



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, 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

Supervising Authority:	Ministry of Development, Secretary of Commerce	Members of the Board of Directors:	Padmanabhan Deepak Srinivas, President, Non-executive Member Papadopoulos Panagiotis, Vice-President of the BoD & Chief Executive Officer, Executive Member Botman Franciscus Johannes, Non-executive Member Vasileios Dougalis, Non-executive Member Kay David, Non-executive Member Lloyd Edwin, Independent-Non-Executive Member Majid Mohsin, Non-executive Member Singh Bhavneet, Independent-Non-Executive Member Warrington Michael, Non-executive Member
Date of Approval of the Annual Financial Statements:	March 15, 2011		
The Certified Auditors - Accountants:	Christodoulos Seferis, Stavros Saloustros		
Auditing Companies:	ERNST & YOUNG S.A., SOL S.A.		
Review Report:	Unqualified opinion (with emphasis matter)		
Website:	www.forthnet.gr		

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
ASSETS				
Tangible assets	311,814,651	305,357,127	170,553,382	179,268,579
Intangible assets	215,789,271	241,364,207	19,794,317	15,645,799
Goodwill	268,022,695	286,692,695	512,569	512,569
Other non current assets	32,987,566	36,593,901	310,726,367	315,522,259
Inventories	6,708,194	5,537,891	2,254,877	2,269,943
Trade receivables	68,314,880	54,219,167	41,064,974	28,992,837
Other current assets	114,828,170	154,310,267	73,810,371	60,620,965
TOTAL ASSETS	1,018,465,427	1,084,075,255	618,716,857	602,832,951
EQUITY AND LIABILITIES				
Share capital (155,431,324 shares of €1.18 each)	183,408,963	183,408,963	183,408,963	183,408,963
Retained earnings and other reserves	76,894,651	161,162,560	146,715,730	175,998,182
Total Shareholders equity (a)	260,303,614	344,571,523	330,124,693	359,407,145
Minority interests (b)	2,497,831	3,886,038	-	-
Total Equity (c)=(a)+(b)	262,801,445	348,457,561	330,124,693	359,407,145
Long-term borrowings	286,494,821	330,890,404	89,473,548	109,349,677
Provisions/Other long-term liabilities	199,830,739	188,325,128	27,879,913	25,635,124
Short-term borrowings	46,563,258	21,256,127	20,000,000	10,000,000
Other Current Liabilities	222,775,164	195,146,035	151,238,703	98,441,005
Total Liabilities (d)	755,663,982	735,617,694	288,592,164	243,425,806
TOTAL EQUITY AND LIABILITIES (c)+(d)	1,018,465,427	1,084,075,255	618,716,857	602,832,951

CASH FLOW STATEMENT (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 31.12.2010	01.01 - 31.12.2009	01.01 - 31.12.2010	01.01 - 31.12.2009
Cash flows from Operating Activities				
Loss before taxes (continuing activities)	(80,164,785)	(40,520,436)	(19,264,245)	(26,858,339)
Add / Less adjustments for:				
Depreciation and amortization	105,358,142	88,877,544	55,849,523	44,487,381
Amortization of subsidies	(3,307,199)	(3,118,791)	(3,247,269)	(3,047,949)
Gains on disposals of tangible and intangible assets	(30,442)	50,292	(9,076)	57,547
Allowance for doubtful receivable accounts	5,980,043	4,271,241	4,884,190	3,183,931
Other provisions	2,551,658	2,626,694	1,625,736	1,173,831
Gains on disposals of financial investing activities	(2,118,153)	(1,359,421)	(207,150)	(272,225)
Interest and related expenses	26,470,690	20,146,095	4,680,006	3,903,610
Share of profits of associates accounted for under the equity method	46,246	989	-	-
Impairment of goodwill	18,670,000	-	-	-
Add / less adjustments for changes in working capital related to operating activities:				
Decrease / (increase) inventories	(1,678,767)	1,308,782	(459,621)	(410,544)
Decrease / (increase) trade accounts receivable and prepayments	(25,840,039)	(23,816,912)	(54,973,280)	924,515
(Decrease) / increase liabilities (other than Bank loans)	19,128,340	24,521,530	54,908,573	25,665,487
Less:				
Interest and related expenses paid	(21,925,404)	(20,080,789)	(4,556,135)	(4,785,687)
Tax paid	(5,542,994)	(11,919,862)	-	(390,837)
Increase/(decrease) in other long-term receivables	(5,357,033)	(608,396)	(5,343,386)	(24,720)
Increase/(decrease) in other long-term liabilities	5,407,362	119,900	5,407,362	119,900
Net cash from/(used in) operating activities (a)	37,647,665	40,498,460	39,295,228	43,725,901
Cash flow from Investing Activities				
Increase in participation in subsidiaries	-	-	-	(199,998)
Purchase of tangible and intangible assets	(57,344,940)	(74,336,191)	(53,660,603)	(69,269,467)
Received Grants	4,500,000	16,329,348	4,500,000	16,329,348
Proceeds from the sale of tangible and intangible assets	94,824	72,083	65,731	40,583
Interest received	628,668	1,280,054	207,150	272,225
Increase in participation in subsidiaries	-	-	(575,996)	-
Absorption of entity by subsidiary	465,335	-	-	-
Increase in investments in associates and other financial assets	(34,679)	-	(9,000)	-
Restricted cash	(1,964,500)	-	(1,964,500)	-
Net cash flow from/(used in) investing activities (b)	(53,655,292)	(56,654,706)	(51,437,218)	(52,827,309)
Cash flow from Financing Activities				
Net change in long-term borrowings	-	35,000,000	-	35,000,000
Repayment of long-term borrowings	(20,144,000)	(10,000,000)	(10,000,000)	-
Net change in short-term borrowings	307,131	-	-	-
Net change in leases	(7,285,839)	(8,805,388)	(150,057)	(140,930)
Net cash flows from/(used in) financing activities (c)	(27,122,708)	16,194,612	(10,150,057)	34,859,070
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	(43,130,335)	38,366	(22,292,047)	25,757,662
Cash and cash equivalents at beginning of the period	79,549,226	79,510,860	40,621,678	14,864,016
Cash and cash equivalents at end of the period	36,418,891	79,549,226	18,329,631	40,621,678

TOTAL COMPREHENSIVE INCOME (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 31.12.2010	01.01 - 31.12.2009	01.01 - 31.12.2010	01.01 - 31.12.2009
Turnover	404,002,620	371,767,395	214,738,540	169,297,218
Gross Profit/(Loss)	47,267,904	51,139,860	44,529,805	15,787,690
Loss before taxes, financing and investing activities	(55,766,000)	(21,733,763)	(14,791,389)	(23,226,953)
Loss before income taxes	(80,164,785)	(40,520,436)	(19,264,245)	(26,858,339)
Loss after income taxes (a)	(86,828,433)	(41,182,772)	(29,989,434)	(25,836,109)
- Share holders of the parent company	(85,098,182)	(40,679,908)	(29,989,434)	(25,836,109)
- Non-controlling interests	(1,730,251)	(502,864)	-	-
Other comprehensive income after taxes (b)	-	-	-	-
Total comprehensive income after income (a)+(b)	(86,828,433)	(41,182,772)	(29,989,434)	(25,836,109)
- Share holders of the parent company	(85,098,182)	(40,679,908)	(29,989,434)	(25,836,109)
- Non-controlling interests	(1,730,251)	(502,864)	-	-
Loss after taxes per share - basic (in €):	(0.5475)	(0.2617)	(0.1929)	(0.1662)
Profit/(Loss) before taxes, financing, investing activities and depreciation	46,284,941	64,024,980	37,810,865	18,212,479

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
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 losses after taxes	(86,828,433)	(41,182,772)	(29,989,434)	(25,836,109)
Increase in share capital of subsidiary through absorption	465,335	-	-	-
Stock option plan	706,982	786,559	706,982	786,559
Total equity balance end of period (31.12.2010 and 31.12.2009 respectively)	262,801,445	348,457,561	330,124,693	359,407,145

ADDITIONAL DATA AND INFORMATION

1. The above financial statements during the year 01/01/2010-31/12/2010 have been approved by the members of the Board of Directors on March 15, 2011.
2. The independent auditors' report includes, without qualifying their opinion, an attention to Note 4 to the separate and consolidated financial statements which indicate that, at December 31, 2010, the Group's current liabilities exceeded its current assets and, accordingly, it may not be able to meet part of its contractual principal repayment obligations under its long-term loan agreements. In addition, it is possible that the Group may not be in compliance with certain of its loan covenants in 2011.
3. At December 31, 2010 the Group's total number of employees reached 1,545, while the parent Company's 862. At December 31, 2009 the Group's relative number of employees was 1,472, while the parent company's was 847.
4. There are not any real burden on the Group's real estate.
5. The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at December 31, 2010: 40.95%) under the equity method.
6. Same accounting methods and assessments have been used as in prior fiscal years.
7. The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated in the annual consolidated financial statements of the year, are stated in note 12 of the annual financial statements.
8. The unaudited tax years of the Company and of the companies of the Group are stated in Note 11 of the annual financial statements.
9. The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax-years amounting to € 0.2m. for the Company and € 2.55m. for the Group. As at December 31, 2010 the Company re-assessed its deferred tax assets that had been recognized and proceeded to decrease such asset by € 12,637,526 which related to part of the deferred tax asset recognised on the assessed losses of 2006 and 2007.

10. There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status.
11. 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.
12. 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	121,394	11,606,888
b) Expenses	5,194,402	3,358,304
c) Receivables	26,693	44,288,644
d) Liabilities	1,890,670	51,769,270
e) Fees of Managers and members of the Board of Directors	4,414,660	2,962,666
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	195	0

13. The goodwill that arose from the acquisition that was completed on August 27, 2008 was impaired in the current fiscal year and amounted to € 268,022,695. (note 11 of the annual financial statements).
14. The Group Capital Expenditure for the year ended December 31, 2010 amounted to € 86,397,167 in which is included the renewal of transporter leases of one transporter amounting to € 29,339,224.

Iraklion, March 15, 2011

PRESIDENT OF THE B.o.D.

THE VICE PRESIDENT & CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

GROUP FINANCIAL REPORTING & BUDGETING DIRECTOR

GROUP ACCOUNTING DIRECTOR

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