forthnet

SIX MONTHS FINANCIAL REPORT

for the period

January 1, 2009 to June 30, 2009

In accordance with the International Financial Reporting Standards as adopted by the European Union

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
Scientific Technological Park of Crete
Vassilika Vouton, Iraklion Crete 71003
http://www.forthnet.gr

Index to the Interim Condensed Financial Statements

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors
(in accordance with article 4 par. 2 of L. 3556/2007)

The following statements, which are effected in accordance with article 4 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. Deepak Srinivas Padmanabhan of Velaidam, resident of Dubai, President of the Board of Directors
2. Pantelis Tzortzakis of Michail, resident of Pallini Attica, Vice-President of the Board of Directors and CEO and
3. Ioannis Averof of Michail, resident of Metsovo, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, and in particular the third as specifically appointed by the Board of Directors of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” (hereinafter referred to as “Company” or as “Forthnet”), we state and we assert that to the best of our knowledge:

(a) the interim condensed financial statements of the Company and the Group of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2009 to June 30, 2009, which were compiled according to the applicable International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 4 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the Six-month Report of the Board of Directors of the Company provide a true and fair view the evolution, the achievements and the financial position of the Company, as well as the companies’ which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraphs 6 to 8 of article 4 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Athens, August 14, 2009

Deepak Srinivas Padmanabhan	Pantelis Tzortzakis	Ioannis Averof
President of the Board of Directors	Vice-President of the Board of Directors and Chief Executive Officer	Member of the Board of Directors

BOARD OF DIRECTORS' REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

of
«Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.»
(according to the regulations of par. 6 of article 5 of L. 3556/2007)

Regarding the consolidated and separate Financial Statements
for the six months period ended June 30, 2009

1. PERFORMANCE AND KEY FINANCIAL DATA

Executive Summary

For the 1st half of 2009, Forthnet continued to put emphasis in shifting to Local Loop Unbundled ("LLU") services with parallel decrease in the wholesale services (ADSL and carrier preselection).
Thus the key figures for the 1st half of 2009 are:

- 254,748 active ULL customers at the end of June '09
- 163.2% revenue growth in the 1st half '09
- 30.8% market share in total ULL market for 1st half '09
- 25.8% market share in new ULL activations for 1st half '09 with 47.1k net activations.

The consolidation of the Pay TV financial results and the improvement of the Telecom financial results contribute to the significant improvement of the Group results.

During the 1st half of '09, the Group's reported total revenues of € 182.4m., while the adjusted EBITDA was €37.1m with the EBITDA margin remaining above 20%. The Operating cash flow recorded an inflow of €9.6m. from an outflow of €13.7m for the 1o half of 2008. More specifically, the Group financial results for the 1st half are as follows:

	1st Half 2008	**1o Half 2009**		
(σε '000 €)	**Group (Telecoms)**	**Group**	Pay TV.	Telecom
Revenue	**69,284**	**182,413**	99,489	82,924
Adjusted EBITDA	**-5,083**	**37,126**	28,344	8,782
EBITDA margin	**-7.34%**	**20.35%**	28.49%	10.59%
Operating cash flow	**-13,737**	**9,665**		

Local Loop Unbundling

Forthnet continued its progress in unbundling with improved market share of ULL net activations during H1 '09.

	2nd Quarter '09	**1st Quarter '09**	**4th Quarter '08**	**3rd Quarter '08**	**2nd Quarter '08**
New ULL net activations	22,484	24,576	35,804	26,085	38,590
Market Share in New Activations	24%	27%	36%	33%	37%
Total ULL	254,748	232,264	207,688	171,884	145,800
Overall market share	**30.76%**	**31.5%**	**32.1%**	**31.5%**	**31.3%**

Forthnet is the leading unbundler in Greece with an overall market share of 31% reaching 24% in net activations in the 2nd quarter. Forthnet 2Play continuous its strong uptake, constituting 78% of Forthnet's active ULL subscriber base. The monthly average revenue per user ("ARPU") of Forthnet's 2play for the 2nd quarter was € 41.5 (excl. VAT).

As the ULL activation rate stabilises, the Company is moving the emphasis from wholesale broadband and CPS telephony to services over its private network

Forthnet Broadband Customer Base	**30/06/09**	**30/03/09**	**31/12/08**	**30/09/08**
Forthnet Broadband subscribers[1]	302,658	286,339	274,150	250,480
Quarterly net additions	16,319	12,189	23,670	19,770
Forthnet active ULL subscribers	254,748	232,264	207,688	171,884

The number of Broadband customers at the end of June '09 stood at 302,658 customers. The ULL focus rather than wholesale broadband or CPS services, has lead to the improvement in the financial performance of the Company. As a result, the Company continued to show a positive EBITDA for the 2nd quarter of 2009.

The 2nd quarter of '09 results reflect a significant improvement compared to the previous year's 2nd quarter, as the customer base through ULL increases. This resulted to an increase in the adjusted EBITDA to positive € 5.2m from losses of € 1.7m. in the 2nd quarter of 2008. For the 2nd quarter of 2009 the Telecom Services reported revenues of €43.7m. corresponding to an increase of 22.8% for the 2nd quarter of 08. The ULL services remain the most significant source of revenue. The CAPEX spent for the 2nd quarter of 2009 was reduced to €19.5m. from €22.7m for the 2nd quarter of 2008.

(in '000 euro)	**Q2 '09**	**Q1 '09**	**Q4 '08**	**Q3 '08**	**Q2 '08**
Revenue	43,675	39,249	41,352	36,915	35,670
Adjusted[2] EBITDA	5,190	3,592	2,914	878	-1,670
EBITDA margin	**11.88%**	**9.15%**	**7.05%**	**2.38%**	**-4.68%**
CAPEX	19,485	9,832	15,470	12,593	22,679

Pay TV services

NOVA's customer had a small decrease versus the same period last year. The Digital (satellite) subscriber base increased in Greece while the Analogue subscriber base and the digital subscriber base in Cyprus recorded a decrease. As a result, by the end of June '09 Pay-TV had 321,499 customers, a decrease of 3.06% compared to 2008:

NOVA Subscribers	**30/06/09**	**30/06/08**
Cyprus	12,581	14,049
Greece (Analogue platform)	30,765	40,073
Greece (Digital platform)	278,153	277,515
Total NOVA	**321,499**	**331,637**

Additionally, NOVA's subscriber base is seasonal, with an annual decrease in the subscriber base during the summer seasons. Traditionally, the subscriber base increases to normal levels towards the end of the summer season.

Pay-TV H1 '09 financials

NOVA continued its strong operating performance during the 1st half of '09.

(in '000 €)	**H1 '09**	**H1 '08**
Revenue	99,489	103,098
EBITDA	28,343	30,029
EBITDA Margin	28.49%	30.1%

[1] Active & pending activation wholesale ADSL and Forthnet 2Play customers, plus active and pending activation Unbundled customers
[2] Non cash adjustment relating to stock option valuation in Q2 '09

Liquidity and Debt

As of June 30 2009, the Group's cash and cash equivalents amounted to €87m. The total net bank debt for the Group at the end of H1 '09 stood at €268m while the short term portion of the long term debt amounted to €10.1m. In May '09 the Company drew the 3rd tranche of its committed syndicated term loan facility amounting to €35m, thus further improving its liquidity position.

2. MAJOR EVENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2009

Collocation sites and Forthnet Backbone Network
The development of the Company's private infrastructure continued with the addition of 5 more collocations in respective OTE Local Exchanges. The total number of collocations was 160 by the end of June 2009. In parallel, the Company continues the investments in collocations and in backbone private infrastructure in the subsidized under the Invitation 157 of the Information Society framework. By the end of July 2009, 19 more distant collocations were ready for commercial use, increasing the total number of collocations to 179.

3. MAIN RISKS FOR THE SECOND HALF OF THE YEAR

Credit Risk: The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at June 30, 2009, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Group has no significant concentrations of credit risk with any single counter party. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis. Also, as regards money market instruments, the Group only deals with well established financial institutions of high credit standing.

Foreign Currency Risk: The Group enters into transactions denominated in foreign currencies related to the purchases of goods and sales of services. Therefore, the Group is potentially exposed to market risk related to possible foreign currency fluctuations, which is however, mitigated to some extent by the set-off of credit and debit balances in the same currencies and FX Forward Agreements. The Group does not engage into speculative transactions or transactions that are irrelevant to the commercial, investing or financing activities of the Group.

Interest Rate Risk: With respect to both long-term and short-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks. For the 1st half of 2009 the Group did not use interest rate derivatives. Thus all the short-term and long-term borrowings have been obtained at floating interest rates.

Liquidity Risk and Capital Management: The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn committed and uncommitted borrowing facilities that can be utilized to fund any potential shortfall in cash resources. Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The primary objective of the Group's capital management is to ensure that it maintains a strong internal calculation credit rating and healthy capital ratios in order to support its operations and maximize shareholder value. The Group's policy is to maintain leverage targets in line with an investment grade profile. The Group monitors capital using net debt to EBITDA ratio. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Risks Relating to Forthnet's Business:
- Forthnet's growth prospects depend on the continued increase in demand for broadband services and general economic development in Greece. The telecommunications market in Greece is characterised by intense competition that produces price pressures.
- Forthnet may face delays and cost overruns in expanding its network, relating to factors outside its control.
- The expansion of Forthnet's network substantially depends on its ability to unbundle an increasing number of local loops and also on factors outside its control.
- Forthnet's sales and distribution network is dependent on the success of its franchisees.
- Forthnet relies on third parties to sell its products and services to retail customers.

Risks Relating to NetMed's Business:

- Nova's business may suffer if it cannot acquire or retain attractive content for its services.
- The success of Nova's operations will depend on its ability to grow its customer base.
- A decline in consumer expenditure could adversely affect the growth of customer numbers, the scope of price increases and the revenue and profitability of Nova.
- Nova may experience high deactivation rates among its pay-TV customers.
- Nova's business is subject to seasonality.
- Lack of satellite space or satellite failures could adversely affect Nova's business.
- Unauthorised access to Nova's programming signals may adversely affect Nova's revenues and programming arrangements.
- Nova may be found to infringe on intellectual property rights of others.
- Nova's ability to effectively negotiate content agreements with major content providers may be adversely affected by its acquisition from Forthnet.
- Nova is subject to the risk of exchange rate fluctuations.
- Regulatory authorities may withdraw or fail to renew Nova's existing broadcasting licenses or fail to grant future licenses.
- Nova could lose some of its most important programming rights if the European Union or national antitrust authorities disallow the acquisition of long-term, exclusive broadcast rights.

4. GROUP PROSPECTIVES FOR 2nd HALF '09

The major events that are expected to affect the Group performance in the second half of the year are the following:

- The Company will continue to finalise the investments in the subsidized regions by Invitation 157 of the Information Society framework. The conclusion of the infrastructure deployment will significantly strengthen the position of the Company in Northern Greece, the islands of north-east Aegean and the Dodecanese, and will improve the availability of services over the Company's private network in the majority of the cities and villages in the above areas.
- A main target for the 2nd half is the offering of bundled packages that will include Internet access, telephony and Pay TV services in order to exploit the synergies from the purchase of the NOVA pay TV platform.
- The 2009-2010 Superleague games transmission is expected to have a positive effect on the PAY TV subscribers' base.
- During the 2nd half of 2009, the 5th transponder will commence, which will enhance the capacity available for additional program transmissions and have positive effects on quality of the existing programs.

5. RELATED PARTIES:

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Company's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ending at	Sales to related parties	Purchases from related parties
Technology and Research Foundation	Shareholder	30.06.2008	121,872	37,447
		30.06.2009	59,512	35,919
Forth CRS S.A.	Subsidiary	30.06.2008	72,015	475
		30.06.2009	182,104	5,349
Athlonet S.A.	Associated	30.06.2008	3,649	8,250
		30.06.2009	10,145	-
MultiChoice Hellas S.A.	Subsidiary	30.06.2008	-	-
		30.06.2009	270,556	162,140
SYNED S.A.	Subsidiary	30.06.2008	-	-
		30.06.2009	121	-
NETMED S.A.	Subsidiary	30.06.2008	-	-
		30.06.2009	145	-
NetMed Hellas S.A.	Subsidiary	30.06.2008	-	-
		30.06.2009	31,178	12,256
Forthnet Media Holdings S.A.	Subsidiary	30.06.2008	-	-
		30.06.2009	-	84,000
	Total	**30.06.2008**	**197,536**	**46,172**
	Total	**30.06.2009**	**553,761**	**299,664**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Technology and Research Foundation	Shareholder	31.12.2008 30.06.2009	5,686 34,821	12,126 11,782
Forth CRS S.A.	Subsidiary	31.12.2008 30.06.2009	161,090 341,380	32,072 38,438
Telemedicine Technologies S.A.	Subsidiary	31.12.2008 30.06.2009	336,675 136,677	- -
Athlonet S.A.	Associated	31.12.2008 30.06.2009	2,489 973	17,131 -
MultiChoice Hellas S.A.	Subsidiary	31.12.2008 30.06.2009	10,626 321,962	147,905 1,705,338
NetMed Hellas	Subsidiary	31.12.2008 30.06.2009	47,931 14,455,032	- 1,718,293
Forthnet Media Holdings S.A.	Subsidiary	31.12.2008 30.06.2009	3,128 3,984	33,320 133,280
	Total	**31.12.2008**	**567,625**	**242,554**
	Total	**30.06.2009**	**15,294,829**	**3,607,131**

The Group's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ending at	Sales to related parties	Purchases from related parties
Technology and Research Foundation	Shareholder	30.06.2008 30.06.2009	121,872 59,512	37,447 35,919
Lumiere Productions S.A.	Shareholder	30.06.2008 30.06.2009	- -	- 2,271,025
Lumiere Television Ltd	Shareholder	30.06.2008 30.06.2009	- -	- 824,763
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	30.06.2008 30.06.2009	- -	- 81,576
Gambritsos Georgios	Members of the B.O.D. – Executive members	30.06.2008 30.06.2009	- -	- 156,617
Athlonet S.A.	Associated	30.06.2008 30.06.2009	3,649 10,145	8,250 -
	Total	**30.06.2008**	**125,521**	**45,697**
	Total	**30.06.2009**	**69,657**	**3,369,900**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Technology and Research Foundation	Shareholder	31.12.2008	5,686	12,126
		30.06.2009	34,821	11,782
Lumiere Television Ltd	Shareholder	31.12.2008	320,301	337,627
		30.06.2009		156,273
Lumiere Cosmos Communications	Shareholder	31.12.2008	-	10
		30.06.2009	-	-
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2008	-	-
		30.06.2009	-	16,719
Athlonet S.A.	Associated	31.12.2008	2,489	17,131
		30.06.2009	973	-
	Total	**31.12.2008**	**328,476**	**373,272**
	Total	**30.06.2009**	**35,794**	**581,107**

Salaries and fees for the members of the Board of Directors and the General Managers of the Group for the period ending June 30, 2009 and June 30, 2008, are analysed as follows:

	The Group		**The Company**	
	30.06.2009	**30.06.2008**	**30.06.2009**	**30.06.2008**
Salaries and fees for executive members of the BoD	142,351	314,959	142,351	314,959
Salaries and fees for non executive members of the BoD	69,600	69,600	69,600	69,600
Salaries and fees for Senior Managers	1,268,741	681,232	368,138	652,599
Total	**1,480,692**	**1,065,791**	**580,089**	**1,037,158**

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the shareholders of
HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (Forthnet)

Introduction

We have reviewed the accompanying separate and consolidated statement of financial position of HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. "Forthnet S.A." (the "Company") as at 30 June 2009, and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes (the "interim condensed financial information") which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal requirements

Based on our review, we noted that the information contained in the six months financial report prepared in accordance with article 5 L. 3556/2007 is consistent with the accompanying condensed financial information.

Athens, August 14, 2009

The Certified Auditors Accountants

CHRIS PELENDRIDIS R.N. ICA (GR) 17831	STAVROS SALOUSTROS R.N. ICA (GR) 14611
ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A. SOEL REG. No: 107	SOL S.A. CERTIFIED AUDITORS SOEL REG No: 125

INTERIM CONDENSED
FINANCIAL STATEMENTS
(PARENT COMPANY AND CONSOLIDATED)

for the six-month period ended

June 30, 2009

In accordance with the International Financial Reporting Standards as adopted by the European Union

Interim Statement of Comprehensive Income

(amounts in Euro, except for share and per share data)

		The Group				The Company			
	Note	**01.01-30.06.2009**	**01.01-30.06.2008**	**01.04-30.06.2009**	**01.04-30.06.2008**	**01.01-30.06.2009**	**01.01-30.06.2008**	**01.04-30.06.2009**	**01.04-30.06.2008**
Revenues	4	179,958,286	65,634,799	91,123,228	34,590,409	78,177,275	62,928,838	41,014,229	32,761,369
Cost of sales	8	(150,002,834)	(70,228,890)	(75,346,495)	(35,900,337)	(74,330,287)	(68,431,749)	(37,654,177)	(34,896,617)
Gross profit/(loss)		**29,955,452**	**(4,594,091)**	**15,776,733**	**(1,309,928)**	**3,846,988**	**(5,502,911)**	**3,360,052**	**(2,135,248)**
Selling and distribution expenses	8	(22,183,488)	(16,472,311)	(12,234,732)	(6,608,828)	(12,054,927)	(15,900,305)	(7,448,411)	(6,312,001)
Administrative expenses	8	(14,553,856)	(6,821,467)	(6,919,766)	(2,608,292)	(5,122,924)	(6,492,637)	(2,455,421)	(2,433,075)
Research and development expenses	8	(976,137)	(1,536,787)	(367,402)	(710,616)	(976,137)	(1,536,787)	(367,402)	(710,616)
Other income	4	2,454,733	3,648,997	1,051,665	1,080,016	2,330,792	3,565,329	1,249,796	1,040,351
Share of profits of associates accounted for under the equity method	10	150	600	(600)	90	-	-	-	-
Financial income	7	920,341	322,346	70,153	43,513	108,144	321,820	101,866	42,987
Financial expenses	7	(10,676,075)	(1,896,699)	(4,600,550)	(977,378)	(2,112,324)	(1,809,798)	(938,041)	(929,102)
Loss before income taxes		**(15,058,880)**	**(27,349,412)**	**(7,224,499)**	**(11,091,423)**	**(13,980,388)**	**(27,355,289)**	**(6,497,561)**	**(11,436,704)**
Income taxes	9	(1,364,987)	5,178,570	(239,560)	1,463,086	1,154,405	5,176,413	938,685	1,547,921
Loss after tax (A)		**(16,423,867)**	**(22,170,842)**	**(7,464,059)**	**(9,628,337)**	**(12,825,983)**	**(22,178,876)**	**(5,558,876)**	**(9,888,783)**
Other total comprehensive income after tax (B)		-	-	-	-	-	-	-	-
Total comprehensive income after tax (A)+(B)		**(16,423,867)**	**(22,170,842)**	**(7,464,059)**	**(9,628,337)**	**(12,825,983)**	**(22,178,876)**	**(5,558,876)**	**(9,888,783)**
Loss for the period attributable to:									
Shareholders of the Parent		(16,209,050)	(22,171,840)	(7,347,905)	(9,630,674)	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
Minority interests		(214,817)	998	(116,154)	2,337	-	-	-	-
		(16,423,867)	**(22,170,842)**	**(7,464,059)**	**(9,628,337)**	**(12,825,983)**	**(22,178,876)**	**(5,558,876)**	**(9,888,783)**
Total comprehensive income for the period attributable to:									
Shareholders of the Parent		(16,209,050)	(22,171,840)	(7,347,905)	(9,630,674)	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
Minority interests		(214,817)	998	(116,154)	2,337	-	-	-	-
		(16,423,867)	**(22,170,842)**	**(7,464,059)**	**(9,628,337)**	**(12,825,983)**	**(22,178,876)**	**(5,558,876)**	**(9,888,783)**
Loss per share (Basic)		(0.1925)	(0.5706)	(0.0873)	(0.2478)	(0.1523)	(0.5708)	(0.0660)	(0.2545)
Weighted Average Number of Shares (Basic)		84,191,967	38,857,831	84,191,967	38,857,831	84,191,967	38,857,831	84,191,967	38,857,831

The accompanying notes are an integral part of the Interim Condensed Financial Statements

Interim Statement of Financial Position

(amounts in Euro, unless stated otherwise)

		The Group		The Company	
	Note	30.06.2009	31.12.2008	30.06.2009	31.12.2008
ASSETS					
Non current assets					
Property, Plant and Equipment	11	233,500,247	230,382,168	162,193,164	153,775,026
Intangible assets	12	252,730,185	269,166,534	14,214,781	15,002,342
Goodwill	10	727,519	727,519	512,569	512,569
Provisional goodwill	10	285,965,176	285,965,176	-	-
Investments in subsidiaries	10	-	-	289,313,232	289,113,234
Investments in associates accounted under the equity method	10	69,434	69,284	44,500	44,500
Other non-current assets		1,934,315	1,291,429	244,078	240,022
Available for sale financial assets	13	379,877	379,877	330,149	330,149
Programme and film rights	14	-	297,864	-	-
Deferred tax assets		34,626,431	34,092,165	25,316,983	24,162,579
Total non current assets		**809,933,184**	**822,372,016**	**492,169,456**	**483,180,421**
Current assets					
Inventories	15	8,341,529	6,846,673	2,470,172	1,859,398
Programme and film rights	14	15,000,007	31,865,284	-	-
Trade Receivables	16	56,237,083	55,183,317	32,019,800	31,970,470
Prepayments and other receivables	17	41,577,858	32,779,863	33,574,054	21,130,099
Cash and cash equivalents	18	86,995,633	79,510,860	36,219,483	14,864,016
Total Current Assets		**208,152,110**	**206,185,997**	**104,283,509**	**69,823,983**
TOTAL ASSETS		**1,018,085,294**	**1,028,558,013**	**596,452,965**	**553,004,404**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	19	183,408,963	183,408,963	183,408,963	183,408,963
Share premium		300,981,286	300,981,286	300,981,286	300,981,286
Other reserves		13,001,533	12,864,883	12,378,863	12,242,213
Accumulated deficit		(128,999,310)	(112,790,260)	(125,001,750)	(112,175,767)
Total		**368,392,472**	**384,464,872**	**371,767,362**	**384,456,695**
Minority interests		4,174,085	4,388,902	-	-
Total equity		**372,566,557**	**388,853,774**	**371,767,362**	**384,456,695**
Non current liabilities					
Long-term liabilities	20	345,588,196	315,285,988	119,287,741	84,225,806
Long-term transponder leases	22	57,726,836	60,441,236	-	-
Other long-term leases	21	1,994,372	2,068,223	1,994,372	2,068,223
Other long-term finance lease obligations		106,900	35,000	106,900	35,000
Long-term obligations of programmes and film rights	23	1,683,164	1,840,217	-	-
Reserve for staff retirement indemnities		3,319,016	3,157,009	1,537,152	1,524,902
Government grants	26	9,636,469	11,252,053	8,951,907	10,531,280
Deferred tax liability		50,617,528	54,501,066	-	-
Total Non-Current Liabilities		**470,672,481**	**448,580,792**	**131,878,072**	**98,385,211**
Current Liabilities					
Trade accounts payable	24	92,315,909	92,791,139	75,103,211	54,892,198
Short-term borrowings	20	1,183,334	1,184,499	-	-
Current portion of long-term borrowings	20	10,144,000	10,144,000	-	-
Deferred income	3	33,586,681	37,389,950	13,245,374	12,382,307
Current portion of transponder leases	22	8,220,772	9,525,898	-	-
Short-term portion of other finance lease obligations	21	247,373	465,765	145,422	140,930
Current portion of programmes and film rights obligations	23	9,320,544	21,447,115	-	-
Income tax payable		11,642,336	8,875,999	206,008	206,009
Accrued and other current liabilities	25	8,185,307	9,299,082	4,107,516	2,541,054
Total Current Liabilities		**174,846,256**	**191,123,447**	**92,807,531**	**70,162,498**
Total Liabilities		**645,518,737**	**639,704,239**	**224,685,603**	**168,547,709**
TOTAL LIABILITIES AND EQUITY		**1,018,085,294**	**1,028,558,013**	**596,452,965**	**553,004,404**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

Interim Statement of Changes in Shareholders Equity

(amounts in Euro, unless stated otherwise)

The Group	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Minority Interests	Total Equity
	Attridutable to equity holders of the parent company						
Total Equity beginnig at the period January 1, 2008	**45,852,241**	**143,510,993**	**6,415,982**	**(72,305,540)**	**123,473,676**	**43,428**	**123,517,104**
Total comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-		(22,171,840)	(22,171,840)	998	(22,170,842)
Stock option plan			6,448,901		6,448,901	-	6,448,901
Total Equity ending at the period June 30, 2008	**45,852,241**	**143,510,993**	**12,864,883**	**(94,477,380)**	**107,750,737**	**44,426**	**107,795,163**
Total Equity beginning at the period January 1, 2009	**183,408,963**	**300,981,286**	**12,864,883**	**(112,790,260)**	**384,464,872**	**4,388,902**	**388,853,774**
Total Comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(16,209,050)	(16,209,050)	(214,817)	(16,423,867)
Stock option plan	-	-	136,650	-	136,650	-	136,650
Total Equity ending at the period June 30, 2009	**183,408,963**	**300,981,286**	**13,001,533**	**(128,999,310)**	**368,392,472**	**4,174,085**	**372,566,557**

The Company	Share capital	Share premium	Other reserves	Accumulated deficit	Total
Total Equity beginnig at the period January 1, 2008	**45,852,241**	**143,510,993**	**5,793,312**	**(71,990,613)**	**123,165,933**
Total comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(22,178,876)	(22,178,876)
Stock option plan	-	-	6,448,901	-	6,448,901
Total Equity ending at the period June 30, 2008	**45,852,241**	**143,510,993**	**12,242,213**	**(94,169,489)**	**107,435,958**
Total Equity beginning at the period January 1, 2009	**183,408,963**	**300,981,286**	**12,242,213**	**(112,175,767)**	**384,456,695**
Total Comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(12,825,983)	(12,825,983)
Stock option plan	-	-	136,650	-	136,650
Total Equity ending at the period June 30, 2009	**183,408,963**	**300,981,286**	**12,378,863**	**(125,001,750)**	**371,767,362**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

	The Group		The Company	
	01.01-30.06.2009	**01.01-30.06.2008**	**01.01-30.06.2009**	**01.01-30.06.2008**
Cash flows from Operating Activities				
Loss before income taxes	(15,058,880)	(27,349,412)	(13,980,388)	(27,355,289)
Adjustments for:				
Depreciation and amortisation	43,511,010	16,624,433	21,647,964	16,136,475
Amortisation of subsidies	(1,688,100)	(2,380,312)	(1,651,889)	(2,380,312)
Gains on disposal of tangible and intangible assets	(49,867)	(3,827)	(1,358)	(3,827)
Financial (income)/expenses	9,755,734	1,574,353	2,004,180	1,487,978
Share of profits of associates accounted for under the equity method	(150)	(600)	-	-
Allowance for doubtful accounts receivable	3,020,430	2,400,000	2,113,101	2,400,000
Provision for staff retirement indemnities	367,477	160,569	140,740	151,815
Stock option plan	606,650	6,448,901	606,650	6,448,901
Operating profit/(loss) before working capital changes	**40,464,304**	**(2,525,895)**	**10,879,000**	**(3,114,259)**
(Increase)/Decrease in:				
Inventories	(1,494,856)	(858,930)	(610,774)	(828,921)
Trade accounts receivable	(4,074,196)	(3,795,573)	(2,162,431)	(3,464,980)
Programme and Film Rights	4,879,517	-	-	-
Prepayments and other receivables	(8,797,995)	(1,157,519)	10,556,045	(3,376,313)
Increase/(Decrease) in:				
Trade accounts payable	(2,046,248)	(4,758,830)	(4,184,674)	(2,617,070)
Deferred income	(3,803,269)	2,503,495	863,067	2,503,494
Accrued and other current liabilities	(2,153,562)	(1,303,159)	1,501,121	(1,379,195)
Interest paid	(9,515,728)	(1,787,873)	(2,287,723)	(1,702,821)
Income taxes paid	(3,015,942)	-	-	-
Payment of staff retirement indemnities	(205,470)	(36,405)	(128,490)	(36,405)
Increase in other non-current assets	(642,886)	(16,660)	(4,055)	(14,471)
Increase in other long-term liabilities	71,900	-	71,900	-
Net cash from/(used in) Operating Activities	**9,665,569**	**(13,737,349)**	**14,492,986**	**(14,030,941)**
Cash flow from Investing activities				
Capital expenditure for property, plant and equipment	(24,097,418)	(32,749,896)	(23,365,943)	(32,669,664)
Purchase/development of intangible assets	(4,554,882)	(4,407,884)	(4,554,882)	(4,391,682)
Disposals for property, plant and equipment and intangible assets	49,417	11,143	24,519	11,142
Interest and related income received	807,021	435,439	28,144	435,403
Investment in subsidiary	-	-	(199,998)	(60,000)
Increase in participation in subsidiaries	-	(1,363,732)	-	(1,363,732)
Net cash used in Investing Activities	**(27,795,862)**	**(38,074,930)**	**(28,068,160)**	**(38,038,533)**
Cash flows from Financing Activities				
Payments for the issuance of share capital	-	(1,529,020)	-	(1,529,020)
Payments for the issuance of long-term borrowings	-	(2,450,002)	-	(2,450,002)
Proceeds from long-term borrowings	35,000,000	-	35,000,000	-
Repayment of long-term borrowings	(5,072,000)	(72,000)	-	-
Net change in short -term borrowings	(1,165)	8,848,196	-	9,000,000
Net change in leases	(4,311,769)	(92,874)	(69,359)	(65,141)
Net cash from Financing Activities	**25,615,066**	**4,704,300**	**34,930,641**	**4,955,837**
Net increase/(decrease) in cash and cash equivalents	**7,484,773**	**(47,107,979)**	**21,355,467**	**(47,113,637)**
Cash and cash equivalents at the beginning of period	**79,510,860**	**56,120,418**	**14,864,016**	**55,701,928**
Cash and cash equivalents of the end of the period	**86,995,633**	**9,012,439**	**36,219,483**	**8,588,291**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

1. CORPORATE INFORMATION:

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (hereinafter referred to as the “Company” or “Forthnet”), was incorporated in Greece in November 1995 (Government Gazette 6718/27.11.1995) as a société anonyme by the Technology and Research Foundation and “Minoan Lines S.A.”.

The Company’s registered office is in Vassilika Vouton, Iraklion, Crete, while its administrative headquarters are in Pallini, Attica at Manis Street, 153 51 Kantza. The life of the Company, according to its Articles of Incorporation, has been determined to be 40 years from the date of its incorporation with a possible extension permitted following a decision of the General Meeting of the Company’s Shareholders.

Effective October 2000, Forthnet’s shares were listed on the Athens Stock Exchange.

The Company’s principal activities, in accordance with article 3 of its Articles of Incorporation, are the provision of telecommunications services and electronic information systems, the development and use of any telecommunications and network technique and infrastructure in Greece and overseas and the development of any other associated activity.

The Company has been granted a general license with respect to the provision of telecommunications services by the Greek Telecommunications and Postal Commission (‘EETT’). Its license also includes the provision of Data Network and Internet services, as well as data and voice unification services for intra company networks and closed groups of users. Also, in accordance with the decision No. 198/11.12.2000 of the plenary assembly of EETT, Forthnet was granted a special license regarding the installation of a Public Wire Telecommunications Network. An amendment of the above granted special license followed, so that the provision of public fixed voice telephony service is included therein, in accordance with the decision No. 214/23 of the plenary assembly of EETT, dated April 20, 2001.

Based on the aforementioned amendment, EETT, with its decision No. 215/43/02.05.2001, granted Forthnet the Access Selection Code 1789, through which it provides public fixed voice telephony.

On February 14, 2008, Forgendo Ltd, which is based in Cyprus, aquired a participating interest of 21% of Forthnet’s share capital. During the year 2008 and the six month period 2009, Forgendo Ltd acquired further participating interest and each participation increased at June 30, 2009 to 36.45% in Forthnet’s share capital.

The accompanying interim financial statements for the six months period ended June 30, 2009, include the financial statements of Forthnet and its subsidiaries, Forth CRS S.A. Telemedicine Technologies S.A., Forthnet Media Holdings S.A., Shipping Clearance S.A., NetMed N.V., Myriad Development B.V., Intervision (Services) B.V., Dikomo Investment Sarl (Luxembourg), Tiledrasi S.A. (Luxembourg), Multichoice Holdings (Cyprus) Ltd, Multichoice (Cyprus) Public Company Ltd, NetMed Hellas S.A., Multichoice Hellas S.A., NetMed S.A., Syned S.A., RPO S.A., Tiledrasi S.A. and Ad Value S.A. The accompanying financial statement of comprehensive income for the six months period ended June 30, 2008, includes the financial statements of Forthnet and its subsidiaries Forth CRS S.A. and Telemedicine Technologies S.A.

Forth CRS S.A.’s principle activities are to provide integrated tourism services through the research, development, use and sale of modern, high convergent technological electronic products and services for the distribution and management of tourism material, such as reservations, ticketing and other related material, produced by entities such as shipping companies, airlines and other transportation enterprises, hotel enterprises, promotion and entertainment enterprises, enterprises relating to sports, hospitals and all other electronic reservation organizations.

Telemedicine Technologies S.A.’s principle activities are to create, implement and sell services and products associated with the acquisition, transmission and dissemination of information, particularly electronically, in the health sector. The company aims to implement and sell services in the health sector, with emphasis on business-to-business medical services.

Forthnet Media Holdings S.A. is a holding company and was incorporated in April 2008 and its principle activities are the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors.

On August 27, 2008, Forthnet completed the acquisition of all shares in NetMed N.V. and Intervision (Services) B.V. through its 100% subsidiary "Forthnet Media Holdings S.A.", against payment of a total consideration € 491,653,113 (Note 10).

NetMed N.V.'s and its subsidiaries which are consolidated, are analysed as follows:

Entity name	Date of incorporation	Country of incorporation	Operating activities
NetMed N.V.	January 12, 1996	Netherlands	Holding company
NetMed Hellas S.A.	January 23, 1992	Greece	The Company compiles and produces all of the NovaCinema and NovaSport channels, which are licensed to MultiChoice Hellas S.A. NetMed Hellas S.A acquires sports rights and additional content directly from local suppliers. Studio content is licensed to NetMed Hellas S.A through Intervision.
MultiChoice Hellas S.A.	September 14, 1994	Greece	The Company compiles and operates the Nova bouquet, distributes decoders, manages the analogue and digital subscriber base and markets and sells NetMed Group's digital and analogue Pay-TV services in Greece.
Syned S.A.	February 23, 1996	Greece	The Company operates and maintains the digital satellite transmission and signal distribution networks for the DTH broadcast of the Nova bouquet in Greece and Cyprus on behalf of MultiChoice Hellas S.A. Syned is authorised to provide digital satellite services (including uplinking, downlinking, multiplexing and leasing of space capacity), pursuant to a license granted by the Greek government. Syned also operates and maintains the analogue terrestrial transmission network for NetMed Hellas S.A. Finally, Syned provides digital satellite transmission and signal distribution services to deliver the signal of each of the seven national commercial Greek free-to-air (FTA) channels to their respective terrestrial relays.
NetMed S.A.	February 14, 1996	Greece	The Company provides customer services (including telephone helpdesk, technical support, information regarding TV programmes and management of subscription services contracts) to Pay-TV subscribers on behalf of MultiChoice Hellas S.A.
Ad Value S.A.	December 14, 2000	Greece	The Company administers airtime sales, together with advertising on NovaCinema and NovaSport websites on behalf of NetMed Hellas S.A. ADV also administers airtime sales (including interactive services) on behalf of MultiChoice Hellas S.A.
RPO S.A.	January 16, 2006	Greece	Employers' federation
MultiChoice Holdings (Cyprus) Limited	December 20, 1999	Cyprus	Holding company
MultiChoice (Cyprus) Public Company Limited	November 13, 1993	Cyprus	The Company acts as an agent for MultiChoice Hellas S.A. in Cyprus by entering into subscriber agreements, collecting subscriptions and providing SMS to subscribers to a digital Nova Cyprus bouquet on behalf of MultiChoice Hellas S.A.
Myriad Development B.V.	April 15, 1994	Netherlands	Holding company
Dikomo Investment Sarl	June 18, 2003	Luxembourg	Holding company
Tiledrasi S.A.	June 18, 2003	Luxembourg	Holding company

On June 15, 2009, Forthnet Media Holdings S.A. completed the acquisition of 100% of all shares of Tiledrasi S.A. from Myriad Development B.V., a Group's company, against payment of an amount of € 140,000.

Intervision (Services) B.V., was incorporated in January 1996 and its principle activity is the content acquisition services.

Shipping Clearance S.A. was incorporated in Greece in November 2007. Shipping Clearance S.A.'s principle activities are the provision of integrated calculation, settlement and payment of accounts and other services for all types of shipping and other transportation tickets.

The Group's number of employees at June 30, 2009, amounted to 1,484, while that of the Company to 841. At June 30, 2008, the respective number of employees was 1,015 for the Group and 954 for the Company.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

(α) Basis of Preparation of Financial Statements:

The interim financial statements for the six-month period ended June 30, 2009, have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 "Interim Financial Report".

The interim financial statements do not include all information and notes required in the annual financial statements and, accordingly, they must be read in conjunction with the Group's annual financial statements as of December 31, 2008.

These financial statements have been prepared under the historical cost convention except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), at fair value.

The preparation of financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Certain line items of the previous year/period financial statements were reclassified in order to conform to the current period's presentation.

The same accounting policies, presentation and method of computation have been followed in these interim condensed financial statements as were applied in the presentation of the Group's financial statements for the year ended December 31, 2008.

The following new interpretations and amendments to standards, became mandatory for the first time for the financial year which began on January 1, 2009 and the application had no impact on the financial position performance for the Group and the Company.

IFRIC 13, "Customer Loyalty Programmes". This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation has no impact on the Company's and the Group's financial statements as no such schemes currently exist.

IFRIC 15, "Agreements for the Construction of Real Estate". IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognised. This Interpretation has not yet been endorsed by the European Union (EU). IFRIC 15 is not relevant to the Group and the Company.

IFRIC 16, "Hedges of a Net Investment in a foreign operation". IFRIC 16 clarifies three main issues, namely:

- A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- Hedging instrument(s) may be held by any entity or entities within the group.
- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

This interpretation had no impact on the Group's and the Company's financial statements.

IFRS 1, "First-time Adoption of International Financial Reporting Standards" and IAS 27, "Consolidated and Separate Financial Statements" (Amended). The amendments to IFRS 1 allows an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The new requirements affect only the parent's separate financial statement and do not have an impact on the consolidated financial statements. This amendment had no impact on the Group's nad Company's financial statements.

IFRS 2, "Share-based Payments" (Amended). The amendment clarifies two issues. The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment had no impact on the Group's nad Company's financial statements.

IFRS 7, "Financial Instruments: Disclosures" (Amended). The amendment requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: a) Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1). (b) Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3). This information must be given by class of financial instrument. The amendment also revises specified minimum liquidity risk disclosures. This amendment will be applied to the annual financial statements of the Group and of the Company. This amendment has not yet been endorsed by the EU.

IAS 32 and IAS 1, "Puttable Financial Instruments" (Amended). The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity.

This amendment has no impact on the Group or the Company.

IFRS 8, **Operating Segments** –IFRS 8, requires the Group to identify operating segments based on the information provided and reviewed by the "Chief Operating Decision Maker" of the Group when allocating resources and assessing the performance of the operating segment. The Group "Chief Operating Decision Maker" is the Chief Executive Officer. Subsequently, these operating segments have been aggregated to reportable segments, if they exhibit similar long-term financial performance and have similar economic characteristics. The Group concluded that no changes to the previously identified business segments would be required as a result of implementing IFRS 8 and therefore continues to disclose the following reportable segments: "Telecommunications" and "Pay-TV".

IAS 1, **Presentation of Financial Statements** – IAS 1 has been revised to enchance the usefulness of information presented in the financial statements. The most significant changes are: The requirements that the statement of changes in equity includes only transactions with shareholders, the introduction of a new statement of comprehensive income which combines all items of income and expense recognized in the profit and loss together with comprehensive income and the requirements to present restatements of financial statements or retrospective applications of a new accounting policy as at the beginning of the earliest comparative period i.e. in a third column on the balance sheet (statement of financial position). The Group has elected to present a Statement of Comprehensive Income which combines into a single statement the former Statement of Income and the Statement of Recognised Income and Expense. As required by the revised Standard, the Group now also presents a Statement of Changes in Equity as a primary statement and has changed its Balance Sheet to a of Statement of Changes in Financial Position.

IAS 23, "Borrowing Costs" (Revised). The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Group and the Company will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after January 1, 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording, the application of which had no substantial impact on the financial position or performance for the Group and the Company.

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended December 31, 2008, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2009 and have not been early adopted:

IFRS 2, "Share-based Payments" (Amended), effective for annual periods beginning on or after 1 January 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and withdraws IFRIC 8 and IFRIC 11. More specifically, it clarifies how an individual subsidiary in a group should account for share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers. The amendments make clear that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Also, it clarifies that in IFRS 2 a 'group' has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. This amendment must be applied retrospectively. The amendment has not yet been endorsed by the EU. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such arrangements.

In April 2009 the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2009. This annual improvements project has not yet been endorsed by the EU.

(b) Approval of Financial Statements:

The Board of Directors of Forthnet approved the separate and consolidated condensed financial statements for the period ended at June 30, 2009, on August 14, 2009.

(c) Significant Accounting Judgements and Estimates:

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) ***Allowance for doubtful accounts receivables***: The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

(b) ***Provision for income taxes:*** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(c) ***Depreciation rates:*** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

(d) ***Impairment of property, plant and equipment and intangibles (including goodwill)***: Property, plant and equipment and intangibles are tested for impairment when there are indicators that the carrying amounts may not be recoverable except from goodwill which is tested annually. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 3i).

(e) ***Deferred tax assets:*** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

(f) ***Measurement of intangible assets during the purchase price allocation*****:** Regarding the recognition of intangible assets the Company's Management has used as a basis the business plans of the acquired companies and has taken into consideration the average cost of capital used, in combination with assumptions relating to the risk free interest rate, the most optimal capital structure of the sector, the equity cost, as well as the borrowing cost.

3. PRINCIPAL ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of the accompanying interim condensed financial statements are as follows:

(a) Basis of Consolidation: The accompanying interim consolidated financial statements include the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions have been eliminated in the accompanying interim consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the subsidiary acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Paragraph (f) outlines the accounting policy on goodwill.

The financial statements of the subsidiaries are prepared for the same reporting date with the parent company.

Minority interests are stated at the minority's proportion of the fair values of the identifiable assets and liabilities at the date of acquisition including the minority's proportion on the subsidiary's equity movement up to balance sheet date.

Acquisitions of minority interests, effectively representing step acquisitions made after obtaining control of an entity, are accounted for by recognising the reduction in minority interest based on the carrying amount of equity at the date of acquisition. Any excess of amounts paid over the percentage of the carrying amount of equity acquired are recognised as goodwill. Any deficit of amounts paid over the percentage of the carrying amount of equity acquired is recognised directly in the statement of comprehensive income.

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

(b) Investments in Associates: The Group's investments in other entities in which it exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognised at cost and subsequently increased or decreased to recognise the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment.

(c) Foreign Currency Translation: The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position dates, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

Gains or losses of the period ended resulting from foreign currency re-measurements are reflected in the accompanying statement of comprehensive income. Gains or losses resulting from transactions are also reflected in the accompanying statement of comprehensive income.

(d) Property, Plant and Equipment: Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalised to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of comprehensive income.

Profit and losses arising from the write-off of assets are included in the statement of comprehensive income at the time the related asset is written-off.

(e) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximate average useful lives. The rates used are as follows:

Classification	Annual Rates
Buildings	2.50%
Installations on buildings	7.50%-11.11%
Network equipment (Internet and Fixed Telephony)	15%
Network support equipment (LMDS)	10%
Network equipment LLU	20%
Fibre-optic network	6.67%
Transportation assets	10%
Computer hardware	10%-30%
Transmission equipment	8.33%
Furniture and other equipment	7.50%-12.50%

(f) Goodwill: Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, at the date of acquisition. Goodwill on acquisitions of subsidiaries is reflected separately in the statement of financial position. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment.

Negative goodwill is recognised where the fair value of the Group's interest in the net assets of the acquired entity exceeds the cost of acquisition and is taken to income immediately.

(g) Intangible Assets: Intangible assets include costs of purchased and internally generated software and various licences. Purchased intangible assets acquired separately are capitalised at cost while those acquired from a business combination are capitalised at fair value at the date of acquisition. Internally generated software includes costs such as payroll, materials and services used and any other expenditure directly incurred in developing computer software and in bringing the software into its intended use.

The Company's intangible assets include the cost of a license for the provision of Fixed Wireless Access Telecommunications of the absorbed company, Mediterranean Broadband Access S.A. The license was awarded in accordance with the decision No. 203/ 10.01.2001 of EETT for a term of fifteen (15) years at a cost of approximately € 8.5 million. The license is being amortised over a period of thirteen (13) years, representing the remaining period of use from the year that the network was operational.

In addition, the Group capitalises the subscriber acquisition costs for ULL services for which the subscribers have been committed with a contract for 12 months. In case the contract is terminated before the lapse of the 12 months, then the net book value of the customer acquisition costs is recognised as an expense in the statement of comprehensive income.

Patents, brand names, trademarks, title rights, concession rights, software and other similar intangible assets acquired are capitalised at cost. Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where the carrying amount exceeds the recoverable amount. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Classification of Intangible asset	Years
Software	3.3
Fixed wireless access license	13
Subscriber acquisition cost	1
Reputation and customer base	2-5
Brand name	15
Customer Relationships	15
Greek Superleague Contractual Rights	3
FTA channels carrying agreements	7
Intellectual property rights and patents	15

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the statement of comprehensive income in the period in which they are incurred.

(h) Programme and film rights: Purchased programme and film rights are stated at acquisition costs less the amounts recognised in the statement of comprehensive income. The Group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IAS 39, measured at amortised cost using the effective interest rate method. Licenses are recorded as assets and liabilities for rights acquired, and obligations incurred under license agreements when the license period begins, the programme is available for its first showing and the cost of each programme is known or reasonably determinable.

The programmes which cannot be classified as programme rights, are not recorded on the statement of financial position and are instead disclosed as contractual commitments.

Rights for single sporting events are recognised on initial broadcasting of the event whereas sports rights acquired for an entire sporting season are amortised on a straight line basis over the duration of the season.

Rights for general entertainment and films are amortised either on a straight-line basis over the duration of the license or based on broadcasts where the number of screenings are restricted.

The expenses of programme and film rights are included in the cost of providing services and sale of goods. The costs of in-house programmes are expensed as incurred.

(i) Research and Development Costs: Research costs are expensed as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the requirements of IAS 38 "Intangible Assets" are met. Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.

(j) Impairment of Assets: With the exception of goodwill and other intangible assets with indefinite useful life which is tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed.

(k) Investments and Other (primary) Financial Assets: (Primary) Financial assets which fall within the scope of IAS 39 are classified based on their nature and characteristics in the following three categories:

- Financial assets at fair value through profit and loss,
- Loans and receivables,
- Available-for-sale financial assets.

Financial assets are initially recognised at acquisition cost which represents the fair value and, in certain circumstances, plus directly attributable transaction costs. The purchase and sale of investments is recognised on the date of the transaction which is the date on which the Group commits to purchase or sell the related financial asset.

The classification of the above mentioned financial assets is determined after initial recognition and, where allowed the designation is re-assessed periodically.

(i) Financial assets at fair value through profit and loss:

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in statement of comprehensive income of the year/period.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale financial assets:

Available-for-sale financial assets (primary) are those non-derivative financial assets that are designated as available for sale or are not classified in any of the two preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income of the year/period.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

The available for sale financial assets for which their fair value can not be measured reliably, are carried at cost less any impairment in accordance to IAS 39.

(l) Inventories: Inventories are stated at the lower of cost or net realisable value. Cost is determined based on a first-in, first-out method and the monthly weighted average price for a specific category (ADSL in a box). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A reserve is established when such items are determined to be obsolete or slow moving.

(m) Trade and Other Accounts Receivables: Trade accounts receivable, which generally have 30-120 day payment terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Accounts receivable for pay-tv are pre-received at the beginning of each month. An estimate for doubtful debts is made when collection is no longer probable. The provision for doubtful debts is charged to the statement of comprehensive income. Bad debts are written-off against the established reserve when identified.

(n) Cash and Cash Equivalents: The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(o) Borrowing Costs: As of January 1, 2009, all borrowing costs incurred during the construction period of a qualifying asset are capitalized as part of the cost of these assets. All other borrowing costs are recognized as an expense in the statement of comprehensive income when incurred.

(p) Loan Agreements: All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income of the year/period either through the amortisation process or where the liabilities are written-off except those which are being capitalised base on paragraph (o) above.

(q) Stock Option Plan: The Group has established stock option plans for its employees. The cost of the respective transactions is measured at the fair value of the stock or stock options as of the date of the approval of the plans by the management which is considered the granting date. The fair value is measured through the application of the appropriate valuation models.

The cost of the stock option plans is recognised during the period the requirements are gradually fulfilled (in cases where the settlement is made in shares) and which ends at the date the executives participating in the plan have vested their rights of exercise/purchase of stock (vesting date). For options that are not vested, no expense is recognised except for the options whose vesting depends on the fulfilment of specific external market parameters. Options are considered to be vested when all the performance requirements have been fulfilled independent of the fulfilment of the external market parameters.

In case of cancellation of any stock option plans, these are accounted for as if they were vested at the date of cancellation and the non-recognised expenses to date are immediately recognised to the statement of income. In case a cancelled stock option plan is substituted by a new one, it is treated as an amendment of the cancelled plan.

The cost of a cash settled transactions is expensed over the period until the vesting date with the recognition of a corresponding ability.

(r) Leases: Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased item, or if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised equally as an expense during the lease agreement in the statement of income.

(s) Government Grants*:* The Group obtains grants from the European Union in order to fund specific projects for the acquisition of tangible and intangible assets.

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to assets are recognised as deferred income and amortised in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(t) Provisions and Contingencies: Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(u) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

For transactions recognised directly in equity, any related tax effects are also recognised directly in equity and not in the statement of comprehensive income.

(v) Derivatives: The Group uses derivatives to reduce of its risk relating to the flunctuation of interest reates and foreign currency. The forward exchange contacts protect the Group from flunctuation of the foreign currency. It is the Group's policy not to deal with derivatives for speculative reasons.

Derivatives are recognized on the statement of financial position at fair value.

Although the foreign exchange contracts offer effective financial hedging according to the Group's policy regarding risk management they do not meet the criteria of hedge accounting. Accordingly the changes in fair value are recognized in the statement of comprehensive income.

(w) Revenue Recognition: Revenue is accounted for on an accrual basis and is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues mainly consist of fixed telephony usage charges, internet access services, internet data services and Pay-TV services.

Unbilled revenues from the billing cycle dating to the end of each month are estimated based on airtime and are accrued at the end of the month.

Revenues from internet services (Internet Access, Internet Leased Lines, Data Connectivity Services, LMDS etc.) are recognised at the time such services are provided to subscribers – customers.

Revenues from Pay-TV are recognised over the period the services are provided. Revenues from subscriptions consist of the monthly charge to subscribers for the Pay-TV services provided by the Group. Revenue is recognized during to the month the service is provided. Revenue from subscription services received in advance is deferred and is recognized when the services are provided.

Advertising revenues are derived from advertisement transmission on the pay-tv platforms and are recognized upon transmission.

Billed revenue which has been deferred and will be recognised as income in subsequent years/periods for the Company and the Group at June 30, 2009 amounted to € 33,586,681 and € 13,245,374 respectively (at December 31, 2008 amounted to € 37,389,950 for the Group and € 12,382,307 for the Company).

Unbilled revenues for the Group and the Company at June 30, 2009, amounted to € 3,069,857 (at December 31, 2008, amounted to € 1,977,171 for the Group and the Company respectively).

(x) Earnings/(Loss) per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year/period, excluding the average number of shares purchased as treasury shares.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding each year/period as adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

(y) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working year/period. The reserve for retirement obligations is calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying statement of comprehensive income and consist of the present value of benefits earned in the period, interest cost on the benefit obligation, prior service cost, actuarial gains or losses and the cost of additional pension charges. Past service costs are recognised on a straight-line basis over the average period until the benefits under the plan become vested. Actuarial gains or losses are recognised based on the corridor approach over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year it exceeds 10% of the projected benefit obligation. The retirement benefit obligations are not funded.

(z) Segment Reporting: As of January 1, 2009, the Group applies IFRS 8 «Operating Segments», which replaces IAS 14 «Financial Iinformation by Sector». In accordance with the provisions of IFRS 8, the determination of operating segments are based on the «management approach». This approach requires information to be disclosed that is based on the internal organizational and administrative structure of the Group and the main line items of internal financial reports given to the chief operating decision maker who, in the case of Company, is considered to be the Chief Executive Officer who is responsible to measure the performance of the operating segments. Accordingly, the operating segments are consolidated and reported as segments if they have similar long-term financial performance and have similar characteristics. The Group concluded that no amendments to former operating segments are required as a result of thapplication of IFRS 8 and, therefore, reports the following segments: “Telecommunications” and “Pay-TV”.

The telecommunication services segment provides mainly fixed telephony and internet services.

The Pay-TV segment includes the provision of premium sports, movie and entertainment channels through digital satellite and terrestrial analogue platforms.

Transactions between business segments are set on arm’s length basis in a manner similar to transactions with third parties.

(aa) Dividend Distribution: Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the General Meeting of the Company’s Shareholders.

(ab) Share Capital: Share capital represents the value of the Parent company’s shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognised as “Share premium” in shareholders’ equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

(ac) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired.
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement.
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company’s continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

4. REVENUES:

Revenues in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2009	2008	2009	2008
Operating Revenues				
Direct Retail Services	**143,978,336**	**26,055,372**	**50,810,699**	**26,055,372**
Bundled services (2play)	42,940,448	21,754,668	42,940,448	21,754,668
Telephony	5,212,786	2,920,386	5,212,786	2,920,386
ADSL	2,657,465	1,380,318	2,657,465	1,380,318
Pay-TV Revenues	93,167,637	-	-	-
Indirect Retail Services	**10,716,029**	**20,810,534**	**10,716,029**	**20,810,534**
Telephony	6,820,366	13,957,913	6,820,366	13,957,913
ADSL	3,026,142	5,737,260	3,026,142	5,737,260
Other	869,521	1,115,361	869,521	1,115,361
Direct Business Services	**12,235,436**	**12,195,359**	**12,235,436**	**12,195,359**
E-business	**2,577,097**	**2,119,865**	**2,577,097**	**2,119,865**
Forth CRS	**1,919,129**	**2,014,304**	**-**	**-**
Equipment	**1,880,050**	**554,063**	**373,924**	**354,251**
Other services	**6,652,209**	**1,885,302**	**1,464,090**	**1,393,457**
Total Operating Revenues	**179,958,286**	**65,634,799**	**78,177,275**	**62,928,838**
Other Income	**2,454,733**	**3,648,997**	**2,330,792**	**3,565,329**
Total Revenues	**182,413,019**	**69,283,796**	**80,508,067**	**66,494,167**

5. GROUP SEGMENT INFORMATION:

As of January 1, 2009, the Group applies IFRS 8 «Operating Segments», which replaces IAS 14 «Financial Iinformation by Sector». In accordance with the provisions of IFRS 8, the determination of operating segments are based on the «management approach». This approach requires information to be disclosed that is based on the internal organizational and administrative structure of the Group and the main line items of internal financial reports given to the chief operating decision maker who, in the case of Company, is considered to be the Chief Executive Officer who is responsible to measure the performance of the operating segments. Accordingly, the operating segments are consolidated and reported as segments if they have similar long-term financial performance and have similar characteristics. The Group concluded that no amendments to former operating segments are required as a result of thapplication of IFRS 8 and, therefore, reports the following segments: “Telecommunications” and “Pay-TV”.

Transactions between business segments are set on arm’s length basis in a manner similar to transactions with third parties.

The segment information for the period ended June 30, 2009, is analysed as follows:

	Telecommunications	Pay-TV	Eliminations	Total
Sales to customers	80,589,522	99,368,764	-	179,958,286
Revenues between segment activity	302,000	258,396	(560,396)	-
Total revenues	**80,891,522**	**99,627,160**	**(560,396)**	**179,958,286**
Profit /(loss) before taxes	**(14,328,793)**	**14,804,067**	**(15,534,154)**	**(15,058,880)**
Total assets				
as at June 30, 2009	618,474,477	483,575,137	(83,964,320)	1,018,085,294
as at December 31, 2008	561,245,129	503,371,216	(36,058,332)	1,028,558,013

Through to September 2008, the Group mainly provided telecommunication services. Due to the nature of the services provided to customers, the Company was operated and managed as one business segment. Accordingly, no operating results by individual or group of services were produced and neither were the Group's assets and liabilities analysed by the various services provided. As a result, the Group during the previous period did not present segment information.

6. PAYROLL COST:

Payroll cost in the accompanying interim condensed financial statements is analysed as follows:

	The Group		The Company	
	June 30,		June 30,	
	2009	2008	2009	2008
Wages and salaries	18,849,026	12,364,355	10,598,929	11,462,393
Social security costs	4,056,220	2,718,507	2,451,974	2,457,356
Staff retirement indemnities	367,477	160,568	140,740	151,815
Stock option plans	606,650	6,448,901	606,650	6,448,901
Other staff costs	346,790	227,061	232,618	202,306
Total	**24,226,163**	**21,919,392**	**14,030,911**	**20,722,771**
Less: Amounts capitalised	(1,486,334)	(1,792,767)	(1,378,584)	(1,540,332)
Payroll Cost (Note 8)	**22,739,829**	**20,126,625**	**12,652,327**	**19,182,439**

On February 8, 2008, E.E.T.T. approved Forthnet's change of control in accordance with resolution No. 467/104/2008. The aforementioned change resulted in the early vesting of the Company's stock option plan in accordance with its related terms.

7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) in the accompanying interim condensed financial statements are analysed as follows:

	The Group		**The Company**	
	June 30,		**June 30,**	
	2009	**2008**	**2009**	**2008**
Interest on long-term borrowings (Note 20)	(8,001,646)	(1,604,029)	(1,932,626)	(1,577,579)
Interest on short-term borrowings (Note 20)	(21,535)	(90,680)	-	(34,400)
Finance charges paid under finance leases	(2,289,117)	(74,426)	(57,104)	(72,579)
Other financial costs	(580,141)	(127,564)	(338,958)	(125,240)
Total financial expenses	**(10,892,439)**	**(1,896,699)**	**(2,328,688)**	**(1,809,798)**
Less: Amounts capitalised	216,364	-	216,364	-
Total financial expenses	**(10,676,075)**	**(1,896,699)**	**(2,112,324)**	**(1,809,798)**
Interest earned on cash at banks and on time deposits (Note 18)	887,755	322,346	108,144	321,820
Other financial income	32,586	-	-	-
Total financial income	**920,341**	**322,346**	**108,144**	**321,820**
Total financial income/(expenses), net	**(9,755,734)**	**(1,574,353)**	**(2,004,180)**	**(1,487,978)**

8. ANALYSIS OF EXPENSES:

Expenses (selling, general, administrative, research and development) in the accompanying interim condensed financial statements are analysed as follows:

	The Group		**The Company**	
	June 30,		**June 30,**	
	2009	**2008**	**2009**	**2008**
Payroll and related costs (Note 6)	22,739,829	20,126,625	12,652,327	19,182,439
Third party fees and services	25,119,549	9,773,250	10,436,052	8,929,054
Telecommunication costs	37,501,932	35,170,467	37,501,932	35,170,467
Royalties / Licenses	37,267,473	-	-	-
Taxes and duties	225,439	718,362	179,655	701,098
Sundry expenses	2,632,051	1,845,212	279,559	1,744,256
Advertising and promotion costs	9,457,353	5,580,998	5,214,855	5,555,293
Depreciation and amortisation (Note 16)	43,511,010	16,624,433	21,647,964	16,136,475
Allowance for doubtful accounts receivable (Note 16)	3,020,430	2,400,000	2,113,101	2,400,000
Cost of sales of inventory and consumables	6,241,249	2,820,108	2,458,830	2,542,396
Total expenses	**187,716,315**	**95,059,455**	**92,484,275**	**92,361,478**

The above expenses are analysed as follows:

	The Group		**The Company**	
	June 30,		**June 30,**	
	2009	**2008**	**2009**	**2008**
Cost of sales	150,002,834	70,228,890	74,330,287	68,431,749
Selling and distribution expenses	22,183,488	16,472,311	12,054,927	15,900,305
Administrative expenses	14,553,856	6,821,467	5,122,924	6,492,637
Research and development expenses	976,137	1,536,787	976,137	1,536,787
	187,716,315	**95,059,455**	**92,484,275**	**92,361,478**

9. INCOME TAXES:

In accordance with the tax laws, the corporate tax rate which is effective to the Greek corporations through to December 31, 2009 is 25%. In accordance with the new tax Law 3697/2008, the corporate tax rate is gradually reduced from 25% to 20%. More specifically, the tax rate is reduced to 24% for the fiscal years 2010, 23% for the fiscal year 2011, 22% for the fiscal year 2012, 21% for the fiscal year 2013 and 20% for the fiscal year 2014 and thereafter.

Income taxes are reflected in the accompanying interim condensed statements of comprehensive income are analysed as follows:

	The Group		The Company	
	June 30,		June 30,	
	2009	2008	2009	2008
Current income taxes	5,782,279	-	-	-
Deferred income taxes	(4,417,291)	(5,178,570)	(1,154,405)	(5,176,413)
Total income taxes (credit) / debit reflected in the statements of comprehensive income	**1,364,988**	**(5,178,570)**	**(1,154,405)**	**(5,176,413)**

Forthnet has not been audited by the tax authorities for the fiscal years 2003 through 2008. As for Forthnet's subsidiaries, they have not been audited for the following fiscal years:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forth-CRS S.A.	2007-2008
NetMed S.A.	01/04/2006 – 31/12/2008
Syned S.A.	01/04/2003 – 31/12/2008
Ad Value S.A.	01/04/2006 – 31/12/2008
NetMed Hellas S.A.	01/04/2004 – 31/12/2008
Multichoice Hellas S.A.	01/04/2007 – 31/12/2008
RPO S.A.	16/01/2006 – 31/12/2008
Tiledrasi S.A.	From date of incorporation – 31/12/2008

The absorbed subsidiaries, Mediterranean Broadband Access S.A. (MBA), Internet Hellas S.A and Hellas Net International Distribution Systems S.A., have been audited by the tax authorities through to the date of absorption by Forthnet. The subsidiaries which are located abroad have no unaudited tax years.

In a future tax audit of the unaudited tax years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 2.4 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws. In addition, a differed tax asset on tax lossesof € 8.8 million has not been recognized in order to cover the possible reduction in tax losses in a future tax audit.

10. SUBSIDIARIES AND ASSOCIATES - GOODWILL:

α) Forthnet's subsidiaries which are included in the accompanying interim condensed consolidated financial statements are as follows:

Subsidiary	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				31.06.2009	31.12.2008	31.06.2009	31.12.2008
Forth CRS S.A.	P. Faliro, Attica, Greece	Full	Direct	99.31%	99.31%	3,738,753	3,738,753
Telemedicine Technologies S.A.	Paris, France	Full	Direct	96.43%	94.40%	514,479	314,481
Forthnet Media Holdings S.A.	Kallithea, Attica, Greece	Full	Direct	100.00%	100.00%	285,060,000	285,060,000
						289,313,232	**289,113,234**

Associates in which Forthnet has an interest therein are as follows:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				30.06.2009	31.12.2008	30.06.2009	31.12.2008
Athlonet S.A.	Kallithea, Attica, Greece	Equity method	Direct	44.00%	44.00%	69,434	69,284

The subsidiary Forth CRS S.A. has an interest in "Shipping Clearing S.A." which is included in the accompanying interim condensed consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 30.06.2009
Shipping Clearance S.A.	Athens, Greece	Full	Indirect	51.00%

Forthnet Media Holdings S.A. has an interest in the following companies which are included in the accompanying interim condensed consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 30.06.2009
Intervision (Services) B.V.	Holland	Full	Indirect	100.00%
NetMed N.V.	Holland	Full	Indirect	100.00%
Tiledrasi S.A.	Attica, Greece	Full	Indirect	100.00%

Forthnet's subsidiary Forthnet Media Holdings S.A. consolidates NetMed N.V. which in turn consolidated the following companies, all of which are included in the accompanying interim condensed consolidated financial statements:

Company	Registered Office	Consolidation Method	Participation Relationship	Percentage participation
			31.03.2009	31.06.2009
Myriad Development BV (Besloten Vennotschap)	Holland	Full	Indirect	100%
Dikomo Investment Sarl (Luxembourg)	Luxembourg	Full	Indirect	100%
Tiledrasi S.A. (Luxembourg)	Luxembourg	Full	Indirect	100%
Multichoice Holdings (Cyprus) LTD	Cyprus	Full	Indirect	69.02%
Multichoice (Cyprus) Public Company LTD	Cyprus	Full	Indirect	35.19%
NetMed Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Multichoice Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	96.39%
NetMed S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Syned S.A.	Kantza, Attica, Greece	Full	Indirect	100%
RPO S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Ad Value S.A.	Kantza, Attica, Greece	Full	Indirect	100%

Multichoice Holdings (Cyprus) LTD exercises control over Multichoice (Cyprus) Public Company LTD with a participating interest of 50.98% and also has the majority of the members of the Board of Directors.

The General Assembly of the company RPO S.A. which was held on September 30, 2008, decided on the dissolution of the company as of November 1, 2008. On December 31, 2008 the Prefecture of Eastern Attica with its decision (Protocol No 10294/31.12.2008) announced the final dissolution of the company and its deletion from the registry of societe anonymes.

Goodwill in the accompanying interim condensed consolidated financial statements is analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	190,355	190,355	-	-
Total	**727,519**	**727,519**	**512,569**	**512,569**

b) Acquisition of NetMed N.V. and Intervision (Services) B.V. through Forthnet's 100% subsidiary, Forthnet Media Holdings S.A.

On August 27, 2008, Forthnet completed the acquisition of all of the shares in NetMed N.V. and Intervision (Services) B.V. through its 100% subsidiary, Forthnet Media Holdings S.A., against payment of a total consideration of € 491,653,113.

The funds for the payment of the total consideration of the acquisition derived from the increase of Forthnet's share capital, which was completed on August 4, 2008, and the partial issuance of the bond facility amounting to € 245,000,000 by Forthnet Media Holdings S.A., which were subscribed by National Bank of Greece S.A., Alpha Bank S.A., Agricultural Bank of Greece S.A. and Millennium Bank S.A..

The goodwill which arose from the above acquisition, which is included in the accompanying statement of financial position, was based on the carrying values (except intangible assets) of the consolidated balance sheet of the acquired companies as at August 27, 2008 and it is considered provisional. The procedure for the determination of the fair value of assets, liabilities and contingent liabilities of the acquired group and the purchase price allocation on the basis and the provisions of IFRS 3 "Business Combinations" and the resulting final determination of goodwill is in process as Forthnet has made use of the option provided in the abovementioned standard Which permits the completion of the proccess within twelve months from the acquisition date. Due to the size and the number of the acquired companies, many of which operate abroad, the Group decided to use the twelve month period.

The carrying and fair values of the consolidated balance sheet of the acquired companies, the total cost of acquisition and the provisional goodwill for the Group as at August 27, 2008, (date of the acquisition), are as follows:

ASSETS	**CARRYING VALUES**	**FAIR VALUE AT ACQUISITION DATE**
Property, plant and equipment	15,803,670	15,803,670
Intangible assets	66,771,559	265,132,121
Deferred tax asset	12,285,088	12,285,088
Inventories	8,313,049	8,313,049
Current assets	73,715,745	73,715,745
Cash and cash equivalents	55,270,307	55,270,307
Total assets	**232,159,418**	**430,519,980**
LIABILITIES		
Long-term and short-term borrowings	(21,000,001)	(21,000,001)
Other long-term liabilities	(67,212,457)	(67,212,457)
Other short-term liabilities	(111,381,334)	(111,381,334)
Deferred tax liability	-	(66,132,500)
Total liabilities	**(199,593,792)**	**(265,726,292)**
Net Assets acquired	**32,565,626**	**164,793,688**
Minority interest		(4,732,111)
Total net value of assets		160,061,577
Provisional goodwill during acquisition		285,965,176
Total acquisition cost		**446,026,753**
The total acquisition cost is analysed as follows:		
Cash		491,653,113
Acquisition expenses		16,026,098
Less: Repayment of long-term loan		(61,652,458)
Net assets acquired		**446,026,753**

Provisional goodwill as at June 30, 2009, was € 285,965,176 due to recognition of intangible assets which were valued at the date of acquisition and are analysed as follows:

Brand name	69,770,000
Customer relationships	114,230,000
Greek Superleague Contractual Rights	51,720,000
FTA channels carrying agreement	28,810,000
Total	**264,530,000**

With the recognition of the abovementioned intangible assets deferred tax liabilities of € 66,132,500 where recognised.

During the current period the acquired companies have contributed € 1,885,185 (positively) after taxes and minority interests.

Cash outflow at the acquisition date:

Cash and cash equivalents acquired	55,270,307
Net cash flow used in acquisition	(446,026,753)
Total cash outflow at the acquisition date	**(390,756,446)**

The Group is in the process of finalising the purchase price allocation and no significant changes are expected to the above.

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2009 to June 30, 2009, the Group's investments in tangible assets amounted to € 24,350,574 and those of the Company amounted to € 23,622,909 and relate mainly to the expansion of Forthnet's private network and also to the development of new Forthnet shops (at June 30, 2008 the additions of tangible assets amounted to € 37,263,645 and € 37,224,284 for the Group and the Company respectively).

With respect to the sub-projects 6 & 7 of the development programme "Information Society", during the period the Company proceeded to the construction of a Broadband network, which is expected to be completed by the end of 2009. During the six months period ended June 30, 2009, the Company invested approximately € 11,1 million. The amount of borrowing costs capitalized during the six months period ended June 30, 2009, was approximately € 216 thousands. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 1,9%.

There is no property, plant and equipment that has been pledged as security. The title of the capitalised leased assets has been retained by the lessor. The net book value of the Company's capitalized leased assets at June 30, 2009 and at December 31, 2008, amounted to € 2,522,362 and € 2,551,610, respectively. For the Group the related amounts are € 66,177,439 and € 71,009,053 at June 30, 2009 and at December 31, 2008.

12. INTANGIBLE ASSETS:

During the period from January 1, 2009 to June 30, 2009, the Group's investment in intangible assets amounted to € 5,872,744 and those of the Company's amounted to € 5,693,603 and relate mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at June 30, 2008 amounted to € 3,826,3728 and € 3,511,522 for the Group and the Company respectively).

13. AVAILABLE FOR SALE FINANCIAL ASSETS:

Available for sale financial assets are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Shares – unlisted	379,877	379,877	330,149	330,149
Total	**379,877**	**379,877**	**330,149**	**330,149**

Available for sale financial assets consist of investments in ordinary unlisted shares and, therefore, have no fixed maturity or coupon rate.

The above shares are stated at cost because the reliable valuation at fair value is not possible.

14. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables in the accompanying interim condensed financial statements are analysed as follows:

	The Group	
	30.06.2009	**30.12.2008**
Purchased sports rights	26,418,244	36,547,468
Licensed film rights	9,567,661	9,737,623
Sports and Film Rights	**35,985,905**	**46,285,091**
Purchased sports rights	18,701,297	12,491,009
Licensed film rights	2,284,601	1,630,934
Sports and Film Rights Amortisation	**20,985,898**	**14,121,943**
Purchased sports rights	7,716,947	24,056,459
Licensed film rights	7,283,060	8,106,689
Sports and Film Rights, net	**15,000,007**	**32,163,148**
Less: Programme and film rights short-term	15,000,007	31,865,284
Programme and film rights, long-term	**-**	**297,864**

15. INVENTORIES:

Inventories in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Merchandise	11,554,824	10,881,575	2,470,172	1,859,398
Consumables	292,663	76,807	-	-
Total	**11,847,487**	**10,958,382**	**2,470,172**	**1,859,398**
Less obsolescence	(3,505,958)	(4,111,709)	-	-
Total inventories	**8,341,529**	**6,846,673**	**2,470,172**	**1,859,398**

16. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Domestic customers	75,207,166	71,519,696	43,396,919	42,351,106
Foreign customers	1,262,825	2,126,695	469,527	669,822
Receivables from Greek State	1,768,654	1,556,043	1,768,654	1,556,043
Cheques and notes receivable	4,220,196	4,468,783	1,754,841	1,743,225
Unbilled revenue	3,069,857	1,977,171	3,069,857	1,977,171
	85,528,698	**81,648,388**	**50,459,798**	**48,297,367**
Less: Allowance for doubtful accounts receivable	(29,291,615)	(26,465,071)	(18,439,998)	(16,326,897)
Balance of trade accounts receivable	**56,237,083**	**55,183,317**	**32,019,800**	**31,970,470**

The movement in the allowance for doubtful accounts receivable is analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Beginning balance	**26,465,071**	**12,382,051**	**16,326,897**	**11,999,534**
Acquisition of subsidiary	-	9,182,651	-	-
Provision (Note 8)	3,020,430	5,153,006	2,113,101	4,580,000
Less: Utilisation	(193,886)	(252,637)	-	(252,637)
Ending period balance	**29,291,615**	**26,465,071**	**18,439,998**	**16,326,897**

17. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Receivables due from the Greek State	15,696,615	15,107,612	12,987,262	12,390,323
Prepaid expenses	1,381,866	4,820,685	1,209,710	973,910
Value Added Tax	7,144,521	8,374,878	2,211,373	6,766,904
Advances to suppliers	12,937,956	4,370,190	140,352	47,611
Other debtors	4,416,900	106,498	1,766,323	951,351
Receivables from affiliated companies	-	-	15,259,034	-
Total balance of other receivables and prepayments	**41,577,858**	**32,779,863**	**33,574,054**	**21,130,099**

18. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the accompanying interim condensed financial statements are analyzed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Cash in hand	99,630	2,704,127	54,965	51,854
Cash at banks	23,972,253	30,456,733	10,040,768	11,812,162
Time deposits	62,923,750	46,350,000	26,123,750	3,000,000
Total	**86,995,633**	**79,510,860**	**36,219,483**	**14,864,016**

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended June 30, 2009, amounted to € 887,755 and € 108,144 for the Group and the Company, respectively, (for the period ended June 30, 2008, € 322,345 and € 321,820 for the Group and the Company respectively) and are included in the financial income in the accompanying interim condensed statements of comprehensive income.

19. SHARE CAPITAL:

Forthnet's ordinary share capital at incorporation amounted to GRD 250,000,000 (€ 733,676) divided into 250,000 ordinary registered shares of GRD 1,000 (€ 2.93) par value each. Following a number of share capital increases and the Company's listing on the Athens Stock Exchange in October 2000, Forthnet's ordinary share capital as at January 1, 2001, amounted to GRD 5,922,000,000 (€ 17,379,310) divided into 14,805,000 ordinary shares of GRD 400 (€ 1.17) par value each.

Following the decisions of Shareholders' General Meetings through December 31, 2005, the Company's ordinary share capital amounted to € 20,212,447 divided into 17,129,192 ordinary shares of € 1.18 par value each.

On March 17, 2006, the Extraordinary General Shareholders Meeting decided to increase the Company's share capital, with cash contribution, by € 25,265,558 through the issuance of 21,411,490 new ordinary shares, with nominal value € 1.18 each. The specific increase was in favour of the existing shareholders with a ratio five (5) new ordinary shares for every four (4) existing ordinary shares, at an exercise price of € 5.60 per each new share. On May 23, 2006, the share capital increase was completed and the total gross capital contributed amounted to € 119,904,344, while the difference between the exercise price and the nominal value of each share, of € 94,638,786 was credited, according to law and the articles of Incorporation, to the account «Share Premium».

By the decision of the General Shareholders Meeting, dated June 30, 2006, as amended by the General Assembly Meeting, dated August 10, 2007, as well as of the resolutions of the Board of Directors, dated September 25, 2006, April 27, 2007, November 7, 2007 and December 21, 2007, 317,149 shares were exercised at a price of € 5.36 per share. As a result, the share capital was increased by € 374,236, while the resulting surplus on the above transactions of € 1,325,683 net of issuance expenses and related deferred tax was credited to the account "Share Premium". As a result the share capital of the Company on December 31, 2007, is € 45,852,241 divided into 38,857,831 ordinary shares of € 1.18 par value each.

The Extraordinary General Meeting which took place on May 14, 2008, approved the share capital increase of the Company through payment of cash, up to the amount of €137,556,722 with pre-emption right in favour of existing shareholders. The capital increase which took place from July 18, 2008 up to and including August 1, 2008 through the issuance of 116,573,493 new common registered shares, of a nominal value of € 1.18 per share, at an offer price per share, of € 2.57 and with a ratio of 3 new shares for every existing share.

As a result, the Company's share capital was increased by € 137,556,722 while the resulting surplus on the above transaction of € 157,237,007 net of issuance expenses and related deferred tax was credited to the account «Share Premium». Forthnet's ordinary share capital as at June 30, 2009, amounted to € 183,408,963 divided into 155,431,324 ordinary shares of € 1.18 par value each.

20. LONG-TERM AND SHORT-TERM BORROWINGS:

α) Long-term Loans:

Long-term loans for the Group and the Company at June 30, 2009 and at December 31, 2008, are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Bond loan	355,228,196	324,853,988	119,287,741	84,225,806
Other long term loans	504,000	576,000	-	-
Total	**355,732,196**	**325,429,988**	**119,287,741**	**84,225,806**
Less current portion:				
- Bond loan	10,000,000	10,000,000	-	-
- Other	144,000	144,000	-	-
Total	**10,144,000**	**10,144,000**	**-**	**-**
Long-term portion	**345,588,196**	**315,285,988**	**119,287,741**	**84,225,806**

Bond Loan 2007:

On June 29, 2007, Forthnet entered into bond loan agreement with a syndicate of banks for a principle amount up to € 150,000,000 which bears interest at three-month Euribor plus a margin ranging between 1.15% to 1.75% depending on the financial targets stated in the Agreement. The purpose of the bond is the financing of its investment plan for the years 2006-2009.

The bond issuance of up to € 120,000,000 is divided in three tranches as follows:

i) The first tranche amounting to € 50,000,000 may be drawn from the signing of the Agreement to March 31, 2008.
ii) The second tranche amounting to € 35,000,000 may be drawn from April 1, 2008 to March 31, 2009.
iii) The third tranche amounting to € 35,000,000 may be drawn from April 1, 2009 to March 31, 2010.

The repayment of the bond is in 10 semi-annual instalments. The first 9 installments are equal and amount to 75 % of the total amount. The final instalment will be made on the bond's maturity and is equal to the 25% of the facility. First instalment is scheduled for September 30, 2010.

The remaining € 30,000,000 may be drawn subject to a mutual agreement between the parties until March 31, 2010.

In accordance with the bond loan agreement certain undertakings are made including but not limited to: (i) Forthnet is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognized insurance company on its assets at their current commercial value, (ii) within 3 months from the period ended, Forthnet is obliged to submit the annual and the semi-annual consolidated financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet is obliged to maintain throughout the term of the Bond facility the following financial covenants based on the annual and semi-annual consolidated financial statements audited by certified auditors accountants throughout the term of the bond facility:

1. EBITDA / Net interest expenses greater or equal to 3 to 3.5 for the fiscal years 2008-2013.

2. Total net bank borrowing / EBITDA less or equal to 7 to 4 for the fiscal years 2008-2013.

3. Total net bank borrowing / Total equity less or equal to 1.15 to 1 for the fiscal years 2009-2013.

On December 21, 2007, the first series of the bond was drawn down amounting to € 50,000,000, whereas on July 1, 2008, the second tranche of the bond was drawn down amounting to € 35,000,000.

On May 4, 2009, the third series of the bond was drawn down amounting to € 35,000,000.

The Company agreed with the majority of bondholders the integration of the financial covenants of the Bond Loan with those of the € 245m Facility and to increase the margin to at least 2.5% p.a. from the second half of 2009 onwards. At June 30, 2009, and in accordance with the rolling twelve months, July 1, 2008 to June 30, 2009, the Group was in compliance with the new financial covenants.

Other Group Bond Loans

On May 14, 2008, Forthnet's wholly owned subsidiary, "Forthnet Media Holdings S.A.", entered into the necessary agreements for the issuance of a secured common bond loan of a principal amount of up to € 245 million, which will be subscribed for by the National Bank of Greece S.A., Alpha Bank S.A., Millennium Bank S.A. and the Agricultural Bank of Greece S.A.

The term of the bond loan will be for up to 9 years and the funds will be utilised in order to, among other purposes, partially finance the acquisition of the total share capital of each of NetMed N.V. and Intervision (Services) B.V., of which the former is the ultimate parent company of, among others, NetMed Hellas S.A., Multichoice Hellas S.A. and Multichoice (Cyprus) Public Company Ltd. which provide Pay-TV services in Greece and Cyprus.

Forthnet has guaranteed the obligations of Forthnet Media Holdings S.A. under the bond loan and will provide a pledge over the total share capital of Forthnet Media Holdings S.A. owned by it.

On August 25, 2008, the amount of € 200,000,000 was drawn down, while on October 14, 2008, the remaining amount of € 45,000,000 was drawn down.

In accordance with the bond loan agreement certain undertakings for the Group's subsidiary Forthnet Media Holdings S.A. are made including but not limited to: (i) it is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognised insurance company on its assets at their current commercial value, (ii) within 120 days from the period ended, Forthnet Media Holdings S.A. is obliged to submit the annual and the semi-annual financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet Media Holdings S.A. is obliged to maintain throughout the term of the Bond facility the following financial covenants based on the annual and semi-annual financial statements audited by certified auditors accountants throughout the term of the bond facility:

1. Consolidated Net Debt / Normalised EBITDA less than 10 for the fiscal year 2008 and less than 11.80 to 2.5 for the fiscal years until December 31, 2016.

2. Normalised EBITDA / Consolidated Total Interest greater than 2.5 for the fiscal year 2008 and greater than 1.12 to 5 for the fiscal years until December 31, 2016.

3. Cash Flow / Debt Service greater than 1.00 for the fiscal year 2008 and greater than 1.02 to 1.30 for the fiscal years until December 31, 2016.

The Company agreed with the majority of the Bondholders the integration of the above financial covenants 1 and 2 of the Bond Loan to the respective new financial covenants of the Bond loan of 2007. At June 30, 2009, and in accordance with the rolling twelve months, July 1, 2008 to June 30, 2009, the Group was in compliance with the new financial covenants.

Total interest expenses on long-term loans for the periods ended June 30, 2009 and 2008, amounted to € 8,001,646 and € 1,604,029 respectively for the Group and € 1,932,626 and € 1,577,579 respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements of comprehensive income.

b) Short-term borrowings:

Forth CRS and Telemedicine have short-term borrowings with annual variable interest rates of 5% to 6%. The table below presents the credit lines available to the Group and the Company as well as the utilized portion.

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Credit lines available	24,222,000	24,222,000	11,600,000	11,600,000
Unused portion	(23,038,666)	(23,037,501)	(11,600,000)	(11,600,000)
Used portion	**1,183,334**	**1,184,499**	**-**	**-**

The total interest expense for short-term borrowings for the periods ended June 30, 2009 and 2008, amounted to € 21,535 and € 90,680, respectively, for the Group and € 0 and € 34,400, for the Company respectively and is included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

21. FINANCE LEASE OBLIGATIONS:

The finance lease obligations relate to:

- Leasing of a building at Antigonis 58, Peristeri, Attica, with a value of € 2,669,054 (including expenses, taxes, etc,) and is repayable in a hundred and seventy five (175) monthly instalments (from August 10, 2005 through February 10, 2020) bearing interest at the three month Euribor plus a margin of 1.5%.

- Leasing of equipment (printers) by the Company's subsidiary, Forth CRS, during 2005 with a total value of € 199,935, with duration of three years, repayable in equal monthly instalments bearing interest at Euribor plus a margin of 2.5%.

- Leasing of equipment studios by the Company's subsidiary, NetMed Hellas S.A., during 2006 and 2007 with a total starting value of € 1,681,000, with duration of three years, repayable in equal three-month installments bearing interest at a three-month Euribor plus a margin of 1.5%.

The finance lease obligations are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Obligation under finance lease	2,241,745	2,533,988	2,139,794	2,209,153
Less: Current portion	(247,373)	(465,765)	(145,422)	(140,930)
Long-term portion	**1,994,372**	**2,068,223**	**1,994,372**	**2,068,223**

22. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Company's subsidiary, Syned S.A. leases transmission equipment of a total value of € 106,070,421, with duration of twelve years, repayable in equal monthly installments bearing interest at 6.5% to 9.57%.

The finance lease transponders obligations are analysed as follows:

	The Group	
	30.06.2009	**31.12.2008**
Obligation under finance lease	65,947,608	69,967,134
Less: Current portion	(8,220,772)	(9,525,898)
Long-term portion	**57,726,836**	**60,441,236**

23. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities in the accompanying interim condensed financial statements are analysed as follows:

	The Group	
	30.06.2009	**31.12.2008**
Programmes and Rights	11,003,708	23,287,332
Less: Current portion	(9,320,544)	(21,447,115)
Long-term portion	**1,683,164**	**1,840,217**

24. TRADE ACCOUNTS PAYABLE:

Trade accounts payables in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Domestic suppliers	75,315,169	67,903,083	66,730,225	42,854,286
Foreign suppliers	10,402,195	18,437,747	2,485,672	7,343,836
Post dated cheques payable	6,598,545	6,450,309	5,887,314	4,694,076
	92,315,909	**92,791,139**	**75,103,211**	**54,892,198**

25. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Social security payable	1,003,253	1,603,277	567,673	1,219,033
Value added tax	1,388,645	627,920	-	-
Other taxes and duties	2,313,543	2,925,428	788,293	481,584
Customer advances	72,750	68,953	-	-
Interest accrued	42,117	1,455,649	-	-
Other current liabilities (intercompany amounts, etc)	3,364,999	2,617,855	2,751,550	840,437
	8,185,307	**9,299,082**	**4,107,516**	**2,541,054**

26. GOVERNMENT GRANTS:

Government grants in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Government Grant N. 3299/2004 (Note 29)	9,559,775	9,559,775	8,562,074	8,562,074
Subprojects 6 & 7 of the Operational Programme “Information Society” (Note 29)	5,675,780	5,603,264	5,675,780	5,603,264
Transfer to previous year income statement	(3,910,986)	-	(3,634,058)	-
Credit to the comprehensive income	(1,688,100)	(3,910,986)	(1,651,889)	(3,634,058)
Ending Balance	**9,636,469**	**11,252,053**	**8,951,907**	**10,531,280**

Subsidies amortisation is included in other income in the accompanying interim statement of comprehensive income for the period ended June 30, 2009.

27. EMPLOYEE STOCK OPTION PLANS:

The Group has two plans in relation to the employees’ stock option – one short-term plan replacing an older long-term and one long-term which terminates at December 31, 2014. These plans are explained below:

1st Plan (short-term) replacing the existing long term plan:

The Board of Directors with its decision of April 7, 2009, proceeded in providing a short-term plan as follows:

2,194,812 stock-options were granted, replacing 2,992,703 adjusted existing options at a strike price of €3.89 of the old plan provided that the beneficiaries will give up the options they hold from the old plan. The adjustment to the number of options and the strike price was automatically effected as a result of the increase in the Company’s share capital.

In order to use one of the two options the beneficiaries resigned their to rights from the 2,992,703 options of the old long-term plan.

For the short-term plan (replacing the old one), 1,567,187 options of the old plan, of which the beneficiaries decided to replace them with 1,070,833 options of the new plan as follows:

- The 321,252 options vested on the October 15, 2009. The first exercise period is December 2009 and can be exercised until December 2011 at a strike price of €1.18.

- 749,581 options vested on the October 15, 2010. December 2009 is set as the first period of exercise until December 2011, at a strike price of €1.18.

In addition, the beneficiaries of 1,425,516 options of the old plan replaced their rights in exchange of €0.60 per option and they will not participate in the new plan.

- The exchange of the old options for cash is set as follows:
  - A payment of €380,000 in July 2009.
  - A payment of €480,000 in July 2010.

2nd Plan (long-term)

The Board of Directors with its decision on April 7, 2009, proceeded in issuing a total amount of 5,440,096 new options at the exercise price of €1.18. The maturity of the above mentioned options is analysed as follows:

- 2,331,470 options vested in April 2011 (provided that according to the published financial results, the targets set for 2010 have been achieved). First exercise period is from June 1 to June 20, 2011 and can be exercised until December 2014.

- 3,108,626 options vested in April 2012 (provided that according to the published financial results, the targets set for 2011 have been achieved). First exercise period is from June 1 to June 20, 2012 and can be exercised until December 2014.

The fair value of the options as at April 7, 2009, was determined using the Black & Scholes model. The main assumptions affecting the model are the share price at the grant date of € 0,72, exercise price, dividend yield, discount rate of 4.82% and the volatility of the share price of 65.98%. The volatility is the actual historic volatility of the daily share price of Forthnet in the last 12 months.

28. RELATED PARTIES:

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Company's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ending at	Sales to related parties	Purchases from related parties
Technology and Research Foundation	Shareholder	30.06.2008 30.06.2009	121,872 59,512	37,447 35,919
Forth CRS S.A.	Subsidiary	30.06.2008 30.06.2009	72,015 182,104	475 5,349
Athlonet S.A.	Associated	30.06.2008 30.06.2009	3,649 10,145	8,250 -
MultiChoice Hellas S.A.	Subsidiary	30.06.2008 30.06.2009	- 270,556	- 162,140
SYNED S.A.	Subsidiary	30.06.2008 30.06.2009	- 121	- -
NETMED S.A.	Subsidiary	30.06.2008 30.06.2009	- 145	- -
NetMed Hellas S.A.	Subsidiary	30.06.2008 30.06.2009	- 31,178	- 12,256
Forthnet Media Holdings S.A.	Subsidiary	30.06.2008 30.06.2009	- -	- 84,000
	Total	**30.06.2008**	**197,536**	**46,172**
	Total	**30.06.2009**	**553,761**	**299,664**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Technology and Research Foundation	Shareholder	31.12.2008 30.06.2009	5,686 34,821	12,126 11,782
Forth CRS S.A.	Subsidiary	31.12.2008 30.06.2009	161,090 341,380	32,072 38,438
Telemedicine Technologies S.A.	Subsidiary	31.12.2008 30.06.2009	336,675 136,677	- -
Athlonet S.A.	Associated	31.12.2008 30.06.2009	2,489 973	17,131 -
MultiChoice Hellas S.A..	Subsidiary	31.12.2008 30.06.2009	10,626 321,962	147,905 1,705,338
NetMed Hellas	Subsidiary	31.12.2008 30.06.2009	47,931 14,455,032	- 1,718,293
Forthnet Media Holdings S.A.	Subsidiary	31.12.2008 30.06.2009	3,128 3,984	33,320 133,280
	Total	**31.12.2008**	**567,625**	**242,554**
	Total	**30.06.2009**	**15,294,829**	**3,607,131**

The Group’s transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ending at	Sales to related parties	Purchases from related parties
Technology and Research Foundation	Shareholder	30.06.2008 30.06.2009	121,872 59,512	37,447 35,919
Lumiere Productions S.A.	Shareholder	30.06.2008 30.06.2009	- -	- 2,271,025
Lumiere Television Ltd	Shareholder	30.06.2008 30.06.2009	- -	- 824,763
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	30.06.2008 30.06.2009	- -	- 81,576
Gambritsos Georgios	Members of the B.O.D. – Executive members	30.06.2008 30.06.2009	- -	- 156,617
Athlonet S.A.	Associated	30.06.2008 30.06.2009	3,649 10,145	8,250 -
	Total	**30.06.2008**	**125,521**	**45,697**
	Total	**30.06.2009**	**69,657**	**3,369,900**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Technology and Research Foundation	Shareholder	31.12.2008	5,686	12,126
		30.06.2009	34,821	11,782
Lumiere Television Ltd	Shareholder	31.12.2008	320,301	337,627
		30.06.2009		156,273
Lumiere Cosmos Communications	Shareholder	31.12.2008	-	10
		30.06.2009	-	-
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2008	-	-
		30.06.2009	-	16,719
Athlonet S.A.	Associated	31.12.2008	2,489	17,131
		30.06.2009	973	-
	Total	**31.12.2008**	**328,476**	**373,272**
	Total	**30.06.2009**	**35,794**	**581,107**

Salaries and fees for the members the Board of Directors and the General Managers of the Group for the period ending June 30, 2009 and June 30, 2008, are analysed as follows:

	The Group		**The Company**	
	30.06.2009	**30.06.2008**	**30.06.2009**	**30.06.2008**
Salaries and fees for executive members of the BoD	142,351	314,959	142,351	314,959
Salaries and fees for non executive members of the BoD	69,600	69,600	69,600	69,600
Salaries and fees for Senior Managers	1,268,741	681,232	368,138	652,599
Total	**1,480,692**	**1,065,791**	**580,089**	**1,037,158**

29. COMMITMENTS AND CONTINGENCIES:

Litigation and Claims: The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (Refer to Note 30).

Compensation of Senior Executives: According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation at the end of their employment term which liability has been included in the provision for staff retirement indemnities. In addition, in case of early termination of their contracts by the Company without grounds or in case of forced resignation, the Company shall pay to them an additional compensation. The amount of the additional compensation amounted to approximately € 1.4 million at June 30, 2009 (approximately € 1.4 million at December 31, 2008).

License Terms and Obligations: The Fixed Wireless Access Telecommunications infrastructure license granted to one of the absorbed subsidiaries, Mediterranean Broadband Access S.A, is subject to a number of commercial and technical conditions which require that Mediterranean Broadband Access S.A meet certain coverage and technical criteria and attain population coverage of 20% within two years from the date of the grant. By the end of 2002, MBA's network covered in excess of 20% of the Greek population. A letter of guarantee of € 146,735 has been provided for the compliance of the obligations of the above license.

Development Law 3299/2004: According to decision no. 28757/YPE/4/00447/L.3299/E/ 22.12.2006 of the Minister and Deputy-Minister of Finance and Economics (GG 358/15.03.2007), the Company's business plan relating to the establishment of an integrated, high-speed broadband network applying a cutting-edge technology for the provision of new data, voice and content services in the regions of Attica and Thessaloniki, in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounts to approximately €28.54 million. The percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 8.5 million. Up to June 30, 2009, the Company had completed its investment of the above amount and a related provision of approximately € 8.5 million has been included in Government grants and receivable from the State, respectively and the Company has submitted an application for the receipt of the approved grant.

Moreover according to decision no. 12487/P01/4/00004/E/L.3299/E/27.09.2006 of the General Secretary of the Attica Region (GG 1437/29.09.2006), NetMed Hellas S.A.'s business plan relating to the multimedia content for advanced services in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounted originally to approximately € 1,880,000 and the percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 564,000. The investment has been completed and costs of € 1,892,337 have been incurred. After the publication of the GG 1561/06.08.2008, on October 10, 2008, NetMed Hellas S.A. collected the amount of € 567,701 which is also reflected under Government Grants in the accompanying statements of financial position.

In addition, the subsidiary NetMed Hellas S.A. has received approval from the Attica Region (GG 1314/27.07.2007) relating the multimedia content for advanced services business plan amounted to € 1,612,150. The percentage of subsidy equals to 30% of the total investment (i.e. equal to the amount € 483,645), and an application for the certification of completion of works has been submitted with protocol number 17297/12421/30.09.2008.

Furthermore, according to decision no. 32454/YPE/4/00525/E/l. 3299/2004/29.12.2006 (GG 341/13.03.2007) of the Minister and Deputy-Minister of Finance and Economics, the Company's subsidiary, Forth CRS S.A., business plan relating to the provision of innovative, large-scale electronic and broadband services in the sectors of tourism, transportation and culture in the region of Attica was approved in accordance with the provisions of Development Law 3299/2004. The amount of investment approved equals to approximately €1.8 million and the percentage of the subsidy equals to 30% of the investment, i.e. € 540 thousand. At June 30, 2009, Forth CRS S.A.'s investment amounted to € 1.4 million and a related provision of € 430 thousand has been included in Government grants and receivable from State.

Agreements with Information Society S.A.: On March 12, 2007, the Company signed two agreements with Information Society S.A., which are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts the overall budget for the 2 sub-projects equals to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation is expected to be completed for Milestone I by July 31, 2009 and for Milestone II by October 31, 2009. Up to June 30, 2009, the Company's investment amounted to € 28.3 million, for which an amount of € 5.6 million has been granted by "Information Society S.A." and has been included in Government grants.

Commitments:

Rent: The Group has entered into commercial operating lease agreements for the lease of a building, office space and offices used as points of presentation for dealers. These lease agreements have an average life of 5 to 10 years with renewal terms included in certain contracts. Future minimum rentals payable under non-cancelable operating leases as at June 30, 2009 and at December 31, 2008, are as follows:

	The Group		The Company	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
Within one year	3,829,398	1,847,561	1,714,589	1,673,096
2-5 years	14,609,285	5,611,674	5,334,654	5,226,052
Over 5 years	14,796,589	3,276,527	2,973,409	3,219,196
Total	**33,235,272**	**10,735,762**	**10,022,652**	**10,118,344**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at June 30, 2009 and at December 31, 2008, are analysed as follows:

	The Group		The Company	
	30.06.2009	**31.12.2008**	**30.06.2009**	**31.12.2008**
Good execution of agreements	55,004,375	19,898,399	47,157,205	12,467,875
Participation in bids	287,345	256,000	39,845	8,500
Guarantee for advance payments received	8,103,414	6,709,735	8,103,414	6,709,735
Total	**63,395,134**	**26,864,134**	**55,300,464**	**19,186,110**

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 247 million and for the Company amounted to approximately € 122 million at June 30, 2009. In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), amounted to approximately € 7.4 million.

30. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

I. Forthnet's outstanding judicial claims against third parties amount to approximately € 39.3 million.

1. Approximately € 26.7 million of this amount concern a claim against OTE by virtue of the law suit filed on December 31, 2002, with regard to the positive damages claimed to have been suffered by the Company in the case of EPAK (preferential treatment by OTE to its subsidiary, OTEnet), approximately € 293 thousand consisting of a claim against OTE for moral damages that the Company has suffered for the same cause.

   In addition, there is a pending claim of approximately € 4.1 million against OTE with regard to the positive and indirect damages claimed to have been suffered from OTE's unlawful practices of customer winback.

   There are outstanding opposing applications before the Council of State for the annulment of EETT decisions that concern: (a) volume discounts by OTE, (b) low margin between retail and wholesale prices of leased lines, (c) the level of interconnection fees and, (d) the fees for leased lines. The Company's position has basis though, the significance of the cases and the circumstances make it difficult for the prediction of any positive outcome of the above cases in the sense of the denial of the applications filed by OTE and the acceptance of the applications filed by the Company. It is impossible to predict the impact (positive) on the Company's financial results as, it is estimated that even if any or all of the applications were to be accepted, the case will be brought to the Management which will have to evaluate again the critical fees. There are still outstanding appeals, in the Court of Appeal of Athens, against the decision of EETT for the new regulation of preselection.

   In addition, there are outstanding decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE' s denial to recognise wholesale volume discounts and the second one to the return of amounts unduly paid. Furthermore, there are outstanding decisions relating to the Company's accusations associated to violations relating to the purchases of wholesale broadband access as well as with leased lines.

2. The remaining (apart from the above claims concerning regulatory and telecommunication law matters) judicial claims of the Company against third parties amount to approximately € 8.2 millions.

For the above mentioned judicial claims no related provision of income has been made by the company in its financial statements.

II. Judicial claims of third parties against Forthnet

1. Judicial claims from a Cypriot company against the Company amounting to € 2.6 million seeking compensation from an alleged cancellation of an agreement which has been withdrawn by the decision of the court of Nicosia on May 12, 2008.

2. Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of articles 57-59C.C. regarding the protection of personality, the provisions of Law 146/1914 regarding unfair competition combined with the provisions regarding misleading comparative advertising of Law 2251/1994 on consumer protection which violation, includes the without right of use of OTE's name in the Company's advertising campaign. With its legal action, OTE claims amongst other the payment of compensation amounting to € 500.000,00 due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action (namely from 11/03/2009) and until payment thereof.

3. € 350 thousand concern a lawsuit filed an individual against Forthnet as restitution for the moral damages that he incurred due to the alleged violation of the plaintiff's right to personality due to the Company's unlawful behavior concerning its contractual obligations for the provision to the plaintiff of internet services.

For the above judicial claims the Management believes that the Group will not have significant impact on its financial statements and, therefore, no related provision has been made.

B. (a) The outstanding judicial claims of third parties against the subsidiary NetMed Hellas S.A. amount to € 13.5 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) € 4.7 million approximately, plus interest and moral damages, concerns an action filed by CEO's heirs claiming payment of lost cheques, plus interest. The case has not yet been heard.

ii) € 7.4 million approximately plus interest, concern claims of PAE, for the restitution of the alleged damage they incurred due to the claimed unlawful termination –on the part of NetMed Hellas S.A. of the agreements for the TV/radio broadcasting of their football games.

For the above judicial claims the Management believes that the Group will not have significant impact on its financial statements and, therefore, no related provision has been made.

(b) The outstanding judicial claims of the subsidiary NetMed Hellas S.A.against third parties amount to € 135 million approximately, plus interest and expenses. The abovementioned amount is mainly related to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damage incurred by NetMed Hellas S.A. due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with NetMed Hellas S.A. for the TV/radio broadcast of their football matches.

C. (a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 12,2 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) € 7.7 million approximately (as it stood on March 9, 2006) plus interest concerns a claim of the Greek State relating to differemces resulting from tax audits. Multichoice Hellas S.A. has filed appeals against the above actions before the Administrative Court of Athens. Trial date has not yet been set.

ii) € 810 thousand approximately, plus interest, concern a lawsuit by MSG Media Services S.A. as compensation (lost profits and moral damages) for the alleged abusive, on the part of Multichoice Hellas S.A., rescission of their cooperation agreement regarding the purchase of technical equipment and the provision of technical services. The judgement issued by the first instance court, rejected the request of the plaintiff for compensation, yet accepting the invalidity of the rescission. The trial before the Court of Appeals accepted the appeal of Multichoice Hellas S.A. and rejected the lawsuit of the litigant party. The case is considered pending on the reasoning that the litigant party is entitled to file an appeal.

iii) € 1.8 million approximately concerns a lawsuit by Unitek S.A, an agent of Multichoice Hellas S.A, by which demands the amount to be paid to it, for disputes arising from their agreement. Unitek S.A. resigned from the claim, but it has not waived its rights and, consequently, it may come back with another claim

For the above judicial claims the Management believes that the Group will not have significant impact on itsfinancial statements and, therefore, no related provision has been made.

(b) The outstanding judicial claims of the subsidiary Multichoice Hellas S.A. against third parties amount to € 125 million approximately, plus interest and legal expenses. The abovementioned amount is mainly related to the company's claims against several PAE for the restitution of (pecuniary and moral) damage incurred by Multichoice Hellas S.A. due to the unlawful and void termination –on the part of PAE**-** of the agreements which the PAE had concluded with NetMed Hellas S.A. for the TV/radio broadcast of their football matches. From the abovementioned amount, the amount of € 325.877 relates to Multichoice Hellas S.A.'s claim against the companies Passpoint S.A. (as the main liable party) and Lannet Communications S.A. (as a guarantor) for non payment to Multichoice Hellas S.A. the amounts of subscriptions received by Passpoint S.A.

For the above mentioned judicial claims no related provision of income has been made by the Company in its financial statements.

D. The outstanding judicial claims of third parties against the subsidiary Myriad Development BV amount to approximately € 3,45 million, plus interest and legal expenses. The Cypriot based company, Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development BV of the 3.528 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

E. The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 0,81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A.of the 828 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds .

F. The outstanding judicial claims of third parties against the subsidiary Dikomo Investment Sarl amount to approximately € 1,24 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Dikomo Investment Sarl of the 1.272 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

G. The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 2,81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 2.872 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

The results of the above judicial claims are not expected t o effect the Group's financial statements.

31. SUBSEQUENT EVENTS:

On July 7, 2009, Forthnet 's affiliated company "Synergistic Network Developments Telecommunication Services S.A.", has accepted the tax-audit concerning from 2003 to 2007. According to the tax audit, the total additional tax assessed for the above five fiscal years amounted to €303,944. The Company has made a related provision in the financial statements as of March 31, 2008, of €100,000. Furthermore, and in accordance with the relevant Share Purchase Agreement, the remaining amount of the tax audit of €203,944 shall be covered by the entities former shareholders.

On July 15, 2009, Emirates International Telecommunications LLC, acting also on behalf of its intervening subsidiaries, Emirates International Telecommunications (Malta) Limited and Forgendo Ltd, has notified Forthnet of the change of its indirect participation in the share capital of Forthnet from 33.89% to 36.9083% corresponding to 57,367, 084 of shares and equal number of voting rights out of the total of 155,431,324. The said change took place on July 7, 2009. It is noted, however, that on July 13, 2009, Forgendo Ltd had already notified Forthnet of an additional purchase of 300,000 shares, that took place on July 10, 2009, as a result of which transaction, Emirates International Telecommunications LLC 's indirect participation in the share capital of Forthnet reached a total of 57,667,084 shares and equal number of voting rights out of the total of 155,431,324, corresponding to 37.1013% of the total share capital and voting rights in Forthnet.

Iraklion, August 14, 2009

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer
Deepak Srinivas Padmanabhan Passport I.d. Z 1031032	Pantelis Tzortzakis I.D. X 072948
Chief Financial Officer	Chief Accountant
Pavlos Kanellopoulos I.D. N 006982	Spyros Kosmas I.D. AZ 555377 License No. O.E.E. 0016310 A Class

FINANCIAL INFORMATION FOR THE PERIOD ENDED JUNE 30, 2009

forthnet

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, 2009 - JUNE 30, 2009

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

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:

Website:	www.forthnet.gr
Date of Approval of the First Quarter Financial Statements:	August 14, 2009
The Certified Auditors - Accountants:	Chris Pelendridis, Saloustros Stavros
Auditing Companies:	ERNST & YOUNG S.A., SOL S.A.
Review Report:	Upon approval

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

	GROUP		COMPANY	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
ASSETS				
Tangible assets	233,500,247	230,382,168	162,193,164	153,775,026
Intangible assets	253,457,704	269,894,053	14,727,350	15,514,911
Provisional goodwill	285,965,176	285,965,176	-	-
Other non current assets	36,630,180	35,750,742	314,918,793	313,560,335
Inventories	8,341,529	6,846,673	2,470,172	1,859,398
Trade receivables	56,237,083	55,183,317	32,019,800	31,970,470
Other current assets	143,573,498	144,156,007	69,793,537	35,994,115
Available for sale financial assets	379,877	379,877	330,149	330,149
TOTAL ASSETS	**1,018,085,294**	**1,028,558,013**	**596,452,965**	**553,004,404**
EQUITY AND LIABILITIES				
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	184,983,509	201,055,909	188,358,399	201,047,732
Total Shareholders equity (a)	368,392,472	384,464,872	371,767,362	384,456,695
Minority interests (b)	4,174,085	4,388,902	-	-
Total Equity (c)=(a)+(b)	372,566,557	388,853,774	371,767,362	384,456,695
Long-term borrowings	345,588,196	315,285,988	119,287,741	84,225,806
Provisions/Other long-term liabilities	125,084,285	133,294,804	12,590,331	14,159,405
Short-term borrowings	11,327,334	11,328,499	-	-
Other Current Liabilities	163,518,922	179,794,948	92,807,531	70,162,498
Total Liabilities (d)	645,518,737	639,704,239	224,685,603	168,547,709
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1,018,085,294**	**1,028,558,013**	**596,452,965**	**553,004,404**

TOTAL COMPREHENSIVE INCOME

	GROUP			
	01.01 - 30.06.2009	01.01 - 30.06.2008	01.04 - 30.06.2009	01.04 - 30.06.2008
Turnover	179,958,286	65,634,799	91,123,228	34,590,409
Gross Profit/(Loss)	29,955,452	(4,594,091)	15,776,733	(1,309,928)
Loss before taxes, financing and investing activities	(5,303,296)	(25,775,659)	(2,693,502)	(10,157,648)
Loss before income taxes	(15,058,880)	(27,349,412)	(7,224,499)	(11,091,423)
Loss after income taxes (A)	(16,423,867)	(22,170,842)	(7,464,059)	(9,628,337)
- Share holders of the parent company	(16,209,050)	(22,171,840)	(7,347,905)	(9,630,674)
- Minority interests	(214,817)	998	(116,154)	2,337
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income after income(A)+(B)	(16,423,867)	(22,170,842)	(7,464,059)	(9,628,337)
- Share holders of the parent company	(16,209,050)	(22,171,840)	(7,347,905)	(9,630,674)
- Minority interests	(214,817)	998	(116,154)	2,337
Loss after taxes per share - Basic (in €):	(0.1925)	(0.5706)	(0.0873)	(0.2478)
Profit/(Loss) before taxes, financing, investing activities and depreciation	36,519,614	(11,531,538)	18,283,220	(1,669,827)

	COMPANY			
	01.01 - 30.06.2009	01.01 - 30.06.2008	01.04 - 30.06.2009	01.04 - 30.06.2008
Turnover	78,177,275	62,928,838	41,014,229	32,761,369
Gross Profit/(Loss)	3,846,988	(5,502,911)	3,360,052	(2,135,248)
Loss before taxes, financing and investing activities	(11,976,209)	(25,867,311)	(5,661,386)	(10,550,589)
Loss before income taxes	(13,980,388)	(27,355,289)	(6,497,561)	(11,436,704)
Loss after income taxes (A)	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
- Share holders of the parent company	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
- Minority interests	-	-	-	-
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income after income(A)+(B)	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
- Share holders of the parent company	(12,825,983)	(22,178,876)	(5,558,876)	(9,888,783)
- Minority interests	-	-	-	-
Loss after taxes per share - Basic (in €):	(0.1523)	(0.5708)	(0.0660)	(0.2545)
Profit/(Loss) before taxes, financing, investing activities and depreciation	8,019,866	(12,111,148)	4,428,098	(2,305,726)

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

	GROUP		COMPANY	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Total equity balance at the beginning of period (01.01.2009 and 01.01.2008 respectively)	388,853,774	123,517,104	384,456,695	123,165,933
Total comprehensive income after taxes	(16,423,867)	(22,170,842)	(12,825,983)	(22,178,876)
Stock option plan	136,650	6,448,901	136,650	6,448,901
Total equity balance endind period (30.06.2009 and 30.06.2008 respectively)	372,566,557	107,795,163	371,767,362	107,435,958

CASH FLOW STATEMENT (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 30.06.2009	01.01 - 30.06.2008	01.01 - 30.06.2009	01.01 - 30.06.2008
Cash flow from Operating Activities				
Loss before taxes (continuing activities)	(15,058,880)	(27,349,412)	(13,980,388)	(27,355,289)
Add / Less adjustments for:				
Depreciation and amortization	43,511,010	16,624,433	21,647,964	16,136,475
Amortization of subsidies	(1,688,100)	(2,380,312)	(1,651,889)	(2,380,312)
Gains/losses on disposals of tangible and intangible assets	(49,867)	(3,827)	(1,358)	(3,827)
Allowance for doubtful receivable accounts	3,020,430	2,400,000	2,113,101	2,400,000
Other provisions	974,127	6,609,470	747,390	6,600,716
Gains on disposals of financial investing activities	(920,341)	(322,346)	(108,144)	(321,820)
Interest and related expenses	10,676,075	1,896,699	2,112,324	1,809,798
Share of profits of associates accounted for under the equity method	(150)	(600)	-	-
Add/ less adjustments for changes in working capital related to operating activities:				
Decrease / (increase) inventories	(1,494,856)	(858,930)	(610,774)	(828,921)
Decrease/ (increase) trade accounts receivable and prepayments	(7,992,674)	(4,953,092)	6,689,910	(6,841,293)
(Decrease) / increase liabilities (other than Bank loans)	(8,208,549)	(3,594,899)	(245,272)	(1,529,176)
Less:				
Interest and related expenses paid	(9,515,728)	(1,787,873)	(2,287,723)	(1,702,821)
Tax paid	(3,015,942)	-	-	-
Increase/(decrease) in other long-term receivables	(642,886)	(16,660)	(4,055)	(14,471)
Increase/(decrease) in other long-term liabilities	71,900	-	71,900	-
Net cash from/(used in) operating activities (a)	**9,665,569**	**(13,737,349)**	**14,492,986**	**(14,030,941)**
Cash flow from Investing Activities				
Increase in participation in subsidiaries	-	-	(199,998)	(60,000)
Purchase of tangible and intangible assets	(28,652,300)	(37,157,780)	(27,920,825)	(37,061,346)
Proceeds from the sale of tangible and intangible assets	49,417	11,143	24,519	11,142
Interest received	807,021	435,439	28,144	435,403
Payments for acquisition of subsidiaries, associated, joint ventures	-	(1,363,732)	-	(1,363,732)
Net cash flow from/(used in) investing activities (b)	**(27,795,862)**	**(38,074,930)**	**(28,068,160)**	**(38,038,533)**
Cash flow from Financing Activities				
Net proceeds from the issuance of share capital	-	(1,529,020)	-	(1,529,020)
Net proceeds from long-term issuance	-	(2,450,002)	-	(2,450,002)
Net receipts from long-term borrowings	35,000,000	-	35,000,000	-
Repayment of long-term borrowings	(5,072,000)	(72,000)	-	-
Net change in short-term borrowings	(1,165)	8,848,196	-	9,000,000
Net change in finance lease creditors	(4,311,769)	(92,874)	(69,359)	(65,141)
Net cash flows from/(used in) financing activities (c)	**25,615,066**	**4,704,300**	**34,930,641**	**4,955,837**
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	**7,484,773**	**(47,107,979)**	**21,355,467**	**(47,113,637)**
Cash and cash equivalents at beginning of the period	**79,510,860**	**56,120,418**	**14,864,016**	**55,701,928**
Cash and cash equivalents at end of the period	**86,995,633**	**9,012,439**	**36,219,483**	**8,588,291**

ADDITIONAL DATA AND INFORMATION

1. The above financial statements for the period 01/01/2009-30/06/2009 have been approved by the members of the Board of Directors August 14, 2009
2. At June 30, 2009 the total number of employees reached 1,484, while those of the Parent Company reached 841. At June 30, 2008 the Group's relative number of employees was 1,015, while that of the parent company was 954.
3. There are not any real burden on the Group's real estate.
4. The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at June 30, 2009: 36.45%) under the equity method.
5. Same accounting methods and assessments have been used as in prior fiscal years.
6. 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.
7. 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.
8. The impact of the acquisition on the revenues and losses after income taxes and minority interests is as follows (note 10 of the interim condensed financial statements)

Name	Revenues	%	Losses after taxes and minority interests	%
NETMED N.V.	99,676,374	65.38%	(3,558,680)	-21.67%
INTERVISION (SERVICES) B.V.	-	0.00%	322,045	1.96%

9. 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 € 2.4 for the Group. In addition, no deffered tax asset has been recognized for set-off of tax losses of amount € 8.8 m. for the Group and the Company in order to cover any additional taxes which will occur in future tax audit.
10. 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.
11. The amounts of other provisions are € 0.00 for the Company and € 0.00 for the Group.
12. 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.
13. 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	69,657	553,761
b) Expenses	3,369,900	299,664
c) Receivables	35,794	15,294,829
d) Liabilities	581,107	3,607,131
e) Fees of Managers and members of the Board of Directors	1,480,692	580,089
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	16,319	0

14. The goodwill that arised from the acquisition that was completed on August 27, 2008 amounted to € 285,965,176 and it is provisional (note 10 of the interim condensed financial statements). The confirmation of the goodwill will be completed within 12 months from the date of the acquisition.
15. The Group Capital Expenditure for the period ending at June 30, 2009 amounted to € 30,223,318.
16. On July 7, 2009, Forthnet ' s affiliated company "Synergistic Network Developments Telecommunication Services S.A.", has accepted the tax-audit concerning from 2003 to 2007. According to the tax audit, the total additional tax assessed for the above five fiscal years amounted to €303,944. The Company has made a related provision in the financial statements as of March 31, 2008, of €100,000. Furthermore, and in accordance with the relevant Share Purchase Agreement, the remaining amount of the tax audit of €203,944 shall be covered by the entities former shareholders.
17. On July 15, 2009, Emirates International Telecommunications LLC, acting also on behalf of its intervening subsidiaries, Emirates International Telecommunications (Malta) Limited and Forgendo Ltd, has notified Forthnet of the change of its indirect participation in the share capital of Forthnet from 33.89% to 36.9083% corresponding to 57,367,084 of shares and equal number of voting rights out of the total of 155,431,324. The said change took place on July 7, 2009. It is noted, however, that on July 13, 2009, Forgendo Ltd had already notified Forthnet of an additional purchase of 300,000 shares, that took place on July 10, 2009, as a result of which transaction, Emirates International Telecommunications LLC 's indirect participation in the share capital of Forthnet reached a total of 57,667,084 shares and equal number of voting rights out of the total of 155,431,324, corresponding to 37.1013% of the total share capital and voting rights in Forthnet.

Iraklion , August 14, 2009

PRESIDENT OF THE B.o.D.	THE VICE PRESIDENT & CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
DEEPAK SRINIVAS PADMANABHAN Passport No Z 1031032	TZORTZAKIS PANTELIS ID Number. X 072948	KANELLOPOULOS PAVLOS ID Number N 006982	KOSMAS SPYROS ID Number AZ 555377 License Number O.E.E. 0016310 A Class

REPORT ON THE USAGE OF CAPITAL RAISED THROUGH THE SHARE CAPITAL INCREASE WITH CASH

It is hereby notified, in accordance with decision no. 25/17.07.2008 of the Athens Exchange, that from the Company's share capital increase by cash and free options rights to old shareholders, which took place on the basis of decision no. 23/14.05.2008 of the Company's Extraordinary General Assembly of Shareholders and approved by the Board of Directors of the Athens Exchange at their meeting on 10/07/2008, it raised net capital of €285,000,000 (total amount €299,593,877 less issuing expenses of €14,593,877). The exercise period for the preemption rights was from 18/07/2008 to 01/08/2008. From share capital increase, 116,573,493 new common shares were issued with a nominal value of €1.18 each, which were listed for trading on the Athens Exchange on 11/08/2008. The Company's share capital increase was confirmed by the Company's Board of Directors on 04/08/2008.

Amounts in €	Intended use of funds according to Prospectus	Usage of funds			Unused funds
		2008	01/01/2009 to 30/06/2009	Total 30/06/2009	
Financing of a portion of the consideration for the acquisition of NetMed N.V. και Intervision (Services) B.V.	285,000,000	285,000,000	-	285,000,000	-
Expenses relating to the issuance and the acquisition	14,593,877	11,456,916	3,136,961	14,593,877	-
Total	**299,593,877**	**296,456,916**	**3,136,961**	**299,593,877**	**-**

Notes:

1. The category "Expenses relating to the issuance and the acquisition" concerns expenses for guaranteed coverage, consultant fees, taxes and duties, sundry expenses directly related to the increase as well as the consultant's issuing fee.

2. The total funds raised from the increase of share capital were fully utilized according to the purpose as stated in the respective Offering Circular of July 10, 2008. Therefore, the usage of capital was completed during the period ended June 30, 2009.

Iraklion, August 14, 2009

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer
Deepak Srinivas Padmanabhan Passport I.d. Z 1031032	Pantelis Tzortzakis I.D. X 072948
Chief Financial Officer	Chief Accountant
Pavlos Kanellopoulos I.D. N 006982	Spyros Kosmas I.D. AZ 555377 License No. O.E.E. 0016310 A Class

REPORT OF FACTUAL FINDINGS IN CONNECTION WITH THE "REPORT ON USAGE OF FUNDS" TO THE BOARD OF DIRECTORS OF "HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS – FORTHNET S.A."

Following the request of the Board of Directors of Hellenic Company for Telecommunications and Telematic Applications – Forthnet S.A. ("the Company"), we have performed the agreed-upon procedures enumerated below within the related regulatory framework of the Athens Exchange as well as the related legal framework of the Hellenic Capital Markets Commission relating to the Company's share capital increase, in cash, in 2008 in accordance to the decision of the Extraordinary Shareholders Meeting of May 14, 2008. The Company's Management is responsible for preparing the above report. Our engagement was undertaken in accordance with the International Standard on Related Services 4400, "Engagements to perform Agreed-Upon procedures regarding Financial Information". Our responsibility is to perform the agreed-upon procedures enumerated below and provide you with our findings.

Procedures:

1. We compared the payments presented in the attached table "Report on the Usage of Capital raised through the Share Capital Increase in cash" ("Report"), with the corresponding amounts recorded in the Company's accounting books and records for the relevant period.

2. We examined the consistency of the content of the above Report with the related Offering Circular issued by the Company as well as to other relevant decisions and announcements made by the official bodies of the Company.

Findings:

1. The above "Usage of Funds" columns reflected in the accompanying "Report on the Usage of Capital raised through the Share Capital increase with Cash" is derived from the Company's books and records in the related period to which it refers to.

2. The contents of the Report includes the minimum information required in this respect by the regulatory Framework of the Athens Exchange and the legal framework of the Hellenic Capital Markets Commission and is consistent with the above mentioned Offering Circular and the related decisions and announcements issued by the competent bodies of the Company.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or the International Standard on Review Engagement, we do not express any assurance other than that referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you.

Our report is solely addressed to the Board of Directors of the Company so that it complies with the related regulatory framework of the Athens Exchange and the related legal framework of the Hellenic Capital Markets Commision. Accordingly, our report should not be used for any other purpose as it is restricted to the information referred to above and does not relate and extend to the interim financial statements prepared by the Company for the period January 1, 2009 to June 30, 2009, for which we have issued a separate review report dated August 14, 2009.

Athens, August 14, 2009

The Certified Auditors Accountants

CHRIS PELENDRIDIS R.N. ICA (GR) 17831	STAVROS SALOUSTROS R.N. ICA (GR) 14611
ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A. SOEL REG. No: 107	SOL S.A. CERTIFIED AUDITORS SOEL REG No: 125
ERNST & YOUNG	ΣΟΛ α.ε. ΟΡΚΩΤΟΙ ΕΛΕΓΚΤΕΣ ΛΟΓΙΣΤΕΣ ΑΠΟΚΛΕΙΣΤΙΚΟΣ Αντιπρόσωπος της Horwath