

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

**ANNUAL FINANCIAL REPORT**

**(1<sup>st</sup> January 2010 – 31<sup>st</sup> December 2010)**

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**TLETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**

**BOARD OF DIRECTORS**

**DECLARATION**

**in accordance with Article 4 § 2 Law 3556/2007 on the company’s financial statements  
and Board of Directors Report**

Members of the Board of Directors:

1. Elias E. Tsigas, President of the Board of Directors and Managing Director
2. Yiorgos C.Aidinis, Member of the Board of Directors
3. Yiorgos I. Prousanidis, Member of the Board of Directors

We declare that:

- a. the consolidated and separate financial statements of the period 1<sup>st</sup> January 2010 to 31<sup>st</sup> December 2010, which were prepared in accordance with the prevailing Accounting Standards, fairly present the assets and Liabilities, the net worth and the income statement of Teletypos S.A. and the entity which is included in the consolidated financial statements, as a whole
- b. the Board of Directors Report on the consolidated and individual financial statements fairly present, the performance and the financial position of Teletypos S.A., and of the entity which is included in the consolidated financial statements as a whole.

Athens, 25/01/2011

Elias E. Tsigas  
President of the Board of Directors and Managing Director

Yiorgos C.Aidinis  
Member of the Board of Directors

Yiorgos I. Prousanidis  
Member of the Board of Directors

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**Board of Directors’ Annual Report for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2010**

The Board of Directors’ Annual Report refers to the financial year of 2010. The Financial Statements are in accordance with the provisions of the Law 3556/2007 as well as the relevant decisions of the Hellenic Capital Market Committee and especially the decision 7/448/11.10.2008. It includes the following:

**A. Summarised report of the financial statements of the parent company and of the group for the accounting year 1/1-31/12/2010**

**B. Major risks and uncertainties**

**C. Related party transactions**

**D. Events after the balance sheet date**

**E. Financial instruments**

**F. Company’s prospects**

**G. Research and Development Activities**

**H. Branches**

**I. Corporate Governance**

**J. Explanatory report**

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**Board of Directors’ Annual Report for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2010**

**A. Summarized report of the financial statements of the parent company and of the group for the period 1/1-31/12/2010**

**A1. Company**

**Statement of financial position**

The total current asset of the company at the end of 2010 amounted to 107,2 million euro compared to 84 million euro of 2009. 32% of the current assets are for program rights, 34% of them are trade receivables and 23% of them are short-term receivables from associated companies. Investments in television programs and in tangible assets for 2010 amounted to 78,9 million euro compared to 86 million euro of 2009.

Equity amounted to 75,2 million euro compared to 79,7 million euro in 2009. The decrease in the equity is due to the losses of 4,5 million euro for 2010. Short-term liabilities amounted to 148 million euro in 2010 from 112 million euro in 2009. 43% of the short-term liabilities are suppliers and 39% short-term loans.

Long-term liabilities is mainly a debenture loan of 50.000.000 euro that the company issued at 4.12.2009. The loan is without a guarantee with floating interest rate, based on 3month or 6month Euribor plus spread 2,25%. The duration is 39 months. The debenture loan is payable by five instalments: 7,5 million euro at 14.03.2011, 7,5 million euro at 14.09.2011, 7,5 million euro at 14.03.2012, 7,5 million euro at 14.09.2012 and 20 million euro at 14.03.2013. Alpha Bank and Piraeus bank are the administrative banks.

	<b>Date of Payment</b>	<b>Long-term portion</b>	<b>Short-term portion</b>
Debenture loan Alpha Bank - Piraeus	14-March-2011	0	7.500.000
Debenture loan Alpha Bank - Piraeus	14-Sept-2011	0	7.500.000
Debenture loan Alpha Bank - Piraeus	14-March-2012	7.500.000	0
Debenture loan Alpha Bank - Piraeus	14-Sept-2012	7.500.000	0
<u>Debenture loan Alpha Bank - Piraeus</u>	<u>14-March-2013</u>	<u>20.000.000</u>	<u>0</u>
<b>Total</b>		<b>35.000.000</b>	<b>0</b>
<b>Issuance expenses of the loan</b>		<b>(334.000)</b>	<b>0</b>
<b>Total 31/12/2010</b>		<b>34.666.000</b>	<b>15.000.000</b>

The total of the debenture loans for 2010 amounted to 107,9 million euro compared to 88,5 million euro in 2009, while the net debt amounted to 96,7 million euro from 77 million euro in 2009.

**Statement of Comprehensive Income**

The turnover of the parent company was decreased by 19,5% reaching 112 million euro compared to 139,2 million euro in 2009 although Teletypos S.A. maintained its share in the television advertising market at about the same levels as in 2009 (31,7% in 2009 and 30,1% in 2010). This decrease is due solely to the general economic crisis of the global markets which affected the Greek advertising market since October 2008. In 2010 the total of the television advertising market decreased by 18,4% compared to 2009.

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	<b>2010</b>	<b>2009</b>	<b>%</b>
Turnover – Teletypos S.A. (in million euro)	112	139,2	-19,5%
Share of advertising market (%) – Teletypos S.A.	30,1%	31,7%	-1,6%
Total advertising market	581.572	713.038	-18,4%

The effort for controlling the cost of sales and operating cost in 2010 resulted in a modest decrease of the total cost. Specifically, the cost of sales decreased by 3,7% to 130.3 million euro in 2010 compared to 135.3 million euro in 2009. This result is due to - mainly - a decrease in the cost of programme.

As a result, the gross loss of the company amounted to -18,3 million euro in 2010 from a 3,9 million euro profit in 2009.

Regarding the operating cost, the administration expenses decreased by 5,2% to 7,9 million euro while the distribution expenses remained at the same levels (3.4 million euro) with those of 2009.

In 2010 Teletypos S.A. reported losses after taxation of 4,5 million euro, 1,92 million euro. Analytically, the results of 2010 in comparison with those of 2009 are:

	<b>2010</b> <b>(million euro)</b>	<b>2009</b> <b>(million euro)</b>
Earnings/(Losses) before tax and dividends	(28,67)	(3,60)
Extraordinary taxation	(0,08)	(1,93)
Income taxation and other taxes	0,25	(0,16)
Dividend of subsidiary Teletypos Cyprus Ltd	24,00	3,00
<b>Earnings- Losses after tax</b>	<b>(4,50)</b>	<b>(2,69)</b>

### **Taxation**

The company has closed its open tax years up to the year 2004.

The last tax audit was for the years 2000, 2001, 2002, 2003 and 2004 and it was completed in 2008. The additional taxes were due to expenses which were not considered by the tax auditors as tax allowable. Nevertheless, the management has its own reservations. The additional taxes per year are as follows:

<b>Year</b>	<b>Tax obligation</b> <b>(in euro)</b>
2000	331,171
2001	322,997
2002	456,578
2003	223,444
2004	354,845
	<u>1,689,035</u>

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The nature of the expenses which were considered by the tax authorities as non tax allowable allows to management the expectation that similar expenses cannot be considered as basis for additional taxes for the open tax years as well. Therefore no provision has been made as contingent liability for the open tax years.

**A2. Group**

**Statement of financial position**

According to the 9<sup>th</sup> consolidated statement of financial position with the 100% subsidiary Teletypos Cyprus LTD on 31.12.2010, the total current assets amounted to 113,9 million euro compared to 114 million euro in 2009.

Equity amounts to 74,6 million euro compared to 102 million euro in 2009. Short-term liabilities amounted to 154,7 million euro, 41% of which relates to suppliers.

**Statement of Comprehensive Income**

Consolidated turnover was decreased by 19,5% amounted to 112,1 million euro compared to 139,4 million euro in 2009. Teletypos' Cyprus LTD turnover is exclusively derived from the selling of rights, to television channels.

Consolidated results after taxation were losses of 27,5 million euro compared to losses of 1,6 million euro in 2009.

**Financial Ratios**

The following table presents the main financial ratios of the Company.

**a. Profitability ratios**

	31.12.2010		31.12.2009	
	Parent	Consolidated	Parent	Consolidated
Return on equity	-6%	-36,8%	-3,4%	-1,5%

**b. Liquidity ratios**

	31.12.2010		31.12.2009	
	Parent	Consolidated	Parent	Consolidated
Current ratio	0,72	0,74	0,75	0,96

**c. Financial leverage ratios**

	31.12.2010		31.12.2009	
	Parent	Consolidated	Parent	Consolidated
Debt to equity ratios	2,57	2,68	2,14	1,74
Total debt to EBIDTA	2,20	3,07	1,92	1,98
EBIDTA to interest charges	11,85	8,76	17,42	17,67

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**B. Major risks and uncertainties**

**Market – Foreign currency**

The company’s activities are mainly in the domestic market. The fluctuations between currency exchange rate have effect only at the acquisition of foreign programme which is expressed in currency other than euro. The company does not enter into any derivative financial instrument to manage its exposure since it considers that the risk is immaterial.

The following table gives an indication of the impacts of dollar exchange rate fluctuations on the company’s earnings and equity.

**Sensitivity Analysis of Changes in dollar exchange rates**

	<b>Foreign currency Dollar</b>	<b>Indicative changes of exchange rates</b>	<b>Impact on in the profit before tax (euro)</b>	<b>Impact on the equity (euro)</b>
<b>Year 2010</b>	US\$	1%	34.000	34.000
		-1%	(34.000)	(34.000)
<b>Year 2009</b>	US\$	1%	60.000	60.000
		-1%	(60.000)	(60.000)

The above mentioned calculations are based on the assumptions that all variables are unchanged except of the fluctuation of euro-dollar exchange rates.

**Interest rate risk**

The company is exposed to interest rate risk as it borrows long-term funds at floating interest rate. The risk is managed by the group by the use of interest rate swap contracts. These hedging actions are being evaluated periodically in order to estimate their effectiveness.

The following table presents an indication of the impacts of interest rate fluctuations on the company’s earnings and equity.

	<b>Interest rate fluctuation</b>	<b>Impact on the profit before tax (euro)</b>	<b>Impact on the equity (euro)</b>
<b>Year 2010</b>	+1%	(980.000)	(980.000)
	-1%	980.000	980.000
<b>Year 2009</b>	+1%	(710.000)	(710.000)
	-1%	710.000	710.000

The above mentioned calculations are based on the assumptions that the company’s borrowing is the same in both nature and sizes as that of 2010 and 2009.

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**Credit risk management**

Credit risk refers to the possibility of non-collectability of trade receivables. The risk is considerably mitigated by the adoption of the following policies:

- continuous evaluation of the customers credit worthing
- partial guarantee provided by the customers
- partial insurance cover of receivables

Additionally, credit risk exposure is limited, since trade receivables consist of a large number of customers and there is no dependence on specific customers.

**Liquidity risk management**

The company manages the liquidity risk firstly through managing credit period granted to customers and credit period given by suppliers. Additionally it manages liquidity risk through managing cash resources available (cash and banks), and the availability of bank credit facilities if the need arises. The continuous monitoring of budget performance and the actions taken in case of fluctuations between budget and actual ensures proper balance of cash inflows and outflows.

The tables below are indicative of the settlement dates of the liabilities and receivables of the company and of the group.

**A. LIABILITIES**

**COMPANY**

	<u>Within one year</u>	<u>From 1 to 5 years</u>	<u>After 5 years</u>	<u>Total</u>
<b><u>31/12/2010</u></b>				
<b>Loans</b>	73.222.899	34.666.000	-	107.888.899
Suppliers and others	74.850.627	-	10.376.697	85.227.324
Dividends payable	11.925	-	-	11.925
<b>TOTAL</b>	<b>148.085.451</b>	<b>34.666.000</b>	<b>10.376.697</b>	<b>193.128.148</b>

**31/12/2009**

<b>Loans</b>	39.006.264	49.499.000	-	88.505.264
Suppliers and others	72.974.042	-	9.432.986	82.407.028
Dividends payable	52.714	-	-	52.714
<b>TOTAL</b>	<b>112.033.020</b>	<b>49.499.000</b>	<b>9.432.986</b>	<b>170.965.006</b>

**GROUP**

	<u>Within one year</u>	<u>From 1 to 5 years</u>	<u>After 5 years</u>	<u>Total</u>
<b><u>31/12/2010</u></b>				
<b>Loans</b>	73.222.899	34.666.000	-	107.888.899
Suppliers and others	81.477.132	-	10.376.697	91.853.829
Dividends payable	11.925	-	-	11.925
<b>TOTAL</b>	<b>154.711.956</b>	<b>34.666.000</b>	<b>10.376.697</b>	<b>199.754.653</b>

**31/12/2009**

<b>Loans</b>	39.006.264	49.499.000	-	88.505.264
Suppliers and others	80.072.346	-	9.432.986	89.505.332
Dividends payable	52.714	-	-	52.714
<b>TOTAL</b>	<b>119.131.324</b>	<b>49.499.000</b>	<b>9.432.986</b>	<b>178.063.310</b>

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**B. RECEIVABLES**

The credit period given by the company to its clients is nearly 6 months. Nevertheless there is some flexibility in a case of a delay in payments and clients don’t have to bare any additional financial cost. These delays apart from negative running circumstances are limited. This is the result of the company’s policy, to evaluate its customers, before starting a business relation cooperation. In case of uncertainty, the company asks and receives kind of guarantee (e.g. letter of guarantee).

Periodically, usually on a six-month basis, there is an update for delays beyond six months and after all efforts for collections have been exhausted, the company intensifies its efforts to collect its receivables, up to the point that all the measures in hand are exhausted. In this case the receivables are characterized as doubtful and a related provision is being made.

On 31/12/2010 the total of receivables that were characterised as doubtful were:

Clients	2.818.305
Checks delayed	1.562.809
Fund of Newspapers’ Staff of Athens and Salonika (Advertising Stamp Duty)	1.105.734
	5.486.848

Towards the doubtful receivables mentioned above, a provision of € 5.486.848 has been created.

**Uncertainties faced**

The company operates in an environment that is characterised by continuous monitoring from the Government and a strict legal environment. The product generated is subject to social evaluation criteria and the competition is high. There is uncertainty regarding the level of broadcasting which is a major factor relating to income generated. The company has history of a number of years and is well established and therefore the risk in this area is low.

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**C. Related party transactions**

Related parties, apart from the company TELETYPOS CYPRUS Ltd. (100%) and the company Logos Cyprus (25%), there are companies on which member of the Board of Directors exercise significant influence (Transactions with subsidiary company have been eliminated in the consolidation).

Substantial transactions with related parties are as follows:

	<b>Programme production</b>		<b>Payable</b>	
	<b>1/1-31/12/10</b>	<b>1/1-31/12/09</b>	<b>1/1-31/12/10</b>	<b>1/1-31/12/09</b>
ANOSI S.A.	14.018.454	13.523.512	7.881.751	7.414.545
ATA S.A.	10.994.508	13.301.014	7.948.378	5.951.265

The above companies activities are in the specified sector of programme production and are subsidiaries of the main shareholders, while having common members in their Board of Directors with those of the company itself. All transactions are at arms length and according to the adopted invoicing policy.

There were not change on the transactions described in the last annual report that had any major impact on the financial position and on the company’s and group’s performance during the current financial year.

**D. Important events after the balance sheet date**

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

**E. Financial instruments**

**Significant accounting policies**

Accounting policies adopted in reference with the financial instruments including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument, are disclosed in note 5 to the financial statements of 31/12/2010.

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Categories of financial instruments	Group		Company	
	31.12.10	31.12.09	31.12.10	31.12.09
<b>Financial Assets</b>				
Receivables (including cash and cash equivalents)	<u>78.677</u>	<u>83.413</u>	<u>71.940</u>	<u>53.423</u>
Available-for-sale financial assets	<u>96</u>	<u>143</u>	<u>96</u>	<u>143</u>
<b>Financial Liabilities</b>				
Carrying amounts of payables (including loans)	<u>199.755</u>	<u>178.063</u>	<u>193.128</u>	<u>170.965</u>

**Fair value of financial instruments**

The management of the company considers that the carrying amount of the financial liabilities recognised in financial statements do not materially differ from their fair values.

Exceptionally investment in shares of a company listed in Athens Stock Exchange is measured at the closing value of 31/12/2010.

**F. Company’s prospects**

**General industry information**

Advertising has been one of the most rapidly growing sectors of the Greek economy in the last ten years. However, from October 2008 to December 2010 there was a big decrease in the total advertising sector which was affected from the general financial downturn.

	2008 (euro)	2009 (euro)	2010 (euro)
Total Advertising Expenditure (thousand Euros)	2.667.528	2.209.719	1.885.968
% change	0,6%	-17,1%	-14,7%

Source: Media services (excluding VAT)

The advertising sectors with the highest decrease in 2010 are the following:

	2010 (million euro)	2009 (million euro)	%
Food / Drinks	127,3	155,0	-27,7%
Communications	88,2	101,8	-13,6%
Consumer goods	81	92,0	-11,0%
Banks / Insurance	36,9	57,3	-20,4%
Automobiles	41,9	57,2	-15,3%
Retail stores	45,9	53,3	-7,4%
Publishing	46,8	53,1	-6,3%
Home/Office suppliers/Electric goods	19,7	23,9	-4,2%
Spirits	14	19,4	-5,4%
Clothing/Footwear	3,8	4,2	-0,4%

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

	Television		Magazines		Newspapers		Radio		Total
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
<b>2008</b>	860.708	32%	1.113.270	42%	478.568	18%	214.982	8%	2.667.528
<b>2009</b>	713.038	32%	889.815	40%	441.750	20%	166.192	8%	2.210.795
<b>2010</b>	581.572	31%	746.009	40%	434.150	23%	124.237	7%	1.885.968

Note: Amounts in thousand euro

Television advertising expenditure decreased both in 2010 and 2009, by 18,4% and 17,3% respectively due to the general economic crisis.

In 2010 Mega occupied a dominant position in the advertising market, providing very high returns on advertising investments. Specifically, Mega’s market share in the television market for 2009 is 30,1%.

	2008		2009		2010	
	(thousands euro)	%	(thousands euro)	%	(thousands euro)	%
Mega	270.866	31,5%	225.864	31,7%	175.141	30,1%
Antenna	167.650	19,5%	154.319	21,7%	150.823	25,9%
Alpha	137.858	16,0%	104.070	14,6%	89.717	15,4%
Star	141.704	16,5%	118.672	16,7%	80.123	13,8%
Alter	88.893	10,3%	78.628	11,0%	58.266	10,0%
Net	43.256	5,0%	21.935	3,10%	21.834	3,8%
ET1	9.857	1,1%	8.014	1,10%	5.271	0,9%
ET3	624	0,1%	463	0,1%	399	0,1%
<b>Total</b>	<b>860.708</b>	<b>100%</b>	<b>711.964</b>	<b>100%</b>	<b>581.572</b>	<b>100%</b>

Along with its dominance in advertising market, MEGA is also competitive in television broadcasting ratings. In 2010 Mega maintained its leading position in total audience – full day (20,5%) having a 4,7% difference from the second channel (Antenna). Also, in full day and specifically in commercial audience (people aged 15-44) Mega remains first since 2005 (audience share 19,8%). Finally, in 2010 its commercial audience in the prime time zone Mega maintained its first ranking with 23,1%.

**Total day – Total audience**

	2008	2009	2010
Mega	18,3%	19,8%	20,5%
Antenna	15,2%	14,8%	15,8%
Alpha	13,6%	12,7%	11,9%
Star	10,4%	10,0%	9,8%
Alter	11,2%	10,7%	10,6%
Net	10,3%	9,4%	8,6%
ET1	3,4%	3,4%	2,9%

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**“MEGA CHANNEL - GREECE”**

**Board of Directors’ Annual Report for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2010**

**Total day – Commercial audience (15-44)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>
Mega	20,0%	19,4%	19,8%
Antenna	15,9%	16,8%	17,7%
Alpha	12,5%	13,7%	13,8%
Star	13,2%	13,2%	12,5%
Alter	8,3%	7,8%	7,3%
Net	8,4%	6,6%	6,2%
ET1	3,0%	2,5%	2,2%

**Prime time (21:00 - 23:59) – Commercial audience (15-44)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>
Mega	23,1%	22,9%	23,1%
Antenna	15,4%	16,8%	19,2%
Alpha	13,5%	14,5%	15,4%
Star	12,8%	12,5%	11,3%
Alter	6,0%	5,4%	4,4%
Net	9,1%	7,1%	6,8%
ET1	2,9%	2,5%	1,9%

In 2008, the serials with the greatest viewership in prime time in the Greek television were broadcasted by Mega: ‘Lakis o Glykoulis’ (40,6%), ‘Eytyxismenoi Mazi’ (38,9%) and ‘Polikatikia’ (37,9%). As far as news bulletin is concerned, the main news bulletin of Mega, in 2008, was first in viewership with a rating of 21,5%, achieving the highest difference of the last fifteen years (since 1994) by 5,8 units from the second news bulletin in order.

In 2009, the top five positions in the serials with the greatest viewership in prime time in the Greek television were broadcasted by Mega: ‘Eytyxismenoi Mazi’ (42,2%), ‘Polikatikia’ (33,7%), ‘Xara agnoeitai’ (31,6%), ‘Paidiki Xara’ (31,8%), ‘Lakis o Glykoulis’ (30,8%). In the afternoon time zone, Mega with the series ‘H Zoi tis Allis’ and ‘Ta mystika tis Edem’ had the greatest viewership rate for the last 16 years (37%). Also, in 2009 Mega broadcasted a football match with the greatest viewership rate in TV (1<sup>st</sup> April: Israil-Greece for the preliminary game in Mountail of South Africa in 2010 with viewership rate of 2.240.000 viewers and rate of 46,5%). As far as news bulletin is concerned, the main news bulletin of Mega had the highest difference from all other TV stations since 1992, with a market share of 24,3% while Alter had a market share of 15,7%, with the difference being at 8,6%.

In 2010 Mega achieved the highest share in the daily total, as well as in the population total (20,5%) since 1999 with a difference of 4,7% from the second channel (Antenna). In the commercial audience (15-44 years old) Mega was first in comparison with the rest of the channels for the 6<sup>th</sup> consecutive year with 19,8% in the daily total, with a 2,1% difference from the second (Antenna). For the time margin between 18:00 and 20:00 Mega had the highest share for the station since 17 years ago (39,4%). In the meantime Mega achieved taking 4 out of 5 positions in the TOP 5 of favorite programmes both in total as well as in the 15-44 year old audience with the series “The Island”, the tele-movie “50-50, The Great Feast”, the series “The Life of the Other” and the greek movie “My daughter’s marriage”. The series “The Island” has been the most successful plot programme for 10 years now, with a share of 30% or 3.053.000 average spectators. As far as the news bulletin is concerned, the main news bulletin has been the first among the other stations with an average share of 24,5%.

**TELETYPOS TELEVISION PROGRAMMES S.A.  
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The goals of the company for 2011 are:

- To reduce the total costs of the company by at least 20%, while trying to maintain the quality of the programme and improving the technical infrastructure.
- To maintain the consistency and reliability of its commercial policy.
- To maintain the staff quality as well as that of the company’s coworkers.
- To maintain the first position in the greek audience, as well as in the television advertising expenditure.

**G. Activities in the field of research and development**

There are no such activities.

**H. Branches**

The company has a branch in Thessaloniki without significant activities.

**I. Corporate Governance**

**i. Code of Corporate Governance**

The company in accordance with what is stipulated in law number 3873/2010 has electronic adopted voluntarily and has applied the code of Corporate Governance. This code is displayed in the site of the company [www.megatv.com](http://www.megatv.com).

**ii. Practical corporate Governance matters which the company applies in addition to what is stipulated in the law.**

The company has not adopted additional practices other than those provided by the law.

**iii. Description of the main characteristics of the system of internal control and risk management of the company, in relation to the procedures applied in the preparation of the Company’s and the Consolidated Financial Statements.**

**System of Internal Control**

The Board of Directors recognizes its responsibilities for the preparation of the financial statements. For this purpose it has implemented procedures that will enable the financial statements to be prepared on a timely basis, be free of misstatements and be reliable at the same time. Prerequisite to that is the adoption of a reliable Accounting System, through which will expedite the preparation of the financial information and economic transactions and enable management to derive essential management information.

The main features of the system are:

- Organization chart
- Division of responsibilities
- Sequence of controls and
- Management information system

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The company has an explicit organization chart with a discrete chain of command and lines of authority and responsibilities.

The description of positions held and associated responsibilities are stated in detail and are firmly stated, in a degree that eases the periodical rotation of personnel to prevent the non segregation of duties and responsibilities.

The system ensures the segmentation of responsibilities at the level of operation of duties of the individual staff, the presence of audit procedures exercised by the internal audit department to prevent and detect errors, while protecting the assets of the company through intentional or unintentional misappropriation.

At the same time the purpose of the system is to achieve periodically timely information for the management, through a complete Management Information System which includes the following:

- Budgeting - Comparison of actual results with the budget on a monthly basis
- Interim financial statements and
- Management of deviations between actual results and budgeted targets, through investigating reasons for that and proposing relevant adjustments.

**Management Information system**

The Financial Department is supported by a reliable Software infrastructure that allows the creation of a wide database, creating the circumstances for prompt and valid information.

**Internal auditing**

There is an internal audit department, which has the suitable qualified staff who perform work according to set programs and their findings are reported directly to the Board of Directors. This department performs repetitive detailed reviews of the procedures to be performed relating to the preparing of annual and interim financial statements, contributing in this way to the objective of their completeness and reliability.

**Risk Management**

Through written detailed procedures and delegation of responsibilities associated with close supervision on a daily basis, the company acts in a preventive basis against unfavourable situations, managing the risk for errors and non reliable information. In this line, regular meetings have been established, comprising of the persons involved in the compilation of the Financial Statements, both during the preparation process and on the finalization. During these meetings views are exchanged and reasons for deviations between quarterly and actual results are investigated and corrective action is proposed.

**iv. Reference to informational evidence (c), (d), (f), (g), and (h) of article 10 of instruction 2004/25/EU, Paragraph 1.**

No such information pertains to the company.

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**v. Information considering how the General Meeting of Shareholders operates and its authority as well as description of the rights of shareholders and the way they are being exercised**

The General Meeting is the highest administrative constitution of the company and it assembles once a year pursuant to the request of the Board of Directors.

Shareholders who represent the 1/20 of the paid up share capital can summon an assembly of an Extraordinary General Meeting of the Shareholders to discuss relevant matters.

To ratify important decisions, such as changing the constitution or mergers, it is required that an additional majority of votes is achieved.

The Board of Directors is responsible for managing the Annual General Meeting and informing the shareholders about their rights and the agenda of the items to be discussed at the meeting.

To achieve this, the Board of Directors is required, 20 days prior to calling the Annual General Meeting, to display on the website of the company in English and Greek the following information:

- The date, the place and the hour of summoning of the General Meeting.
- The Chairman of the Board of Directors, the Managing Director and the CFO will be present at the Annual General Meeting and will present the agenda of the items to be discussed, answering the questions addressed to them by the shareholders, clarifying matters arisen.
- At the meeting the Chairman and Managing Director of the Board of Directors temporarily acts as Chairman and the Legal Advisor of the company acts as the secretary.
- After sanctioning the list of shares that have the right to vote, the Chairman and the secretary are being elected. The decisions are ratified as stipulated by the Company law and the constitution of the company.
- A summary of the decisions of the General Meeting can be found at the website of the company, as a part of the minutes being kept.
- At the General Meeting the Shareholders are either physically present or they can authorize other persons to represent them.

**vi. Composition and operation of the Board of Directors and other administrative, management and supervisory units or committees of the company.**

**- Composition and operation of the Board of Directors**

The Board of Directors is comprised of five to nine members out of which 7 are non executive directors. The members are elected from the General Meeting and their tenure is 5 years.

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- **Composition and operation of the Board of Directors (cont’d)**

The members of the Board of Directors as at 31 December, 2010 were:

Elias Tsingas son of Efstathios, Chairman and Managing Director  
Yiorgos Vardinogiannis son of Vardis, Member  
Fotis Bombolas son of Yiorgos, Member  
Yiorgos Aidinis son of Christos, Member  
Yiorgos Bombolas son of Fotios, Member  
Yiorgos Prousanidis son of Ioannis, Member  
Panagiotis Psicharis, Member  
Stavros Psicharis, Member

(whenever the composition of the Board of Directors is not in congruence with what it is stipulated by the code of Corporate Governance, then it will be a matter to be referred to in the next General Meeting).

The Board of Directors is assembled as a body through the process of election by the members, Chairman and one or more Vice Chairmen or the Managing Director. In the absence of the Chairman his position is covered by the Vice Chairman or by the Managing Director in this order of priority. The Board of Directors may hold a meeting outside the company’s headquarters. The frequency of the meetings is designated by the business needs. The agenda of matters to be discussed is decided by the adopted strategy and the importance of the issues that may arise.

The Managing Director briefs the members of the Board of Directors regarding the matters to be discussed and provides the relevant answers and clarifications to questions raised.

The decisions by the Board of Directors are ratified by the majority of the members mentioned above and the minutes are signed by its members.

The Board of Directors is being informed periodically for the activities of the Audit Committee. Through its periodical reports the total work output is being evaluated, and based on historical data and current facts it is being directed.

The effectiveness of the Board of Directors is a major issue among its members and through conversations and exchange of opinions, the accuracy of its decisions is judged and future actions and policies are coordinated, always having in mind its continuous raise of effectiveness.

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**Audit Committee**

The committee comprises of members of the Board of Directors and their duties are:

- a. Supervision of the procedure of the financial information.
- b. Supervision of the effective operation of the internal audit and risk management systems, as well as reviewing the correct operation of the internal auditor unit of the audited organization.
- c. Supervision of the course of the statutory audit of the parent company and the consolidated financial statements.
- d. Review and follow up matters related to the existence and maintenance of the objectivity and independence of the external auditors.

The members of the Committee are elected by the General Meeting of the Shareholders after a proposal of the Board of Directors and it comprises of 3 non executive members.

The Committee exercises continuous supervision and organises meetings when it is considered necessary. At least twice a year it meets with the statutory auditor of the company and it is informed about matters relating to the audit.

The members of the current Audit Committee are:

- ✓ Yiorgos Bombolas
- ✓ Yiorgos Ainidis
- ✓ Yiorgos Prousanidis

The procedures relating to how the Audit Committee operates are displayed in the website of the company [www.megatv.com](http://www.megatv.com).

- Information relating to remuneration of the Board of Directors

Attached you’ll find an analysis considering the remuneration of the Board of Directors

**1. Remuneration paid either monetary or benefits in kind excluding shares (not relating to shares) to executive members of the Board of Directors.**

The yearly remunerations of the members of the Board of Directors are proposed during the General Meeting and they are approved in advance. The remunerations paid during the year 2010 were lower comparing to the pre-approved remunerations which were approved by the General Meeting on 25 June, 2010.

**2. Grants in the form of shares or share options (grants to associated titles) for executive Board of Directors’ members.**

No such benefits were granted.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**3. Occupational agreements between executive members of the Board of Directors.**

No such agreements exist.

**4. Compensation for non executive members including the independent members**

Compensation was given to two independent non executive members, of a total of euro 24.000€ for 2009 related to attending meetings of the Board of Directors.

**J. Explanatory report**

**a. Share Capital Structure.**

The share capital of the company amounted to € 37,797,375 divided as 37,797,375 common shares of nominal value €1 each. All the shares carry voting rights and are listed for trading in the Athens Stock Exchange.

The owner of each share has all the rights that are defined by the Law 2190/1920.

As follows:

- Dividend right which is proposed on occasion by the Board of Directors and determined from the General Meeting. The distributed dividend can not be smaller than 35% of the net profits.  
The dividend is being paid within 2 months after the final decision of the General Meeting.
- Right of return of the contribution in the case of the liquidation of the company.
- Right of preference when the Share Capital is increased.
- Right of participation in the General Meeting, under the condition of the observance of the procedure.

**b. Limits on transfer of Company’s shares.**

The Company’s shares may be transferred as provided by the Law, and the Articles of Association provide no restrictions.

**c. Significant direct or indirect participations in the as defined by the articles 9-11 of Law 3556/2007.**

According to the shareholders’ book of 31/12/2010, the shareholders that held more than 5% of the total voting rights are:

Pegasos Ekdotiki S.A. 26,82%  
Labrakis Reporting Organization S.A. 22,11%  
Benbay Ltd 5,09%

**d. Shareholders with special control rights.**

There are no such shares that carry any special control rights.

**TELETYPOS TELEVISION PROGRAMMES S.A.  
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**Board of Directors’ Annual Report for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2010**

**e. Limitation on voting rights.**

There are no such limitations.

**f. Agreements among shareholders entailing limitations on the transfer of shares or voting rights.**

The company is not aware of any such agreements.

**g. Regulations regarding the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/1920.**

There are no such regulations that differentiate from those provided for in Codified Law 2190/1920.

**h. Authority of the Board of Directors to issue new shares or to purchase their own shares of the Company, pursuant to article 16 of Codified Law 2190/1920.**

1. Following the decision taken by the General Meeting of the shareholders – with a 2/3 majority of votes of its total members –, the Board of Directors has the right to increase the Share Capital within 5 years, by the issue of new shares. The percentage of that increase may not exceed the amount of the Share Capital, that was existing at the date that this decision was taken.

The authority of the Board of Directors, mentioned above, may be renewed from the General Meeting of the shareholders for a period that can not exceed 5 years, for each renewal.

2. Acquisition is possible with an authorization of the General Meeting of the shareholders and can not, according to Law, exceed 10% of the existing shares.

**i. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.**

Such agreements do not exist.

**j. Compensation agreements with members of the Board of Directors or employees of the Company in the case of resignation or dismissal without good reasons, termination of their services, or their occupation due to the public offer.**

Such agreements do not exist.

Athens, 25 January 2011  
For the Board of Directors

Elias E. Tsigas  
President of the Board of Directors and Managing Director

**TRANSLATION FROM THE ORIGINAL  
ISSUED IN THE GREEK LANGUAGE**

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

We have audited the accompanying financial statements and the consolidated financial statements of TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” which comprise the statement of financial position as at 31 December, 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the aforementioned financial statements and the consolidated financial statements give a true and fair view of the financial position of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" as of 31 December, 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

### **Report on Other Legal and Regulatory Issues**

- a) Included within the Directors' Report is the Corporate Governance declaration which contains the information required by Paragraph 3d, Article 43a of Law 2190/1920.
- b) We have confirmed that the information given in the Directors' Report, is consistent with the individual and consolidated financial statements in accordance with the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Piraeus, 15 February, 2011

THE CERTIFIED PUBLIC ACCOUNTANT

COSTAS CONSTANTINOU  
REG. NO. 33801  
**MOORE STEPHENS**  
**CHARTERED ACCOUNTANTS**  
**REG. NO. 119**

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**1<sup>st</sup> January – 31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

<b><u>GROUP</u></b>	<b>Notes</b>	<b><u>01.01/ 31.12.10</u></b>	<b><u>01.01/ 31.12.09</u></b>
Revenues	8	112,147,995	139,379,984
Cost of Sales	9	<u>(130,338,480)</u>	<u>(135,422,089)</u>
<b>Gross (Loss)/Profit</b>		<b><u>(18,190,485)</u></b>	<b><u>3,957,895</u></b>
Other operating income	10	<u>10,965,895</u>	<u>9,558,240</u>
		<b><u>(7,224,590)</u></b>	<b><u>13,516,135</u></b>
Distribution expenses	9	(3,430,103)	(3,427,052)
Administration expenses	9	<u>(8,079,909)</u>	<u>(8,441,649)</u>
<b>Operating (loss)/profit</b>		<b><u>(18,734,602)</u></b>	<b><u>1,647,434</u></b>
<b>Non operating income</b>			
Interest received and receivable		1,385,805	1,786,196
Profit on disposal of fixed assets		37,944	12,721
Income from securities		14,340	0
Other income	11	<u>350,779</u>	<u>3,814,546</u>
		<b><u>1,788,868</u></b>	<b><u>5,613,463</u></b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(7,422,978)	(5,099,903)
Provisions		(1,963,574)	(429,311)
Losses on disposal of fixed assets		(808)	(6,359)
Other expenses	12	<u>(1,102,393)</u>	<u>(1,045,897)</u>
		<b><u>(10,489,753)</u></b>	<b><u>(6,581,470)</u></b>
<b>Profit for the period before tax</b>		<b><u>(27,435,487)</u></b>	<b><u>679,427</u></b>
Prior year's additional income tax	13	(74,624)	(1,928,542)
Income tax	13	<u>42,056</u>	<u>(329,917)</u>
<b>Profit for the period after tax</b>		<b><u>(27,468,055)</u></b>	<b><u>(1,579,032)</u></b>
<b>TOTAL OTHER INCOME - (EXPENSES)</b>			
Valuation on listed securities		(34,257)	24,945
Total other income - (expenses)		<b><u>(34,257)</u></b>	<b><u>24,945</u></b>
<b>Total comprehensive income for the year</b>		<b><u>(27,502,312)</u></b>	<b><u>(1,554,087)</u></b>
Earnings per share € (note 29)		<b><u>-0.7267</u></b>	<b><u>-0.0418</u></b>

The notes on pages 28 to 66 form an integral part of the financial statements.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**1<sup>st</sup> January – 31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**COMPANY**

	<u>Notes</u>	<u>01.01/ 31.12.10</u>	<u>01.01/ 31.12.09</u>
Revenues	8	112.087.995	139.180.409
Cost of Sales	9	<u>(130.338.480)</u>	<u>(135.326.289)</u>
<b>Gross (Loss)/Profit</b>		<b><u>(18.250.485)</u></b>	<b><u>3.854.120</u></b>
Other operating income	10	<u>10.965.895</u>	<u>9.558.240</u>
		<b><u>(7.284.590)</u></b>	<b><u>13.412.360</u></b>
Distribution expenses	9	(3.430.103)	(3.427.052)
Administration expenses	9	<u>(7.906.679)</u>	<u>(8.344.420)</u>
<b>Operating loss/profit</b>		<b><u>(18.621.372)</u></b>	<b><u>1.640.888</u></b>
<b>Non operating income</b>			
Interest received and receivable		16.346	104.273
Profit on disposal of fixed assets		37.944	12.721
Income from securities		24.000.000	3.000.000
		14.340	0
Other income	11	<u>350.779</u>	<u>1.014.546</u>
		<b><u>24.419.409</u></b>	<b><u>4.131.540</u></b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(7.406.283)	(5.098.050)
Provisions		(1.963.574)	(224.311)
Losses on disposal of fixed assets		(808)	(6.359)
Other expenses	12	<u>(1.102.393)</u>	<u>(1.045.897)</u>
		<b><u>(10.473.058)</u></b>	<b><u>(6.374.617)</u></b>
<b>Loss for the period before tax</b>		<b><u>(4.675.021)</u></b>	<b><u>(602.189)</u></b>
Prior year's additional income tax	13	(74.624)	(1.928.542)
Income tax	13	<u>247.997</u>	<u>(157.804)</u>
<b>Loss for the period after tax</b>		<b><u>(4.501.648)</u></b>	<b><u>(2.688.535)</u></b>
<b>OTHER INCOME - (EXPENSES)</b>			
Valuation on listed securities		<u>(34.257)</u>	<u>24.945</u>
Total other income - (expenses)		<b><u>(34.257)</u></b>	<b><u>24.945</u></b>
<b>Total comprehensive income for the year</b>		<b><u>(4.535.905)</u></b>	<b><u>(2.663.590)</u></b>
Earnings per share euro (note 29)		<b><u>-0,1191</u></b>	<b><u>-0,0711</u></b>

The notes on pages 28 to 66 form an integral part of the financial statements

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF FINANCIAL POSITION**  
**1<sup>st</sup> January – 31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

		<u><b>GROUP</b></u>		<u><b>COMPANY</b></u>	
	Note:	<u><b>31.12.2010</b></u>	<u><b>31.12.2009</b></u>	<u><b>31.12.2010</b></u>	<u><b>31.12.2009</b></u>
<b>FIXED ASSETS</b>					
Intangible assets – Programme rights	14	145,880,477	151,663,247	146,020,877	151,663,247
Tangible assets	15	10,566,661	11,047,034	10,566,661	11,047,034
Investments in associates	16	1,110,396	689,796	1,697,800	1,277,200
Deferred taxation	20	2,439,576	2,163,578	2,439,576	2,163,578
Other financial assets	17	431,472	514,519	431,472	514,519
<b>Total fixed assets</b>		<u><b>160,428,582</b></u>	<u><b>166,078,174</b></u>	<u><b>161,156,386</b></u>	<u><b>166,665,578</b></u>
<b>CURRENT ASSETS</b>					
Inventories		350,929	380,055	350,929	380,055
Trade and other receivables	18	36,663,325	39,108,465	36,447,293	38,629,268
Claims against associated companies	19	0	0	24,438,596	3,438,596
Prepayments of programme rights & other expenses	21	34,781,740	30,130,953	34,781,740	30,085,349
Cash and cash equivalents	22	42,109,538	44,447,435	11,149,728	11,498,588
<b>Total assets</b>		<u><b>113,905,532</b></u>	<u><b>114,066,908</b></u>	<u><b>107,168,286</b></u>	<u><b>84,031,856</b></u>
<b>EQUITY AND LIABILITIES</b>					
Share capital	23	37,797,375	37,797,375	37,797,375	37,797,375
Share premium	23	33,469,247	33,469,247	33,469,247	33,469,247
Reserves	24	10,438,493	10,472,750	10,438,493	10,472,750
Retained earnings / (loss)		<u>(7,125,655)</u>	<u>20,342,400</u>	<u>(6,508,592)</u>	<u>(2,006,944)</u>
<b>Total Equity</b>		<u><b>74,579,460</b></u>	<u><b>102,081,772</b></u>	<u><b>75,196,523</b></u>	<u><b>79,732,428</b></u>
<b>Long-term liabilities</b>	25	<u><b>45,042,697</b></u>	<u><b>58,931,986</b></u>	<u><b>45,042,697</b></u>	<u><b>58,931,986</b></u>
<b>SHORT TERM LIABILITIES</b>					
Trade and other payables	26	81,489,058	80,125,060	74,862,553	73,026,756
Short term borrowings	27	58,222,899	39,006,264	58,222,899	39,006,264
Long term liabilities payable next period	25.1	15,000,000	0	15,000,000	0
<b>Total Short Term Liabilities</b>		<u><b>154,711,957</b></u>	<u><b>119,131,324</b></u>	<u><b>148,085,452</b></u>	<u><b>112,033,020</b></u>
<b>Total equity and liabilities</b>		<u><b>274,334,114</b></u>	<u><b>280,145,082</b></u>	<u><b>268,324,672</b></u>	<u><b>250,697,434</b></u>

The notes on pages 28 to 66 form an integral part of the financial statements

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**1<sup>st</sup> January – 31st December 2010**  
**(Expressed in Euro)**

**GROUP****Net position 31/12/2009**

	<u>Share Capital</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Valuation reserve on listed securities</u>	<u>Retained earnings</u>	<u>Total</u>
Balance 1st January 2009	37.797.375	33.469.247	4.574.571	4.262.805	82.169	48.773.933	128.960.100
Approval of distribution of profits 2008 from G.M.			1.528.260			-26.852.501	-25.324.241
Profit for the period after tax					24.945	-1.579.032	-1.554.087
<b>Net position 31/12/2009</b>	<b>37.797.375</b>	<b>33.469.247</b>	<b>6.102.831</b>	<b>4.262.805</b>	<b>107.114</b>	<b>20.342.400</b>	<b>102.081.772</b>

**Net position 31/12/2010**

Balance 1st January 2010	37.797.375	33.469.247	6.102.831	4.262.805	107.114	20.342.400	102.081.772
Profit for the period after tax					-34.257	-27.468.055	-27.502.312
<b>Net position 31/12/2010</b>	<b>37.797.375</b>	<b>33.469.247</b>	<b>6.102.831</b>	<b>4.262.805</b>	<b>72.857</b>	<b>-7.125.655</b>	<b>74.579.460</b>

The notes on pages 28 to 66 form an integral part of the financial statements

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**1<sup>st</sup> January – 31st December 2010**  
**(Expressed in Euro)**

<b><u>COMPANY</u></b>	<b><u>Share Capital</u></b>	<b><u>Share Premium</u></b>	<b><u>Statutory Reserve</u></b>	<b><u>Other Reserves</u></b>	<b><u>Valuation reserve on listed securities</u></b>	<b><u>Retained Earnings/(loss)</u></b>	<b><u>Total</u></b>
<b>Net position 31/12/2009</b>							
Balance 1st January 2009	37.797.375	33.469.247	4.574.571	4.262.805	82.169	27.534.092	107.720.259
Approval of 2008 distribution of profits from G.M.			1.528.260			-26.852.501	-25.324.241
Profit for the period after tax					24.945	-2.688.535	-2.663.590
<b>Net position 31/12/2009</b>	<b>37.797.375</b>	<b>33.469.247</b>	<b>6.102.831</b>	<b>4.262.805</b>	<b>107.114</b>	<b>-2.006.944</b>	<b>79.732.428</b>
<b>Net position 31/12/2010</b>							
Balance 1st January 2010	37.797.375	33.469.247	6.102.831	4.262.805	107.114	-2.006.944	79.732.428
Profit for the period after tax					-34.257	-4.501.648	-4.535.905
<b>Net position 31/12/2010</b>	<b>37.797.375</b>	<b>33.469.247</b>	<b>6.102.831</b>	<b>4.262.805</b>	<b>72.857</b>	<b>-6.508.592</b>	<b>75.196.523</b>

The notes on pages 28 to 66 form an integral part of the financial statements.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CASH FLOWS**  
**1<sup>st</sup> January – 31st December 2010**  
**(Expressed in Euro)**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.10</u>	<u>31.12.09</u>	<u>31.12.10</u>	<u>31.12.09</u>
<b><u>Cash flow from operating activities</u></b>				
Loss before taxation	(27.435.487)	679.427	(4.675.021)	(602.189)
<b>Adjustments for items not involving the movement of cash</b>				
Depreciation and amortisation	85.004.218	84.332.434	85.004.218	84.332.434
Provisions	3.074.286	922.802	3.074.286	717.802
Translation differences	(169.787)	(63.598)	(169.787)	(63.598)
Profit on disposal of fixed assets	(1.437.281)	(1.792.557)	(24.067.822)	(3.110.634)
<b>Interest and similar charges</b>	7.422.978	5.099.903	7.406.283	5.098.050
Decrease (Increase) in inventories of spares and consumables	29.125	6.067	29.125	6.067
Decrease (Increase) in stock of programme rights	(4.696.390)	(1.649.060)	(4.696.390)	(1.649.060)
Decrease(Increase) in debtors and others	618.222	7.733.023	309.453	6.971.066
Decrease(Increase) in payables	83.046	(54.387)	83.046	(54.387)
Repayments of borrowings	3.181.343	(14.329.013)	3.674.044	(10.504.389)
Minus:				
Interest and similar charges	(7.350.040)	(5.197.504)	(7.333.345)	(5.195.651)
Income tax paid	(2.113.581)	(16.195.871)	(1.928.542)	(15.960.915)
<b>Total Cash Flow from Operating Activities (a)</b>	<b>56.210.652</b>	<b>59.491.666</b>	<b>56.709.548</b>	<b>59.984.596</b>
<b><u>Cash Flow from investing activities</u></b>				
Investments in subsidiaries, affiliates, cooperations and other	(420.600)	(250.000)	(420.600)	(250.000)
Proceeds from sale of intangible fixed assets	0	0	0	438.596
Sale of subsidiaries, affiliates, cooperations and other	(78.742.515)	(86.009.291)	(78.882.915)	(86.009.291)
Interest	38.575	12.722	38.575	12.722
Dividends paid	1.385.805	1.786.196	16.346	104.273
	14.340	0	3.014.340	23.000.000
<b>Net Cash Flow from Investing Activities (b)</b>	<b>(77.724.395)</b>	<b>(84.460.373)</b>	<b>(76.234.254)</b>	<b>(62.703.700)</b>
<b><u>Cash Flow from Financing Activities</u></b>				
Increase in long term borrowings	19.216.635	35.194.636	19.216.635	35.194.636
Repayments of borrowings	0	(5.501.000)	0	(5.501.000)
Dividends paid	(40.789)	(22.807.985)	(40.789)	(22.807.985)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>19.175.846</b>	<b>6.885.651</b>	<b>19.175.846</b>	<b>6.885.651</b>
<b>Decrease in net liquid funds (a)+(b)+(c)</b>	<b>(2.337.897)</b>	<b>(18.083.056)</b>	<b>(348.860)</b>	<b>4.166.547</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>44.447.435</b>	<b>62.530.491</b>	<b>11.498.588</b>	<b>7.332.041</b>
<b>Cash and cash equivalents at end of period</b>	<b>42.109.538</b>	<b>44.447.435</b>	<b>11.149.728</b>	<b>11.498.588</b>

The notes on pages 28 to 66 form an integral part of the financial statements.

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

**Notes to the consolidated and parent financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2010**  
**(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 extended through the approval of the Shareholder’s General Assembly. The company is listed in the Athens Stock Exchange.

The parent company had 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 incorporated in 2000 Teletypos Cyprus Ltd. which is a fully owned subsidiary. 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 origination and trading of television programmes
- the installation and operating of television and radio stations throughout Greece
- the establishment, 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 25/01/2011. The composition of the Board of Directors is as follows:

Elias Tsigas	- Chairman and executive Managing Director
Panayiotis Psicharis	- Non-executive member
Yiorgos Bobolas	- Non-executive member
Yiorgos Vardinogiannis	- Non-executive member
Fotios Bobolas	- Non-executive member
Stauros Psicharis	- Non-executive member
Yiorgos Aidinis	- Independent non-executive member
Yiorgos Prousanidis	- Independent non-executive member

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**2. Adoption of new and revised International Financial Reporting Standards**

The group/company adopted, in the current year, the new and revised International Financial Reporting Standards (IFRS) and the corresponding amendments that have been published from the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) respectively, in the respect that these are related with the group's activity and are effective with the accounting periods beginning on 1<sup>st</sup> of January 2010.

**Adoption of new and revised International Financial Reporting Standards**

*a. Standards and Interpretations issued which have effect for the current period:*

- **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial instruments: Disclosures” – Reclassification of Financial Assets** (effective for annual periods beginning on or after 1 July 2009);
- **IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations** (effective for annual periods beginning on or after 1 January 2010);
- **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”** (effective for annual periods beginning on or after 1 July 2009);
- **IFRS 5 (Amendment) “Non-current assets held for sale and discontinued operations” (and consequential amendment to IFRS 1 “First-time adoption of IFRS”)** (effective for annual periods beginning on or after 1 July 2009);
- **IFRIC 17 “Distribution of Non cash Assets to owners”** (effective for annual periods beginning on or after 1 July 2009).

The adoption of these Interpretations has not led to any changes in the Group's/Company's accounting policies.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**2. Adoption of new and revised International Financial Reporting Standards**

*b. Standards and interpretations not yet effective*

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- **IFRS 9, ‘Financial Instruments’**, (Effective for accounting periods beginning on or after 1 January 2013)
- **IFRS 7 (amendment), ‘Financial Instruments: Disclosures’**. (Effective for annual periods beginning on or after 1 July 2011)
- **IFRIC 19, ‘Extinguishing Financial Liabilities with Equity Instruments’**. (Effective for annual periods on or after 1 July, 2010).
- **IAS 32 (amendment), ‘Financial Instruments: Presentation**. (Effective for annual periods beginning on or after 1 February 2010, retrospectively).
- **IAS 24 (revised), ‘Related Party Disclosures’**. (Effective for annual periods beginning on or after 1 January 2011).
- **IFRIC 13 (amendment), Customer Loyalty Programmes** (effective for annual periods beginning on or after 1 January, 2011).
- **IFRIC 14 (amendment), ‘The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction’**. (Effective for annual periods beginning on or after 1 January 2011).
- **IAS 12 (amendment), ‘Deferred Tax: Recovery of Underlying Assets’**. (Effective for annual periods beginning on or after 1 January 2012).

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the company’s financial statements.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2010**  
**(Expressed in Euro)**

**3. Significant Accounting Policies**

**3.1. Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their respective interpretations.

**3.2. Historical cost convention**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the parent company and its subsidiary, which is controlled directly by the parent company. Control is achieved when the parent company has the power to govern the financial and operating policy of the entity that is investing 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 the accounting principles followed by the Group. All group's companies have the same reporting date.

All the inter-company transactions and inter-company balances have been eliminated on consolidation.

Since the parent company holds 100% of the subsidiary's share capital there is no minority interest.

**3.3. Investments in associates**

Participations in affiliated companies are valued at acquisition costs plus any other cost.

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

Provisions for impairments of the investment value are made only when there is significant evidence of substantial impairment. The non realized gains or losses that are due to changes in fair value are included in the shareholder's equity after taking account the taxation effect.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**3. Significant Accounting Policies (cont'd)**

**3.4. Foreign currency transactions and balances**

**a. Transactions in foreign currencies and presentation**

The company's parent and consolidated accounts are presented in the currency of the country in which the company has its activities. The consolidated financial statements are presented in euros which is the parent's company functional currency. From 1/1/2008 euro is the functional currency of Teletypos S.A.'s subsidiary Teletypos Cyprus Ltd.

**b. Transactions and company's accounts**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date monetary items denominated in foreign currencies are translated at the rates prevailing at each balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in items of historical cost in a foreign currency are not translated.

Exchange differences are recognised in income statement in the period in which they except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of these assets.
- Exchange differences on monetary items received from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment of a foreign operation.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in the parent company's reporting currency, using the exchange rates at the balance sheet date. Income and expense are translated at the average exchange rate of the period. Exchange differences arising are recognised as foreign currency reserve in equity.

Such exchange differences are recognized in profit and loss in the period in which the foreign operation is disposed of. The subsidiary company has adopted on 1/1/2008 the euro as its functional currency, and as a result there are no exchange differences thereafter.

**3.5. Borrowing Cost**

Borrowing costs directly attributable to the acquisition, constructions or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Investment income on the temporary investment of specific borrowing is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**(Expressed in Euro)**

**3. Significant Accounting Policies (cont'd)**

**3.6. Programme and film rights**

Programme and film rights refer to own production television programmes and third parties production programmes.

**3.6.1. Self-owned production television programmes**

The cost of own production programs (Greek series, game shows, sports, talk shows, music/dance shows and variety shows) is capitalised as intangible fixed assets (Programme rights) and is amortised as described in note 3.7.

**3.6.2. Third parties production T.V. programmes**

Licensed third parties production television programs are valued at their acquisition cost.

- The profit and loss account is charged with the cost of the broadcasted programmes plus or minus any foreign exchange differences which arise upon settlement or valuation of the corresponding liability at the end of the year.
- On the statement of financial position it is presented under liabilities, the amount due to the suppliers for the programmes invoiced and not yet settled, under prepayments the invoiced amount of not yet transmitted programmes.
- In the case that a contract provides more than one transmission the profit and loss account is charged in proportion to the number of transmissions allowed.

**3.7. Depreciation and Amortization**

**Fixed Assets**

Equipment and vehicles of the parent company are presented at cost minus accumulated depreciation and impairment loss. Property is presented at revised 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
Plants and machinery	5 - 15
Office equipment	5 - 30
Transportation means	15 - 30
Computer and software programmes	100

The values of plants 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.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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### 3. Significant Accounting Policies (cont.)

#### 3.7. Depreciation and Amortisation (cont.)

##### **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

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

#### 3.8. Taxation

##### **Current taxation**

Income tax is calculated on taxable profits and according to the rate which is in force:

- a. For 2009
  - For the non distributed profits 25%
  - For the distributed profits 35%

- b. For 2010
  - Due to the losses for the year, no taxation has incurred.

Taxable profit differs from company's profit as reported in the financial 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.

Income tax of subsidiary company is calculated with a 10% tax rate on net profit and no further tax is charged as stipulated by legislation in the country of subsidiaries' incorporation.

##### **Deferred taxation**

Deferred tax is the tax payable or receivable due to temporary 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 recognised 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 utilised against the resulting tax liability.

The carrying amount of deferred taxes (assets and liabilities) are reviewed at each Statement of financial position date and are revised 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. This tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

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### **3. Significant Accounting Policies (cont.)**

#### **3.9. 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.

#### **3.10. Provisions**

Provisions are recognised 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.

#### **3.11. Revenues**

Revenues come 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 realised and are adjusted by deducting customer rebates directly related to revenues.

#### **3.12. 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 an impairment loss. At 31.12.2010, there was no such indication.

#### **3.13. Trade receivables**

Initially trade receivables are recognized for at fair value, and then, are revalued taking into account their present value using the effective interest rate. Impairment because of differences with the present value is accounted for only for substantial amounts. The amount of provision for possible impairment is transferred to statement of comprehensive income.

Provision for doubtful customers is accounted for in the statement of comprehensive income of the year that they have been identified.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**3. Significant Accounting Policies (cont.)**

**3.14. Investments**

Investments are recognised at their fair value plus any cost directly related to their acquisition.

The securities that the company intends and is able to hold up to their maturity date ‘held to maturity’ are valued at real cost using the effective interest rate minus contingent loss from not recoverable amounts.

Non-recoverable amounts and possible difference from valuation are transferred to the statement of comprehensive income.

Other non-investment securities are characterised as held for trading or for resale and are valued at their fair value. Profit or loss incurred by valuation those held for trading and those held for reselling is transferred directly to statement of comprehensive income or directly to equity respectively, until the date of their sale or recognition of possible impairment, in which case, profit or loss accounted for in equity is transferred to statement of comprehensive income.

**3.15. Cash and cash equivalents**

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

**3.16. Bank loans**

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue cost. Then, they are recognised as the present value of total installment due using the effective interest rate. Possible difference between present value of installment due and real proceeds from the loan is recognised according to the company’s policy for recognition borrowing cost (note 3.5).

**3.17. Trade Creditors**

Trade creditors are initially recognized, at the nominal value of the liabilities. Then, they are valued at their fair value using the effective interest rate method. If there is significant difference this is charged to the comprehensive income statement.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**Notes to the consolidated and separate financial statements in accordance with IFRS**  
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### 3. Significant Accounting Policies (cont.)

#### 3.18 Patents and trademarks

Trademark is estimated initially at purchase cost and is amortised during a period 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 40% to 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

This liability is calculated at the statement of financial position date by the method ‘Projected unit credit method’. According to this method, the liabilities that correspond to the services received at the balance sheet date are accounted for separately from the liability that corresponds to future services.

The most important assumptions taken into account are:

Date of assumption	Interest rate	Increase in remuneration	Inflation rate
31/12/2009	5,00%	3,00%	2,50%
31/12/2010	4,84%	0,00%	2,50%

The liability (provision) that is reported in the statement of financial position is the present value of the estimated payable amount revised according to the actuarial study. Any arising liability or payment increase or decrease the provision and any differences are accounted for in the year they are paid.

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

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#### **4. Segmental Information**

The company's activities, are uniform and are controlled by uniform management information system. The main activity being advertisement (99%), is not different from other activities as far as reporting and monitoring by management is concerned. All the activities are essentially performed inside Greece, except for a (0.5%) which is performed by a subsidiary in Cyprus. The income is generated from many customers, no customer exceeds 10% of activity

#### **5. Financial assets**

##### **5.1. Financial assets classifications**

Financial assets are classified into the following four categories:

- Financial assets at fair value through statement of comprehensive income
- Held-to-maturity investments
- Available-for-sale financial assets
- Loans and receivables

##### **5.1.1. Financial assets at fair value through income statement**

The entity does not recognise such financial assets

##### **5.1.2. Held-to-maturity investments**

The entity does not recognise such investments

##### **5.1.3. Available-for-sale financial assets**

Investments in shares listed in the Athens Stock Exchange are valued at fair value. Gain or losses resulting from changes of fair value are recognised directly in equity as “Valuation reserve of investments” with the exception of impairment loss which is recognised in statement of comprehensive income. On the sale of an investment, the valuation reserve is recognized which in previous years and it is included in equity is recognised in the profit and loss account on the year in which the sale is effected.

Dividends on available-for-sale financial assets are recognised in the statement of comprehensive income account when the right for collection is definite.

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**5. Financial assets (cont.)**

**5.1.4. Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost and for short-term receivables the recognition of interest by applying the effective interest rate are immaterial.

**5.1.5. Impairment of financial assets**

Financial assets are assessed for indication of impairment at each statement of financial position date. Financial assets are impaired when there is objective evidence that, as a result of an event that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Trade receivables are assessed for impairment on a total. Objective evidence of impairment of receivables could include the past experience of collections, an increase in the credit period as well as observable changes in national or local economic conditions.

Furthermore the entity assesses trade receivables individually and provides for doubtful debts when there is objective evidence of uncollectability. These provisions are recognised in the statement of comprehensive income in the year they are identified.

**5.2. Financial liabilities and equity instruments issued by the Group**

**5.2.1. Equity instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs. The company has not issued any equity instruments.

**5.2.2. Financial liabilities**

Financial liabilities are classified a “Financial liabilities at fair value through statement of comprehensive income” or other “Financial liabilities”.

**5.2.2.1. Financial liabilities at fair value through statement of comprehensive income**

The entity does not recognize such financial liabilities

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**5. Financial assets (cont.)**

**5.2. Financial liabilities and equity instruments issued by the Group (cont.)**

**5.2.2. Financial liabilities (cont.)**

**5.2.2.2. Other financial liabilities**

Other financial liabilities including borrowing are initially measured at fair value, net of transaction costs.

Other financial liabilities (loans) are subsequently measured at amortised cost discounted by the effective interest rate at balance sheet date when the loan interest is materially different.

Other short term financial liabilities discounted do not materially differ from the initial measurement.

**5.3. Financial derivatives**

The company has loan agreement carrying variable interest rate, consequently it is exposed to fluctuations of interest rates. To mitigate the risk of such it enters into interest rate swap agreement. These agreements are measured at fair value at inception and re-measured at the date of the financial statements.

The results (gain or loss) are recognised in the statement of comprehensive income, except for cases which are considered as a hedging/fair value or cash flow hedging. Derivatives with positive fair value are treated as assets and with negative fair value as liabilities.

**6. Critical accounting judgements and Management's estimation.**

In the adoption and application of the Company's accounting policies the Management considers that there is no particular issue which would require further information.

**7. Dividends**

Dividends to shareholders are recognized as payables and appear as liabilities in the financial statement in the year in which dividends have been approved by the Shareholder's General Meeting.

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8. Revenue	<u>Group</u>				<u>Company</u>			
	<u>31/12/2010</u>	<u>%</u>	<u>31/12/2009</u>	<u>%</u>	<u>31/12/2010</u>	<u>%</u>	<u>31/12/2009</u>	<u>%</u>
Advertising	108.583.127	96,82	137.471.008	98,63	108.583.127	96,87	137.471.008	98,77
Income from TV programmes	2.180.928	1,94	1.256.565	0,90	2.180.928	1,95	1.256.565	0,90
Income from TV rights	1.323.940	1,18	452.836	0,32	1.323.940	1,18	452.836	0,33
Income from TV rights (Sub. Company)	<u>60.000</u>	<u>0,05</u>	<u>199.575</u>	<u>0,14</u>	<u>0</u>	<u>0,00</u>	<u>0</u>	<u>0,00</u>
	<b><u>112.147.995</u></b>	<b><u>100,00</u></b>	<b><u>139.379.984</u></b>	<b><u>100,00</u></b>	<b><u>112.087.995</u></b>	<b><u>100,00</u></b>	<b><u>139.180.409</u></b>	<b><u>100,00</u></b>

**9. Operating expenses**

	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Staff wages and expenses	37.019.923	38.017.404	37.019.923	38.017.404
Third parties fees and expenses	9.716.477	15.864.726	9.716.477	15.864.726
Loyalties payable	-	95.800	-	-
Utilities	6.687.910	6.245.388	6.687.910	6.245.388
Taxes and duties	513.375	755.443	513.375	755.443
Sundry expenses	5.504.079	5.848.416	5.330.849	5.751.187
Financial expenses	7.422.978	5.099.903	7.406.283	5.098.050
Consumables-spare parts	251.142	245.241	251.142	245.241
Depreciation/Amortization	85.004.218	84.332.434	85.004.218	84.332.434
Less: Cost or origination of own production	<u>(2.848.632)</u>	<u>(4.114.062)</u>	<u>(2.848.632)</u>	<u>(4.114.062)</u>
	<b><u>149.271.470</u></b>	<b><u>152.390.693</u></b>	<b><u>149.081.545</u></b>	<b><u>152.195.811</u></b>

The above amounts have been allocated as follows:

	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<b>Cost of sales</b>	130.338.480	135.422.089	130.338.480	135.326.289
<b>Administrative expenses</b>	8.079.909	8.441.649	7.906.679	8.344.420
<b>Selling expenses</b>	3.430.103	3.427.052	3.430.103	3.427.052
<b>Financial expenses</b>	<u>7.422.978</u>	<u>5.099.903</u>	<u>7.406.283</u>	<u>5.098.050</u>
	<b><u>149.271.470</u></b>	<b><u>152.390.693</u></b>	<b><u>149.081.545</u></b>	<b><u>152.195.811</u></b>

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	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<b>10. Other operating income</b>				
Government grant educational programs	19.951	12.911	19.951	12.911
Computer and technical support to clients	9.842.317	8.429.852	9.842.317	8.429.852
Income earned from co-operation with third parties	1.059.260	1.068.081	1.059.260	1.068.081
Income from rentals	44.367	47.396	44.367	47.396
	<u><b>10.965.895</b></u>	<u><b>9.558.240</b></u>	<u><b>10.965.895</b></u>	<u><b>9.558.240</b></u>
<b>11. Other income</b>				
Foreign exchange valuation differences	225.635	472.899	225.635	472.899
Readjustment of broadcasting license fee 2008	0	335.598	0	335.598
Reversal of provisions	0	2.800.000	0	0
Sundry income	125.144	206.049	125.144	206.049
	<u><b>350.779</b></u>	<u><b>3.814.546</b></u>	<u><b>350.779</b></u>	<u><b>1.014.546</b></u>
<b>12. Other expenses</b>				
Technical support and services	40.888	40.721	40.888	40.721
Compensation	36.718	520.248	36.718	520.248
National Television Committee	404.480	163.840	404.480	163.840
Foreign exchange valuation differences	471.388	260.226	471.388	260.226
Other expenses	148.919	60.862	148.919	60.862
	<u><b>1.102.393</b></u>	<u><b>1.045.897</b></u>	<u><b>1.102.393</b></u>	<u><b>1.045.897</b></u>

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### 13. Taxation

The company's profits are taxed at the rate of 25% for the year 2009 after they have been adjusted for expenses not tax allowed and for any tax free reserves.

Due to the fact that for the year 2010 there were losses, no tax was calculated.

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 2004.

The profits of the subsidiary company are taxed at the tax rate of 10% and no further taxation applies in the country of operations. Dividends for the subsidiary company are added to the taxable income of the parent company. The corresponding dividends' tax paid in foreign country is counterbalanced.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Current income tax	(205.941)	(491.414)	-	(319.301)
Deferred taxes (note 20)	263.300	176.800	263.300	176.800
Other non-incorporated in operating cost taxes	<u>(15.303)</u>	<u>(15.303)</u>	<u>(15.303)</u>	<u>(15.303)</u>
<b>Total tax for the period</b>	<b>42.056</b>	<b>(329.917)</b>	<b>247.997</b>	<b>(157.804)</b>
Additional income tax of previous years *	<u>(74.624)</u>	<u>(1.928.542)</u>	<u>(74.624)</u>	<u>(1.928.542)</u>
Total tax expense	<u><b>(32.568)</b></u>	<u><b>(2.258.459)</b></u>	<u><b>173.373</b></u>	<u><b>(2.086.346)</b></u>
	<u>31/12/2010</u> Tax	<u>31/12/2009</u> Tax	<u>31/12/2010</u> Tax	<u>31/12/2009</u> Tax
Total tax for the year consists of:				
Profit for the period before taxes (parent)	(4.675.021)	(602.189)	(4.675.021)	(602.189)
Profit for the period before taxes (subsidiary)	1.380.247	1.481.616	-	-
Other guarantee expenses	-	2.800.000	-	-
Additional income for taxational purposes	<u>1.289.994</u>	<u>1.879.029</u>	<u>1.289.994</u>	<u>1.879.029</u>
<b>Taxable profit</b>	<b>(2.004.780)</b>	<b>5.558.456</b>	<b>(3.385.027)</b>	<b>1.276.840</b>
Income tax (parent)	-	(319.210)	-	(319.210)
Income tax (subsidiary)	(137.994)	(148.161)	-	-
Prepayment of income tax (subsidiary)	(67.947)	(23.952)	-	-
Additional 3% tax on the income from property (parent)	-	(91)	-	(91)
<b>Total tax for the period</b>	<b>(205.941)</b>	<b>(491.414)</b>	<b>0</b>	<b>(319.301)</b>
<b>Deferred taxes</b>				
Provision for contingencies - expenses	<u>263.300</u>	<u>176.800</u>	<u>263.300</u>	<u>176.800</u>
Total tax	<b>263.300</b>	<b>176.800</b>	<b>263.300</b>	<b>176.800</b>
Other non-incorporated in operating cost taxes	(15.303)	(15.303)	(15.303)	(15.303)
Non-recurring income taxation	<u>(74.624)</u>	<u>(1.928.542)</u>	<u>(74.624)</u>	<u>(1.928.542)</u>
<b>Total tax for the period</b>	<u><b>(32.568)</b></u>	<u><b>(2.258.459)</b></u>	<u><b>173.373</b></u>	<u><b>(2.086.346)</b></u>

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### 13. Taxation

\* Regarding additional tax for tax audit differences up to year 2004 imposed as a result of a tax audit for these full years.

Gains from the sale of the investments in the consolidated company. NETMED N.V. are tax exempt, however they are taxed in the holding company in case the holding company receives the proceeds in the form of dividends.

The company has closed its open tax years until the year 2004. The closing of the tax years 2000, 2001, 2002, 2003, 2004 and were completed in 2008. The additional tax obligations as presented annually was computed mainly on the basis of accounting differences (expenses not allowed by tax authorities) on which the management has its reservations.

<b>Year</b>	<b>Tax obligation (in euro)</b>
2000	331,171
2001	322,997
2002	456,578
2003	223,444
2004	354,846
	1,689,036

The nature of accounting differences as computed by tax authorities which allows to management the option of not accepting them as basis. For this reason no provision has been made for contingent liability for the open tax years.

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**14. Intangible assets-Programme rights****COMPANY**

	<b>Programme and film rights</b>	<b>Share Capital's Increase Expenses</b>	<b>License Trade mark</b>	<b>Total</b>
<b>2009</b>				
<b><u>Cost</u></b>				
1.1.2009	839.632.143	5.996	44.751	<b>839.682.890</b>
Purchases	82.272.533	0	0	<b>82.272.533</b>
Disposals	0	(5.996)	(39.351)	<b>(45.347)</b>
In House production under way	1.740.454	0	0	<b>1.740.454</b>
31.12.2009	<b>923.645.130</b>	<b>0</b>	<b>5.400</b>	<b>923.650.530</b>
<b><u>Amortization</u></b>				
1.1.2009	690.087.150	0	43.671	<b>690.130.821</b>
Charge for the period	81.894.733	0	1.080	<b>81.895.813</b>
Disposals	0	0	(39.351)	<b>(39.351)</b>
31.12.2009	<b>771.981.883</b>	<b>0</b>	<b>5.400</b>	<b>771.987.283</b>
<b>Net Book Value 31.12.2009</b>	<b>151.663.247</b>	<b>0</b>	<b>0</b>	<b>151.663.247</b>
<b>2010</b>				
<b><u>Cost</u></b>				
1.1.2010	<b>923.645.130</b>	<b>0</b>	<b>5.400</b>	<b>923.650.530</b>
Purchases	79.115.222	0	0	<b>79.115.222</b>
Disposals	0	0	(5.400)	<b>(5.400)</b>
In House production under way	(2.007.912)	0	0	<b>(2.007.912)</b>
31.12.2010	<b>1.000.752.440</b>	<b>0</b>	<b>0</b>	<b>1.000.752.440</b>
<b><u>Amortization</u></b>				
1.1.2010	<b>771.981.883</b>	<b>0</b>	<b>5.400</b>	<b>771.987.283</b>
Charge for the period	82.749.680	0	0	<b>82.749.680</b>
Disposals	0	0	(5.400)	<b>(5.400)</b>
31.12.2010	<b>854.731.563</b>	<b>0</b>	<b>0</b>	<b>854.731.563</b>
<b>Net Book Value 31.12.2010</b>	<b>146.020.877</b>	<b>0</b>	<b>0</b>	<b>146.020.877</b>

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**14. Intangible assets-Programme rights**

**GROUP**

	Programme and film rights	Share Capital's Increase Expenses	License Trade mark	Total
<b>2009</b>				
<b><u>Cost</u></b>				
1.1.2009	839.632.143	5.996	44.751	<b>839.682.890</b>
Purchases	82.272.533	0	0	<b>82.272.533</b>
Disposals	0	(5.996)	(39.351)	<b>(45.347)</b>
In House production under way	1.740.454	0	0	<b>1.740.454</b>
31.12.2009	<b><u>923.645.130</u></b>	<b><u>0</u></b>	<b><u>5.400</u></b>	<b><u>923.650.530</u></b>
<b><u>Amortization</u></b>				
1.1.2009	690.087.150	0	43.671	<b>690.130.821</b>
Charge for the period	81.894.733	0	1.080	<b>81.895.813</b>
Disposals	0	0	(39.351)	<b>(39.351)</b>
31.12.2009	<b><u>771.981.883</u></b>	<b><u>0</u></b>	<b><u>5.400</u></b>	<b><u>771.987.283</u></b>
<b>Net Book Value 31.12.2009</b>	<b><u>151.663.247</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>151.663.247</u></b>
<b>2010</b>				
<b><u>Cost</u></b>				
1.1.2010	<b>923.645.130</b>	<b>0</b>	<b>5.400</b>	<b>923.650.530</b>
Purchases	78.974.822	0	0	<b>78.974.822</b>
Disposals	0	0	(5.400)	<b>(5.400)</b>
In House production under way	(2.007.912)	0	0	<b>(2.007.912)</b>
31.12.2010	<b><u>1.000.612.040</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>1.000.612.040</u></b>
<b><u>Amortization</u></b>				
1.1.2010	<b>771.981.883</b>	<b>0</b>	<b>5.400</b>	<b>771.987.283</b>
Charge for the period	82.749.680	0	0	<b>82.749.680</b>
Disposals	0	0	(5.400)	<b>(5.400)</b>
31.12.2010	<b><u>854.731.563</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>854.731.563</u></b>
<b>Net Book Value 31.12.2010</b>	<b><u>145.880.477</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>145.880.477</u></b>

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**15. Tangible assets**  
**GROUP-COMPANY**

<b>2009</b>	<b><u>Land</u></b>	<b><u>Buildings</u></b>	<b><u>Plant and machinery</u></b>	<b><u>Transportation means</u></b>	<b><u>Furnitures and equipment</u></b>	<b><u>Total</u></b>
<b><u>Cost</u></b>						
1.1.2009	4.799.610	2.726.292	20.162.046	728.965	13.509.185	<b>41.926.098</b>
Purchases	0	40.650	915.348	0	1.040.304	<b>1.996.302</b>
Sales	0	0	(6.300)	0	(6.422)	<b>(12.722)</b>
Disposals	0	0	(771.186)	0	(194.702)	<b>(965.888)</b>
<b>31.12.2009</b>	<b><u>4.799.610</u></b>	<b><u>2.766.942</u></b>	<b><u>20.299.908</u></b>	<b><u>728.965</u></b>	<b><u>14.348.365</u></b>	<b><u>42.943.790</u></b>
<b><u>Depreciation</u></b>						
1.1.2009	0	2.212.712	15.355.524	517.859	12.346.291	<b>30.432.386</b>
For the period	0	96.763	1.129.677	75.302	1.134.877	<b>2.436.619</b>
Disposals	0	0	(772.669)	0	(199.580)	<b>(972.249)</b>
<b>31.12.2009</b>	<b><u>0</u></b>	<b><u>2.309.475</u></b>	<b><u>15.712.532</u></b>	<b><u>593.161</u></b>	<b><u>13.281.588</u></b>	<b><u>31.896.756</u></b>
<b>N.B.V.</b>						
<b>31.12.2009</b>	<b><u>4.799.610</u></b>	<b><u>457.467</u></b>	<b><u>4.587.376</u></b>	<b><u>135.804</u></b>	<b><u>1.066.777</u></b>	<b><u>11.047.034</u></b>
<b>2010</b>						
<b><u>Cost</u></b>						
1.1.2010	4.799.610	2.766.942	20.299.908	728.965	14.348.365	<b>42.943.790</b>
Purchases	0	507.884	547.358	0	720.363	<b>1.775.605</b>
Sales	0	0	(35.560)	(2.334)	(681)	<b>(38.575)</b>
Disposals	0	(1.316)	(852.566)	334	(479.263)	<b>(1.332.811)</b>
<b>31.12.2010</b>	<b><u>4.799.610</u></b>	<b><u>3.273.510</u></b>	<b><u>19.959.140</u></b>	<b><u>726.965</u></b>	<b><u>14.588.784</u></b>	<b><u>43.348.009</u></b>
<b><u>Depreciation</u></b>						
1.1.2010	0	2.309.475	15.712.532	593.161	13.281.588	<b>31.896.756</b>
for the period	0	105.135	1.204.728	74.666	870.009	<b>2.254.538</b>
Sales	0	(1.315)	(887.532)	(1.800)	(479.299)	<b>(1.369.946)</b>
<b>31.12.2010</b>	<b><u>0</u></b>	<b><u>2.413.295</u></b>	<b><u>16.029.728</u></b>	<b><u>666.027</u></b>	<b><u>13.672.298</u></b>	<b><u>32.781.348</u></b>
<b>N.B.V.</b>						
<b>31.12.2010</b>	<b><u>4.799.610</u></b>	<b><u>860.215</u></b>	<b><u>3.929.412</u></b>	<b><u>60.938</u></b>	<b><u>916.486</u></b>	<b><u>10.566.661</u></b>

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**16. Investments – Shares in associated and subsidiary companies**

Investments are stated at cost as follows:

<u>GROUP</u>		<u>31/12/2010</u>	<u>% Shareholding</u>	<u>31/12/2009</u>	<u>% Shareholding</u>
Logos (Cyprus)	<b>a.</b>	438.596	25	438.596	25
Television Royalties S.A.	<b>b.</b>	1.800	1	1.200	1
Digital Provider S.A.	<b>c.</b>	<u>670.000</u>	14,29	<u>250.000</u>	14,29
		<u><b>1,110,396</b></u>		<u><b>689,796</b></u>	

**Main activities:**

**a. Logos (Cyprus):** Logos is a TV and Radio broadcasting company based on Cyprus. It operates both TV broadcasting and radio station. By decision of the parent company’s Board of Directors at the 26<sup>th</sup> of November 2009, the participation (25%) in POLITICS and PLIROFORIAKI ETAIREIA “O LOGOS O.E.” was transferred to the subsidiary “TELETYPOS CYPRUS LTD”. The transfer was completed at the 8<sup>th</sup> of December 2009. The participation of the of the subsidiary in LOGOS O.E. relates to Television activities and does not extended to equity participation.

The following have been taken under consideration for the valuation of the investment in associated companies:

- a. The size of the investment.
- b. The Net position of Logos at the time of the acquisition which was at zero level.
- c. The Revenues and Costs of Logos only for the TV station
- d. The financial results of Logos (TV station only)

The management foreseeing the positive prospects as well as the size of the investment maintained the policy of valuating Logos at acquisition cost.

**b. TELEVISION ROYALTIES S.A.:** Management and protection of third parties royalties. It’s a newly established company aiming in the management and protection of third parties royalties.

**c. DIGITAL PROVIDER S.A.:** The company Digital Provider S.A. was established in 2009 along with other 6 television companies. The main objective of the company is the development of the digital network, the providing of technical services for the establishment, operations and the maintenance of this network. The G.M. of the company Digital Provider S.A. decided the share capital increase of 2,940,000 euro. The corresponding share of Teletypos S.A. is 420,000 euro.

**COMPANY**

	<u>31/12/2010</u>	<u>% Shareholding</u>	<u>31/12/2009</u>	<u>% Shareholding</u>
Teletypos Cyprus Ltd	1.026.000	100	1.026.000	100
Television Royalties S.A.	1.800	1	1,200	1
Digital Provider S.A.	<u>670.000</u>	14,29	<u>250,000</u>	14,29
	<u><b>1.697.800</b></u>		<u><b>1.277.200</b></u>	

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**17. Other financial assets**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<b>Guarantee given:</b>				
Rent	340.222	421.822	340.222	421.822
Hertz (car rental)	42.582	42.615	42.582	42.615
Electricity Power	15.121	16.535	15.121	16.535
EBU (4 lines)	30.600	30.600	30.600	30.600
Associated Press	1.388	1.388	1.388	1.388
Attiki Road	1.500	1.500	1.500	1.500
Other financial assets	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
	<b><u>431.472</u></b>	<b><u>514.519</u></b>	<b><u>431.472</u></b>	<b><u>514.519</u></b>

**18. Trade and other receivables**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Clients	24.925.622	25.298.535	24.925.622	25.052.229
Post dated cheques	2.766.767	2.606.124	2.766.767	2.606.124
Deliquent cheques	1.562.809	1.307.217	1.562.809	1.307.217
Provision for prepayment of income tax and other receivables from Greek Government	8.965.105	8.957.944	8.913.894	8.885.800
Shares of listed company	95.864	142.817	95.864	142.817
V.A.T.	2.574.715	2.957.230	2.409.894	2.796.483
Advances on account	13.918	14.820	13.918	14.820
F.N.S.A.S. (Advertising Stamp Duty)	116.886	116.886	116.886	116.886
F.N.S.A.S. *	988.848	988.848	988.848	988.848
Pension Fund	136.820	240.465	136.820	240.465
Other debtors	2.819	854	2.819	854
<b>Minus:</b> Provision for doubtful customers and overdue postdated cheques	<u>(5.486.848)</u>	<u>(3.523.275)</u>	<u>(5.486.848)</u>	<u>(3.523.275)</u>
	<b><u>36.663.325</u></b>	<b><u>39.108.465</u></b>	<b><u>36.447.293</u></b>	<b><u>38.629.268</u></b>

\* Fund of Newspapers' Staff of Athens and Salonika

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**18. Trade and other receivables (cont.)**

- (1) Bank letters of guarantee of € 231.144 (31/12/2010) were received as a security against receivables.
- (2) Cost of shares (19.564 shares) of a company listed in the Greek stock exchange under the name of “GREEK STOCK EXCHANGE S.A.” which is valued at the remaining value after the decrease of capital mentioned in b and c. The Stock Exchange market price as at 31/12/2010 was Euro 4.90 per share.

**19. Receivables - Associated companies**

**COMPANY**

	<u>31/12/2010</u>	<u>31/12/2009</u>
Teletypos Cyprus Ltd (Dividends)	24.000.000	3.000.000
Teletypos Cyprus Ltd (Sale of investment note 16a)	<u>438.596</u>	<u>438.596</u>
	<b>24.438.596</b>	<b>3.438.596</b>

The G.M. of Teletypos Cyprus Ltd at 31/12/2010 and 31/12/2009 decided the distribution of dividend € 24.000.000 for the fiscal year 2010 and € 3.000.000 for the fiscal year 2009.

**GROUP**

The transactions along with the credit balance with ‘Teletypos Cyprus Ltd’ are eliminated out for consolidation purposes.

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**20. Deferred taxes**

**GROUP/COMPANY**

	<u>31/12/2010</u>	<u>31/12/2009</u>
Deferred tax liabilities	(1.019.712)	(791.505)
Receivable from deferred taxes	3.459.288	2.955.083
	<b>2.439.576</b>	<b>2.163.578</b>
<b>Closing balance</b>	<b>2.439.576</b>	<b>2.163.578</b>
Deferred tax analysis:		
	<u>31/12/2010</u>	<u>31/12/2009</u>
At 1st January	2.163.578	1.995.093
Deferred tax for the period:	263.302	176.800
	12.696	(8.315)
	<b>2.439.576</b>	<b>2.163.578</b>
<b>Balance as of 31st December 2010</b>	<b>2.439.576</b>	<b>2.163.578</b>

Deferred taxation assets/liabilities are connected to:

<u>Group/Company</u>	Provisions	Unrealised exchange differences	Valuation reserves on listed securities	Total
Balance as 1st January, 2009	2.076.259	(53.776)	(27.390)	<b>1.995.093</b>
Plus: Charge to income statement for the year	156.738	20.062	0	<b>176.800</b>
Recognised directly in equity	0	0	(8.315)	<b>(8.315)</b>
<b>Balance as 31st December 2009</b>	<b>2.232.997</b>	<b>(33.714)</b>	<b>(35.705)</b>	<b>2.163.578</b>
Plus: Charge to income statement for the year	275.120	(11.818)	0	<b>263.302</b>
Recognised directly in equity	0	0	12.696	<b>12.696</b>
<b>Balance 31st December 2010</b>	<b>2.508.117</b>	<b>(45.532)</b>	<b>(23.009)</b>	<b>2.439.576</b>

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**21. Prepaid programme rights and sundry expenses**

	Group		Company	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Film rights	34.671.983	29.988.401	34.671.983	29.988.401
Receivable income	0	45.604	0	0
Sundry Expenses	<u>109.757</u>	<u>96.948</u>	<u>109.757</u>	<u>96.948</u>
	<u><b>34.781.740</b></u>	<u><b>30.130.953</b></u>	<u><b>34.781.740</b></u>	<u><b>30.085.349</b></u>

The film rights relating to the next period, represents amounts invoiced and not yet broadcasted, and not leased programs.

**22. Cash and cash equivalents**

	Group		Company	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Cash	21.410	14.816	21.410	14.816
Cash in bank	<u>42.088.128</u>	<u>44.432.619</u>	<u>11.128.318</u>	<u>11.483.772</u>
	<u><b>42.109.538</b></u>	<u><b>44.447.435</b></u>	<u><b>11.149.728</b></u>	<u><b>11.498.588</b></u>

**23. Share capital**

<u>GROUP/COMPANY</u>	<u>000' Drs.</u>	<u>Euro</u>
Authorised share capital		
Issued and fully paid € 31,237,500,00 ordinary shares of nominal value of Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium (a)	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	<u>681,273</u>	
<b>Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each</b>	<u>10,644,178</u>	<u>31.237.500</u>
Increase of share capital through capitalisation:		
- Share premium		1.561.875
- Revaluation reserves		1.489.534
- Tax paid reserves		<u>72.341</u>
<b>Total</b>		3.123.750
<b>Total share capital at 31/03/2008 34,361,250 nominal ordinary shares of Euro 1 each</b>		<u>34.361.250</u>
Increase of share capital through capitalisation : ( c )		
- Tax paid reserves		<u>3.436.125</u>
<b>Total</b>		3.436.125
<b>Total share capital at 30/06/2009 37,797,375 nominal ordinary shares of Euro 1 each</b>		<u>37.797.375</u>

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**23. Share capital (cont.)**

(c) Increase of share capital through capitalisation :	
- Taxable reserves	<u>3.436.125</u>
Total share capital increase (General Meeting 15 <sup>th</sup> May 2008)	3.436.125
<b>Total share capital at 31/12/2010 37,797,375 nominal ordinary shares of Euro 1 each</b>	<u><b>37.797.375</b></u>

The average share price and the closing price of the shares were respectively:

31/12/2009 € 4,84 and € 4,31

31/12/2010 € 3,50 and € 1,68

**23(a)** The difference from the issuance of shares is the difference between the nominal value of the shares and the issuance value of the shares that have been made available to the public through the Stock Exchange in 1994 and 1999.

**23(b)** The General Meeting of the 23<sup>rd</sup> of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization **a)** amount 1.489.534,26 euro through a revaluation of assets according to law 2065/1992 **b)** amount 1.561.875,00 euro through capitalizing reserves that occurred from previous share capital increases and **c)** amount 72.340,74 through taxable reserves according to article 8 of the law 2579/1998 with the issuance of three million one hundred twenty three thousands seven hundred and fifty (3.123.750) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 new share for every 10 held.

After the above mentioned share capital increase the company's share capital amounted to thirty four million three thousand sixty one and two hundred and fifty euros (34.361.250), which accounts to thirty four million three thousand sixty one and two hundred and fifty (34.361.250) common ordinary shares of nominal value 1 euro each.

**23(c)** The General Meeting of the 15th of May 2008 decided to increase the share capital by three million four hundred thirty six thousands one hundred and twenty five (3.436.125) euros through capitalization **a)** amount 3.383.002,12 euro through taxable reserves **b)** amount 53.122,88 euro through taxable reserves according to article 8 of the law 2579/1998 with the issuance of three million four hundred thirty six thousands one hundred and twenty five (3.436.125) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held.

After the above mentioned share capital increase the company's share capital will amount to thirty seven million seventy thousand ninety seven and three hundred and seventy five euros (37.797.375), which accounts thirty seven million seventy thousand ninety seven and three hundred and seventy five (37.797.375) common ordinary shares of nominal value 1 euro each.

**23(d)** The share capital of Teletypos Cyprus has been eliminated for consolidation purposes.

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**24. Reserves**

<u>Group</u>	*Statutory Reserves	Revenue reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2009	4,574,571	4,262,806	82,169	8,919,546
Change in year (note 24a)	1,528,260	0	24,944	1,553,204
<b>Balance at 31 December, 2009</b>	<b><u>6,102,831</u></b>	<b><u>4,262,806</u></b>	<b><u>107,113</u></b>	<b><u>10,472,750</u></b>
Translation difference (note 24b)			(34,257)	(34,257)
<b>Balance at 31 December, 2010</b>	<b><u>6,102,831</u></b>	<b><u>4,262,806</u></b>	<b><u>72,856</u></b>	<b><u>10,438,493</u></b>

Company

	*Statutory Reserves	Revenue reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2009	4,574,571	4,262,806	82,169	8,919,546
Change in year (note 24a)	1,528,260	0	24,944	1,553,204
<b>Balance at 31 December, 2009</b>	<b><u>6,102,831</u></b>	<b><u>4,262,806</u></b>	<b><u>107,113</u></b>	<b><u>10,472,750</u></b>
Share Capital Increase (note 24b)			(34,257)	(34,257)
<b>Balance at 31 December 2010</b>	<b><u>6,102,831</u></b>	<b><u>4,262,806</u></b>	<b><u>72,856</u></b>	<b><u>10,438,493</u></b>

**24a.** Approval of distribution, from the G.M., of 2008 statutory reserve of 1.528 thousands euro. Change of reserves and valuation of shares of 25 thousands euro.

**24b.** Valuation of the cost of shares listed on the stock exchange for which previously a reserve was created. The amount of approximately 29 thousand euros represent impairments equivalent to the original reserve.

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**25. Long term liabilities**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Debenture loan (25.1)	34.666.000	49.499.000	34.666.000	49.499.000
	<u>34.666.000</u>	<u>49.499.000</u>	<u>34.666.000</u>	<u>49.499.000</u>
Provision for retirement benefits (25.2)	10.376.697	9.432.986	10.376.697	9.432.986
	<u>10.376.697</u>	<u>9.432.986</u>	<u>10.376.697</u>	<u>9.432.986</u>
<b>Total long term liabilities</b>	<u>45.042.697</u>	<u>58.931.986</u>	<u>45.042.697</u>	<u>58.931.986</u>

**25.1 Debenture loans**

Long-term liabilities is mainly a loan of 50.000.000 euro that the company issued at 4.12.2009. The purpose of the loan was the restructuring of short term and long term debt. The loan is without guarantees, with floating interest rate, based on 3month Euribor plus spread 2,25% with duration of 39 months. The debenture loan is payable by five instalments: 7,5 million euro at 14.03.2011, 7,5 million euro at 14.09.2011, 7,5 million euro at 14.03.2012, 7,5 million euro at 14.09.2012 and 20 million euro at 14.03.2013. Alpha Bank and Piraeus bank are the administrative banks. Alpha bank is the administrator for payments.

		<u>Date of payment</u>	<u>Long-term portion</u>	<u>Short-term portion</u>
Debenture loan	Alpha Bank-Piraeus Bank	14-March-2011	0	7.500.000
Debenture loan	Alpha Bank-Piraeus Bank	14-Sept-2011	0	7.500.000
Debenture loan	Alpha Bank-Piraeus Bank	14-March-2012	7.500.000	0
Debenture loan	Alpha Bank-Piraeus Bank	14-Sept-2012	7.500.000	0
Debenture loan	Alpha Bank-Piraeus Bank	14-March-2013	20.000.000	0
<b>Total</b>			<b>35.000.000</b>	<b>15.000.000</b>
<b>Issuance expenses of the loan</b>			<u>334.000</u>	
<b>Total loans 31/12/2010</b>			<b>49.666.000</b>	

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**25. Long term liabilities (cont.)**

**25.2 Retirement indemnities as calculated by the actuarial company ‘Hewitt Associates’**

Retirement indemnities have been calculated by the actuarial company ‘Hewitt Associates’.  
 For the period 1/1-31/12/2010 retirement indemnities amounted to € 2.218.399 while for 2009 amounted to € 1.207.542.

		<b><u>2009</u></b>
Opening provisions	31/12/2008	8.305.034
Payments during	2009	(79.590)
Adjustment of liabilities	31/12/2009	<u>1.207.542</u>
Forecast retirement indemnities	31/12/2009	<u><b>9.432.986</b></u>
		<b><u>2010</u></b>
Opening provisions	31/12/2009	9.432.986
Payments during	2010	-1.274.688
Adjustment of liabilities (provision)	31/12/2010	<u>2.218.399</u>
Forecast retirement indemnities	31/12/2010	<u><b>10.376.697</b></u>

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	<u><b>GROUP</b></u>		<u><b>COMPANY</b></u>	
	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>
<b>26. Trade and other payable</b>				
Payables trade	64,299,136	60,065,759	64,984,744	60,043,367
Dividends payable	26.1 11,925	52,714	11,925	52,714
Advances by customer	2,532,570	2,608,274	2,532,570	2,608,274
Taxes and duties	26.2 2,561,397	4,429,930	1,738,770	3,607,303
Social security funds	1,133,848	1,208,122	1,133,848	1,208,122
Other creditors	26.3 3,318,868	4,637,627	3,318,868	4,637,627
Accruals	26.4 7,631,314	7,122,634	1,141,828	869,349
<b>Balance as per books at 31st December</b>	<u><u><b>81,489,058</b></u></u>	<u><u><b>80,125,060</b></u></u>	<u><u><b>74,862,553</b></u></u>	<u><u><b>73,026,756</b></u></u>
<b>26.1. Dividends payable</b>				
	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>
Balance at 1 January	52,714	68,882	52,714	68,882
Plus: Approved dividends for the year 2008	0	25,324,241	0	25,324,241
Less: Dividends payable during the period	(40,789)	(25,340,409)	(40,789)	(25,340,409)
<b>Balance as per books at 31st December</b>	<u><u><b>11,925</b></u></u>	<u><u><b>52,714</b></u></u>	<u><u><b>11,925</b></u></u>	<u><u><b>52,714</b></u></u>
<b>26.2. Taxes and duties</b>				
	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>	<u><b>31/12/2010</b></u>	<u><b>31/12/2009</b></u>
Broadcasting licence fees	767,603	672,288	767,603	672,288
Taxes and Duties related to full time employees	782,051	820,962	782,051	820,962
Taxes related to dividends	822,627	822,627	0	0
Additional income tax	74,624	1,928,542	74,624	1,928,542
Other withholding taxes	114,492	184,584	114,492	184,584
Settlement Stamp Duty L. 2328/95	0	927	0	927
<b>Balance as per books at 31st December</b>	<u><u><b>2,561,397</b></u></u>	<u><u><b>4,429,930</b></u></u>	<u><u><b>1,738,770</b></u></u>	<u><u><b>3,607,303</b></u></u>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**26. Trade and other payable (cont.)**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<b>26.3. Other creditors</b>				
Staff wages	9.602	0	9.602	0
Third parties fees	158.466	250.645	158.466	250.645
Suppliers' checks outstanding*	2.393.459	3.166.306	2.393.459	3.166.306
Sundry creditors	25.341	20.676	25.341	20.676
Distribution of earnings to personnel	732.000	1.200.000	732.000	1.200.000
<b>Balance as per books at 31st December</b>	<b><u>3.318.868</u></b>	<b><u>4.637.627</u></b>	<b><u>3.318.868</u></b>	<b><u>4.637.627</u></b>

\* Cheques payable not presented to the banks as at 31/12/10

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<b>26.4. Accrual expenses</b>				
Interest and similar charges	155.612	82.674	155.612	82.674
Royalties	519.398	647.082	519.398	647.082
Third parties fees	474.476	224.363	24.476	24.363
Board of directors wages	0	24.000	0	24.000
Programme cost	427.000	77.000	427.000	77.000
Film rights	15.342	14.230	15.342	14.230
Guarantees for sale of investment	6.039.486	6.053.285	0	0
<b>Balance as per books at 31st December</b>	<b><u>7.631.314</u></b>	<b><u>7.122.634</u></b>	<b><u>1.141.828</u></b>	<b><u>869.349</u></b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
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**(Expressed in Euro)**

**27. Short-term borrowings**

**Bank overdrafts**

<u>GROUP/COMPANY</u>	<u>31/12/2010</u>		<u>31/12/2009</u>	
	<u>Credit limit</u>	<u>Amount withdraw</u>	<u>Credit limit</u>	<u>Amount withdraw</u>
NATIONAL BANK OF GREECE	6,100,000	6,066,454	6,000,000	1,325,675
COMMERCIAL BANK	15,500,000	5,927,609	15,500,000	5,876,739
ALPHA BANK	11,100,000	10,702,720	10,000,000	3,646,893
PIRAEUS BANK	5,200,000	5,115,496	5,000,000	2,156,957
MARFIN - EGNATIA BANK	10,300,000	10,254,681	10,000,000	10,000,000
MILLENNIUM BANK	6,000,000	4,155,939	6,000,000	0
BANK OF CYPRUS	6,000,000	6,000,000	6,000,000	6,000,000
EFG EUROBANK - ERGASIAS	<u>21,500,000</u>	<u>10,000,000</u>	<u>20,700,000</u>	<u>10,000,000</u>
	<b>81,700,000</b>	<b>58,222,899</b>	<b>79,200,000</b>	<b>39,006,264</b>

Interest rate of short term bank loans for the period fluctuated from 3,70% to 7,10%.

**28. Issued Shares**

<u>COMPANY</u>	<u>Number of shares</u>	<u>Period</u>	<u>Adjusted number of shares</u>
<b><u>2009</u></b>			
1 <sup>st</sup> January – 31.12.2009	<u>37,797,375</u>	12/12	<u>37,797,375</u>
<b><u>2010</u></b>			
1 <sup>st</sup> January – 31.12.2010			
Number of shares	<u>37,797,375</u>	12/12	<u>37,797,375</u>

**GROUP**

Share capital of the subsidiary company has been eliminated for consolidation purposes.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

**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 period:

	<u>GROUP</u>		<u>COMPANY</u>	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Loss for the year after taxes	(27,468,055)	(1,579,032)	(4,501,648)	(2,688,535)
Weighted average number of shares outstanding	37,797,375	37,797,375	37,797,375	37,797,375
Loss per share in Euro	<u><u>-0.7267</u></u>	<u><u>-0.0418</u></u>	<u><u>-0.1191</u></u>	<u><u>-0.0711</u></u>

**30. Financial instruments**

**30.1. Significant accounting policies**

Accounting policies adopted relating to financial instruments, including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liabilities and equity instruments, are disclosed in note 5 of the financial statements.

Categories of financial instruments	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Financial Assets</b>				
Receivables (including cash and cash equivalents)	78,676,999	83,413,083	71,939,753	53,423,635
Available-for-sale financial assets	95,864	142,817	95,864	142,817
<b>Financial Liabilities</b>				
Carrying amounts of payables (including loans)	199,754,654	178,063,310	193,128,149	170,965,006

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**30.2. Fair value of financial instruments**

The management of the company considers that the carrying amount of the financial liabilities recognized in financial statements do not materially differ from the fair values.

Exceptionally investments in shares of listed companies in the Stock Exchange Market are measured at fair value at the closing date rate in 31/12/2010.

**30.3. Financial risk as an objective of management**

The management considers this risk managed and the existence of a special function for its monitor is not considered necessary. This risk includes “market risk (including currency risk, fair value interest rate risk, and price risk), credit risk, liquidity risk”.

**30.4. Market Risk**

The company’s activities are localized mainly in the domestic market. The fluctuations of the currency exchange rates have an effect only at the degree that the acquisitions (foreign programme) are expressed in a currency other than euro. The exposure to this risk is small and the company doesn’t consider the adoption of a special management policy as necessary.

**30.5. Interest rate risk management**

The company is exposed to a limited interest rate risk as it borrows long-term funds at floating interest rate. The risk is managed by the group by the use of an interest rate swap contract, which minimizes such risk. Since the variations at the interest rate contract are immaterial, no disclosure has been made in the financial statement.

**Interest rate swap agreements**

By these contracts the company tries to mitigate the risk of the fluctuating interest rate of fixed rate and variable rate interest on the basis of notional amounts. These contracts allow the company to minimize the consequences of interest rate fluctuations.

The fair value of these contracts is calculated at the time of preparation of the financial statements as equal to the present value of future cash flows using estimation of the market rates about the future interest rate.

At 31.12.2010 there are two notional interest rate swap agreements of total notional amount of Euro 50.000.000 with a settlement date at 2015. Interest expenses of these contracts are paid on quarterly basis and are recorded in the statement of comprehensive income. Based on discounted future cash flow the fair value of these two contracts at year end date was approximately nil.

**30.6. Credit risk**

Credit risk refers to the probability of uncollectability of assets as trade receivables. The risk is considerably mitigated with the adoption of the following policies by the company:

- on going credit evaluation of the customers
- partial guarantee provided by the customers
- partial credit guarantee insurance cover of receivables

The credit risk exposure is limited, since trade receivables consist of a large number of customers and there is no dependence on a significant client.

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**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**30.7. Liquidity risk**

The company manages the liquidity risk firstly through managing credit period granted to customers and credit period given by suppliers. Additionally it manages liquidity risk through managing cash resources available (cash and banks), and the availability of bank credit facilities if the need arises. The continuous monitoring of budget performance and the corrective action takes ensures proper monitoring of cash inflows and outflows.

The tables mentioned below are indicative of the settlement dates of the liabilities and receivables of the company and of the group.

**A. LIABILITIES**

**COMPANY**

	<u>Within one year</u>	<u>From 1 to 5 years</u>	<u>After 5 years</u>	<u>Total</u>
<b><u>31/12/2010</u></b>				
<b>Loans</b>	73.222.899	34.666.000	-	107.888.899
Suppliers and others	74.850.627	-	10.376.697	85.227.324
Dividends payable	11.925	-	-	11.925
<b>TOTAL</b>	<b>148.085.451</b>	<b>34.666.000</b>	<b>10.376.697</b>	<b>193.128.148</b>

**31/12/2009**

<b>Loans</b>	39.006.264	49.499.000	-	88.505.264
Suppliers and others	72.974.042	-	9.432.986	82.407.028
Dividends payable	52.714	-	-	52.714
<b>TOTAL</b>	<b>112.033.020</b>	<b>49.499.000</b>	<b>9.432.986</b>	<b>170.965.006</b>

**GROUP**

	<u>Within one year</u>	<u>From 1 to 5 years</u>	<u>After 5 years</u>	<u>Total</u>
<b><u>31/12/2010</u></b>				
<b>Loans</b>	73.222.899	34.666.000	-	107.888.899
Suppliers and others	81.477.132	-	10.376.697	91.853.829
Dividends payable	11.925	-	-	11.925
<b>TOTAL</b>	<b>154.711.956</b>	<b>34.666.000</b>	<b>10.376.697</b>	<b>199.754.653</b>

**31/12/2009**

<b>Loans</b>	39.006.264	49.499.000	-	88.505.264
Suppliers and others	80.072.346	-	9.432.986	89.505.332
Dividends payable	52.714	-	-	52.714
<b>TOTAL</b>	<b>119.131.324</b>	<b>49.499.000</b>	<b>9.432.986</b>	<b>178.063.310</b>

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**Notes to the consolidated and separate financial statements in accordance with IFRS**  
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**30.7. Liquidity risk (cont'd)**

**B. RECEIVABLES**

The lending period of the company towards its clients is almost 6 months. However there is tolerance in a case of a delay in payments and clients don't have to bare an additional financial cost. The cases that these delays are not related to negative running circumstances are limited. This comes as a result of the company's policy, considering the evaluation of its customers, before starting their cooperation. In the case that there is uncertainty, the company asks and receives a means of reassurance (e.g. letter of guarantee).

Periodically, usually in a six-month basis, there is an update for delays beyond six months and after all room for tolerance is exhausted, the company intensifies its tries to collect its receivables, up to the point that all the measures in hand are depleted. In this case the receivables are distinguished as doubtful and a related provision is being made.

On 31/12/2010 the total of receivables that were distinguished as doubtful were:

Clients	2.818.305
Checks delayed	1.562.809
Fund of Newspapers' Staff of Athens and Salonika (Advertising Stamp Duty)	1.105.734
	5.486.848

Towards the doubtful receivables mentioned above, a provision of € 5.486.848 has been created.

**Uncertainties faced**

The company operates in an environment that is characterized by continuous monitoring from the Government and a strict legal environment. The product generated is subject to social evaluation criteria and the competition is high. There is uncertainty regarding the level of broadcasting which is a major factor relating to income generated. The company has history of a number of years and is well established and therefore the risk in this area is low.

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**(Expressed in Euro)**

**31. Contingent liabilities**

- 31.1 Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2005 and forward (note 13).
- 31.2 Letters of guarantee issued by banks amounting to USA Dollars 3,079,078 for meeting liabilities for foreign programme, 19,000,000 euro for meeting liabilities on behalf of UEFA.
- 31.3 Payment of compensation to third parties amounting to 20.02 million euros approximately claimed in the above suits.  
The company's lawyers do not expect any significant charges arising from the above mentioned contingencies.

**32. Financial Commitments**

- 32.1 Commitments under agreements of approximately 21.60 million euro for the production of Greek programmes.
- 32.2 Commitments under agreements of approximately 4.71 million euro for foreign programmes.
- 32.3 Commitments under agreements of approximately 10.27 million euro for premises.

**Operating lease obligations**

Payable next year	2.090.333
Payable within the years 2012-2016	7.983.244
Payable after 2017	<u>196.839</u>
	<u>10.270.416</u>

**33. Remunerations to executives and management**

	<u>01/01-31/12/2010</u>	<u>01/01-31/12/2009</u>
Salaries	3.521.139	3.753.056
BOD remuneration (distribution of profits 2008-2009)	24.000	24.000

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**34. Related parties transactions**

Related parties, other than TELETYPOS CYPRUS Ltd. (100%) and Logos Cyprus (25%), are companies on which, member of the BOD of the parent company exercise significant influence (Transactions with the subsidiary have been eliminated in the statement of financial position due to consolidation).

**COMPANY - GROUP**

Transactions with related parties are as follows:

	SALE		PURCHASE	
	01/01-31/12/10	01/01-31/12/09	01/01-31/12/10	01/01-31/12/09
DOL	975.341	955.368	7.410	6.615
PHGASOS	0	777.417	0	9.566
ANOSI S.A.	0	0	14.018.454	13.523.512
ATA S.A.	0	0	10.994.508	13.301.014
O LOGOS	44.898	45.517	0	0
TELETYPOS CYPRUS*	0	0	1.160.400	1.976.700
<b>TOTAL</b>	<b>1.020.239</b>	<b>1.778.302</b>	<b>26.180.772</b>	<b>28.817.407</b>

	CLAIMS		LIABILITIES	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
DOL	1.192.483	677.294	0	-1.566
PHGASOS	0	518.598	0	-2.388
ANOSI S.A.	0	0	-7.881.751	-7.414.545
ATA S.A.	0	0	-7.948.378	-5.951.265
O LOGOS	0	50	0	0
TELETYPOS CYPRUS (dividends)	24.000.000	3.000.000	0	0
TELETYPOS CYPRUS*	438.596	438.596	-1.740.600	-1.576.700
<b>TOTAL</b>	<b>25.631.079</b>	<b>4.634.538</b>	<b>-17.570.729</b>	<b>-14.946.464</b>

In the Group, the above amounts were eliminated for consolidation purposes.

Transactions with related parties are in accordance with the usual transaction and pricing policy of the company. The existing claims / liabilities are not secured with any guarantee. They are settled according to the company's credit policy. There was no need to create a provision for contingency claims.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
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**31<sup>st</sup> December 2010**  
**(Expressed in Euro)**

**35. Events after the balance sheet date**

There are no substantial events after the balance sheet date which affect the company's financial position and their disclosure is considered to be necessary.

**36. Approval of financial statements**

The financial statements have been approved by the BoD at the 25th of January 2011.

Athens, 25<sup>th</sup> January 2011

President of Board of Directors  
& Managing Director

Elias E. Tsigas  
Ξ 414434

Financial Controller

Athanasios G. Andreoulis  
Φ 064116

Member of Board of Directors

Yiorgos C. Aidinis  
H 355263

Chief Accountant

Vasilios A. Kritikos  
X 575439

## E. BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR 2010



TELETYPOS TELEVISION PROGRAMMES S.A.

Register Number: 19407/06/B/89/20

Rousou 4 &amp; Messogion Ave., 115 26 Ambelokipi, Athens

## BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR

from January 1st, 2010 to December 31st, 2010

(published according to L.2190/20, art.135 for companies preparing annual financial statements, consolidated or not, according to IFRS)

The figures and information presented below, that derived from the financial statements, aim at providing a general overview of the financial position and results of the company TELETYPOS S.A. and the Group. Thus, we recommend to readers, before making any investment choice or other transactions with the company, to refer to the website address of the company, where the financial statements and the certified auditor-accountant's report are posted.

Responsible Prefecture: Prefecture of Athens

Website address: www.megatv.com

Board of Directors: Elias Tsigas, Yiorgos Vardinoyannis, Fotios Bobolas, Yiorgos Bobolas, Stavros Paicharis, Panayiotis Paicharis, Yiorgos Aidinis, Yiorgos Prousanidis

Approval date of the annual financial statements by the Board of Directors: January 25, 2011

Certified Auditor-Accountant: Constantinou Constantinou

Auditing Company: MOORE STEPHENS S.A.

Type of Auditor-Accountants' audit report: In agreement

BALANCE SHEET INFORMATION (Amounts in thousands of euro)				CASH FLOW STATEMENT INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)				
	GROUP		COMPANY		GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	1/01-31/12/2010	1/01-31/12/2009	1/01-31/12/2010	1/01-31/12/2009
<b>ASSETS</b>								
Ownership tangible fixed Assets	5,767	6,247	5,767	6,247				
Investments in real estate	4,800	4,800	4,800	4,800				
Intangible fixed Assets	145,880	151,683	146,021	151,683				
Other noncurrent Assets	3,981	3,988	4,569	3,955				
Inventories	351	380	351	380				
Trade receivables	24,757	26,878	24,757	26,431				
Short-term claims against associated companies	0	0	24,439	3,439				
Other current Assets	88,798	87,009	57,621	53,782				
Noncurrent Assets intended for sale	0	0	0	0				
<b>TOTAL ASSETS</b>	<b>274,334</b>	<b>280,145</b>	<b>268,325</b>	<b>250,697</b>				
<b>EQUITY &amp; LIABILITIES</b>								
Share Capital	37,797	37,797	37,797	37,797				
Other elements of Equity	36,782	64,285	37,400	41,935				
Total Equity of parent company's owners (a)	74,579	102,082	75,197	79,732				
Minority interest (b)	0	0	0	0				
Total Equity (c) = (a) + (b)	74,579	102,082	75,197	79,732				
Long-term borrowings	34,666	49,499	34,666	49,499				
Provisions / Other long-term liabilities	10,377	9,433	10,377	9,433				
Short-term borrowings	58,223	39,006	58,223	39,006				
Other short-term liabilities	96,459	80,125	99,962	73,027				
Liabilities related to Noncurrent Assets intended for sale	0	0	0	0				
Total Liabilities (d)	199,755	178,063	193,128	170,965				
<b>TOTAL EQUITY &amp; LIABILITIES (c) + (d)</b>	<b>274,334</b>	<b>280,145</b>	<b>268,325</b>	<b>250,697</b>				
<b>TOTAL REVENUES INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)</b>								
	GROUP		COMPANY					
	1/01-31/12/2010	1/01-31/12/2009	1/01-31/12/2010	1/01-31/12/2009				
Revenue	112,148	139,380	112,085	139,180				
Gross (loss) / profit	-7,225	13,616	-7,285	13,412				
(Loss) / Earnings before Interest, Taxes, and Investing results	-21,450	3,987	-21,337	1,385				
(Loss) / Earnings before Taxes	-27,435	679	-4,675	-602				
-Parent company's owners	-27,469	-1,579	-4,501	-2,689				
-Minority Interest	0	0	-	-				
Other total (Expenses) / Revenues after Taxes (B)	-34	25	-34	25				
Added total (Expenses) after Taxes (A) + (B)	-27,503	-1,554	-4,535	-2,664				
-Parent company's owners	-27,503	-1,554	-4,535	-2,664				
-Minority Interest	0	0	-	-				
(Loss) after Taxes per share (in euro)	-0,7267	-0,0418	-0,1191	-0,0711				
Proposed dividend per share (in euro)	-	-	0,00	0,00				
Earnings before Interest, Taxes, Depreciation, Amortization, and Investing results	63,554	88,319	63,688	85,718				

STATEMENT OF CHANGES IN EQUITY INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)				
	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Total Equity at the beginning of the full year (1.1.2010 and 1.1.2009 respectively)	102,082	128,960	79,732	107,720
Added total (Expenses) after Taxes	-27,503	-1,554	-4,535	-2,664
Increase in share capital	0	0	0	0
Distributed dividends	0	-25,324	0	-25,324
Purchase / (sale) of treasury stock	0	0	0	0
<b>Total Equity at the end of the full year (31.12.2010 and 31.12.2009 respectively)</b>	<b>74,579</b>	<b>102,082</b>	<b>75,197</b>	<b>79,732</b>

ADDITIONAL DATA AND INFORMATION			
1. The accounting principles adopted by the parent company and the group are in accordance with IFRS and are followed consistently.			
2. Fixed assets of the parent company and the group are not collateralized.			
3. The parent company employs 628 persons on 31/12/2010 and 644 persons on 31/12/2009. The subsidiary company does not have personnel.			
4. Customer rebates of the parent company amount to 6,571 and 11,395 thousand euros for the full year 2010 and 2009 respectively.			
5. Broadcasting license fees of the parent company amount to 14 and 168 thousand euros for the full year 2010 and 2009 respectively, despite the appeal, by the parent company, against the administrative charge.			
6. There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.			
7. The financial years of the parent and subsidiary company that have not been examined by the tax authorities are stated in notes 31.1 and 13, respectively, of the annual financial statements.			
8. From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:			
	Group	Company	
a) Revenues	1,020,239	1,020,239	
b) Expenses	26,020,372	26,180,772	
c) Receivables	1,192,483	26,831,079	
d) Liabilities	15,830,129	17,570,729	
e) Compensation to executives and management	3,545,139	3,545,139	
f) Receivables from executives and management	-	-	
g) Liabilities to executives and management	-	-	
9. The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.			
10. Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus. Details about the subsidiary company are stated in notes 1 and 16 of the annual financial statements.			
11. On November 26, 2009, the BOD of the parent company determined the transfer of the 25% participation in the Cypriot company "LOGOS" to "TELETYPOS CYPRUS LTD".			
The transfer completed on 09/12/2009 (note 16a of the annual financial statements).			
12. The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its earnings only (note 16a of the annual financial statements).			
13. The fiscal period of the consolidated companies has not been modified.			
14. Other total Expenses after Taxes 34 thousand euros (of the group and company) for the full year 2010 concern valuation of shares listed in the Athens Stock Exchange.			
This change of 34 thousand euros impacted at an equal amount the reserve and the other assets (shares of listed company).			
Other total Revenues after Taxes 25 thousand euros (of the group and company) for the full year 2009 concern valuation of shares listed in the Athens Stock Exchange.			
This change of 25 thousand euros increased at an equal amount the reserve and the other assets (shares of listed company).			
15. The amount of the provisions that have been occurred in the following cases are:			
	Group	Company	
- Cases that refer to the above note 5	-	-	
- Financial years that have not been examined by the tax authorities	-	-	
- Other provisions	6,039,486	-	
Other provisions concern contingent expenses of the sale of investment (note 26.4 of the annual financial statements).			
16. There is no change in the method of consolidation of the 100% subsidiary TELETYPOS CYPRUS LTD in the consolidated financial statements.			
17. The financial statements of TELETYPOS S.A. are accounted with the equity method in the consolidated financial statements of the following companies:			
a) "PEGASUS PUBLISHING S.A." established in Greece and ownership of 26,82%.			
b) "LAMBRAKIS PRESS S.A." established in Greece and ownership of 22,11%.			

Athens, January 25, 2011

THE PRESIDENT OF BOARD OF DIRECTORS AND MANAGING DIRECTOR      A MEMBER OF BOARD OF DIRECTORS      FINANCIAL CONTROLLER      CHIEF ACCOUNTANT

ELIAS E. TSGAS  
☒ 414434YIORGOS CHR. AIDINIS  
H 355263ATHANASIOS G. ANDREOULIS  
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X 575439

**F. INFORMATIVE BULLETIN (Article 10 Law.3401/2005)****YEAR 2010 INFORMATIVE BULLETIN**

The present document contains all the information required by article 10 of the Law 3401/2005 which TELETYPOS S.A. published during the fiscal year 2010. Pursuant to paragraph (a) of the article 1 of the Hellenic Capital Market Commission decision 7/448/11.10.2007, this document forms part of the Year 2010 Financial Report of the Company which is provided for by article 4 of the Law 3556/2007.

The full text of the announcements is available at the website of TELETYPOS S.A. [www.megatv.com](http://www.megatv.com) at the particular menu options, as these are indicated through reference numbers at the right hand column of the table hereunder.

<b>Note</b>	<b>Company Website Menu Options (<a href="http://www.megatv.com">http://www.megatv.com</a>)</b>
1	Investor Relations/ Corporate Announcements

<b><u>YEAR 2010 STOCK EXCHANGE ANNOUNCEMENTS</u></b>		<b>Note</b>
22/1/2010	Notification of changes in the composition of the Board of Directors	1
2/6/2010	Announcement of the date of the Annual General Assembly (25/6/2010)	1
25/6/2010	Decisions of the Annual General Assembly	1
26/10/2010	Announcement considering other important events	1