



HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.

Forthnet S.A.

Registration No S.A. 34461/06/B/95/94

Scientific Technological Park of Crete, Vassilika Vouton, Iraklion Crete 71003

FINANCIAL DATA & INFORMATION FOR THE PERIOD JANUARY 1, 2010 - JUNE 30, 2010

(According to 4/507/28.04.2009 resolution of Greek Capital Committee)

The financial data and information provided below, aim to provide a general overview of FORTHNET S.A. financial statements and results and of the Group. As a result of this, we recommend to any potential investor, that before engage in any type of investment activity or any other kind of transaction with the Company, to visit the Company's web site at the electronic address [www.forthnet.gr](http://www.forthnet.gr), where all interim condensed financial statements according to IFRS as well as the Audit Review report, when is required, are posted.

(amounts in euro)

GENERAL INFORMATION:

Website: [www.forthnet.gr](http://www.forthnet.gr)  
 Date of Approval of the First Half Financial Statements: August 27, 2010  
 The Certified Auditors - Accountants: Seferis Christodoulos, Saloustros Stavros  
 Auditing Companies: ERNST & YOUNG S.A., SQI S.A.  
 Review Report: Unqualified Opinion

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

	GROUP		COMPANY	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
<b>ASSETS</b>				
Tangible assets	322,467,015	305,357,127	174,668,156	179,268,579
Intangible assets	228,367,061	241,364,207	18,447,361	15,645,799
Goodwill	286,692,695	286,692,695	512,569	512,569
Other non current assets	33,670,155	36,593,901	312,580,215	315,522,259
Inventories	3,575,132	5,537,891	1,929,158	2,269,943
Trade receivables	60,540,555	54,219,167	50,689,935	31,134,051
Other current assets	123,413,228	154,310,267	33,031,052	58,479,751
<b>TOTAL ASSETS</b>	<b>1,058,725,841</b>	<b>1,084,075,255</b>	<b>591,858,446</b>	<b>602,832,951</b>
<b>EQUITY AND LIABILITIES</b>				
Share Capital (155.431.324 shares € 1,18 each)	183,408,963	183,408,963	183,408,963	183,408,963
Retained earnings and other reserves	129,425,933	161,162,560	162,431,785	175,998,182
Total Shareholders equity (a)	312,834,896	344,571,523	345,840,748	359,407,145
Non-controlling interests (b)	3,162,660	3,886,038	-	-
Total Equity (c)=(a)+ (b)	315,997,556	348,457,561	345,840,748	359,407,145
Long-term borrowings	321,192,613	330,890,404	99,411,612	109,349,677
Provisions/Other long-term liabilities	205,573,116	188,325,128	24,154,903	25,635,124
Short-term borrowings	31,673,731	21,256,127	20,000,000	10,000,000
Other Current Liabilities	184,288,825	195,146,035	102,451,183	98,441,005
Total Liabilities (d)	742,728,285	735,617,694	246,017,698	243,425,806
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>1,058,725,841</b>	<b>1,084,075,255</b>	<b>591,858,446</b>	<b>602,832,951</b>

TOTAL COMPREHENSIVE INCOME

	GROUP			
	01.01 - 30.06.2010	01.01 - 30.06.2009	01.01 - 30.06.2010	01.01 - 30.06.2009
Turnover	198,760,324	179,958,286	100,420,688	91,123,228
Gross Profit/(Loss)	30,326,685	29,955,452	13,202,890	15,776,733
Loss before taxes, financing and investing activities	14,355,765	(5,303,296)	(6,675,419)	(2,693,502)
Loss before income taxes	(29,997,124)	(15,058,886)	(14,775,464)	(7,224,499)
<b>Loss after income taxes (A)</b>	<b>(32,464,008)</b>	<b>(16,423,867)</b>	<b>(16,873,524)</b>	<b>(7,464,059)</b>
- Share holders of the parent company	(31,736,627)	(16,209,050)	(16,389,205)	(7,347,905)
- Non-controlling interests	(727,381)	(214,817)	(484,319)	(116,154)
<b>Other comprehensive income after taxes(B)</b>	-	-	-	-
<b>Total comprehensive income after taxes(A)+(B)</b>	<b>(32,464,008)</b>	<b>(16,423,867)</b>	<b>(16,873,524)</b>	<b>(7,464,059)</b>
- Share holders of the parent company	(31,736,627)	(16,209,050)	(16,389,205)	(7,347,905)
- Non-controlling interests	(727,381)	(214,817)	(484,319)	(116,154)
Loss after taxes per share - Basic (in €):	(0.2042)	(0.1925)	(0.1054)	(0.0873)
Profit/(Loss) before taxes, financing, investing activities and depreciation	33,943,954	36,519,614	17,462,833	18,283,220

COMPANY

	COMPANY			
	01.01 - 30.06.2010	01.01 - 30.06.2009	01.01 - 30.06.2010	01.01 - 30.06.2009
Turnover	103,068,519	78,177,275	54,933,350	41,014,229
Gross Profit/(Loss)	23,383,337	3,846,988	12,547,364	3,360,052
Loss before taxes, financing and investing activities	(7,803,431)	(11,976,209)	(656,616)	(5,661,386)
Loss before income taxes	(10,035,458)	(13,980,388)	(1,805,423)	(6,497,561)
<b>Loss after income taxes (A)</b>	<b>(13,566,397)</b>	<b>(12,825,983)</b>	<b>(3,785,576)</b>	<b>(5,558,876)</b>
- Share holders of the parent company	(13,566,397)	(12,825,983)	(3,785,576)	(5,558,876)
- Non-controlling interests	-	-	-	-
<b>Other comprehensive income after taxes(B)</b>	-	-	-	-
<b>Total comprehensive income after taxes(A)+(B)</b>	<b>(13,566,397)</b>	<b>(12,825,983)</b>	<b>(3,785,576)</b>	<b>(5,558,876)</b>
- Share holders of the parent company	(13,566,397)	(12,825,983)	(3,785,576)	(5,558,876)
- Non-controlling interests	-	-	-	-
Loss after taxes per share - Basic (in €):	(0.0873)	(0.1523)	(0.0244)	(0.0660)
Profit/(Loss) before taxes, financing, investing activities and depreciation	16,493,853	8,019,866	11,493,087	4,428,098

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

	GROUP		COMPANY	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Total equity balance at the beginning of period (01.01.2010 and 01.01.2009 respectively)	348,457,561	388,853,774	359,407,145	384,456,695
Total comprehensive income after taxes	(32,464,008)	(16,423,867)	(13,566,397)	(12,825,983)
Minority share of Increase in share capital	4,003	-	-	-
Stock option plan	-	136,650	-	136,650
<b>Total equity balance ending period (30.06.2010 and 30.06.2009 respectively)</b>	<b>315,997,556</b>	<b>372,566,557</b>	<b>345,840,748</b>	<b>371,767,362</b>

CASH FLOW STATEMENT (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 30.06.2010	01.01 - 30.06.2009	01.01 - 30.06.2010	01.01 - 30.06.2009
<b>Cash flow from Operating Activities</b>				
Loss before taxes (continuing activities)	(29,997,124)	(15,058,880)	(10,035,458)	(13,980,388)
<i>Add / Less adjustments for:</i>				
Depreciation and amortization	49,830,655	43,511,010	25,793,761	21,647,964
Amortization of subsidies	(1,530,936)	(1,888,100)	(1,496,477)	(1,651,889)
Losses/(Gains) on disposals of tangible and intangible assets	(1,910)	(9,867)	2,956	(1,358)
Allowance for doubtful receivable accounts	1,753,998	3,020,430	1,803,996	2,113,101
Other provisions	974,127	974,127	332,684	747,390
Gains on disposals of financial investing activities	(993,486)	(920,341)	(140,325)	(108,144)
Interest and related expenses	16,016,533	10,676,075	2,372,552	2,112,324
Share of profits of associates accounted for under the equity method	38,312	(150)	-	-
<i>Add/ less adjustments for changes in working capital related to operating activities:</i>				
Decrease / (increase) inventories	1,962,759	(1,494,856)	340,785	(610,774)
Decrease / (increase) trade accounts receivable and prepayments	578,535	(7,992,674)	(20,106,869)	6,689,910
Decrease / (increase) liabilities (other than Bank loans)	(22,785,918)	(8,208,549)	(1,274,583)	(245,272)
Less:				
Interest and related expenses paid	(9,685,715)	(9,515,728)	(1,436,732)	(2,287,723)
Tax paid	(2,290,840)	(3,015,942)	-	-
Increase/(decrease) in other long-term receivables	(32,528)	(642,886)	(12,898)	(4,055)
Increase/(decrease) in other long-term liabilities	57,100	71,900	57,100	71,900
<b>Net cash from / (used in) operating activities (a)</b>	<b>4,080,480</b>	<b>9,665,569</b>	<b>(3,799,708)</b>	<b>14,492,886</b>
<b>Cash flow from Investing Activities</b>				
Increase in participation in subsidiaries	-	-	(575,996)	(199,998)
Purchase of tangible and intangible assets	(20,547,537)	(28,652,300)	(19,934,038)	(27,920,825)
Available for sale investments & loans	9,232	-	-	-
Proceeds from the sale of tangible and intangible assets	56,674	49,417	27,581	24,519
Interest received	393,486	807,021	140,325	28,144
Government grants received	4,500,000	-	4,500,000	-
<b>Net cash flow used in investing activities (b)</b>	<b>(15,588,145)</b>	<b>(27,795,862)</b>	<b>(15,842,128)</b>	<b>(28,068,160)</b>
<b>Cash flow from Financing Activities</b>				
Net proceeds from the issuance of share capital in subsidiary	4,003	-	-	-
Net change in long-term borrowings	(130,000)	29,928,000	-	35,000,000
Net change in short-term borrowings	475,604	(1,165)	-	-
Net change in finance lease creditors	(3,902,320)	(4,311,769)	(73,851)	(69,359)
<b>Net cash flows from / (used in) financing activities (c)</b>	<b>(3,522,713)</b>	<b>25,615,066</b>	<b>(73,851)</b>	<b>34,930,641</b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>(15,060,378)</b>	<b>7,484,773</b>	<b>(19,715,687)</b>	<b>21,355,467</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>79,549,226</b>	<b>79,510,860</b>	<b>40,621,678</b>	<b>14,864,016</b>
<b>Cash and cash equivalents at end of the period</b>	<b>64,488,848</b>	<b>86,995,633</b>	<b>20,905,991</b>	<b>36,219,483</b>

ADDITIONAL DATA AND INFORMATION

- The above financial statements for the period 01/01/2010-30/06/2010 have been approved by the members of the Board of Directors August 27, 2010
- At June 30, 2010 the total number of employees reached 1,481, while those of the Parent Company reached 835. At June 30, 2009 the Group's relative number of employees was 1,484, while that of the parent company was 841.
- There is no burden against title to the Group's real estate.
- The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at June 30, 2010: 39.88%) under the equity method.
- The same accounting methods and assessments have been used as in prior fiscal years except for those referred to in note 3 of the financial statements.
- The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated in the interim consolidated financial statements of the year, are stated in note 10 of the interim condensed financial statements.
- The unaudited tax years of the Company and of the companies of the Group are stated in Note 9 of the interim condensed financial statements.
- The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax-years amounting to € 0.2 for the Company and € 2.55 for the Group. In addition, no deferred tax asset has been recognised for set-off of tax losses of amount € 14.5 m. for the Group and the Company in order to cover any additional taxes which will occur in future tax audit.
- There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status.

- The amount of the provision for the above issues are € 0.00 for the company and € 0.00 for the group.
  - The amounts of other provisions are € 1.15 for the Company and € 1.15 for the Group.
  - At the end of current period no shares of the parent company are possessed by either the parent company or any subsidiary or associate companies.
  - The accumulated income and expenses since the beginning of the current fiscal year as well as the Company's and the Group's trade accounts receivable and payable balances at the end of the current fiscal year that have resulted from the transactions with their related parties, according to IAS 24, are as follows:
- | (Amounts in euro)   | Group     | Company    |
|---|-----------|------------|
| a) Income   | 57,120    | 5,518,069  |
| b) Expenses   | 3,515,170 | 547,269    |
| c) Receivables  | 40,712    | 13,977,772 |
| d) Liabilities  | 609,068   | 21,487,559 |
| e) Fees of Managers and members of the Board of Directors         | 2,437,238 | 1,019,598  |
| f) Amounts owed by Managers and members of the Board of Directors | 0         | 0          |
| g) Amounts to Managers and members of the Board of Directors      | 16,571    | 0          |
- The Group Capital Expenditure for the period ending at June 30, 2010 amounted to € 53,798,417.

Iraklion, August 27, 2010

PRESIDENT OF THE B.o.D.

THE VICE PRESIDENT & CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

GROUP FINANCIAL REPORTING & BUDGETING MANAGER

GROUP ACCOUNTING DIRECTOR

DEEPAK SRINIVAS PADMAHANABHAN  
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