emerged in Greece in 1989, after the abolition of the state television monopoly. The first television stations that were created (MEGA Channel, ANTENNA TV), as well as the latecomers (STAR, ALPHA), soon managed to capture high TV ratings and attract a substantial portion of television advertising expenditure away from state television stations.

Television station revenues are unbreakably connected to the growth of both overall advertising expenditure, and, more specifically, its portion that is directed to television.

Advertising expenditure has been one of the most rapidly growing sectors of the Greek economy in the past few years. The following table presents the growth in advertising expenditure from 2004 to 2005:

(in thousand euro)	2004	2005
Total Advertising Expenditure	2,041,760	2,190,040
% Change	13.3%	7.3%

Source: Media Services (excluding VAT)

The factors that have assisted the growth of advertising expenditure in the past few years are:

1. the fierce competition in the mobile telephony industry and all services and products related to it;
2. the development of outlet networks that deal in products related to new multimedia technologies;
3. the increase in the advertising expenditure of the Public Sector;
4. the promotion of many new games by the State Gaming Organization (OPAP SA);
5. the developments in the banking sector and the intense promotion of banking products;

Television advertising expenditure has held a dominant position in recent years. Specifically, after the rapid growth it showed during the period 1989-1993, and after the changes brought on by Law 2328/95 (see Chapter 7.2, Legal Status), advertising expenditure in television has been stabilized to approximately 45%, attesting the dominance of TV as an advertising means.

The following table presents the growth of advertising expenditure over time (as an amount and as a percentage) in the various Mass Media:

	TELEVISION		MAGAZINES		NEWSPAPERS		RADIO		TOTAL
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
2004	769,474	38.0%	803,451	39.0%	353,210	17.0%	115,625	6.0%	2,041,760
2005	782,566	36.0%	866,201	40.0%	407,380	19.0%	113,893	5.0%	2,190,040

Note: Amounts in thousand €.

Television advertising expenditure increased by 7.3% in 2004 and 1.7% in 2005.

The success of television is due to factors related either with the medium itself, or with the distribution of advertising time, such as:

- The increase of total TV ratings per average minute, from 14.7% in 2004 to 14.8% in 2005. At the same time, households with more than two TV sets have exceeded 55% of the population, compared to 41% in 1996 (Source: AGB Hella).
- Since 1997, total TV ratings have been increasing at a steady rate, thus enhancing television's effectiveness as a means for product advertisement. There has also been a substantial increase in prime time (21:00-23:59) viewer ratings.

PERCENTAGE OF AVERAGE MINUTE TOTAL BROADCASTING RATING (FULL DAY)

2004	14.7%
2005	14.8%

PERCENTAGE OF AVERAGE MINUTE TOTAL BROADCASTING RATING (PRIME TIME 21:00-23:59)

2004	14.3%
2005	14.6%

The Marketing policies pursued by television stations created the appropriate conditions for the advertisement of a growing number of products. The strengthening of TV's position in the advertising field is illustrated by the following table, which presents the increase of TV commercials, in comparison to advertisements appearing in other Media.

NUMBER OF MESSAGES

	Television	Change (%)	Magazines	Change (%)	Newspapers	Change (%)	Radio	Change (%)
2004	1,266,259	1%	145,619	8%	122,270	2%	963,322	13%
2005	1,346,369	6%	147,016	1%	129,338	5%	984,819	2%

7.2 Competition –Prospects

Ten (10) nation-wide private television stations operate in Greece. In addition, there are more than 100 regional or local TV stations, which, due to the nature of their activities, do not affect as a whole the distribution of the overall advertising expenditure, since their viewer rates are very low. Overall TV viewing is concentrated among five (5) private (MEGA Channel, ANTENNA TV, STAR, ALPHA, ALTER) and two (2) state stations (ET1 and NET), whose cumulative TV ratings share amounts to 87.1%.

Competition among these seven television stations is focused both on their daily viewer ratings (during both overall broadcasting time and prime time), and the portion of the total advertising expenditure they absorb. In 2005, the two largest channels, MEGA and ANTENNA, shared the first and the second place in TV ratings (with 18.5% and 19.4% respectively). ALPHA occupied the third (14.2%), STAR the fourth place (11.5%) and ALTER the fifth (10.2%) place. In prime time ratings (21:00-23:59), the share of MEGA was 20.5% versus 20.8% of ANTENNA, 12.7% of ALPHA, 11.1% of STAR and 7.7% of ALTER. In terms of television advertising expenditure shares, during 2005 MEGA has sustained a share of 30.3%, while ANTENNA sustained 29.7%. The average market shares of the remaining TV stations ranged at lower levels during the past five years: STAR (13.1%), ALPHA (14.2%), ALTER (9.1%), ET1 and NET (3.6%).

It is expected that competition among the major TV stations will continue to be intense in the television market. Apart from the above competitors, which come from the television field, the Company is also competing for advertising expenditure with other Media, such as newspapers, radio and magazines, while it expects further competition in the future from cable TV.

The prospects of Greek television stations are auspicious, given that television advertising expenditure is expected to continue to grow faster than in other European countries. Since 1989, the first year of private television in Greece, advertising expenditure has grown by an average rate of 26%. Moreover, as a percentage of total advertising expenditure in Greece, television advertisement expenditure is much higher (43%) than in other European countries.

7.3 The Company's Position in the Industry

MEGA occupies a dominant position in the advertising market, since it provides very high returns on advertising investments, along with a widely acceptable environment for TV commercials. Specifically:

The steady growth of MEGA's share in the television advertisement market bears proof of its dominant position in the industry. The following table presents the portion of advertising expenditure absorbed by MEGA, as well as the other TV channels, during the period 2004-2005:

	2004		2005	
	Amount (in thousand €)	%	Amount (in thousand €)	%
MEGA	224,296	29.15%	236,986	30.30%
ANT1	234,203	30.44%	232,495	29.70%
STAR	103,950	13.51%	102,219	13.10%
ALPHA	95,230	12.38%	110,895	14.20%
ALTER	73,718	9.58%	71,206	9.10%
ET1+ NET	35,494	4.62%	28,187	3.60%
Other	2,583	0.34%	578	0.07%
TOTAL	769,474	100%	782,566	100%

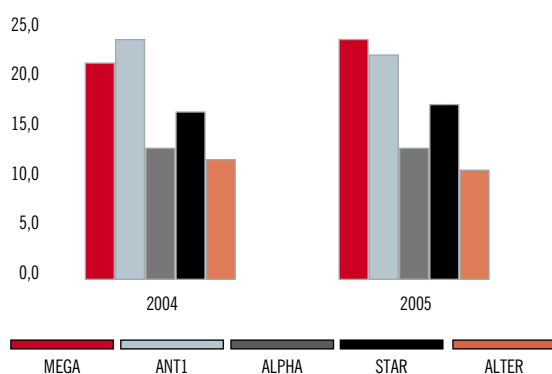
Source: Media Services

Apart from the preference of the advertising market, MEGA has also captured a dominant position in TV ratings, especially during prime time (21:00-23:59), in all dynamic audiences (adults aged 15-24 and 25-44), which constitute the target groups of more than 90% of all advertised products.

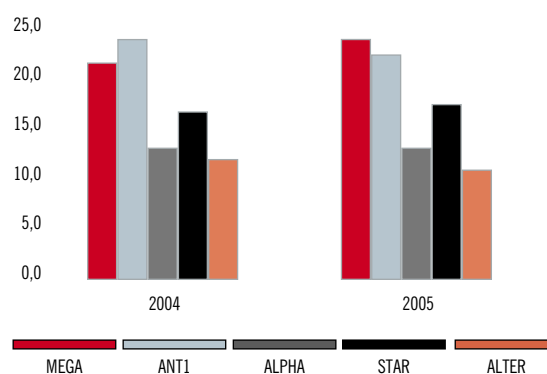
The dominant position occupied by MEGA in 2004 and 2005, in regard to the most dynamic commercially audience between the ages of 15 and 44 years, as well as during prime time, is evident in the following charts:

Furthermore, MEGA is preferred by viewer groups of high and medium education. On the other hand, ANTENNA and ALPHA are preferred by lower and average educational groups.

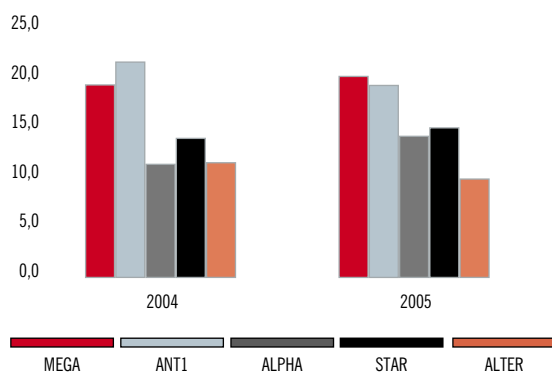
POPULATION 15-24 FULL DAY



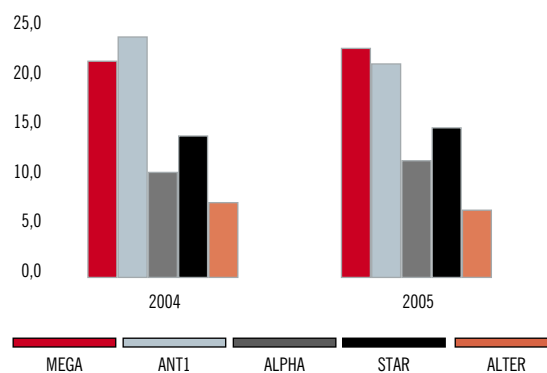
POPULATION 15-24 PRIME TIME (21.00-23.59)



POPULATION 25-44 FULL DAY



POPULATION 25-44 PRIME TIME (21.00-23.59)



Source: AGB Hellas

The following factors have led to MEGA's leadership in advertising expenditure and dynamic audience (aged 15-44, of high and medium education) ratings:

- The creation of programmes covering the entire range of viewers, emphasizing on the quality production of series, and the original humor of comedies and on innovative game shows;

- News broadcasts that aim at providing viewers with complete information, avoiding scandal mongering and the violation of privacy;
- The exclusive co-operation agreement with Columbia (COLGEMS) that ensures the broadcasting of the best and most commercial motion pictures from American studios that are broadcasted for the first time on TV;
- The uninterrupted, since 1994, exclusive broadcasting of the Champions League matches, the most important soccer club tournament in the world; an exclusive agreement that has already been renewed till 2006;
- The rational pricing policy pursued by MEGA, which renders it the most effective medium for the proper advertisement and communication of products;
- The fact that all quality surveys indicate MEGA, as the channel with most positive image in regard to reliability, seriousness, pluralism, programme quality, information, entertainment and associates.

MEGA's dominance renders it the ideal vehicle for the prestige campaigns of advertised products.

MEGA's consistent and reliable commercial policy, in conjunction with its excellent relations with all advertising agencies and all advertisers, as well as their bodies, the Union of Greek Advertising Agencies and the Union of Greek Advertisers, has established it as an invaluable associate, which is always by its customers' side, and whose main concern is to find solutions in order to achieve their communication targets.

Financial Results

8.1 Progress of Operations – Results

The results of the Company for the fiscal years 2004-2005 are presented below:

FINANCIAL RESULTS (I.F.R.S.)	2004	2005
(in thousand euro)		
Turnover (Sales) from:		
Sales of Advertising Time	120,249	133,975
Sales of Royalties & TV Series	920	2,247
Total Turnover	121,169	136,222
Cost of Sales before Depreciation and Amortization	-51,504	-49,666
Other Operating Income	6,876	6,203
Gross Results (Earnings) before Depreciation and Amortization	76,541	92,759
% of Turnover	63.2%	68.1%
Administrative & Distribution Expenses	-10,222	-10,804
Operating Results (Profit) before Depreciation and Amortization	66,319	81,955
% of Turnover	54.7%	60.2%
Extraordinary & Non-Operating Results	6,103	-2,060
Earnings before Interest, Taxes, Depreciations and Amortization	72,422	79,895
% of Turnover	59.8%	58.7%
Interest Income, Expenses & Related Expenses	-4,338	-4,805
Earnings before Taxes, Depreciation and Amortization	68,084	75,090
% of Turnover	56.2%	55.1%
Total Earnings before Taxes	10,391	6,156
% of Turnover	8.6%	4.5%
Earnings after Taxes	7,520	3,695
% of Turnover	6.2%	2.7%

ANNUAL GROWTH RATE	2005
Turnover	12.4%
Cost of Sales before Depreciation and Amortization	-3.6%
Earnings before Depreciation and Amortization	21.2%
Administrative - Distribution Cost before Depreciation and Amortization	5.7%
Operating Profit before Depreciation and Amortization	23.6%
Earnings before Interest, Taxes, Depreciation and Amortization	10.3%
Earnings before Taxes, Depreciation and Amortization	3.7%
Earnings before Taxes	-40.8%
Earnings after Taxes	-50.9%

RETURN AND EFFICIENCY RATIOS	2004	2005
Sales/Total Equity	144.2%	162.5%
Earnings before Taxes, Depreciation and Amortization / Total Equity	81.0%	89.6%
Earnings before Taxes / Total Equity	12.4%	7.3%
Earnings after Taxes / Total Equity	8.9%	4.4%

Short-term Solvency

Liquidity (Current Assets / Short-term Liabilities)	1.00	0.82
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Leverage

Total Debt / Total Equity	1.63	1.69
Bank Debt / Total Equity	0.67	0.64

DATA PER SHARE (in euro)	2004	2005
Number of Shares	31,237,500	31,237,500
Earnings before Taxes, Depreciation and Amortization	2.18	2.40
Earnings before Taxes	0.33	0.20
Earnings after Taxes	0.24	0.12
Dividend	0.12	0.13
Book Value of Share	2.69	2.68
Share Market Price (average price of December)	4.10	3.83
Share Market Price (average price of December) / Book Value	1.52	1.43

The calculation of the Operating Result does not include depreciation and amortization charged in the Cost of Sales, the Administrative Expenses, and the Distribution Expenses.

The main fundamentals of the Company are analyzed below:

TURNOVER	2004	2005
Turnover Analysis (in thousand euro)		
Sales of Advertising Time	120,249	133,975
Income from Motion Picture & TV Rights	135	1,498
Sales of Rights Abroad	189	12
Income from the Exploitation of Studios & TV Programmes	596	737
Total	121,169	136,222
Change %		12.4%

In 2005, total turnover amounted to € 136.2 million, posting an increase of 12.4%. This increase was due to the increase in the company's market share (by 1.2%) and to the total increase (by 1.7%) in total television advertising expenditure compared to 2004.

The sales of royalties abroad concern mainly the sale of royalties to Cyprus.

Cost of Sales (before depreciation)

The Company's cost of sales (excluding depreciation) for the fiscal years 2004-2005 is analyzed as follows:

Analysis of Cost of Sales	2004	2005
(in thousand euro)		
Programme purchased for limited broadcasts (Foreign & Greek)	16,915	15,592
Technical Operation Costs & News Bulletin Costs before Depreciation and Amortization	30,854	30,743
Broadcasting Licence Fees	2,251	1,527
Greek Copyright Protection Society (AEPI)	1,233	1,374
"DIONYSOS" Royalties	251	430
Total before Depreciation and Amortization	51,504	49,666
Change %		-3.6%

The programme cost for limited broadcasts decreased in 2005 by 7.8% compared to 2004.

The cost of the foreign and Greek purchased programme concerns rights for limited broadcasts of movies, TV series and children's programmes, acquired by the major international (COLGEMS, VILLAGE, ODEON) and Greek (Karayiannis-Karatzopoulos, Finos) production firms. In case the relevant agreement provides for consecutive broadcasting rights, then part of the cost of the broadcasted programme is transferred to Deferred Expenses (in a proportion that is justified by the description of the right in the corresponding agreement). That is to say, the expense is booked as an expense in the accounting period the actual broadcasting has occurred.

Technical costs and news costs have decreased by 0.36% compared to 2004.

The cost of sales for the fiscal year 2005 also includes:

- A.** An amount of € 1,527 thousand, which concerns Compensation for Frequency Use in favor of the Greek State, in accordance to article 1, par. 21 Law 2328/95.
- B.** The total payment to the Greek State (fully paid up and registered in the company's accounts) against Broadcasting License Fees for the period 1995-2005, amounts to €18.5 million, from which €14.6 is fully paid up.
- C.** An amount of € 1,374 thousand, which concerns royalty fees paid to AEPI (Greek Copyright Protection Society) for the granting of licenses for any use and exploitation of the musical repertoire represented by the latter. The annual charge for the Company is approximately 1% on its annual turnover;
- D.** An amount of € 430 thousand, which concerns payments to "Dionysos-Organization for the Collective Management of Greek Actor Royalties Ltd." concerning royalty fees of Greek actors and dancers, which are privy royalty beneficiaries.

In cases (B) and (C) concerning the copyright and privy royalties of Law 2121/93 (AEPI – Dionysos), there has been a contractual settlement and there is provision for resignation from the relevant pleadings.

Thus, the total cost of sales before depreciation and amortization for the year 2005 has been decreased by € 1,838 thousand (3.6%) compared to 2004.

Other Operating Income

Other Operating Income mainly consists of income realized by the Company from long distance sale commissions and from the provision of technical services.

Other Operating Income	2004	2005
(in thousand euro)		
Income from remote sale commissions	971	1,310
Subsidies (OAED etc.)	50	43
Income from provision of technical services	5,855	4,850
Total	6,876	6,203
Change %		-9.8%

Gross Profit (before depreciation and amortization)

The Company's gross profit increased from € 76.5 million in 2004 to € 92.75 million in 2005, and as a percentage of turnover from 63.2% in 2004 to 68.1% in 2005.

Operating expenses (before depreciation and amortization)

The Company's operating expenses consist of Administrative expenses, i.e., the operating costs and the payroll of the administrative services, and Distribution expenses, i.e. sales and marketing expenses, promotion and advertisement expenses, as well as customer rebates.

Moreover, Operating expenses include costs that, according to Law 2238/91 art. 13 par 2, may not be supported by any documentation, apart from the legal receipt documents. Such costs do not exceed 0.5% of the Company's advertisement expenses.

Operating expenses for the fiscal years 2004-2005, are analyzed as follows:

Operating Expenses (Administrative & Distribution)	2004	2005
(in thousand euro)		
Employee Compensation and Expenses	5,032	5,711
Third Party Expenses, Taxes and Dues, Sundry Expenses	5,190	5,093
Total before Depreciation and Amortization	10,222	10,804
Change %		5.7%

Operating expenses for fiscal year 2005 increased by 5.7%.

Operating Result

The Company's Operating Result increased by 50.9% compared to 2004 and reached approximately € 13 million, while it also improved in terms of a percentage of turnover (from 7% in 2004 to 10% in 2005).

Extraordinary Results

In 2005, the company's extraordinary results increased to € 2,179 thousand from € 1,579 thousand in 2004. The following table presents the analysis of the accounts Extraordinary and Non-operating Income and Expenses for the period 2004-2005:

Extraordinary Results	2004	2005
(in thousand euro)		
A. Extraordinary & Non-Operating Income		
Foreign exchange credit differences	391	19
Other extraordinary income	5,855	57
Extraordinary profit from sales of fixed assets	31	19
Prior years' income	1,405	24
Total	7,682	119
B. Extraordinary & Non-Operating Expenses		
Foreign exchange differences due to foreign suppliers	556	932
Other expenses & losses	39	148
Extraordinary losses from sale-impairment-loss of fixed assets	13	6
Prior years' expenses - Telecommunication Circuits & Others	722	562
Prior years' expenses - Payments of royalty fees	80	161
Provisions for extraordinary contingencies	169	370
Total	1,579	2,179

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

The Company's EBITDA reached € 79.9 million in 2005 compared to € 72.4 million in 2004. EBITDA as a percentage of turnover decreased to 58.7% in 2005 compared to 59.8% in 2004.

Interest Expenses and Related Expenses

The following table presents an analysis of interest expenses and related expenses for the period 2004-2005:

Analysis of Interest Expenses & Related Expenses	2004	2005
(in thousand euro)		
Interest on Long-term loan	1,676	2,085
Interest on Short-term loan	2,473	2,573
Other financial expenses	191	155
Total	4,340	4,813

The Company's interest expenses amount approximately to an average 3.5% of total turnover.

Interest Income and Related Income

Similarly, the Company's financial income for 2004 and 2005 is presented in detail in the following table:

Interest Income & Related Income	2004	2005
(in thousand euro)		
Interest on bank deposits in domestic banks	1	3
Interest on foreign currency deposits in banks	-	1
Other financial income	1	4
Total	2	8

Depreciation and Amortization

A) Amortization of Intangible Assets (MEGA self-owned programmes).

Until fiscal year 1998, the Company (in the absence of any law governing television programmes) depreciated 50% of the value of TV programmes within the same accounting period these were broadcasted, and amortized the remainder within the next 5 periods, at an annual rate of 10%. After the implementation of P.D. 100/5.5.98 for the fiscal year 1998 and onwards, the Company used the new amortization rates provided for by the law. More specifically, television programmes are amortized within 5 years, at an annual rate of 20%.

Sports programmes, news bulletins, as well as daily shows that are broadcasted from Monday to Friday and from 6:30 to 13:00, i.e. programmes that cannot be rebroadcasted in subsequent accounting periods, are amortized within the month they are broadcasted.

The following table presents the allocation of depreciation and amortization in the Cost of sales and the Operating Expenses for the period 2004-2005:

Allocation of Depreciation and Amortization (in thousand euro)	2004	2005
Cost of Sales	57,601	68,873
Administrative Expenses	74	56
Distribution Expenses	18	5
Total	57,693	68,934
Change %		19.5%

B) Establishment Expenses and Tangible Assets Depreciation

The following table presents the way the Company's Establishment Expenses and Tangible Assets are depreciated:

Depreciation Rate	%
Improvements in third party property	8 – 20
Machinery and facilities	5 – 15
Furniture and devices	5 – 30
Vehicles	15 – 30
Computers and software	100

In accordance with article 11, par. 5 of PD 100/1998, the company depreciates the entire (100%) amount paid for computers and software during the fiscal year.

Earnings before Taxes

Earnings before Taxes for 2005 amounted to € 6.2 million. Earnings of 2004 include the amount of € 5.8 million, which corresponds to a gain from the sale of 7% participation in "Multichoice Hellas S.A.". The 2004 fiscal year earnings, excluding the profit from the above sale, would amount to € 4.5 million. Consequently, the earnings before taxes for 2005 appear increased by 35.7%.

8.2 Distribution of Earnings before Depreciation and Amortization

The distribution of the Company's Earnings before Depreciation and Amortization for fiscal years 2004-2005 is presented in detail in the following table:

	2004	2005	Total 2004-2005
Earnings before Taxes, Depreciation and Amortization	68,084	75,090	143,174
Balance of Profit Brought Forward	1,684	1,605	3,289
Prior years' tax audit differences		-249	-249
Total	69,768	76,446	146,214
Distributed as follows:			
Depreciation and Amortization	57,693	68,934	126,627
Statutory Reserve	358	237	595
Income Tax	2,886	2,387	5,273
Other Taxes	33	3	36
Deferred Taxes	-48	-178	-226
Dividends	3,749	4,061	7,810
Reserves from Taxed Preferred Items	3,468	-	3,468
Distribution to Personnel	0	350	350
BoD Remuneration	24	24	48
Balance of Profit Carried Forward	1,605	628	2,233
Total	69,768	76,446	146,214

88.4% of total earnings before depreciation and amortization and taxes for the period 2004-2005 corresponds to depreciation and amortization, while 5.5% of these total earnings has been distributed to the shareholders in the form of dividends. Moreover, 3.7% of these earnings has been allocated to taxes, while 0.2% has been distributed to the Company's personnel. The remaining (2.15%) was used for the enhancement of the Company's capital.

8.3 Financial Statement Analysis

The following table presents the Company's fundamentals for the period 2004-2005:

Balance Sheets of December 31st	2004	2005
ASSETS		
Fixed Assets		
Intangible Assets		
Acquisition Cost	496,147	577,818
Amortization	-375,634	-441,841
Net Book Value of Intangible Assets	120,513	135,977
Tangible Assets		
Acquisition Cost	36,377	38,605
Depreciation	-25,142	-27,241
Net Book Value of Tangible Assets	11,235	11,364
Investments in Associated Companies	1,447	1,447
Other Long-term Receivables	425	444
Total Fixed Assets	133,620	149,232
Current Assets		
Inventories	343	323
Receivables		
Customer Trade Receivables	34,379	31,597
Post Dated Cheques	706	1,159
Doubtful Customers & Debtors	0	283
Other Debtors	15,182	10,647
Securities on Hand	69	29
Cash & Cash Equivalents	2,401	1,910
Prepayments & Prepaid Expenses	39,485	36,091
Total Current Assets	92,564	82,039
TOTAL ASSETS	226,184	231,271

TOTAL EQUITY & LIABILITIES	2004	2005
Total Equity		
Share Capital	31,238	31,238
Share Premium	35,031	35,031
Revaluation Differences	1,489	1,489
Reserves	10,917	11,360
Results carried forward on December 31st	5,354	4,689
Total Equity	84,029	83,807
Provisions for Contingencies & Expenses	4,858	5,461
Liabilities		
Long-term Liabilities		
Long-term Bank Loans	44,375	41,503
Other Long-term Liabilities	4	4
Total	44,379	41,507
Short-term Liabilities		
Trade Payables	62,907	72,057
Post Dated Cheques	4,741	2,964
Banks - Short-term Borrowings	6,316	3,984
Advances by Customer	2,084	546
Taxes and Duties	4,524	3,508
Social Security Funds	963	990
Long-term Liabilities Payable in the next fiscal year	5,625	7,875
Dividends	535	509
Other Creditors	1,486	2,788
Accruals	3,737	5,275
Total	92,918	100,496
Total Liabilities	137,297	142,003
TOTAL EQUITY & LIABILITIES	226,184	231,271

TOTAL ASSETS

Intangible Assets (programme)

Intangible Assets, valued at acquisition cost, consist of the company self-owned programme for which the Company has acquired the exclusive rights of production, future exploitation, sale, lease etc. The self-owned Greek programme is always evaluated at book value, no matter if it is purchased, or produced in-house. In case of purchase, the acquisition cost is equal to the price of the purchase invoice, while in the case of in-house production, the cost comprises the total production cost (individual expenses, costs, and fees). In its effort to retain its dominant position within a rather competitive environment, and to enrich its movie library, the Company is constantly renewing its TV programme. As a result, the Company's investment in programmes for the three-year period 2003-2005 amounted to approximately € 214 million. Intangible Assets do not include foreign programmes, the cost of the News Programmes and leased Greek films, which are rented and are included in the fiscal year they are broadcasted. The cost of the aforementioned leased programmes is included in Deferred Expenses, when the programme has been paid but not yet broadcasted, while it is included in Memo Accounts, and appears as a liability towards Suppliers when it has been broadcasted but not yet paid.

Tangible Assets

The Company's Total Tangible Assets (net book value) amounted in 2005 to approximately € 11.3 million. Of this amount, 42.2% concerns fields, lots, 32.8% mechanical equipment and technical facilities, 13.4% furniture and other IT equipment, and 8.6% technical works and buildings of third parties.

The following table describes in detail the course of the book value of the Company's fixed assets during the fiscal years 2004-2005:

GROWTH OF FIXED ASSET BOOK VALUE FOR FISCAL YEARS 2004-2005

	Net Book Value 01.01.04	Revaluation	Additions 01.01.04- 31.12.05	Disposals - Losses 2004- 2005	Depreciation - Amortization 01.01.04- 31.12.05	Net Book Value 31.12.05
(in thousand euro)						
Intangible Assets (Programmes and Film Rights - Licence Trademark)						
Programmes	100,613		149,420		-121,169	128,864
Licence Trademark			385		-269	116
Own Production in progress			6,996			6,996
Total Intangible Assets	100,613		156,801		-121,438	135,976
Tangible (Fixed) Assets						
Land	3,310	1,489				4,799
Technical Works in Third Party Buildings	904		604	-37	-491	980
Mechanical Equipment & Technical Facilities	4,009		1,877	-269	-1,893	3,724
Vehicles	234		265	-59	-99	341
Furniture and other (IT) equipment	1,551		2,584	-539	-2,076	1,520
Total Tangible Assets	10,008	1,489	5,330	-904	-4,559	11,364

There is no collateral, mortgages or other encumbrances on the Company's fixed assets. On 31.12.2005 the Company had provided the following guarantees:

- Bank Letters of Guarantee for the coverage of liabilities towards foreign programme suppliers, of € 3.28 million
- Bank Letters of Guarantee for the coverage of liabilities towards sports programme suppliers, of € 3.84 million.

Investments in Associated Companies

In September 2004, Teletypos S.A. sold a percentage of 7% of the share capital of "Multichoice Hellas S.A.". Within 2005, the receivable was realized.

	2004	2005
(in thousand euro)		
Investments in Teletypos Cyprus Ltd.	1,008	1,008
Investments in "Informational & Cultural Company - Logos"	439	439
PPC Guarantees	14	16
Guarantees of Rents and Maintenance Expenses	323	331
Associated Press & Unitel Guarantees	58	58
Other long-term Receivables	30	39
Total Investments in Associated Companies and other Long-term Receivables	1,872	1,891

In 2000, the Company formed Teletypos Cyprus Limited, a 100% subsidiary. The latter company will be activated mainly in the purchase and sale of programmes, know-how etc. in the markets of Cyprus and the Middle East.

According to the Balance Sheet of subsidiary company Teletypos Cyprus Ltd, of 31.12.2005, revenues amounted to € 4.2 million and earnings before taxes to € 932 thousand.

The company also has a 25% stake in the Cypriot company "Informational and Cultural Company LOGOS".

Participation in the above company, which holds a license for the operation of a Cypriot-wide TV broadcasting station and broadcasts under the Mega brand, concerns only its TV-related activities.

Current Assets

Current Assets amount to € 82 million, from which 44% concerns programme royalty inventories and 39.9% concerns customer balances. In 2005, customer receivables amounted to € 31.6 million, while total checks receivable to € 1.1 thousand.

Other Debtors amount to approximately € 10.6 million and include a VAT debit balance of € 1.8 million, tax settlement for 2003 of € 1.7 million, tax prepayment for 2005 of € 1.9 million and € 0.1 million for other taxes, as well as other debtors.

Securities on hand refer to 19,564 shares of Hellenic Exchanges SA, 13,000 of which have been purchased at € 3.43 per share, and the remaining 6,564 at € 3.75 per share. The evaluation was based on the acquisition cost. The market value of the share on 31.12.2005 was € 8.96.

During 2005 and according to the decision of its Ordinary General Shareholders' Assembly on April 25th 2005, the company HELLENIC EXCHANGES S.A. decided on the Decrease of its Share Capital by € 145,730,754.65, aiming at a cash payment to shareholders of € 2.05 per share and the dividend distribution of € 0.20 per share. The share capital decrease took place with a respective decrease of the share's nominal value from € 5.05 to € 3.

Prepayments and Prepaid Expenses mostly concern prepaid expenses, which consist of rights for TV programmes (mostly from overseas houses) that will be broadcasted in the next fiscal years. In 2005, the expenditure for television programme rights amounted to € 35.7 million, while total Prepayments and Accrued Expenses to € 36 million. The remaining € 0.3 million, concerns various expenses.

TOTAL EQUITY & LIABILITIES

The Share Capital of TELETYPOS SA amounts to € 31,237.5 thousand and is divided in 31,237,500 common registered shares with a nominal value of € 1 each.

The following table presents a detailed analysis of Reserves and their growth during the period 2004-2005:

Analysis of Reserves (in thousand euro)	2004	2005
Statutory Reserve	3,352	3,589
Special Reserves	140	140
Extraordinary Reserve 1991-1994	5,129	5,129
Tax Free and Taxed at Source Reserves	2,296	2,502
	10,917	11,360

Reserves

According to Law 2190/1920, the Company transfers 5% of its annual net earnings to the Statutory Reserve, until this reserve becomes equal to one third (1/3) of its paid up share capital. The Statutory Reserve of € 3.6 million, is equivalent to almost 5% of the net earnings for the fiscal years from 1990 up to 2005. Tax Free and Taxed at Source Reserves, amounting to € 2.5 million, concern part of the profits from the sale of "Multichoice Hellas S.A." shares.

Special Reserves concern the dividends for the fiscal years 1995, 1996, and 1997 that correspond to the 1,117,630 own shares acquired by the Company in 1995 and 1996, according to the provisions of paragraphs 5-14 of article 16 of Law 2190/1920.

Long Term Liabilities

Long Term Liabilities mainly pertain to a bond loan of € 45,000,000 that the company received on 25.05.2004. The sole purpose of the loan, was the restructuring of short term loan liabilities. It is an unsecured loan, with a floating interest rate, based on the 3-month Euribor plus a 1.55% margin.

The remaining balance will be repaid in 4 installments as follows: € 7.9 million on 06.06.2006, € 9.0 million on 06.06.2007, € 9.0 million on 06.06.2008 and € 13.5 million on 06.06.2009.

The banks that participate in the bond loan, which was arranged and led by Alpha Bank, are the following:

(amounts in euro)	Total Bond Loan	Payments	Short-term	Long-term
Alpha Bank	11,900,000	1,487,500	2,087,500	8,325,000
Bank of Piraeus	10,000,000	1,250,000	1,750,000	7,000,000
Commercial Bank of Greece	7,000,000	875,000	1,225,000	4,900,000
National Bank of Greece	3,000,000	375,000	525,000	2,100,000
Egnatia Bank	3,000,000	375,000	525,000	2,100,000
Geniki Bank	2,300,000	287,500	400,000	1,612,500
Aspis Bank	2,000,000	250,000	350,000	1,400,000
Laiki Bank	2,000,000	250,000	350,000	1,400,000
EFG Telesis Finance	2,000,000	250,000	350,000	1,400,000
Bank of Attica	1,800,000	225,000	312,500	1,262,500
	45,000,000	5,625,000	7,875,000	31,500,000

Other short-term liabilities

Piraeus Bank Loan Maturing on 30.07.07	5,000,000
Alpha Bank Loan Maturing on 30.07.07	5,002,385
Total Long-term Liabilities	41,502,385

Short-Term Liabilities

Short-term liabilities amount to € 100.5 million, of which 74.7% concerns the trade payable account and 11.8% concerns short-term borrowings. Short-term borrowings include € 7.8 million referring to long-term liabilities payable in the next period. The following table presents an analysis of trade payables for the years 2004-2005.

Trade Payables and Post Dated Cheques

	2004	2005
(in thousand euro)		
Domestic Trade Payables	49,522	59,910
Foreign Trade Payables	13,385	12,147
Post-Dated Cheques	4,741	2,964
	67,648	75,021

The total balance of Short Term borrowings that amounted to € 4 million on 31.12.2005, concerns an open current account, and is analyzed as follows:

	Short-term Credit Limit	Amount Withdrawn
Alpha Bank	16,000,000	330,535
National Bank of Greece	12,000,000	958
Commercial Bank of Greece	12,000,000	76,912
Bank of Piraeus	10,000,000	0
NovaBank	4,500,000	3,546,936
EFG Eurobank	3,000,000	0
Aspis Bank	3,000,000	0
Egnatia Bank	3,000,000	29,250
Bank of Attica	2,200,000	0
	65,700,000	3,984,591

It is noted that the credit lines extended by Banks to the Company, amount to a total of €65.7 million.

Liabilities from Taxes and Duties amount to € 3.5 million and consist of the income tax for the year 2005, €2.3 million and salaried services tax of €0.7 million.

The account Long Term Liabilities Payable in the Next Fiscal Year, amounting to €7.9 million, consists part of the bond loan of € 45 million received on 25.5.2004.

Memo Accounts

Memo Accounts include various kinds of information, analyzed as follows:

Memo Accounts (in thousand euro)	2004	2005
Third party materials	3	3
Mechanical Equipment rents - other	1	0
	4	3
Customer Letters of Guarantee	4,805	2,062
Letters of Guarantee for the Coverage of obligations towards foreign suppliers	6,296	7,139
Letters of Guarantee in favor of Associated Companies	1,409	0
Gratuitous loan agreements to secure the Company's claims	254	254
Debit Accounts of Guarantees and Collateral Securities	12,764	9,455
Unrealized value of programme from domestic suppliers	27,267	40,318
Value of foreign programme that has been received but not broadcasted	28,520	32,931
Foreign programme subject to be delivered	12,622	9,472
Debit Accounts of Guarantees and Collateral Securities	68,409	82,721
Other memo accounts	21,049	15,105
Total memo accounts	102,226	107,284

The following table presents the Company's basic financial ratios for fiscal years 2004 – 2005:

	2004	2005
Change (%)		
Turnover		12.4%
Gross Profit before Depreciation and Amortization		21.2%
Operating Results before Depreciation and Amortization		23.6%
Earnings before taxes		-40.8%
Earnings after taxes & BoD remuneration		-50.9%
Efficiency Ratios		
Return on Equity	8.9%	4.4%
Total Employed Capital	3.3%	1.6%
Short-term solvency (:1)		
Current Ratio (Current Assets/Short-Term liabilities)	1.00	0.82
Leverage (:1)		
Debt to Equity	1.63	1.69
Bank Lending to Equity	0.67	0.64
Interest Coverage		
Financial Expenses / Gross Profit	0.07	0.06
Financial Expenses / EBITDA	0.06	0.06

The debt ratios reflect the stability in the relation between financial expenses and gross profit and earnings before interest, taxes and depreciation and amortization for fiscal years 2004 – 2005.

8.4 Cash Flow Statement

	31/12/04	31/12/05
Cash flow from operating activities		
Profit before taxation	10,391,133	6,156,271
Adjustments for items not involving the movement of cash:		
Depreciation and amortisation	57,692,809	68,934,077
Provisions	579,304	603,031
(Profit) on disposal of fixed assets	(17,717)	(13,165)
Interest and similar charges	4,339,888	4,812,837
Operating profit before changes in working capital	72,985,417	80,493,051
Decrease in stock of spares and consumables	49,514	19,962
Decrease in stock of programme rights	1,430,157	3,394,255
Decrease/ (Increase) in debtors and others	(1,172,693)	6,992,185
Increase in payables	11,159,389	8,187,664
Minus: Interest and similar charges	(4,339,888)	(4,812,837)
Income tax paid	0	(3,504,711)
Total Cash inflows from Operating Activities	7,126,479	10,276,518
Net cash inflows from operating activities	80,111,896	90,769,569
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(77,196,208)	(84,514,007)
(Increase) in long term receivables	(37,715)	(18,612)
Decrease of investments and participations	797,300	0
Net cash flow from investing activities	(76,436,623)	(84,532,619)
Cash flows from financing activities		
(Decrease) / Increase in Long term borrowings	19,708,333	(2,872,615)
(Decrease) in short term loan	(19,819,302)	(81,032)
Dividends paid	(3,788,150)	(3,773,677)
Net cash outflows from financing activities	(3,899,119)	(6,727,324)
(Decrease) in net liquid funds	(223,846)	(490,374)
Cash and cash equivalents at beginning of the year	2,624,518	2,400,672
Cash and cash equivalents at year end	2,400,672	1,910,298

Long-term Objectives – Prospects

The Company's objective for 2006 is to reinforce its position in the television market sector. This objective can be achieved by:

- Fully informing TV viewers with valid and reliable news reports as well as with informational shows.
- Creating programmes which aim at covering the total range of TV viewers.
- Broadcasting foreign movies that are shown on television for the first time and enriching even further, the station's movie library, by investing in new television productions. During the last three years the station has invested an average amount of € 71.3 million annually in self-owned TV programme and will continue to invest in the Greek programme at the same pace. These investments will contribute to the success of the new satellite broadcasts in the USA and Canada, as well as in the Cypriot market.
- Re-broadcasting significant sport events.
- Maintaining a rational pricing policy.
- Maintaining its quality staff and partners. The Company intends to retain and enhance a journalistic team that is probably the best and most experienced than any other television station's, in order to retain its profile as the most informative, reliable station with the most competent associates, a fact that emanates from recent quality surveys.
- Improving its technological infrastructure. Teletypos S.A. has invested € 5.5 million in the past three years for the replacement and improvement of the electronic, mechanical and IT equipment, in order to remain the most state-of-the-art television station in Greece.
- By reassuring its financial status and increasing its advertising income. The robustness of the overall advertising industry is a precondition for the enhancement of the company's advertising income.

Dividend Policy

The dividend policy followed by the Company during the past two years is presented in the following table:

Dividend Policy (in thousand euro)	2004	2005
Earnings after Taxes	7,520	3,695
Earnings for Distribution	9,204	5,300
Total Dividends	3,749	4,061
% of Earnings for Distribution	40.7%	76.6%

In the coming fiscal years, the Company intends to pursue a dividend policy, according to which it will distribute to its shareholders a dividend that, as a percentage of earnings after-tax, will at least be equal to the 35% provided for by the law.

Appendix

Board of Director's Management Report for the 16th Company Year for the period January 1st to December 31st 2005

Dear Shareholders,

The Board of Directors of «TELETYPOS TELEVISION PROGRAMMES S.A.» has the honour to submit for your approval the Financial Statements of the 16th fiscal year, from January 1st to December 31st in accordance with the provisions of International Financial reporting Standards, as well as the relevant notes to the financial statements.

Review of the financial statements of the company for the fiscal year 2005 in accordance with International Accounting Standards.

Balance Sheet

The total current asset of the company at the end of 2005 amount to 82 million euro from 92.6 million euro in 2004. The 44% of the current assets refer to inventory for program rights and the 39.9% of them refer to trade receivables balances. Equity amount to 83.8 million euro from 84 million euro in 2004.

Short-term liabilities reached 100.5 million euro, 74.7% of which refer to suppliers and 11.8% to short-term loans. Short-term loans include 7.8 million euro referring to long-term liabilities payable within the next year.

Investments in television program, tangible assets and participations in associates for 2005 amount to 87.7 million euro from 77.3 million euro in 2004.

Income Statement

The financial results for 2005 reflect the upward trend of the company. Specifically, in 2005, the turnover of the parent company increased by 12.4% reaching 136.2 million euro from 121.2 million euro in 2004, as a result of the increase in the advertising market by 1.7% as well as the increase of the Teletypos S.A. market share by 1.2% to 30.3%.

The attempt to restrain the cost of sales and operating cost in 2005 resulted to a modest increase of the total cost. Specifically, the cost of sales increased by 8.6% in 118.5 million euro in 2005 from 109.1 million euro in 2004. As a result, the gross profit of the company increased by 26.1% compared to 2004 reaching 23.9 million euro in 2005.

Regarding the operating cost, the administration expenses increased by 8.2% in 6.9 million euro while the distribution expenses increased by 0.6% in 3.9 million euro.

Earnings before tax for 2005 reached 6.2 million euro. The earnings for 2004 include 5.8 million euro representing the goodwill from the sale of the 7% participation of Teletypos S.A. in Multichoice Hellas S.A. The earnings for 2004, excluding the aforementioned sale, were 4.5 million euro. Therefore, earnings before tax for 2005 were increased by 35.7%.

Finally, earnings after tax increased by 122.2% to 3.7 million euro, since the earnings after tax of 2004 excluding the profit from the sale of the participation in Multichoice Hellas S.A. were 1.7 million euro.

Review of the consolidated financial statements of the company for the fiscal year 2005 according to International Accounting Standards.

Balance Sheet

According to the 4th consolidated balance sheet with the 100% subsidiary Teletypos Cyprus LTD on 31.12.2005, the total current assets amount to 80.8 million euro from 89.9 million euro in 2004. Equity reached 115.6 million euro from 115 million euro in 2004, an increase of 0.5%. Short-term liabilities amount 99.7 million euro, 71.3% of which refer to suppliers and 11.9% to short-term loans. Short-term loans include 7.8 million euro that refer to long-term liabilities payable within the next year.

Income Statement

Consolidated turnover increased by 12.1% reaching 137.6 million euro from 122.8 million euro in 2004. Teletypos' s Cyprus LTD turnover comes exclusively from the selling of rights in local television channels. Consolidated earnings before tax amounted to 7 million euro. Consolidated earnings before tax for the year 2004, excluding the profit from the sale of the participation of Teletypos S.A. in Multichoice Hellas S.A. amounted to 5.5 million euro. Therefore, consolidated earnings before tax for the year 2005 were increased by 28.6%. Finally, consolidated earnings after tax amounted to 4.5 million euro increased by 78.2% compared to 2004 since the earnings after tax in 2004 excluding the profit from the sale of the participation in Multichoice Hellas S.A. amounted to 2.5 million euro.

Proposed dividend and distribution of profits

The Management proposes to the General Shareholders meeting the following:

- The distribution of 0.13 euro per share dividend. The total proposed dividend for 2005 increased by 0.8% from 2004, to 4.1 million euro.
- The distribution of profit of 350 thousand euro to the employees of the company.

Entrepreneurship Outlook

In 2005 Teletypos S.A. held a leading position in advertising market offering high advertising return. Specifically, the television market share of MEGA increased to 30.3% in 2005 from 29.1% in 2004, while the total advertising expenditure for the television increased by 1.7%. Along with the preference in advertising market, MEGA is also competitive in television broadcasting ratings. In 2005 the daily average television broadcasting ratings of MEGA increased to 18.5% from 16.9% in 2004. In prime time zone (21:00 – 24:00) and in all age groups (adults 15-24 and 25-44), the broadcasting ratings of MEGA reached 20.5% from 19.3% in 2004.

The goal of the company for 2006 is the strengthening of its position in the television market. This goal may be achieved:

- By providing to its audience consistent and reliable information news bulletins as well as current affair programmes.
- By investing in Greek productions so that it can maintain the range of its audience.
- By showing first run foreign movies and by enriching even further, the station's movie library.
- By showing important sports games.
- By retaining the consistency and reliability of its commercial policy.
- By retaining its competent associates.
- By remaining technologically complitent.
- By retaining its financial position and by increasing its advertising income.
- Prerequisite for the increase in advertising income is the robustness of the advertising market.

Accompanying Tables

The financial statements are reported in the following pages.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

BALANCE SHEET 31 DECEMBER 2005

(Expressed in Euro)

	31/12/2005	31/12/2004
FIXED ASSETS		
Intangible assets – Programme rights	135,976,486	120,512,552
Tangible assets	11,364,419	11,235,259
Investments in associates companies	1,446,914	1,446,914
Other financial assets	443,917	425,305
Total fixed assets	149,231,736	133,620,030
CURRENT ASSETS		
Inventories	322,573	342,536
Trade and other receivables	38,601,066	45,399,607
Receivable – affiliated company	3,758,700	3,758,700
Deferred taxes	1,355,647	1,177,422
Prepayments of programme rights	36,090,586	39,484,841
Cash and cash equivalents	1,910,298	2,400,672
Total current assets	82,038,870	92,563,778
Total assets	231,270,606	226,183,808
EQUITY AND LIABILITIES		
Share capital	31,237,500	31,237,500
Share premium	35,031,122	35,031,122
Reserves	12,849,236	12,406,233
Retained earnings	4,689,297	5,354,042
Net position	83,807,155	84,028,897
Long-term liabilities	46,967,522	49,237,106
CURRENT LIABILITIES		
Trade and other payables	88,636,339	80,977,182
Short term borrowings	3,984,591	6,315,623
Current portion of long-term borrowings	7,875,000	5,625,000
Total short term liabilities	100,495,930	92,917,805
Total equity and liabilities	231,270,607	226,183,808
Total bank debt	53,362	56,316
Current ratio	0.82	1.00
Debt ratio	63.7%	67.0%

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" INCOME STATEMENT ENDED 31 DECEMBER 2005

(Expressed in Euro)	01/01-31/12/05	01/01-31/12/04
Revenue (sales)	136,221,726	121,168,744
Cost of sales	(118,538,676)	(109,105,106)
Gross profit	17,683,050	12,063,638
Other operating income	6,203,088	6,876,827
Total gross operating profit	23,886,138	18,940,465
Distribution costs	(3,899,542)	(3,874,849)
Administrative expenses	(6,965,717)	(6,439,150)
Operating profit	13,020,879	8,626,466
Non operating income		
Interest received and receivable	8,613	2,123
Profit on disposal of fixed assets	18,861	30,597
Profit from sale of participations	0	5,854,800
Prior years' income	23,661	1,404,535
Other income	75,984	391,565
	127,119	7,683,620
Non operating expenses		
Interest and similar charges	(4,812,837)	(4,339,888)
Prior years' expenses	(723,312)	(801,230)
Extraordinary losses	(5,696)	(12,880)
Other expenses	(1,449,882)	(764,955)
	(6,991,727)	(5,918,953)
Profit for the year before taxation	6,156,271	10,391,133
Current year's income tax	(2,212,392)	(2,871,351)
Prior years' taxes	(249,225)	0
Profit for the year after tax	3,694,654	7,519,782
Earnings from previous years	1,605	1,685
Earnings for distribution	5,300	9,204
Earnings after tax per share euro	0.12	0.24
Proposed dividend per share euro	0.13	0.12

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEET OF TELETYPOS S.A. 31 DECEMBER, 2005

(Expressed in Euro)	31/12/2005	31/12/2004
FIXED ASSETS		
Intangible assets – Programme rights	135,976,486	120,512,552
Tangible assets	11,364,419	11,235,259
Investments in associated companies	33,699,096	33,699,096
Other financial assets	443,917	425,305
Total fixed assets	181,483,918	165,872,212
CURRENT ASSETS		
Inventories	322,573	342,536
Trade and other receivables	40,625,137	46,206,626
Deferred taxes	1,355,647	1,177,422
Prepayments of programme rights	36,090,586	39,484,841
Cash and cash equivalents	2,442,621	2,670,819
Total current assets	80,836,564	89,882,244
Total assets	262,320,482	255,754,456
EQUITY AND LIABILITIES		
Share capital	31,237,500	31,237,500
Share premium	35,031,122	35,031,122
Reserves	41,185,988	40,742,985
Retained earnings	8,152,236	7,989,641
Translation difference	48,125	56,995
Net position	115,654,971	115,058,243
Long term liabilities	46,967,522	49,237,106
CURRENT LIABILITIES		
Trade and other payables	87,838,399	79,518,484
Short term borrowings	3,984,591	6,315,623
Current portion of long term borrowings	7,875,000	5,625,000
Total short term liabilities	99,697,990	91,459,107
Total equity and liabilities	262,320,483	255,754,456

**TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" AND ITS SUBSIDIARY CONSOLIDATED INCOME STATEMENT
01 JANUARY - 31 DECEMBER, 2005**

(Expressed in Euro)	01/01- 31/12/2005	01/01-31/12/04
Revenue (sales)	137,607,216	122,779,363
Cost of sales	(11N667,066)	(109,571,838)
Gross profit	18,940,150	13,207,525
Other operating income	6,203,088	6,876,827
Total gross operating profit	25,143,238	20,084,352
Distribution costs	(3,899,541)	(3,874,849)
Administrative expenses	(7,182,078)	(6,599,774)
Operating profit	14,061,619	9,609,729
Non operating income		
Interest received and receivable	24,874	8,673
Profit on disposal of fixed assets	18,861	30,597
Profit from sale of participations	0	5,854,800
Prior years' income	23,661	1,404,535
Other income	75,984	391,565
	143,380	7,690,170
Non operating expenses		
Interest and similar charges	(4,826,181)	(4,353,988)
Prior years' expenses	(723,311)	(801,230)
Extraordinary expenses	(5,696)	(12,880)
Other expenses	(1,561,497)	(764,955)
	(7,116,685)	(5,933,053)
Profit for the year before tax	7,088,314	11,366,846
Current year	(2,317,095)	(2,972,785)
Prior years' deferred tax	(249,225)	
Profit for the year after tax	4,521,994	8,394,061
Earnings per share €	0.14	0.27
Proposed dividend per share €	0.13	0.12

FINANCIAL STATEMENTS

31st December, 2005

ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

C O N T E N T S

AUDITOR'S REPORT	66
INCOME STATEMENT	67
BALANCE SHEET	68
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	69
CASH FLOW STATEMENT	70
1. GENERAL INFORMATION	71
2. COMPLIANCE WITH IFRS (International Financial Reporting Standards)	72
3. GENERAL ACCOUNTING PRINCIPLES	72
3.1. Accounting convention	72
3.2. Investments in associated companies and affiliated companies	72
3.3. Foreign currency transactions and balances	72
3.4. Borrowing cost	73
3.5. Programme and film rights	73
3.5.1. Self-owned television programme	73
3.5.2. Licensed third parties' TV programmes	73
3.6. Depreciation and amortization	73
3.7. Taxation	74
3.8. Inventories (Spare parts and consumables)	74
3.9. Provisions	74
3.10. Revenue Recognition	74
3.11. Impairment of assets	75
3.12. Trade receivables	75
3.13. Investments	75
3.14. Cash and cash equivalents	75
3.15. Bank loans	75
3.16. Trade creditors	75
3.17. Use of derivative products and hedging of foreign exchange and interest rate risks	75
3.18. Patents and trademarks	75
3.19. Retirement benefits	75
4. NATURE OF ACTIVITIES	76
5. BUSINESS RISK MANAGEMENT	76
6. MANAGEMENT'S ASSUMPTIONS	77
7. DIVIDENDS	77

8. REVENUE	78
9. OPERATING EXPENSES	78
10. OTHER OPERATING INCOME	79
11. PRIOR YEARS' INCOME	79
12. PRIOR YEARS' EXPENSES	79
13. OTHER EXPENSES	79
14. TAXATION	80
15. PRIOR YEARS' TAXES	81
16. FIXED ASSETS – INTAGIBLE ASSETS	81
17. FIXED ASSETS – TANGIBLE ASSETS	82
18. INVESTMENTS – INVESTMENTS IN AFFILIATED AND ASSOCIATED COMPANIES	83
19. OTHER FINANCIAL ASSETS	84
20. TRADE AND OTHER RECEIVABLES	84
21. RECEIVABLES – AFFILIATED COMPANIES	85
22. DEFFERED TAXES	85
23. PREPAYMENT OF PROGRAMME RIGHTS	85
24. CASH AND CASH EQUIVALENT	86
25. SHARE CAPITAL	86
26. RESERVES	86
27. LONG TERM LIABILITIES	87
27.1. Debenture loans	87
27.2. Retirement indemnities as calculated by the actuarial company “Hewitt Associates S.A.”	88
28. TRADE AND OTHER PAYABLE	88
28.1. Dividends payable	89
28.2. Taxes and duties	89
28.3. Other creditors	89
28.4. Accruals	89
29. SHORT TERM BORROWINGS	90
30. ISSUED AND OUTSTANDING SHARES	90
31. EARNINGS PER SHARE	90
32. NET POSITION AND PROFIT RECONCILIATION BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS	91
33. CONTIGENCIES	92
34. FINANCIAL COMMITMENTS	92
35. COMPENSATION TO EXECUTIVES AND MANAGEMENT	92
36. TRANSACTIONS WITH AFFILIATED COMPANIES	92
37. EVENTS AFTER THE BALANCE SHEET DATE	93

**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE”**

We have audited the accompanying financial statements of the company TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL” as of 31 December, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements, based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes, examining on a sample basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used, significant estimates made by the management, the overall financial statements presentation, as well as the consistency of the Board of Director's report with the aforementioned financial statements. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the aforementioned financial statements present fairly in all material respects, the financial position of the company, the results of its operations and its cash flow for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) that have been adopted by the European Union and the Board of Director's report is consistent with the aforementioned financial statements.

Without qualifying our report, we draw your attention to note 33.1, of the financial statements, it is mentioned that the company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999. The tax authorities have not yet examined the years 2000 to 2005 and the result of such examination cannot be currently forecasted. As a result, no provision has been made of future tax examinations.

26th February, 2006

THE CERTIFIED PUBLIC ACCOUNTANT

DAMIANOS CONSTANTINOU
A.M. SOEL 11141

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" INCOME STATEMENT ENDED 31 DECEMBER 2005

(Expressed in Euro)	Notes	01/01-31/12/05	01/01-31/12/04
Revenue (sales)	8	136,221,726	121,168,744
Cost of sales	9	(118,538,676)	(109,105,106)
Gross profit		17,683,050	12,063,638
Other operating income	10	6,203,088	6,876,827
Total gross operating profit		23,886,138	18,940,465
Distribution costs	9	(3,899,542)	(3,874,849)
Administrative expenses	9	(6,965,717)	(6,439,150)
Operating profit		13,020,879	8,626,466
Non operating income			
Interest received and receivable		8,613	2,123
Profit on disposal of fixed assets		18,861	30,597
Profit from sale of participations		0	5,854,800
Prior years' income	11	23,661	1,404,535
Other income		75,984	391,565
		127,119	7,683,620
Non operating expenses			
Interest and similar charges	9	(4,812,837)	(4,339,888)
Prior years' expenses	12	(723,312)	(801,230)
Extraordinary losses		(5,696)	(12,880)
Other expenses	13	(1,449,882)	(764,955)
		(6,991,727)	(5,918,953)
Profit for the year before taxation		6,156,271.00	10,391,133.00
Current year's income tax	14	(2,212,392)	(2,871,351)
Prior years' taxes	15	(249,225)	0
Profit for the year after tax		3,694,654	7,519,782
Earnings per share (note 31) euro		0.12	0.24
Proposed dividend per share euro		0.13	0.12

Notes forming an integral part of the financial statements on pages 71 to 93.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

BALANCE SHEET 31 DECEMBER 2005

(Expressed in Euro)	Notes	31/12/2005	31/12/2004
FIXED ASSETS			
Intangible assets – Programme rights	16	135,976,486	120,512,552
Tangible assets	17	11,364,419	11,235,259
Investments in associates companies	18	1,446,914	1,446,914
Other financial assets	19	443,917	425,305
Total fixed assets		149,231,736	133,620,030
CURRENT ASSETS			
Inventories		322,573	342,536
Trade and other receivables	20	38,601,066	45,399,607
Receivable – affiliated company	21	3,758,700	3,758,700
Deferred taxes	22	1,355,647	1,177,422
Prepayments of programme rights	23	36,090,586	39,484,841
Cash and cash equivalents	24	1,910,298	2,400,672
Total current assets		82,038,870	92,563,778
Total assets		231,270,606	226,183,808
EQUITY AND LIABILITIES			
Share capital	25	31,237,500	31,237,500
Share premium	25	35,031,122	35,031,122
Reserves	26	12,849,236	12,406,233
Retained earnings		4,689,297	5,354,042
Net position		83,807,155	84,028,897
Long-term liabilities	27	46,967,522	49,237,106
CURRENT LIABILITIES			
Trade and other payables	28	88,636,339	80,977,182
Short term borrowings	29	3,984,591	6,315,623
Current portion of long-term borrowings	27.1	7,875,000	5,625,000
Total short term liabilities		100,495,930	92,917,805
Total equity and liabilities		231,270,607	226,183,808

Notes forming an integral part of the financial statements on pages 71 to 93.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 31 DECEMBER 2005**(Expressed in Euro)**

	Share capital	Share premium	Statutory reserve	Other reserves	Revaluation reserve	Profit for the year	Retained earnings	Total
Shareholders' equity 2004								
Balance 31st December, 2003	31,237,500	35,031,122	2,993,673	4,193,129	0	0	5,433,230	78,888,654
Approval of 2003 dividend by Annual General Meeting							-3,748,500	-3,748,500
Profit for the year after tax						7,519,782		7,519,782
Statutory reserves						-357,859		-357,859
Other reserves						-3,468,611		-3,468,611
BoD remuneration						-24,000		-24,000
Retained earnings 31/12/2003						1,684,730	-1,684,730	0
Proposed dividend for the year 2004						-3,748,500	3,748,500	0
Retained earnings 31/12/2004						-1,605,542	1,605,542	0
Revaluation of property L.2065					1,489,534			1,489,534
Adjustment affecting directly net position				-96,572				-96,572
Distribution of earnings for the year 2004			357,858	3,468,611				3,826,469
Net position 31/12/ 2004	31,237,500	35,031,122	3,351,531	7,565,168	1,489,534	0	5,354,042	84,028,897
Shareholders' equity 2005								
Balance 31st December, 2005	31,237,500	35,031,122	3,351,531	7,565,168	1,489,534	0	5,354,042	84,028,897
Approval of 2004 dividend by Annual General Meeting							-3,748,500	-3,748,500
Profit for the year after tax						3,694,654		3,694,654
Statutory reserves						-236,899		-236,899
Distribution of earnings to personnel						-350,000		-350,000
BoD remuneration						-24,000		-24,000
Retained earnings 31/12/2004						1,605,542	-1,605,542	0
Proposed dividend for 2005						-4,060,875	4,060,875	0
Retained earnings 31/12/2005						-628,422	628,422	0
Adjustment affecting directly net position				206,104				206,104
Distribution of earnings for the year 2005			236,899					236,899
Net position 31/12/ 2005	31,237,500	35,031,122	3,588,430	7,771,272	1,489,534	0	4,689,297	83,807,155

Notes forming an integral part of the financial statements on pages 71 to 93.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

CASH FLOWS STATEMENT 31 DECEMBER 2005

(Expressed in Euro)	31/12/05	31/12/04
Cash flow from operating activities		
Profit before taxation	6,156,271	10,391,133
Adjustments for items not involving the movement of cash:		
Depreciation and amortisation	68,934,077	57,692,809
Provisions	603,031	579,304
(Profit) on disposal of fixed assets	(13,165)	(17,717)
Interest and similar charges	4,812,837	4,339,888
Operating profit before changes in working capital	80,493,051	72,985,417
Decrease in stock of spares and consumables	19,962	49,514
Decrease in stock of programme rights	3,394,255	1,430,157
Decrease/ (Increase) in debtors and others	6,992,185	(1,172,693)
Increase in payables	8,187,664	11,159,389
Minus: Interest and similar charges	(4,812,837)	(4,339,888)
Income tax paid	(3,504,711)	0
Total Cash inFlows from Operating Activities	10,276,518	7,126,479
Net cash inflows from operating activities	90,769,569	80,111,896
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(84,514,007)	(77,196,208)
(Increase) in long term receivables	(18,612)	(37,715)
Decrease of investments and participations	0	797,300
Net cash flow from investing activities	(84,532,619)	(76,436,623)
Cash flows from financing activities		
(Decrease) / Increase in Long term borrowings	(2,872,615)	19,708,333
(Decrease) in short term loan	(81,032)	(19,819,302)
Dividends paid	(3,773,677)	(3,788,150)
Net cash outflows from financing activities	(6,727,324)	(3,899,119)
(Decrease) in net liquid funds	(490,374)	(223,846)
Cash and cash equivalents at beginning of the year	2,400,672	2,624,518
Cash and cash equivalents at year end	1,910,298	2,400,672

Notes forming an integral part of the financial statements on pages 71 to 93.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE"

Notes to the financial statements in accordance with IFRS

31 December, 2005 (Expressed in Euro)

1. General information

The company was incorporated in Athens, Greece in 1989, in accordance with Law 2190/1920 and with a life duration of 50 years. Its life duration can be expanded through the approval of the Shareholder's General Meeting. The company is listed in the Athens Stock Exchange.

The company operates the private broadcasting channel "MEGA" based on the 19229/1993 operating broadcasting licence. The duration of the broadcasting licence has been extended by Government law.

The company's main objectives are:

- the production and trading of television programmes,
- the installation and operating of television and radio stations throughout Greece,
- the establishment, installation, organisation and operation of studios for the production and marketing of television programmes and advertising clips.

The financial statements have been approved by the company's Board of Directors at 23/2/2006. The composition of the Board of Directors is as follows:

Christos Tegopoulos:	- Chairman
Elias Tsigas	- Managing Director
Christos Lambrakis	- Member
Yiorgos Bobolas	- Member
Yiorgos Prousanidis	- Non-executive member
Yiorgos Aidinis	- Non-executive member

2. Compliance with IFRS (International Financial Reporting Standards)

The attached financial statements have been prepared by the management of the company in accordance with International Financial Reporting Standards (IFRS) and with the corresponding interpretations that have been published from the International Accounting Standards Board (IASB) and from the International Financial Reporting Interpretation Committee (IFRIC) respectively, and have been adopted from the European Union.

The financial statements for the year 2005 are prepared for the first time in accordance with International Financial Reporting Standards (IFRS) and specifically with the adoption of IFRS 1 “First adoption of IFRS”.

Since the financial statements of the year 2004 have been prepared and published according to the Greek Accounting Standards, the accompanied statements for the year 2004 have been adjusted appropriately based on the assumption that the date of the adoption of IFRS is the 1st of January 2004. Net position and profit reconciliation between IFRS and Greek Accounting Standards is exhibited in note 32.

3. General Accounting Principles

3.1. Accounting convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of land, which has been done in 1992, 1996, 2000 and 2004 on the basis of the relevant legislation.

The resulting revaluation reserve is capitalised (except for the year 2004).

3.2. Investments in associated and affiliated companies

Investments in associated and affiliated companies are valued at acquisition costs plus any other relevant cost.

Affiliated companies are these in which the parent company holds a share of up to 49% without being able to exercise control or having a significant influence.

Provisions for impairments of the investment cost are made only when there is significant evidence of substantial impairment. Based on a model which calculates the fair value taking into consideration the practical aspect of each company. The non realized gains or losses that are due to changes in appropriate fair value are included in the shareholder's equity after taking account the taxation effect.

3.3. Foreign currency transactions and balances

a. Transactions in foreign currencies and presentation

The company's parent and consolidated accounts are presented in the country's currency in which the company operates. The consolidated accounts are presented in Euros.

b. Transactions and company's accounts

Transactions in foreign currencies are reflected at the rate prevailing at the time the transactions are recorded. All cash assets and liabilities in foreign currencies are expressed in Euro at the rates prevailing at the balance sheet date. Realised and unrealised exchange gains and losses are transferred to the income statement.

Non-monetary assets and liabilities with historical cost expressed in foreign currency are presented at the rate prevailing at acquisition date.

3.4. Borrowing Cost

Borrowing cost is related to the production or construction of assets and is capitalized in cases where there is a significant period until the moment they can be used in operations. Any corresponding income (financial income) is deducted from the relevant borrowing cost. Other borrowing costs are charged in the income statement.

3.5. Programmes and film rights

Programme and film rights refer to self-owned television programmes and third parties programme.

3.5.1. Self-owned television programmes

The cost of self-owned programmes is capitalised as intangible fixed assets (Programme and film rights) and is amortised as described in note 3.6.

3.5.2. License third parties' T.V. programmes

Licensed third parties television programmes are valued at their acquisition cost.

- The income statement is charged with the cost of the broadcasted programmes plus or minus any foreign exchange differences that arise upon settlement or valuation of the corresponding liability at the end of the year.
- The balance sheet depicts the following:
 - under liabilities, the amount due to the suppliers for the programmes invoiced and unsettled amounts due.
 - under prepayments the amounts invoiced for programmes not transmitted.
 - in case a contract provides for more than one transmission the income statement is charged by the proportion of transmissions to the number of transmissions allowed.

3.6. Depreciation and Amortization

Fixed assets

Equipment and vehicles of the parent company are presented at acquisition cost minus accumulated depreciation and impairment. Property is presented at revalued values minus depreciation according to the relevant legislation. Depreciation rates remain constant throughout the useful life of the assets. Land is not depreciated.

	%
Improvements on third party properties	8-20
Plant and machinery	5-15
Office equipment	5-30
Transportation means	15-30
Computer and software programmes	100

The values of plant and machinery are examined for a possible impairment in the case of events indicating such impairment. When such indications appear and the value is estimated to be lower than carrying amount, this value is revised.

In addition to the original accounting presentation of cost, land is presented at revalued amounts.

The revalued amount is defined according to relevant legislation. The excess amount of the revaluation is transferred to the account 'Revaluation Reserve' and is presented in the Balance Sheet as part of Equity.

Programme and film rights

Programme and film rights are amortised as follows according to the Greek legislation and subject to the management estimation about future benefits:

	%
First year of transmission	20
Thereafter (whether transmitted or not)	20

Programme and film rights include:

- acquisition cost of tele-series
- rights for production and broadcast of T.V. games
- cost of in-house production of programmes

Programmes that, according to management estimations can not be broadcasted for more than one year, are 100% amortized in the year of their broadcast.

3.7. Taxation

Income tax is calculated on taxable profits and according to the rate, which is in force (32% for the year 2005 and 35% for year 2004). Taxable profit differs from company's profit as reported in the income statement because it excludes items of income or expenses that are not taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax payable or receivable due to time differences in income taxation or in expense recognition for taxation purposes and is accounted for to the extent that it will be utilised in the future.

Deferred tax liability is recognized mainly for all short-term taxation differences and deferred tax asset is recognised to the extent that it is probably that future taxable profit will be available, and tax asset will be utilized against the resulting tax liability.

The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date and are reduced if it is necessary to the extent that it is no longer probable that taxable profits will be available to allow all or part of the asset or liability to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised.

Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

3.8. Inventories (Spare parts and Consumables)

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost of the successive balance. Net realisable value represents the estimated selling price less all estimated costs.

3.9. Provisions

Provisions are recognized when:

- There are present obligations (legal or constructive) as a result of past events.
- Their settlement through an outflow of resources is probable.
- The exact amount of the obligation can be reliably estimated.

Provisions are reviewed by management of the company during the date when each balance sheet is compiled and can be recalculated if their current value is different from their accounting value.

3.10. Revenue Recognition

Revenues originate mainly from the sale of advertising time through advertising agencies and from the sale of royalties. Revenues are accounted in the year in which they are realized and are adjusted by deducting customer rebates directly related to revenues.

3.11. Impairment of assets

At each balance sheet date, the company's management reviews the carrying amounts of its tangible and intangible assets to determine whether there is indication that those assets have suffered any impairment loss. At 31.12.2005 there was no such indication.

3.12. Trade receivables

At first, trade receivables are accounted at their fair value, and then, are revalued taking into consideration their present value using a real discount rate. Impairment because of differences with the present value or because of provision for bad debts is accounted only for if the difference is material. The amount of provision for possible loss is transferred to the income statement.

3.13. Investments

Investments are accounted at their appropriate value plus any cost directly related to their acquisition. Then, securities that the company intends and is able to hold up to their maturity date are valued at real cost using the real discount rate minus possible loss connected to amounts that cannot be recovered.

Non-recoverable amounts, as well as, possible difference from valuation are transferred to the income statement.

Other securities except for long-term investments are characterized as tradable or intended for reselling and are valued at their appropriate value. Profit or loss incurred by valuation of tradable or intended for reselling securities is transferred directly to profit and loss account or directly to equity respectively, up to the date of their sale or recognition of possible impairment of their value, in which case, profit or loss accounted in equity is transferred to profit and loss account.

3.14. Cash and cash equivalents

Cash and cash equivalents include case in the bank and in hand as well as short term highly liquid investments.

3.15. Bank loans

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue cost. Then, they are recognized as the present value of payable amounts using the real discount rate. Possible difference between present value of payments due and real proceeds from the loan is recognized according to the company policy for recognizing borrowing cost (note 3.4).

3.16. Trade Creditors

Trade creditors are first recorded at the cost. Then, they are valued at their real value using the real interest rate method, and only if there is a material difference from cost.

3.17. Use of derivative products and hedging of foreign exchange and interest rate risks

Company's activities are subject to both exchange rate and interest rate fluctuations. The company uses derivative products for the hedging of these risks, and only for material amounts to minimize the exposure to changes in exchange or interest rates.

3.18. Patents and trademarks

Trademark is estimated initially at purchase cost and is amortised over a duration of 5 years.

3.19. Retirement benefits

In accordance with the Greek labour legislation the company has to provide to all its retirees a specific financial benefit. The above financial benefit which is payable on the retirement day is percentage of 40% or 70% on a specified amount based on:

- a. years of service in the company
- b. monthly salary at the retirement year
- c. other factors in accordance with the existing legislation

The liability, is the present value of the defined benefit obligation determined on an actual basis at the balance sheet date. Independent actuaries have calculated the defined obligation. The estimated liability on 31.12.2005 is recognised in the financial statements.

The obligation of previous years has been separated and charged directly to equity, and the obligation related to the period, is charged to income statement.

The company has not adopted, any retirement benefit plan, in order to secure the availability of the required funds, when obligation is raised.

4. Nature of activities

The company operates in the Greek state offering services and it is not subject to any risks arising from the economic or the geographical environment.

5. Business Risk Management

Company's operations are subject to several business risks such as:

- Foreign exchange risk
- Business risk
- Credit risk
- Liquidity risk
- Cash flow and fair value interest rate risk

Foreign exchange risk

Although the company operates within the Greek state, a large sum of its TV programmes is purchased from abroad. As a result, it is subject to foreign exchange risk between the Euro and other currencies (mainly US dollars). Nevertheless, the fact that majority of the TV programmes are purchased from countries within the European Union eliminates the foreign currency risk.

Business risk

Company's main revenue comes from the sale of advertisement. Thus, the company is subject to advertisement's price fluctuations as a result from the competition with other TV stations or with other mass media.

Credit risk

The credit risk, which is related to the credit profile of the clients, is low and controllable since most of the company's clients have good credit rating.

Liquidity risk

The management is exercising a conservative policy as of the liquidity risk aiming in maintaining a balance between the financing and the credit period and an adequate cash flow.

Cash flow and fair value interest rate risk

Interest rate risk is mainly related to long-term borrowing. When needed, the management applies a preventive policy to cover the exposure to changes in interest rates.

There was no need to estimate the fair value of the financial instruments using the real interest rate method.

6. Management's assumptions

The company makes estimates and assumptions before adopting its accounting principles. There is no particular issue which would require further investigation.

7. Dividends

Dividends to shareholders are recognized as payables and appear as liabilities in the balance sheet in the year in which dividends have been approved by the Annual General Meeting.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

8. Turnover

	31/12/05	%	31/12/04	%
Advertising	133,974,849	98.35	120,248,854	99.24
Income from T.V. rights	2,246,877	1.65	919,890	0.76
	136,221,726	100.00	121,168,744	100.00

9. Operating expenses

	31/12/05	31/12/04
Staff wages and expenses	30,116,164	29,359,427
Third parties fees and expenses	20,985,989	22,015,839
Utilities	5,886,210	6,232,728
Taxes and duties	1,990,018	2,653,800
Sundry expenses	6,056,930	6,812,016
Financial expenses	4,812,837	4,339,888
Consumables – Spare parts	393,063	311,691
Depreciation/Amortisation	68,934,077	57,692,809
Less: Cost origination of own production	(4,958,516)	(5,659,205)
	134,216,772	123,758,993

The above amounts have been allocated as follows:

	31/12/05	31/12/04
Cost of sales	118,538,676	109,105,106
Administrative expenses	6,965,717	6,439,150
Distribution expenses	3,899,542	3,874,849
Financial expenses	4,812,837	4,339,888
	134,216,772	123,758,993

10. Other operating income

	31/12/05	31/12/04
Government grants	43,266	49,752
Computer and technical support to clients	4,820,603	5,826,421
Income earned from co-operation with third parties	1,309,995	971,430
Income from rentals	29,224	29,224
	6,203,088	6,876,827

11. Prior years' income

	31/12/05	31/12/04
Discounts	6,745	907
Compensation	3,389	4,000
Sundry income	13,527	0
Partial return of paid broadcasting licence fees	-	1,399,628
	23,661	1,404,535

12. Prior years' expenses

	31/12/05	31/12/04
Technical support services	263,785	478,685
Royalties paid to actors' Union	160,822	79,739
Compensation to third parties	70,564	80,000
Sundry expenses	228,141	162,806
	723,312	801,230

13. Other expenses

	31/12/05	31/12/04
Provision for doubtful receivables	516,421	317,770
Foreign exchange valuation differences	932,085	407,390
Sundry expenses	1,376	39,795
	1,449,882	764,955

TELETYPOS TELEVISION PROGRAMMES S.A.

"MEGA CHANNEL - GREECE"

14. Taxation

The company's profits are taxed at the rate of 32% for the year 2005 and 35% for the year 2004 after they have been adjusted for expenses not tax allowable and for any tax free reserves.

The company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999.

	31/12/05	31/12/04
Current income tax	(2,387,332)	(2,885,905)
Other non incorporated in operating cost taxes (Real Estate taxes)	(3,286)	(33,262)
Deferred taxes (note.22)	178,226	47,816
Total tax for the year	(2,212,392)	(2,871,351)

Total tax for the year consists of:

	31/12/05	TAX RATE	31/12/04	TAX RATE
Profit for the year before taxes	6,156,271		10,391,133	
Portion of profit taxed at a special rate	0		(3,893,118)	
Add: taxation differences	1,301,402		1,744,923	
Taxable profit	7,457,673		8,242,938	
Income tax	(2,386,455)	32%	(2,885,028)	35%
Additional tax 3% on revenues from property	(877)		(877)	
Total tax for the year	(2,387,332)		(2,885,905)	
Deferred taxes				
Intangible assets - formation expenses	(43,303)		(9,598)	
Provisions for contingencies - expenses	150,758		144,826	
Foreign exchange valuation differences	70,771		(87,412)	
Total tax	178,226		47,816	
Other non incorporated in operating cost taxes	(3,286)		(33,262)	
Total tax for the year	(2,212,392)		(2,871,351)	

15. Prior years' deferred taxes

	31/12/05	31/12/04
Profit for the year 1999	249,225	0
	249,225	0

16. Fixed assets - intangible assets

	Programmes and film rights	Licence trademark	Total
Cost			
1.1.2005	495,767,485	379,491	496,146,976
Purchases	77,104,193	5,400	77,109,593
Own production in progress	4,561,300		4,561,300
31.12.2005	577,432,978	384,891	577,817,869
Amortization			
1.1.2005	375,333,578	300,846	375,634,424
Charge for the year	66,239,060	(32,101)	66,206,959
Disposals			
31.12.05	441,572,638	268,745	441,841,383
N.B.V. 31.12.2005	135,860,340	116,146	135,976,486
N.B.V. 31.12.2004	120,433,907	78,645	120,512,552

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

17. Fixed assets – tangible assets

(Expressed in Euro)

	Land (1)	Build. at Installation at third party premises	Plant and machinery	Transportation means	Furniture and equipment	Total
Cost						
1.1.2005	4,799,610	2,531,878	16,043,482	707,710	12,294,850	36,377,530
Purchases	--	--	1,354,528	264,636	1,250,499	2,869,663
Disposals/Transfers	--	--	(145,630)	(55,288)	(440,591)	(641,509)
31.12.2005	4,799,610	2,531,878	17,252,380	917,058	13,104,758	38,605,684
Depreciation						
1.1.2005		1,285,604	12,693,589	551,944	10,611,134	25,142,271
Additions	--	266,315	974,249	72,913	1,413,640	2,727,117
Disposals	--	--	(139,499)	(48,611)	(440,013)	(628,123)
31.12.2005	0	1,551,919	13,528,339	576,246	11,584,761	27,241,265
N.B.V.						
31.12.2005	4,799,610	979,959	3,724,041	340,812	1,519,997	11,364,419
N.B.V.						
31.12.2004	4,799,610	1,246,274	3,349,893	155,766	1,683,716	11,235,259

17. Fixed assets (cont.)

(1) Land

Acquisition cost as at 31.12.2005 1,333,457

Revaluation (according to Greek Legislation (see note 3.6).

-	1992	192,293	
-	1996	838,590	
-	2001	945,736	
-	2004	1,489,534	3,466,153
Revaluated balance as at 31.12.2005			4,799,610

18. Investments – Investments in affiliated and associated companies

Investments are stated at cost as follows:

	31/12/2005	% Shareholding	31/12/2004	% Shareholding
Teletypos Cyprus Ltd	1,008,318	100	1,008,318	100
Logos (Cyprus)	438,596	25	438,596	25
	1,446,914		1,446,914	

	31/12/2005 % Voting Rights	31/12/2004 % Voting Rights
Teletypos Cyprus Ltd	100	100
Logos (Cyprus)	25	25

Main activities:

Teletypos Cyprus Ltd: Production of, and trading in, television programmes

Logos (Cyprus) : TV and Radio broadcasts

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

19. Other financial assets

	31/12/05	31/12/04
Post dated cheques	1,159,038	705,797
Income tax 2003	1,657,424	1,657,424
Provision for prepayment of income tax and other receivables from Greek Government	1,778,808	1,710,522
Shares of listed companies*	29,146	69,252
Dicom Investments Sarl (2)	-	4,989,075
V.A.T.	1,776,280	1,551,787
Advances on account	24,165	59,716
Disputable claims VAT tax Greek state	283,028	-
Other debtors	296,504	276,921
	38,601,066	45,399,607

20. Trade and other receivables

* Cost of shares (19,564 shares) of a company listed in the Greek Stock Exchange under the name of “ELLINIKA CHRIMATISTIRIA S.A.” is stated at cost of 3.54 Euro per share. The Stock Exchange market price as at 31.12.2005 was Euro 8.96 per share.

By means of a decision of the Annual General Meeting of the company's shareholders that was held on the 25th of April 2005, the share capital of the company “ELLINIKA CHRIMATISTIRIA S.A.” was reduced by 145,730,754.65 euro with cash payback to shareholders (2.05 per share). Additionally, the distribution of 0.2 euro per share dividends to the shareholders. The share capital decrease was followed by a corresponding decrease of the company's par value to 3 euro from 5.05 euro per share.

⁽¹⁾ Bank letter of guarantee of 2,061,854 euro (31/12/2005) and 4,805,131 euro (31/12/2004) were received as a security against receivables.

⁽²⁾ In September 2004, Teletypos S.A. sold 7% of the share capital of “Multichoice Hellas S.A.” to the foreign company “Dicom Investments Sarl”. Receivable from disposal of participation in affiliated company “Multichoice Hellas S.A.” was collected in 2005.

21. Receivables - affiliated companies

	31/12/2005	31/12/2004
Teletypos Cyprus Ltd	3,758,700	3,758,700

During the year 2003 the company sold to Teletypos Cyprus Ltd at acquisition cost its participation in Multichoice Hellas.

22. Deferred taxes

	31/12/2005	31/12/2004
Deferred tax for the period	178,226	99,822
Closing balance 31 December	1,355,647	1,177,422

Deferred taxation assets/(liabilities) are connected to:

	Intangible assets and Preliminary expenses	Provisions	Unrealized exchange differences	Total
Balance at 1st January, 2004	60,005	1,069,600	(52,005)	1,077,600
Plus: Charge to income statement for the year	(9,598)	144,826	(35,406)	99,822
Balance at 31st December, 2004	50,407	1,214,426	(87,411)	1,177,422
Plus: Charge to income statement for the year	(43,303)	150,758	70,770	178,225
Balance at 31st December, 2005	7,104	1,365,184	(16,641)	1,355,647

23. Prepayment of programme rights

	31/12/05	31/12/04
Sundry expenses	344,208	141,782
Third transitory accounts		4,891
	36,090,586	39,484,841

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

24. Cash and cash equivalent

	31/12/05	31/12/04
Cash in hand	27,180	33,123
Cash at banks	1,883,118	2,367,549
	1,910,298	2,400,672

25. Share capital

	000' Drs.	Euro
Authorized share capital:		
Issued and fully paid euro 31,237,500.00		
Nominal ordinary shares G. Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	681,273	
Total share capital 31,237,500 nominal ordinary		
Shares of 1 Euro (Drs. 340,75) each	10,644,178	31,237,500

Share premium is part of the difference between the nominal and issued value of ordinary shares sold to the public through the Athens Stock Exchange in 1994 and 1999.

26. Reserves

	Statutory reserves *	Tax free and taxed at source reserves	Revaluation reserve	Total
Balance at 1 January, 2004	2,993,673	4,193,129	0	7,186,802
Revaluation of property	0	0	1,489,534	1,489,534
Change in year	0	(96,573)	0	(96,573)
Distribution of profits 2004	357,859	3,468,611	0	3,826,470
Balance at 31 December, 2004	3,351,532	7,565,167	1,489,534	12,406,233
Change in year	236,899	206,104	0	443,003
Balance at 31 December, 2005	3,588,431	7,771,271	1,489,534	12,849,236

* The company is obliged by Greek company Law 2190/1920 to transfer to this reserve 5% of its annual profits until these reserves are accumulated to one third (1/3) of its paid up share capital.

27. Long term liabilities

	31/12/05	31/12/04
Debenture loan (27.1)	31,500,000	39,375,000
Bank loans (27.1)	10,002,385	5,000,000
Guarantees	4,402	4,402
	41,506,787	44,379,402
Provision for retirement benefits (27.2)	5,460,735	4,857,704
Total long term liabilities	46,967,522	49,237,106

27.1 Debenture loans

Represent debenture loan of Euro 45,000,000 that was obtained by the company under a loan agreement dated 25.05.2004. The loan was undertaken in order to readjust the balance of short-term loans. The loan is free from any guarantees, the applicable interest rate is 1.55% per annum above 3 months Euribor. The remaining amount is payable in four instalments as follows: Euro 7.9 mil. in 06.06.2006, Euro 9.0 mil. in 06.06.2007, Euro 9.0 mil. in 06.06.08 and Euro 13.5 mil. in 06.06.09.

Alpha Bank is the administrative bank. The component banks of the debenture loans are as follows:

	Total	Paymennts	Short Term Portion	Long Term Portion
Alpha Bank	11,900,000	1,487,500	2,087,500	8,325,000
Piraeus Bank	10,000,000	1,250,000	1,750,000	7,000,000
Commercial Bank	7,000,000	875,000	1,225,000	4,900,000
National Bank	3,000,000	375,000	525,000	2,100,000
Egnatia Bank	3,000,000	375,000	525,000	2,100,000
General Bank of Greece	2,300,000	287,500	400,000	1,612,500
Aspis Bank	2,000,000	250,000	350,000	1,400,000
Laiki Bank	2,000,000	250,000	350,000	1,400,000
EFG Telesis Finance	2,000,000	250,000	350,000	1,400,000
Attica Bank of Greece	1,800,000	225,000	312,500	1,262,500
Total of debenture loan	45,000,000	5,625,000	7,875,000	31,500,000
Piraeus Bank				5,000,000
Alpha Bank				5,002,385
Total long term loans	45,000,000	5,625,000	7,875,000	41,502,385

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

27.2 Retirement indemnities as calculated by the actuarial company Hewitt Associates S.A.

	01/01- 31/12/05	01/01- 31/12/04
Present Value of Obligations	7,296,094	5,779,924
	7,296,094	5,779,924
Unrecognized net gain / (loss)	(1,417,744)	(922,220)
Unrecognized past service cost	(417,615)	-
Net Liability in Balance Sheet	5,460,735	4,857,704
Components of P&L Charge		
Service cost	588,412	473,981
Interest Cost	255,504	210,876
Amortization of Unrecognized net (gain)/loss	20,875	-
Regular P&L Charge	864,791	684,857
Additional Cost of Extra Benefits	312,742	345,909
Total P&L Charge	1,177,533	1,030,766
Movements in Net Liability / (Asset) in Balance Sheet		
Net Liability / (Asset) in BS at the beginning of the year	4,857,704	4,278,480
Benefits paid by the company	(574,502)	(451,542)
Total expense recognized in the income statement	1,177,533	1,030,766
Net Liability / (Asset) in BS at year end	5,460,735	4,857,704
Assumptions		
Discount rate	4.00%	4.50%
Rate of compensation increase	4.00%	4.00%
Average future working life	16.09	16.49

28. Trade and other payable

		31/12/05	31/12/04
Payable trade		75,020,467	67,647,754
Dividends payable	28.1	509,289	534,466
Advances by customer		546,126	2,084,388
Taxes and duties	28.2	7,286,478	4,523,744
Social Security Funds		989,873	963,471
Other creditors	28.3	2,787,737	1,486,447
Accruals	28.4	1,496,369	3,736,913
Balance as per books at 31.12.2005		88,636,339	80,977,182

28.1. Dividends payable

	31/12/2005	31/12/2004
Balance at 1 January	534,466	574,116
Plus: approved dividends 2003	0	3,748,500
Plus: approved dividends 2004	3,748,500	0
Less: Dividends paid during the year	-3,773,677	-3,788,150
Dividends payable at 31 December (1)	509,289	534,466

28.2. Taxes and duties

	31/12/2005	31/12/2004
Broadcasting licence fees (2)	3,778,285	0
Income tax (note 3.7)	2,342,255	3,410,959
Taxes and duties related to full time employees	707,313	675,643
Other withholding taxes	174,409	242,092
Prior years' taxes and duties	283,028	0
Settlement Stamp Duty L 2328/1995	0	193,643
Current Stamp Duty	1,188	1,407
Balance as per books at 31.12.2006	7,286,478	4,523,744

28.3. Other creditors

	31/12/2005	31/12/2004
Staff wages	40,772	40,231
Third parties fees	242,737	554,469
Cheques payables	1,870,012	0
Sundry debtors	632,083	363,014
Distribution of earnings to personnel	2,133	528,733
Balance as at 31.12.2005	2,787,737	1,486,447

28.4. Accruals

	31/12/2005	31/12/2004
Interest and similar charges	106,167	115,566
Broadcasting license fees and other third party rights	398,781	2,588,645
Utilities	0	29,722
Third party fees	894,626	936,673
Sundry expenses	487	585
Programme cost	20,000	0
Film rights	76,308	65,722
Balance as at 31.12.2005	1,496,369	3,736,913

(1) Board of Directors proposes a 0.13 euro dividend per share. The total proposed dividend payment for the year 2005 (which will be paid in the year 2006) is 4,060,875 euro.

(2) A comparison of broadcasting license fees for the years 2005 and 2004 is included in the analysis of the accruals (note 28.4).

TELETYPOS TELEVISION PROGRAMMES S.A.

"MEGA CHANNEL - GREECE"

29. Short term borrowings

Bank Overdraft

	Credit Limit	Amount Withdrawn
NATIONAL BANK OF GREECE	12,000,000	958
COMMERCIAL BANK	12,000,000	76,912
ALPHA BANK	16,000,000	330,535
BANK OF PIRAEUS	10,000,000	0
EGNATIA BANK	3,000,000	29,250
BANK OF ATTICA	2,200,000	0
ASPIS BANK	3,000,000	0
NOVA BANK	4,500,000	3,546,936
EFG EUROBANK-ERGASIAS	3,000,000	0
	65,700,000	3,984,591

Interest rate of short term bank loans in 2005 fluctuated from 3.93% to 4.00%.

30. Issued and outstanding shares

	Shares Outstanding	Fraction of period	Weighted average shares
2004			
1st January to 31.12.2004			
Weighted average number of shares	31,237,500	12/12	31,237,500
2005			
1st January to 31.12.2005			
Weighted average number of shares	31,237,500	12/12	31,237,500

31. Earnings per share

Earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in circulation during the year:

	31/12/05	31/12/04
Net profit attributable to shareholders	3,694,654	7,519,782
Weighted average number of ordinary share in issue	31,237,500	31,237,500
Earnings per share in Euro	0.12	0.24

32. Net position and profit reconciliation between Greek Accounting Standards and IFRS (Expressed in Euro)

	NET POSITION 31/12/03	PROFIT 31/12/03	NET POSITION 31/12/04	PROFIT 31/12/04
Net position and profit according to Greek Accounting Standards	79,801,239	1,684,730	85,117,243	2,177,629
Bad debts written off	(2,477,665)		(2,477,665)	(317,770)
Deferred expenses written off	(171,445)		(171,445)	27,424
Wright off of payments on account of tangible assets	(644,483)		(644,483)	
Provisions of staff indemnities	(4,278,400)		(4,278,400)	(579,304)
Unrealized gain on written off	148,578		0	249,748
Deferred tax	1,077,600		1,129,605	47,815
Adjustment for proposed dividend		3,748,500		3,748,500
Total adjustments for adoption of IFRS	(6,345,815)	3,748,500	(6,442,388)	3,176,413
Net position after adjustment for IFRS adoption	73,455,424	5,433,230	78,674,855	5,354,042

TELETYPOS TELEVISION PROGRAMMES S.A.

"MEGA CHANNEL - GREECE"

33. Contingencies

33.1 Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2000 to 2005 (note 14).

33.2 Letters of guarantee issued by banks amounting to USD 3.890.000 (3.28 millions euro), CHF 4.250.000 (2.73 millions euro), and 708.000 euro for meeting liabilities on behalf of The Greek Football Association (ΕΠΟ) and 400.000 euro for meeting liabilities on behalf of TELESTARE.

33.3 Payment of compensation to third parties amounting to 16 million euros approximately claimed in the above suits.

The company's lawyers do not expect any significant charges from the above mentioned contingencies.

34. Financial commitments

34.1 Commitments under agreements of approximately 40.3 million euro for the production of Greek programmes.

34.2 Commitments under agreements of approximately 6.96 million euro for foreign programmes.

35. Compensation to executives and management

Board of Directors' salaries and other members of the management were as follows:

	2005	2004
Salaries	2.278.233	2.173.266

36. Transactions with affiliated companies

The company has a participation in the capital of the company TELETYPOS CYPRUS Ltd. (100%) and a participation in the company Logos Cyprus (25%).

Details of the transactions with affiliated companies are as follows:

	Sales 2005	Sales 2004	Purchases 2005	Purchases 2004
Teletypos Cyprus Ltd	-	-	2.795.000	3.180.000
Logos (Cyprus)	27.039	45.721	-	-

	Receivables		Liabilities	
	2005	2004	2005	2004
Teletypos Cyprus Ltd	-	-	3.060.900	2.140.000
Logos (Cyprus)	23.435	30.695	-	-

37. Events after the balance sheet date

There are no events after the balance sheet date which concern the company and the disclosure of which is required by the International Financial Reporting Standards.

Athens, February 23, 2006

The President of Board of Directors

Christos K. Tegopoulos

A 102836

The Managing Director And member of Board of Directors

Elias E. Tsigas

Ξ 414434

Financial Controller

Athanasios G. Andreoulis

Φ 064116

Chief Accountant

Vasilios A. Kritikos

X 575439

Consolidated Financial Statements of Teletypos Television Programmes S.A. “Mega Channel - Greece” and its subsidiary - Teletypos Cyprus 31st December, 2005

**ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

CONTENTS

AUDITOR'S REPORT	96
INCOME STATEMENT	97
BALANCE SHEET	98
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	99
CASH FLOW STATEMENT	100
1. GENERAL INFORMATION	101
2. COMPLIANCE WITH IFRS (International Financial Reporting Standards)	102
3. GENERAL ACCOUNTING PRINCIPLES	102
3.1. Accounting convention	102
3.2. Base of Consolidation	102
3.3. Foreign currency transactions and balances	102
3.4. Borrowing cost	103
3.5. Programme and film rights	103
3.5.1. Self-owned television programmes	103
3.5.2. Licensed third parties' TV programmes	103
3.6. Depreciation and Amortization	103
3.7. Taxation	104
3.8. Inventories (Spare parts and Consumables)	104
3.9. Provisions	104
3.10. Revenue Recognition	105
3.11. Impairment of assets	105
3.12. Trade receivable	105
3.13. Investments	105
3.14. Cash and cash equivalents	105
3.15. Bank loans	105
3.16. Trade creditors	105

3.17. Use of derivative products and hedging of foreign exchange and interest rate risks	105
3.18. Patents and trademarks	106
3.19. Retirements benefits	106
4. NATURE OF ACTIVITIES	106
5. BUSINESS RISK MANAGEMENT	106
6. MANAGEMENT'S ASSUMPTIONS	107
7. DIVIDENDS	107
8. REVENUE	108
9. OPERATING EXPENSES	108
10. OTHER OPERATING INCOME	109
11. PRIOR YEARS' INCOME	109
12. PRIOR YEARS' EXPENSES	109
13. OTHER EXPENSES	109
14. TAXATION	110
15. PRIOR YEARS' TAXES	111
16. INTANGIBLE ASSETS – PROGRAMME RIGHTS	111
17. TANGIBLE ASSETS	112
18. INVESTMENTS – IN ASSOCIATED COMPANIES	113
19. OTHER FINANCIAL ASSETS	114
20. TRADE AND OTHER RECEIVABLES	114
21. DEFERRED TAXES	115
22. PREPAYMENTS OF PROGRAMME RIGHTS	115
23. CASH AND CASH EQUIVALENT	115
24. SHARE CAPITAL	116
25. RESERVES	116
26. LONG TERM LIABILITIES	117
26.1 Debenture loans	117
26.2 Retirement indemnities as calculated by the actuarial company "Hewitt Associates S.A."	118
27. TRADE AND OTHER PAYABLE	118
27.1 Dividends payable	119
27.2 Taxes and duties	119
27.3 Other creditors	119
27.4 Accruals	120
28. SHORT TERM BORROWINGS	120
29. EARNINGS PER SHARE	121
30. NET POSITION AND PROFIT RECONCILIATION BETWEEN GREEK ACCOUNTING STANDARDS AND I.F.R.S.	121
31. CONTINGENCIES	122
32. FINANCIAL COMMITMENTS	122
33. COMPENSATION TO EXECUTIVES AND MANAGEMENT	122
34. TRANSACTIONS WITH AFFILIATED COMPANIES	122
35. EVENTS AFTER THE BALANCE SHEET DATE	123

Auditor's report to the shareholders of Teletypos Television Programmes S.A. «Mega Channel - Greece» and its subsidiary - Teletypos Cyprus Ltd

We have audited the accompanying consolidated financial statements of the company TELETYPOS TELEVISION PROGRAMMES S.A. «MEGA CHANNEL» - GREECE AND ITS SUBSIDIARY – TELETYPOS CYPRUS LTD as of 31 December, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements, based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The audit also includes assessing the accounting principles used, significant estimates made by the management, the overall financial statements presentation, as well as the consistency of the Board of Director's report with the financial statements. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the aforementioned consolidated financial statements present fairly in all material respects, the financial position of the group, the results of its operations and its cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRS) that have been adopted by the European Union and the Board of Director's report is consistent with the aforementioned financial statements.

Without qualifying our report, we draw your attention to note 31.1, of the financial statements, it is mentioned that the parent company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999. The years 2000 to 2005 have not yet been examined by the tax authorities and the result of such examination can not be currently forecasted. As a result, no provision has been made of future tax examinations.

26th February, 2006

THE CERTIFIED PUBLIC ACCOUNTANT

DAMIANOS CONSTANTINOU
A.M. SOEL 11141

**TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT 01 JANUARY - 31 DECEMBER, 2005**

(Expressed in Euro)	Notes	01/01-31/12/05	01/01-31/12/04
Revenue (sales)	8	137,607,216	122,779,363
Cost of sales	9	(11N667,066)	(109,571,838)
Gross profit		18,940,150	13,207,525
Other operating income	10	6,203,088	6,876,827
Total gross operating profit		25,143,238	20,084,352
Distribution costs	9	(3,899,541)	(3,874,849)
Administrative expenses	9	(7,182,078)	(6,599,774)
Operating profit		14,061,619	9,609,729
Non operating income			
Interest received and receivable		24,874	8,673
Profit on disposal of fixed assets		18,861	30,597
Profit from sale of participations		0	5,854,800
Prior years' income	11	23,661	1,404,535
Other income		75,984	391,565
		143,380	7,690,170
Non operating expenses			
Interest and similar charges	9	(4,826,181)	(4,353,988)
Prior years' expenses	12	(723,311)	(801,230)
Extraordinary expenses		(5,696)	(12,880)
Other expenses	13	(1,561,497)	(764,955)
		(7,116,685)	(5,933,053)
Profit for the year before tax		7,088,314	11,366,846
Current year	14	(2,317,095)	(2,972,785)
Prior years' deferred tax	15	(249,225)	
Profit for the year after tax		4,521,994	8,394,061
Earnings per share € (note 29)		0.14	0.27
Proposed dividend per share €		0.13	0.12

Notes forming an integral part of the financial statements on pages 101 to 123.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEET OF TELETYPOS S.A. 31 DECEMBER, 2005

(Expressed in Euro)	Notes	31.12.2005	31.12.2004
FIXED ASSETS			
Intangible assets – Programme rights	16	135,976,486	120,512,552
Tangible assets	17	11,364,419	11,235,259
Investments in associated companies	18	33,699,096	33,699,096
Other financial assets	19	443,917	425,305
Total fixed assets		181,483,918	165,872,212
CURRENT ASSETS			
Inventories		322,573	342,536
Trade and other receivables	20	40,625,137	46,206,626
Deferred taxes	21	1,355,647	1,177,422
Prepayments of programme rights	22	36,090,586	39,484,841
Cash and cash equivalents	23	2,442,621	2,670,819
Total current assets		80,836,564	89,882,244
Total assets		262,320,482	255,754,456
EQUITY AND LIABILITIES			
Share capital	24	31,237,500	31,237,500
Share premium	24	35,031,122	35,031,122
Reserves	25	41,185,988	40,742,985
Retained earnings		8,152,236	7,989,641
Translation difference		48,125	56,995
Net position		115,654,971	115,058,243
Long term liabilities	26	46,967,522	49,237,106
CURRENT LIABILITIES			
Trade and other payables	27	87,838,399	79,518,484
Short term borrowings	28	3,984,591	6,315,623
Current portion of long term borrowings	26.1	7,875,000	5,625,000
Total short term liabilities		99,697,990	91,459,107
Total equity and liabilities		262,320,483	255,754,456

Notes forming an integral part of the financial statements on pages 101 to 123.

**TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 31 DECEMBER, 2005**
(Expressed in Euro)

	Share capital	Share premium	Statutory reserve	Other reserves	Translation difference	Revaluation reserve	Profit for the year	Retained earnings	Total
Shareholders equity 2004									
Balance 31st December, 2003	31,237,500	35,031,122	2,993,673	4,193,129	-7,179	0	0	7,194,549	80,642,794
Translation difference 2003 & 2004					64,174				64,174
Approval of 2003 dividend by Annual General Meeting								-3,748,500	-3,748,500
Profit for the year after tax							8,394,061		8,394,061
Statutory reserve							-357,858		-357,858
Other reserves							-3,468,611		-3,468,611
BoD Renumeration							-24,000		-24,000
Retained earnings 31/12/2003							3,446,049	-3,446,049	0
Proposed dividend for the year 2004							-3,748,500	3,748,500	0
Retained earnings 31/12/2004							-4,241,141	4,241,141	0
Revaluation differences of participations						28,336,753			28,336,753
Revaluation of property L2065						1,489,534			1,489,534
Adjustment affecting directly Net Position				-96,573					-96,573
Distribution of earnings for the year 2004			357,858	3,468,611					3,826,469
Net Position 31/12/ 2004	31,237,500	35,031,122	3,351,531	7,565,167	56,995	29,826,287	0	7,989,641	115,058,243
Net Position 2005									
Balance 31 December, 2004	31,237,500	35,031,122	3,351,531	7,565,167	56,995	29,826,287	0	7,989,641	115,058,243
Translation difference 2004 & 2005					-8,870				-8,870
Approval of 2004 dividend by Annual General Meeting								-3,748,500	-3,748,500
Profit for the year after tax							4,521,994		4,521,994
Statutory reserve							-236,899		-236,899
Distribution of earnings to personnel							-350,000		-350,000
BoD Renumeration							-24,000		-24,000
Retained earnings 31/12/2004							4,241,141	-4,241,141	0
Proposed dividend for the year 2005							-4,060,875	4,060,875	0
Retained earnings 31/12/2005							-4,091,361	4,091,361	0
Adjustment affecting directly Net Position				206,104					206,104
Distribution of earnings for the year 2005			236,899						236,899
Net Position 31/12/ 2005	31,237,500	35,031,122	3,588,430	7,771,271	48,125	29,826,287	0	8,152,236	115,654,971

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD, 1 JANUARY - 31 DECEMBER, 2005

(Expressed in Euro)	31/12/05	31/12/04
Cash flow from operating activities		
Profit before taxation	7,088,314	11,366,847
Adjustments for items not involving the movement of cash:		
Depreciation and amortisation	68,934,077	57,692,809
Provisions	603,031	579,304
(Profit) on disposal of fixed assets	(13,165)	(17,717)
Interest and similar charges	4,826,181	4,353,988
Operating profit before changes in working capital	81,438,438	73,975,231
Decrease in stock of spares and consumables	19,963	49,514
Decrease in stock of programme rights	3,394,255	1,430,157
Decrease/(Increase) in debtors and others	5,775,132	(23,506)
Increase in payables	8,846,537	8,861,882
Minus: Interest and similar charges	(4,826,181)	(4,353,988)
Income tax paid	(3,616,399)	0
Total cash inflows from Operating Activities	9,593,307	5,964,059
Net cash flow from operating activities	91,031,745	79,939,290
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(84,514,007)	(77,196,208)
(Increase) in long term receivables	(18,612)	(37,715)
(Increase) of investments and participations	0	(139,947)
Net cash outflows from investing activities	(84,532,619)	(77,373,870)
Cash flows from financing activities		
(Decrease)/Increase in long term borrowings	(2,872,615)	19,708,333
(Decrease) in short term loan	(81,032)	(19,819,302)
Dividends paid	(3,773,677)	(3,788,150)
Net cash flow from financing activities	(6,727,324)	(3,899,119)
(Decrease) in net liquid funds	(228,198)	(1,333,699)
Cash and cash equivalents at beginning of the year	2,670,819	4,004,518
Cash and cash equivalents at year end	2,442,621	2,670,819

Notes forming an integral part of the financial statements on pages 101 to 123.

Teletypos televiion programmes S.A. “Mega Channel - Greece” and its subsidiary

Notes to the consolidated financial statements in accordance with IFRS

31 December, 2005 (Expressed in Euro)

1. General Information

The parent company was incorporated in Athens, Greece in 1989, in accordance with Law 2190/1920 and with a life duration of 50 years. Its life duration can be expanded through the approval of the Shareholder's General Meeting. The company is listed in the Athens Stock Exchange.

The parent company operates the private broadcasting channel “MEGA” based on the 19229/1993 operating broadcasting licence. The duration of the broadcasting licence has been extended by Government law.

The parent company has incorporated in 2000 Teletypos Cyprus Ltd. Its investment is stated at 100% of shareholding. The company's main objective is the trading of television programmes in Cyprus and in the area of Middle East.

Teletypos Cyprus Ltd is stated in Lefkosia (Cyprus), 8 Kennedi Street.

The company's main objectives are:

- the production and trading of television programmes
- he installation and operating of television and radio stations throughout Greece
- the establishment, installation, organisation and operation of studios for the production and marketing of television programmes and advertising clips

The financial statements have been approved by the company's Board of Directors at 23/2/2006. The composition of the Board of Directors is as follows:

Christos Tegopoulos:	- Chairman
Elias Tsigas	- Managing Director
Christos Lambrakis	- Member
Yiorgos Bobolas	- Member
Yiorgos Prousanidis	- Non-executive member
Yiorgos Aidinis	- Non-executive member

2. Compliance with IFRS (International Financial Reporting Standards)

The attached financial statements have been prepared by the management of the company in accordance with International Financial Reporting Standards (IFRS) and with the corresponding interpretations that have been published from the International Accounting Standards Board (IASB) and from the International Financial Reporting Interpretation Committee (IFRIC) respectively, and have been adopted from the European Union.

The financial statements for the year 2005 are prepared for the first time in accordance with International Financial Reporting Standards (IFRS) and specifically with the adoption of IFRS 1 «First adoption of IFRS».

Since the financial statements of the year 2004 have been prepared and published according to the Greek Accounting Standards, the accompanied statements for the year 2004 have been adjusted appropriately based on the assumption that the date of the adoption of IFRS is the 1st of January 2004. Net position and profit reconciliation between IFRS and Greek Accounting Standards is exhibited in note 30.

3. General Accounting Principles

3.1. Accounting convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of land and buildings, which has been done in 1992, 1996, 2000 and 2004 on the basis of relevant legislation.

The resulting revaluation reserve is capitalised (except for the year 2004).

3.2. Base of Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and its subsidiary, which is controlled directly from the parent company. Control is achieved when the parent company has the power to govern the financial and operating policy of the entity in so as to obtain benefits from its activities.

Consolidated financial statements are based on separate companies financial statements which have been prepared in accordance with IFRS and certain accounting principles followed by the Group.

All group's companies have the same reporting date.

All the intra-company transactions, balances income and expenses are eliminated on consolidation.

3.3. Foreign currency transactions and balances

a. Transactions in foreign currencies and presentation

The parent company's and consolidated accounts are presented in the country's currency in which the company operates. The consolidated accounts are presented in Euros.

b. Transactions and company's accounts

Transactions in foreign currencies are reflected at the rate prevailing at the time the transactions are recorded. All cash assets and liabilities in foreign currencies are expressed in Euro at the rates prevailing at the balance sheet date. Realised and unrealised exchange gains and losses are transferred to the income statement. Non-monetary assets and liabilities with historical cost expressed in foreign currency are presented at the rate prevailing at acquisition date.

3.4. Borrowing Cost

Borrowing cost is related to the production or construction of assets and is capitalized in cases where there is a significant period until the moment they can be used in operations. Any corresponding income (financial income) is deducted from the relevant borrowing cost. Other borrowing costs are charged in the income statement.

3.5. Programme and film rights

Programme and film rights refer to self-owned television programmes and third parties programmes.

3.5.1. Self-owned television programmes

The cost of self-owned programs is capitalised as intangible fixed assets (Programme and film rights) and is amortised as described in note 3.6.

3.5.2. License third parties' T.V. programmes in foreign currency

Licensed third parties television programmes are valued at their acquisition cost.

- The income statement is charged with the cost of the broadcasted programmes plus or minus any foreign exchange differences that arise upon settlement or valuation of the corresponding liability at the end of the year.
- the balance sheet depicts the following:
 - under liabilities, the amount due to the suppliers for the programmes invoiced and unsettled amounts due.
 - under prepayments the amounts invoiced for programmes not transmitted.
 - in case a contract provides for more than one transmission the income statement is charged by the proportion of transmissions to the number of transmissions allowed.

3.6. Depreciation and Amortization

Fixed Assets

Equipment and vehicles of the parent company are presented at acquisition cost minus accumulated depreciation and impairment. Property is presented at revalued values minus depreciation according to the relevant legislation. Depreciation rates remain constant throughout the useful life of the assets. Land is not depreciated.

	%
Improvements on third party properties	8 - 20
Plant and machinery	5 - 15
Office equipment	5 - 30
Transportation means	15 - 30
Computer and software programmes	100

The values of plant and machinery are examined for a possible impairment in the case of events indicating such impairment. When such indications appear and the value is estimated to be lower than carrying amount, this value is revised.

In addition to the original accounting presentation of cost, land is presented at revalued amounts.

The revalued amount is defined according to relevant legislation. The excess amount of the revaluation is transferred to the account 'Revaluation Reserve' and is presented in the Balance Sheet as part of Equity.

Programme and film rights

Programme and film rights are amortised as follows according to the Greek legislation and subject to the management estimation about future benefits:

	%
First year of transmission	20
Thereafter (whether transmitted or not)	20

Programme and film rights include:

- acquisition cost of tele-series
- rights for production and broadcast of T.V. games
- cost of in-house production programmes

Programmes that, according to management estimations can not be broadcasted for more than one year, are 100% amortized in the year of their broadcast.

3.7. Taxation

Income tax is calculated on taxable profits and according to the rate which is in force (32% for the year 2005 and 35% for year 2004). Taxable profit differs from company's profit as reported in the income statement because it excludes items of income or expenses that are not taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax payable or receivable due to time differences in income taxation or in expense recognition for taxation purposes and is accounted for to the extent that it will be utilised in the future.

Deferred tax liability is recognized mainly for all short-term taxation differences and deferred tax asset is recognised to the extent that it is probably that future taxable profit will be available, and tax asset will be utilized against the resulting tax liability.

The carrying amount of deferred taxes assets and liabilities are reviewed at each Balance Sheet date and are reduced if it is necessary to the extent that it is no longer probable that taxable profits will be available to allow all or part of the asset or liability to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised.

Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

3.8. Inventories (Spare parts and Consumables)

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost of the successive balance. Net realisable value represents the estimated selling price less all estimated costs.

3.9. Provisions

Provisions are recognized when:

- There are present obligations (legal or constructive) as a result of past events.
- Their settlement through an outflow of resources is probable.
- The exact amount of the obligation can be reliably estimated.

Provisions are reviewed by management of the company during the date when each balance sheet is compiled and can be recalculated if their current value is different from their accounting value.

3.10. Revenue recognition

Revenues originate mainly from the sale of advertising time through advertising agencies and from the sale of royalties. Revenues are accounted in the year in which they are realized and are adjusted by deducting customer rebates directly related to revenues.

3.11. Impairment of assets

At each balance sheet date, the company's management reviews the carrying amounts of its tangible and intangible assets to determine whether there is indication that those assets have suffered any impairment loss. At 31.12.2005, there was no such indication.

3.12. Trade receivables

At first, trade receivables are accounted at their fair value, and then, are revalued taking into consideration their present value using a real discount rate. Impairment because of differences with the present value or because of provision for bad debts is accounted only for if the difference is material. The amount of provision for possible loss is transferred to the income statement.

3.13. Investments

Investments are accounted at their appropriate value plus any cost directly related to their acquisition.

Then, securities that the company intends and is able to hold up to their maturity date are valued at real cost using the real discount rate minus possible loss connected to amounts that cannot be recovered.

Non-recoverable amounts, as well as, possible difference from valuation are transferred to the income statement.

Other securities except for long-term investments are characterized as tradeable or intended for reselling and are valued at their appropriate value. Profit or loss incurred by valuation of tradeable or intended for reselling securities is transferred directly to profit and loss account or directly to equity respectively, up to the date of their sale or recognition of possible impairment of their value, in which case, profit or loss accounted in equity is transferred to profit and loss account.

3.14. Cash and cash equivalents

Cash and cash equivalents include cash in the bank and at hand as well as short term highly liquid investments.

3.15. Bank loans

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue cost. Then, they are recognized at the present value of payable amounts using the real discount rate. Possible difference between present value of payments due and real proceeds from the loan is recognized according to the company policy for recognizing borrowing cost (note 3.4).

3.16. Trade Creditors

Trade creditors are first recorded at the cost. Then they are valued at their real value using the real interest rate method, and only if there is a material difference from the cost.

3.17. Use of derivative products and hedging of foreign exchange and interest rate risks

Company's activities are subject to both exchange rate and interest rate fluctuations. The company uses derivative products for the hedging of these risks, and only for material amounts to minimize the exposure to changes in exchange or interest rates.

3.18. Patents and trademarks

Trademark is estimated initially at purchase cost and is amortised over a duration of 5 years.

3.19. Retirement benefits

In accordance with the Greek labour legislation the company has to provide to all its retirees a specific financial benefit. The above financial benefit which is payable on the retirement day is percentage of 40% or 70% on a specified amount based on:

- a. years of service in the company
- b. monthly salary at the retirement year
- c. other factors in accordance with the existing legislation

The liability, is the present value of the defined benefit obligation determined on an actual basis at the balance sheet date. Independent actuaries have calculated the defined obligation. The estimated liability on 31.12.2005 is recognised in the financial statements.

The obligation of previous years has been separated and charged directly to equity, and the obligation related to the period, is charged to income statement.

The company has not adopted, any retirement benefit plan, in order to secure the availability of the required funds, when obligation is raised.

4. Nature of activities

The company operates in the Greek state offering services and it is not subject to any risks arising from the economic or the geographical environment.

5. Business Risk Management

Company's operations are subject to several business risks such as:

- Foreign exchange risk
- Business risk
- Credit risk
- Liquidity risk
- Cash flow and fair value interest rate risk

Foreign exchange risk

Although the company operates within the Greek state, a large sum of its TV programmes are purchased from abroad. As a result, it is subject to foreign exchange risk between the Euro and other currencies (mainly US dollars). Nevertheless, the fact that majority of the TV programmes are purchased from countries within the European Union eliminates the foreign currency risk.

Business risk

Company's main revenue comes from the sale of advertisement. Thus, the company is subject to advertisement's price fluctuations as a result from the competition with other TV stations or with other mass media.

Credit risk

The credit risk, which is related to the credit profile of the clients, is low and controllable since most of the company's clients have good credit rating.

Liquidity risk

The management is exercising a conservative policy as of the liquidity risk aiming in maintaining a balance between the financing and the credit period and an adequate cash flow.

Cash flow and fair value interest rate risk

Interest rate risk is mainly related to long term borrowing. When needed, the management applies a preventive policy to cover the exposure to changes in interest rates.

There was no need to estimate the fair value of the financial instruments using the real interest rate method.

6. Management's assumptions

The company makes estimates and assumptions before adopting its accounting principles. There is no particular issue which would require further investigation.

7. Dividends

Dividends to shareholders are recognized as payables and appear as liabilities in the balance sheet in the year in which dividends have been approved by the Annual General Meeting.

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

8. Revenue

	31/12/05	%	31/12/04	%
Advertising	133,974,849	97.3	120,248,854	97.9
Income from T.V. rights	2,246,876	1.6	920,061	0.7
Income from T.V. rights (subsidiary company)	1,385,491	1.0	1,610,448	1.3
	137,607,216	100.0	122,779,363	100.0

9. Operating expenses

	31/12/05	31/12/04
Staff wages and expenses	30,116,164	29,359,427
Thrid parties fees and expenses	21,114,379	22,482,571
Utilities	5,886,210	6,232,728
Taxes and duties	1,990,018	2,653,799
Sundry expenses	6,273,290	6,972,640
Financial expenses	4,826,181	4,353,988
Consumables - Spare parts	393,063	311,691
Depreciation/Amortisation	68,934,077	57,692,809
Less: Cost of own production	(4,958,516)	(5,659,204)
	134,574,866	124,400,449

The above amounts have been allocated as follows:

	31/12/05	31/12/04
Cost of sales	118,667,066	109,571,838
Administrative expenses	7,182,078	6,599,774
Distribution expenses	3,899,541	3,874,849
Financial expenses	4,826,181	4,353,988
	134,574,866	124,400,449

10. Other operating income

	31/12/05	31/12/04
Government grants	43,266	49,752
Computer and technical support to clients	4,820,603	5,826,421
Income earned from co-operation with third parties	1,309,995	971,430
Income from rentals	29,224	29,224
	6,203,088	6,876,827

11. Prior years' income

	31/12/05	31/12/04
Discounts	6,745	907
Compensation	3,389	4,000
Sundry income	13,527	0
Partial return of paid broadcasting licence fees	0	1,399,628
	23,661	1,404,535

12. Prior years' expenses

	31/12/05	31/12/04
Technical support services	263,785	478,685
Royalties paid to actors' Union	160,822	79,739
Compensation to third parties	70,564	80,000
Sundry expenses	228,140	162,806
	723,311	801,230

13. Other expenses

	31/12/05	31/12/04
Provision for doubtful receivables	516,421	317,770
Foreign exchange valuation differences	1,043,700	407,390
Sundry expenses	1,376	39,795
	1,561,497	764,955

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

14. Taxation

The company's profits are taxed at the rate of 32% for the year 2005 and 35% for the year 2004 after they have been adjusted for expenses not tax allowable and for any tax free reserves.

The company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999.

The profits of the subsidiary company are taxed at the tax rate of 10% and no further taxation applies in the country of operations.

	31/12/05	31/12/04
Current income tax	-2,492,035	-2,987,339
Other non-incorporated in operating cost taxes	-3,286	-33,262
Deferred taxes (note 21)	178,226	47,816
Total tax for the year	-2,317,095	-2,972,785

Total tax for the year consists of:

	31/12/05	TAX RATE	31/12/04	TAX RATE
Profit for the year before taxes (parent)	6,156,271		10,391,133	
Profit for the year before taxes (subsidiary)	932,043		975,714	
	7,088,314		11,366,847	
Portion of profit taxed at a special rate (parent)	0		-3,893,118	
Add taxation differences (parent)	1,301,402		1,744,922	
Taxable profit	15,478,030		20,585,498	
Income tax (parent)	-2,386,456	32%	-2,885,028	35%
Income tax (subsidiary)	-93,204	10%	-101,434	10%
Prepayment of income tax (subsidiary)	-11,498		0	
Additional tax 3% on revenues from property	-877		-877	
Total tax for the year	-2,492,035		-2,987,339	

Deferred taxes

Intangible assets. Formation expenses	-43,303	-9,598
Provisions for contingencies-expenses	150,758	144,826
Foreign exchange valuation differences	70,771	-87,412
Total tax	178,226	47,816
Other non-incorporated in operating cost taxes	-3,286	-33,262
Total tax for the year	-2,317,095	-2,972,785

15. Prior years' deferred taxes

	31/12/05	31/12/04
Profit for the year 1999	249,225	0
	249,225	0

16. Intangible assets - Programme rights

	Programme rights	License Trademark	Total
Cost			
1.1.2005	495,767,485	379,491	496,146,976
Purchases	77,104,193	5,400	77,109,593
In House Production under way	4,561,300		4,561,300
31.12.2005	577,432,978	384,891	577,817,869
Amortization			
1.1.2005	375,333,578	300,846	375,634,424
Charge for the year	66,239,060	(32,101)	66,206,959
Disposals			
31.12.05	441,572,638	268,745	441,841,383
Net Book Value 31.12.2005	135,860,340	116,146	135,976,486
Net Book Value 31.12.2004	120,433,907	78,645	120,512,552

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

17. Fixed assets – Tangible assets

(Expressed in Euro)

	Land (1)	Buildings and installation of third party premise	Plant and machinery	Transportation means	Furniture and equipment	Total
Cost						
1.1.2005	4,799,610	2,531,878	16,043,482	707,710	12,294,850	36,377,530
Purchases	--	--	1,354,528	264,636	1,250,499	2,869,663
Disposals/Transfers	--	--	(145,630)	(55,288)	(440,591)	(641,509)
30.09.2005	4,799,610	2,531,878	17,252,380	917,058	13,104,758	38,605,684
Depreciation						
1.1.2005		1,285,604	12,693,589	551,944	10,611,134	25,142,271
Additions	--	266,315	974,249	72,913	1,413,640	2,727,117
Disposals	--	--	(139,499)	(48,611)	(440,013)	(628,123)
30.09.2005	0	1,551,919	13,528,339	576,246	11,584,761	27,241,265
Net Book Value						
31.12.2005	4,799,610	979,959	3,724,041	340,812	1,519,997	11,364,419
Net Book Value						
31.12.2004	4,799,610	1,246,274	3,349,893	155,766	1,683,716	11,235,259

17. Fixed assets (cont.)

(1) Land

Acquisition cost up to 31.12.2005 1,333,457

Revaluation (according to Greek Legislation (see note 3.6)

- 1992 192,293

- 1996 838,590

- 2001 945,736

- 2004 1,489,534 3,466,153

Revaluated balance as at 31.12.2005

4,799,610

18. Investments – Shares in associated companies

Investments are stated at cost as follows:

	31/12/2005	% Shareholding	31/12/2004	% Shareholding
NETMED N.V. (via subsidiary)	33,260,500	12.5	33,260,500	12.5
Logos (Cyprus)	438,596	25	438,596	25
	33,699,096		33,699,096	

	31/12/2005 % Voting Rights	31/12/2004 % Voting Rights
NETMED N.V. (via subsidiary)	12.5	12.5
Logos (Cyprus)	25	25

Main activities:

Teletypos Cyprus Ltd: Production of, and trading in, television programmes

Logos (Cyprus) : TV and Radio broadcasts

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

19. Other financial assets

	31/12/05	31/12/04
Guarantee given:		
Rent	330,963	323,211
Unitel (telecommunications)	56,420	56,420
Hertz (car rental)	32,212	29,209
Electricity Power	15,875	14,018
EBU (4 lines)	6,000	0
Associated Press	1,388	1,388
Attiki Road	1,000	1,000
Other financial assets	59	59
	443,917	425,305

20. Trade and other receivables

	31/12/05	31/12/2004
Clients ⁽¹⁾	33,620,744	35,186,134
Post dated cheques	1,159,038	705,796
Income tax 2003	1,657,424	1,657,424
Provision for prepayment of income tax and other receivables from Greek Government	1,778,808	1,710,521
Shares of listed company *	29,146	69,252
Dicomo Investments Sarl ⁽²⁾	--	4,989,075
Disputable claims VAT tax Greek State	283,028	0
V.A.T.	1,776,280	1,551,787
Advances on account	24,165	59,716
Other debtors	296,504	276,921
	40,625,137	46,206,626

* Cost of shares (19,564 shares) of a company listed in the Greek stock exchange under the name of “ELLINIKI CHRIMATISTIRIA S.A.” is stated at cost 3.54 Euro per share. The Stock Exchange market price as at 31.12.2005 was Euro 8.96 per share.

By means of a decision of the Annual General Meeting of the company's shareholders that was held on the 25th of April 2005, the share capital of the company “ELLINIKI CHRIMATISTIRIA S.A.” was reduced by 145,730,754.65 euro with cash payback to shareholders (2.05 per share). Additionally the distribution of 0.2 euro per share dividends to the shareholders. The share capital decrease was followed by a corresponding decrease of the company's par value to 3 euro from 5.05 euro per share.

⁽¹⁾ Bank letter of guarantee of € 2,061,854 (31/12/2005) and € 4,805,131 (31/12/2004) were received as a security against receivables.

⁽²⁾ In September 2004, Teletypos S.A. sold 7% of the share capital of «Multichoice Hellas S.A.» to the foreign company «Dicomo Investments Sarl». Receivable from disposal of participation in affiliated company “Multichoice Hellas S.A.” was collected in 2005.

21. Deferred taxes

	31/12/05	31/12/2004
Deferred tax liabilities	(220,349)	(149,015)
Receivable from deferred taxes	1,575,996	1,326,437
Closing balance	1,355,647	1,177,422

Deferred tax analysis:

	31/12/05	31/12/2004
At 1st January	1,177,422	1,077,600
Deferred tax for the period	178,225	99,822

Closing balance 31 December	1,355,647	1,177,422
------------------------------------	------------------	------------------

Deferred taxation assets/liabilities are connected to:

	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Total
Balance at 1st January, 2004	60,005	1,069,600	(52,005)	1,077,600
Plus: Charge to income statement for the year	(9,598)	144,826	(35,406)	99,822
Balance at 31st December, 2004	50,407	1,214,426	(87,411)	1,177,422
Plus: Charge to income statement for the year	(43,303)	150,758	70,770	178,225
Balance at 31st December, 2005	7,104	1,365,184	(16,641)	1,355,647

22. Prepayments of programme rights

	31/12/05	31/12/04
Film rights	35,746,378	39,338,168
Sundry expenses	344,208	141,782
Third parties' fees	0	4,891
	36,090,586	39,484,841

23. Cash and cash equivalent

	31/12/05	31/12/04
Cash in hand	27,180	33,123
Cash at banks	2,415,441	2,637,696
	2,442,621	2,670,819

TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE”

24. Share capital

	000' Drs	Euro
Authorised share capital		
Issued and fully paid		€ 31,237,500.00
Nominal ordinary shares of G.Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	681,273	
Total share capital 31,237,500 registered ordinary shares of Euro 1 (G.Drs. 340.75) each	10,644,178	31,237,500.00

Share premium is part of the difference between the nominal and issued value of ordinary shares sold to the public through the Athens Stock Exchange in 1994 and 1999.

25. Reserves

	Statutory* reserves	Tax free taxed at source reserve	Revaluation reserve	Total
Balance at 1 January, 2004	2,993,673	4,193,129	0	7,186,802
Revaluation of property	0	0	1,489,534	1,489,534
Revaluation differences of participations and securities	0	0	28,336,752	28,336,752
Change in year	0	(96,573)	0	(96,573)
Distribution of profits on 2004	357,859	3,468,611	0	3,826,470
Balance at 31 December, 2004	3,351,532	7,565,167	29,826,286	40,742,985
Change in year	236,899	206,104	0	443,003
Balance at 31 December, 2005	3,588,431	7,771,271	29,826,286	41,185,988

*The company is obliged by Greek company Law 2190/1920 to transfer to this reserve 5% of its annual profits until these reserves are accumulated to one third (1/3) of its paid up share capital.

26. Long term liabilities

	31/12/05	31/12/04
Debenture loan (26.1)	31,500,000	39,375,000
Bank loans (26.1)	10,002,385	5,000,000
Guarantees	4,402	4,402
	41,506,787	44,379,402
Provision for retirement benefits (26.2)	5,460,735	4,857,704
	5,460,735	4,857,704
Total long term liabilities	46,967,522	49,237,106

26.1 Debenture loans

Represent debenture loan of Euro 45.000.000 that was obtained by the company under a loan agreement dated 25.05.2004. The loan was undertaken in order to reduce the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1.55% per annum above 3 months Euribor. The remaining amount is payable in four instalments as follows: Euro 7.9 mil. in 06.06.2006, Euro 9.0 mil. in 06.06.2007, Euro 9.0 mil. in 06.06.08 and Euro 13.5 mil. in 06.06.09.

The component banks of the debenture loans are as follows. Alpha Bank is the administrative bank.

	Total	Payments	Short Term Portion	Long Term Portion
Alpha Bank	11,900,000	1,487,500	2,087,500	8,325,000
Piraeus Bank	10,000,000	1,250,000	1,750,000	7,000,000
Commercial Bank	7,000,000	875,000	1,225,000	4,900,000
National Bank of Greece	3,000,000	375,000	525,000	2,100,000
Egnatia Bank	3,000,000	375,000	525,000	2,100,000
General Bank of Greece	2,300,000	287,500	400,000	1,612,500
Aspis Bank	2,000,000	250,000	350,000	1,400,000
Laiki Bank	2,000,000	250,000	350,000	1,400,000
EFG Telesis Finance	2,000,000	250,000	350,000	1,400,000
Attika Bank of Greece	1,800,000	225,000	312,500	1,262,500
Total of debenture Loan	45,000,000	5,625,000	7,875,000	31,500,000
Piraeus Bank				5,000,000
ALPHA BANK				5,002,385
Total Long term Loan	45,000,000	5,625,000	7,875,000	41,502,385

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

26.2 Retirement indemnities as calculated by the actuarial company “Hewitt Associates S.A.”

	01/01 - 31/12/05	01/01 - 31/12/04
Present Value of Obligations	7,296,094	5,779,924
	7,296,094	5,779,924
Unrecognized net gain / (loss)	(1,417,744)	(922,220)
Unrecognized past service cost	(417,615)	-
Net Liability in Balance Sheet	5,460,735	4,857,704

Components of P&L Charge

Service cost	588,412	473,981
Interest cost	255,504	210,876
Amortization of Unrecognized net (gain)/loss	20,875	-
Regular P&L Charge	864,791	684,857

Additional Cost of Extra Benefits	312,742	345,909
Total P&L Charge	1,177,533	1,030,766

Movements in Net Liability/(Asset) in Balance Sheet

Net Liability/(Asset) in BS at the beginning of the year	4,857,704	4,278,480
Benefits paid by the Company	(574,502)	(451,542)
Total expense recognized in the income statement	1,177,533	1,030,766
Net Liability/(Asset) in BS at year end	5,460,735	4,857,704

Assumptions

Discount rate	4.0%	4.5%
Rate of compensation increase	4.0%	4.0%
Average future working life	16.09	16.49

27. Trade and other payable

	31/12/05	31/12/04
Payables trade	74,074,297	66,178,543
Dividends payable	27.1 509,289	534,466
Advances by customer	546,126	2,084,388
Taxes and duties	27.2 7,433,740	4,533,523
Social security funds	989,873	963,471
Other creditors	27.3 2,788,705	1,487,180
Accruals	27.4 1,496,369	3,736,913
Balance as per books at 31st December	87,838,399	79,518,484

27.1. Dividends payable

	31/12/05	31/12/04
Balance at 1 January	534,466	574,116
Plus: Approved dividends 2003	0	3,748,500
Plus: Approved dividends 2004	3,748,500	0
Less: Dividends paid during the year	(3,773,677)	(3,788,150)
Dividends payable at 31 December ⁽¹⁾	509,289	534,466

27.2. Taxes and Duties

	31/12/05	31/12/04
Broadcasting licence fees ⁽²⁾	3,778,285	0
Income tax (note 3. 7)	2,342,255	3,410,959
Income tax (Subsidiary)	147,263	9,780
Taxes and Duties related to full time employees	707,312	675,642
Other withholding taxes	174,409	242,092
Prior years' taxes and duties	283,028	0
Settlement Stamp Duty L.2328/95	0	193,643
Current Stamp Duty	1,188	1,407
Balance as per books at 31st December	7,433,740	4,533,523

27.3. Other creditors

	31/12/2005	31/12/2004
Staff wages	40,772	40,231
Third parties fees	242,737	554,469
Cheques payable	1,870,012	0
Sundry creditors	633,051	363,747
Distribution of earnings to personnel	2,133	528,733
Balance as per books at 31st December	2,788,705	1,487,180

TELETYPOS TELEVISION PROGRAMMES S.A.

“MEGA CHANNEL - GREECE”

27.4. Accruals

	31/12/2005	31/12/2004
Interest and similar charges	106,167	115,566
Broadcasting license fees & other third party rights	398,781	2,588,645
Utilities	0	29,722
Third parties fees	894,626	936,673
Sundry expenses	487	585
Programme cost	20,000	0
Film rights	76,308	65,722
Balance as per books at 31st December	1,496,369	3,736,913

(1) Board of Directors proposes a 0.13 euro dividend per share. The total proposed dividend payment for the year 2005 (which will be paid in the year 2006) is 4.060.875 euro.

(2) A comparison of broadcasting license fees for the years 2005 and 2004 is included in the analysis of the accruals (note 27.4).

28. Short term borrowings

Bank overdrafts

	Credit limit	Amount withdrawn
NATIONAL BANK OF GREECE	12,000,000	958
COMMERCIAL BANK	12,000,000	76,912
ALPHA BANK	16,000,000	330,535
PIRAEUS BANK	10,000,000	0
EGNATIA BANK	3,000,000	29,250
BANK OF ATTICA	2,200,000	0
ASPIS BANK	3,000,000	0
NOVA BANK	4,500,000	3,546,936
EFG EUROBANK-ERGASIAS	3,000,000	0
	65,700,000	3,984,591

Interest rate of short term bank loans in 2005 fluctuated from 3.93% to 4.00%.

29. Earnings per Share

Earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in circulation during the year:

	31/12/2005	31/12/2004
Profit for the year after taxes	4,521,994	8,394,061
Weighted average shares outstanding	31,237,500	31,237,500
Earnings per share in Euro	0.14	0.27

30. Net Position and Profit reconciliation between Greek Accounting Standards and I.F.R.S.

	NET POSITION 31/12/03	PROFIT 31/12/03	NET POSITION 31/12/04	PROFIT 31/12/04
Net Position and Profit according to Greek Accounting Standards	79,794,059	3,446,049	113,510,991	4,813,227
Bad debts written off	-2,477,665		-2,477,665	-317,770
Deferred expenses written off	-171,445		-171,445	27,424
Payments on account of tangible assets written off	-644,483		-644,483	
Provision for staff indemnities	-4,278,400		-4,278,400	-579,304
Unrealised gain on exchange differences written off	148,578		0	249,748
Deferred tax	1,077,600		1,129,605	47,815
Adjustment for proposed dividend		3,748,500		3,748,500
Other non-incorporated in operating operating cost taxes (Property tax)				
Provision for income tax				
Total adjustments for adoption to IFRS	-6,345,815	3,748,500	-6,442,388	3,176,413
Net Position and Profit after adjustment for IFRS adoption	73,448,244	7,194,549	107,068,603	7,989,640

31. Contingencies

- 31.1** Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2000 to 2005 (note 14).
- 31.2** Letters of guarantee issued by banks amounting to USD 3.890.000 (3.28 millions euro), CHF 4.250.000 (2.73 millions euro), and 708,000 euro for meeting liabilities on behalf of the Greek Football Association (ΕΠΟ) and 400,000 euro for meeting liabilities on behalf of TELESTARE.
- 31.3** Payment of compensation to third parties amounting to 16 million euros approximately claimed in the above suits.

The company's lawyers do not expect any significant charges from the above mentioned contingencies.

32. Financial Commitments

- 32.1** Commitments under agreements of approximately 40.3 million euro for the production of Greek programmes.
- 32.2** Commitments under agreements of approximately 6.96 million euro for foreign programmes.

33. Compensation to executives and management

Board of Directors' salaries and other members of the management were as follows:

	2005	2004
Salaries	2,278,233	2,173,266

34. Transactions with affiliated companies

The company has a participation in the capital of the company TELETYPOS CYPRUS Ltd. (100%) and a participation in the company Logos Cyprus (25%). (Transactions with affiliated companies have been cleared in the balance sheet due to consolidation).

35. Events after the balance sheet date

There are no events after the balance sheet date which concern the company and disclosure of which is required by the International Financial Reporting Standards.

Athens, February 23, 2006

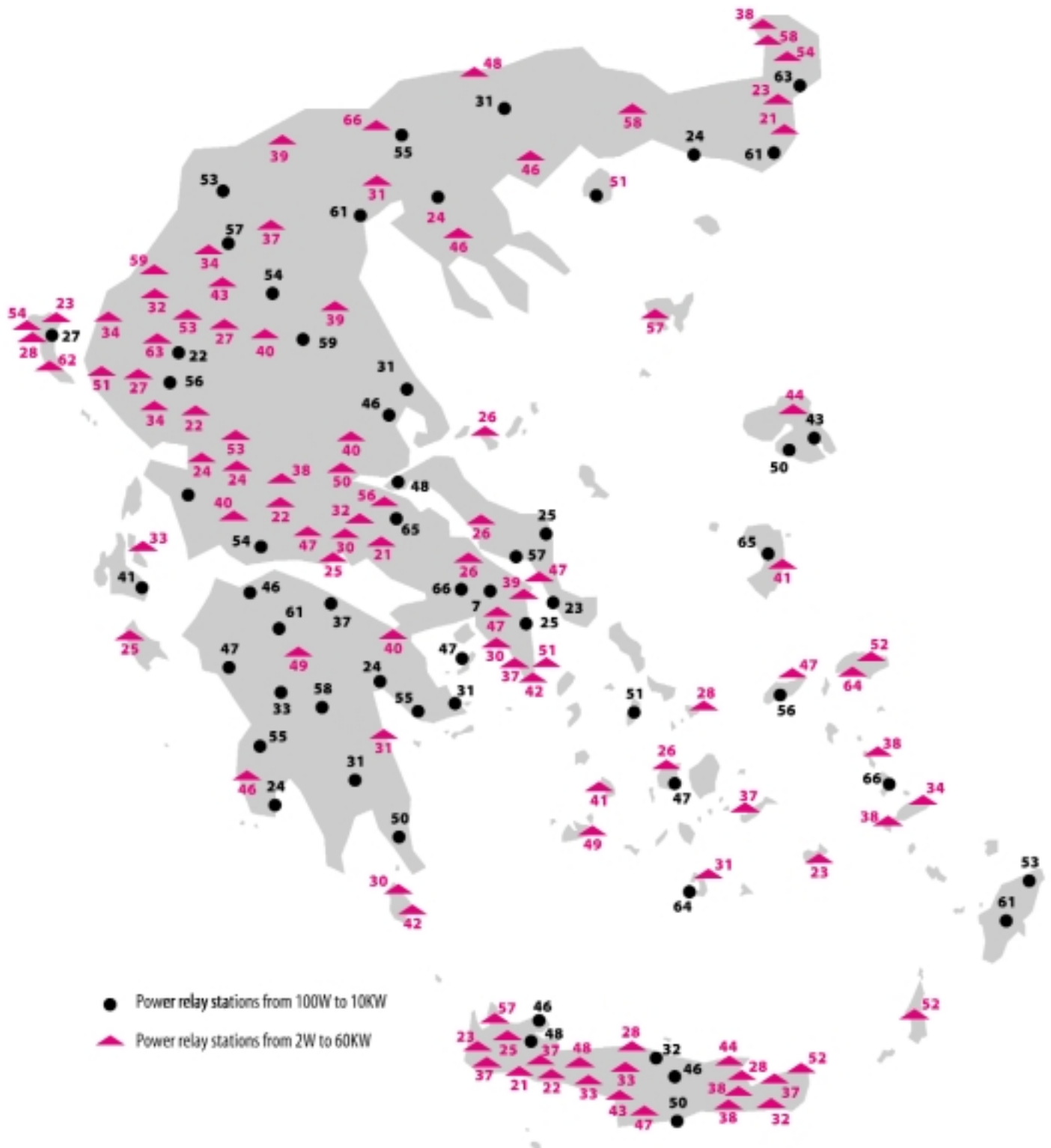
The President of Board
of Directors
Christos K. Tegopoulos
Α 102836

The Managing Director
And member of Board of Directors
Elias E. Tsigas
Β 414434

Financial Controller
Athanasios G. Andreoulis
Φ 064116

Chief Accountant
Vasilios A. Kritikos
Χ 575439

Broadcasting Network Facilities



Notes

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Notes