

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

**ANNUAL FINANCIAL REPORT**

**(1<sup>st</sup> January 2009 – 31<sup>st</sup> December 2009)**

## CONTENTS

|   | <u>Pages</u> |
|---|--------------|
| A.DECLARATION OF THE BOARD OF DIRECTORS<br>in accordance with Article 4 § 1.2 Law 3556/2007 | 1            |
| B.BOARD OF DIRECTOR'S REPORT  | 2-14         |
| C.INDEPENDENT AUDITOR'S REPORT  | 15-16        |
| D. ANNUAL FINANCIAL STATEMENTS  |              |
| STATEMENT OF COMPREHENSIVE INCOME   | 17-18        |
| STATEMENT OF FINANCIAL POSITION   | 19           |
| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  | 20-21        |
| STATEMENT OF CASH FLOWS   | 22           |
| 1. GENERAL INFORMATION  | 23           |
| 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL<br>REPORTING STANDARDS               | 24-25        |
| 3. SIGNIFICANT ACCOUNTING POLICIES  | 26           |
| 3.1. Statement of compliance  | 26           |
| 3.2. Historical cost convention   | 26           |
| 3.3. Investments in associates  | 26           |
| 3.4. Foreign currency transactions and balances   | 27           |
| 3.5. Borrowing Costs  | 27           |
| 3.6. Programme and film rights  | 28           |
| 3.6.1. Self-owned television programmes   | 28           |
| 3.6.2. Licensed third parties' TV programmes  | 28           |
| 3.7. Depreciation and Amortization  | 28-29        |
| 3.8. Taxation   | 29           |
| 3.9. Inventories  | 30           |
| 3.10. Provisions  | 30           |
| 3.11. Revenues recognition  | 30           |
| 3.12. Impairment of assets  | 30           |
| 3.13. Trade receivables   | 30           |
| 3.14. Investments   | 31           |
| 3.15. Cash and cash equivalents   | 31           |
| 3.16. Bank Loans  | 31           |
| 3.17. Trade creditors   | 31           |
| 3.18. Patents and trademarks  | 32           |
| 3.19. Retirements benefits  | 32           |
| 4. SEGMENT INFORMATION  | 33           |
| 5. FINANCIAL ASSETS   | 33           |
| 5.1. Financial assets   |              |
| 5.1.1. Financial assets at fair value treated through income statement                      | 33           |
| 5.1.2. Held to maturity investments   | 33           |
| 5.1.3. Available for sale financial assets for sale   | 33           |
| 5.1.4. Loans and receivables  | 34           |

|          |  |       |
|----------|--|-------|
| 5.1.5.   | Impairment of financial assets                                       | 34    |
| 5.2.     | Financial liabilities and equity investments issued by the Group     | 34    |
| 5.2.1.   | Equity instruments   | 34    |
| 5.2.2.   | Financial liabilities  | 34    |
| 5.2.2.1  | Financial liabilities at fair value treated through income statement | 34    |
| 5.2.2.2. | Other financial liabilities  | 35    |
| 5.3.     | Financial derivatives  | 35    |
| 6.       | CRITICAL ACCOUNTING JUDGMENTS AND MANAGEMENT'S ESTIMATION            | 35    |
| 7.       | DIVIDENDS  | 35    |
| 8.       | REVENUE  | 36    |
| 9.       | OPERATING EXPENSES   | 36    |
| 10.      | OTHER OPERATING INCOME   | 37    |
| 11.      | OTHER INCOME   | 37    |
| 12.      | OTHER EXPENSES   | 37    |
| 13.      | TAXATION   | 38-39 |
| 14.      | INTANGIBLE ASSETS - PROGRAMME RIGHTS                                 | 40    |
| 15.      | TANGIBLE ASSETS  | 41    |
| 16.      | INVESTMENTS - SHARES IN ASSOCIATED AND SUBSIDIARY COMPANIES          | 42-43 |
| 17.      | OTHER FINANCIAL ASSETS   | 44    |
| 18.      | TRADE AND OTHER RECEIVABLES  | 44-45 |
| 19.      | RECEIVABLES - ASSOCIATED COMPANIES                                   | 45    |
| 20.      | DEFERRED TAXES   | 46    |
| 21.      | PREPAID PROGRAMME RIGHTS   | 47    |
| 22.      | CASH AND CASH EQUIVALENT   | 47    |
| 23.      | SHARE CAPITAL  | 47-48 |
| 24.      | RESERVES   | 49    |
| 25.      | LONG TERM LIABILITIES  | 50    |
| 25.1.    | Debenture Loans  | 51    |
| 25.2.    | Retirement indemnities   | 52    |
| 26.      | TRADE AND OTHER PAYABLE  | 53    |
| 26.1.    | Dividends payable  | 53    |
| 26.2.    | Taxes and duties   | 53    |
| 26.3.    | Other creditors  | 54    |
| 26.4.    | Accrual expenses   | 54    |
| 27.      | SHORT TERM BORROWING   | 55    |
| 28.      | ISSUED SHARES  | 55    |
| 29.      | EARNINGS PER SHARE   | 56    |
| 30.      | FINANCIAL INSTRUMENTS  | 56    |

|  |    |
|--|----|
| 30.1 Significant accounting policies                                 | 56 |
| 30.2. Fair value of financial instruments                            | 57 |
| 30.3. Financial risk management obligation                           | 57 |
| 30.4 Market risk   | 57 |
| 30.5 Interest rate risk  | 58 |
| 30.6 Credit risk   | 58 |
| 30.7Liquidity risk   | 58 |
| 31. CONTINGENT LIABILITIES   | 59 |
| 32. FINANCIAL COMMITMENTS  | 59 |
| 33. REMUNERATION TO EXECUTIVES AND MANAGEMENT                        | 59 |
| 34. RELATED PARTIES TRANSACTIONS                                     | 60 |
| 35. EVENTS AFTER THE BALANCE SHEET DATE                              | 61 |
| 36. APPROVAL OF FINANCIAL STATEMENTS                                 | 61 |
| E. BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR 2009 | 62 |
| F. INFORMATION BULLETIN (Article10 Law.3401/2005)                    | 63 |

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

**BOARD OF DIRECTORS**

**DECLARATION**

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

Members of the Board of Directors :

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

We declare that:

- a. the consolidated and individual financial statements of the period 1<sup>st</sup> January 2009 to 31<sup>st</sup> December 2009, which were prepared in accordance with the prevailing Accounting Standards, fairly present the assets and Liabilities, the net worth and the income statement of Teletypos S.A. and the entities which are included in the consolidated financial statements, as a whole
- b. the Board of Directors Report on the consolidated and individual financial statements fairly present the development, the performance and the financial position of Teletypos S.A., and of the entities which are included in the consolidated financial statements as a whole.

Athens, 19/01/2010

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

Georgios C.Aidinis  
Member of the Board of Directors

Georgios I. Prousanidis  
Member of the Board of Directors

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

**Board of Director’s Annual Report for the period January 1<sup>st</sup> to  
December 31st 2009**

The Board of Director’s Annual Report refers to the financial year of 2009. The Financial Statements are in accordance with the provisions of the Law 3556/2007 as well as the relevant decisions of the Hellenic Capital Market Committee and especially the decision 7/448/11.10.2008. It includes the following:

**A. Summarised report of the financial statements of the parent company and of the group for the accounting year 1/1-31/12/2009**

**B. Major risks and uncertainties**

**C. Related party transactions**

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

**E. Financial instruments**

**F. Company’s prospects**

**G. Research and Development Activities**

**I. Branches**

**J. Explanatory report**

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

**A. Sumarised report of the financial statements of the parent company and of the group for the period 1/1-31/12/2009**

**A1. Company**

**Statement of financial position**

The total current asset of the company at the end of 2009 amounted to 84 million euro compared to 105 million euro of 2008. 36% of the current assets are for program rights, 46% of them are trade receivables and 4% of them are short-term receivables from associated companies. Investments in television programs and in tangible assets for 2009 amounted to 86 million euro compared to 92 million euro of 2008.

Equity amounted to 79,7 million euro compared to 107,7 million euro in 2008. The decrease in the equity is due to the dividend of 23,8 million euro for the year 2008 and to the losses of 2,7 million euro for 2009. Short-term liabilities amounted to 112 million euro in 2009 from 104 million euro in 2008; 54% of the short-term liabilities are suppliers and 35% short-term loans.

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

|                                      | <b>Date of<br/>Payment</b> | <b>Long-term<br/>portion</b> | <b>Short-term<br/>portion</b> |
|--------------------------------------|----------------------------|------------------------------|-------------------------------|
| Debenture loan Alpha Bank - Piraeus  | 14-March-2011              | 7.500.000                    | 0                             |
| Debenture loan Alpha Bank – Piraeus  | 14-Sept-2011               | 7.500.000                    | 0                             |
| Debenture loan Alpha Bank - Piraeus  | 14-March-2012              | 7.500.000                    | 0                             |
| Debenture loan Alpha Bank - Piraeus  | 14-Sept-2012               | 7.500.000                    | 0                             |
| Debenture loan Alpha Bank - Piraeus  | 14-March-2013              | 20.000.000                   | 0                             |
| <b>Total</b>                         |                            | <b>50.000.000</b>            | <b>0</b>                      |
| <b>Issuance expenses of the loan</b> |                            | <b>-501.000</b>              | <b>0</b>                      |
| <b>Total 31/12/2009</b>              |                            | <b>49.499.000</b>            |                               |

The total of the debenture loans for 2009 amounted to 88.5 million euro compared to 58.8 million euro in 2008, while the net debt amounted to 77 million euro from 51.5 million euro in 2008.

**Statement of Comprehensive Income**

The turnover of the parent company was decreased by 17,2% reaching 139.2 million euro compared to 168.1 million euro in 2008 although Teletypos S.A. maintained its share in the television advertising market at about the same levels as in 2008 (31,5% in 2008 and 21,7% in 2009). This decrease is due solely to the general economic crisis of the global markets which affected the Greek advertising market since October 2008. In 2009 the total of the television advertising market decreased by 17,3% compared to 2008.

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

|  | <b>2009</b> | <b>2008</b> | <b>%</b> |
|--|-------------|-------------|----------|
| Turnover – Teletypos S.A. (in million euro)      | 139.2       | 168.1       | -17,2%   |
| Share of advertising market (%) – Teletypos S.A. | 31,7%       | 31,5%       | +0,2%    |
| Total advertising market                         | 711.964     | 860.708     | -17,3%   |

The effort for controlling the cost of sales and operating cost in 2009 resulted in a modest decrease of the total cost. Specifically, the cost of sales decreased by 5,3% to 135.3 million euro in 2009 compared to 142.9 million euro in 2008. This result is due mainly in a decrease in the cost of programme. Analytically, the cost of programme decreased by 1,2% to 91.8 euro in 2009 compared to 92.9 in 2008 while the cost of news bulletin and technical support decreased by 13% in 43.5 million euro to 2009 compared to 50 million euro to 2008.

|   | <b>2009</b><br><b>(in million euro)</b> | <b>2008</b><br><b>(in million euro)</b> | <b>%</b>     |
|---|---|---|--------------|
| Cost of programme                           | 91.8                                    | 92.9                                    | -1,2%        |
| Cost of news bulletin and technical support | 43.5                                    | 50.0                                    | -13,0%       |
| <b>Total cost of sales</b>                  | <b>135.3</b>                            | <b>142.9</b>                            | <b>-5,3%</b> |

As a result, the gross profit of the company amounted to 3.9 million euro in 2009, a decrease of 84.7% from 2008.

Regarding the operating cost, the administration expenses decreased by 7% to 8.3 million euro while the distribution expenses decreased by 20,4% to 3.4 million euro.

In 2009 Teletypos S.A. reported losses of 2.69 million euro, 1,92 million euro of which refer to nonrecurring tax contribution of Law. 3808/09. Analytically, the results of 2009 are:

|   | <b>2009</b><br><b>(million euro)</b> | <b>2008</b><br><b>(million euro)</b> | <b>%</b>     |
|---|--------------------------------------|--------------------------------------|--------------|
| Earnings – Losses before tax                  | -3.60                                | 15.0                                 |              |
| Extraordinary tax – other taxes               | -1.93                                | -                                    |              |
| Non recurring tax contribution of Law 3808/09 | -0.16                                | -12.64                               |              |
| Dividend of subsidiary Teletypos Cyprus Ltd   | 3.00                                 | 23.82                                |              |
| <b>Earnings- Losses after tax</b>             | <b>-2.69</b>                         | <b>26.18</b>                         | <b>-110%</b> |

### **Taxation**

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

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

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

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

## A2. Group

### Statement of financial position

According to the 8<sup>th</sup> consolidated statement of financial position with the 100% subsidiary Teletypos Cyprus LTD on 31.12.2009, the total current assets amounted to 114 million euro compared to 138.5 million euro in 2008.

Equity reached 102 million euro compared to 129 million euro in 2008. Short-term liabilities amounted 119 million euro, 50% of which refer to suppliers.

### Statement of Comprehensive Income

Consolidated turnover was decreased by 17,5% reaching 139.4 million euro compared 168.9 million euro in 2008. Teletypos' Cyprus LTD turnover is exclusively derived from the selling of rights, in television channels.

Consolidated results are losses of 1,58 million euro (1,93 million euro of which refer to the extraordinary taxation of Law 3308/09) compared to profits of 42,4 million euro in 2008. Consolidated profits before tax of 2008 include earnings from the sale of Netmed N.V. of 38.907.211 euro.

### Financial Ratios

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

#### a. Profitability ratios

|                  | 31.12.2009 |              | 31.12.2008 |              |
|------------------|------------|--------------|------------|--------------|
|                  | Parent     | Consolidated | Parent     | Consolidated |
| Return on equity | -3,4%      | -1,5%        | 24,3%      | 32,,9%`      |

#### b. Liquidity ratios

|               | 31.12.2009 |              | 31.12.2008 |              |
|---------------|------------|--------------|------------|--------------|
|               | Parent     | Consolidated | Parent     | Consolidated |
| Current ratio | 0,75       | 0,96         | 1,01       | 1,20         |

#### c. Financial leverage ratios

|                            | 31.12.2009 |              | 31.12.2008 |              |
|----------------------------|------------|--------------|------------|--------------|
|                            | Parent     | Consolidated | Parent     | Consolidated |
| Debt to equity ratios      | 2,14       | 1,74         | 1,51       | 1,35         |
| Total debt to EBIDTA       | 1,92       | 1,98         | 1,27       | 1,20         |
| EBIDTA to interest charges | 17,42      | 17,67        | 19,17      | 21,61        |

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

**Proposed fees to Board of Directors**

The Management proposes to the General Shareholders meeting the following:

- Fee of 24 thousands euro to independent non-executive members of the Board of Directors which are included as a provision in the selling and administrative expenses.

**B. Major risks and uncertainties**

**Market – Foreign currency**

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

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

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

|                  | <b>Foreign<br/>currency<br/>Dollar</b> | <b>Indicative<br/>changes of<br/>exchange rates</b> | <b>Impact on in the<br/>profit before tax<br/>(euro)</b> | <b>Impact on the<br/>equity<br/>(euro)</b> |
|------------------|--|---|--|--|
| <b>Year 2009</b> | US\$                                   | 1%  | 150.000  | 150.000                                    |
|                  |  | -1%   | (150.000)  | (150.000)                                  |
| <b>Year 2008</b> | US\$                                   | 5%  | 702.458  | 702.458                                    |
|                  |  | -5%   | (702.458)  | (702.458)                                  |

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

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

**Interest rate risk**

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

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

|           | <b>Interest rate fluctuation</b> | <b>Impact on the profit before tax (euro)</b> | <b>Impact on the equity (euro)</b> |
|-----------|----------------------------------|---|------------------------------------|
| Year 2009 | +1%                              | (600.000)                                     | (600.000)                          |
|           | -1%                              | 600.000                                       | 600.000                            |
| Year 2008 | +1%                              | (1.035.000)                                   | (1.035.000)                        |
|           | -1%                              | 1.035.000                                     | 1.035.000                          |

The above mentioned calculations are based on the assumptions that the company's borrowing is the same in both nature and sizes as that of 2009 and 2008.

**Credit risk management**

Credit risk refers to the possibility of uncollectability trade receivables. The risk is considerably mitigated by the adoption of the following policies.

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

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

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

**Liquidity risk management**

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

The below mentioned table is indicative of the settlement dates of the liabilities of the company and of the group.

**COMPANY**

|                          | <b><u>Within one year</u></b> | <b><u>From 1 to 5<br/>years</u></b> | <b><u>After 5 years</u></b> | <b><u>Total</u></b> |
|--------------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------|
| <b><u>31/12/2009</u></b> |                               |                                     |                             |                     |
| Loans                    | 39.006.264                    | 49.499.000                          | -                           | 88.505.264          |
| Suppliers and others     | 72.974.042                    | -                                   | 9.432.986                   | 82.407.028          |
| Dividends payable        | 52.714                        | -                                   | -                           | 52.714              |
| <b>TOTAL</b>             | <b>112.033.020</b>            | <b>49.499.000</b>                   | <b>9.432.986</b>            | <b>170.965.006</b>  |

**31/12/2008**

|                      |                    |                   |                  |                    |
|----------------------|--------------------|-------------------|------------------|--------------------|
| Loans                | 8.811.627          | 50.000.000        | -                | 58.811.627         |
| Suppliers and others | 95.114.597         | -                 | 8.314.122        | 103.428.719        |
| Dividends payable    | 68.882             | -                 | -                | 68.882             |
| <b>TOTAL</b>         | <b>103.995.106</b> | <b>50.000.000</b> | <b>8.314.122</b> | <b>162.309.228</b> |

**GROUP**

|                          | <b><u>Within one year</u></b> | <b><u>From 1 to 5<br/>years</u></b> | <b><u>After 5 years</u></b> | <b><u>Total</u></b> |
|--------------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------|
| <b><u>31/12/2009</u></b> |                               |                                     |                             |                     |
| Loans                    | 39.006.264                    | 49.499.000                          | -                           | 88.505.264          |
| Suppliers and others     | 80.072.346                    | -                                   | 9.432.986                   | 89.505.332          |
| Dividends payable        | 52.714                        | -                                   | -                           | 52.714              |
| <b>TOTAL</b>             | <b>119.131.324</b>            | <b>49.499.000</b>                   | <b>9.432.986</b>            | <b>178.063.310</b>  |

**31/12/2008**

|                      |                    |                   |                  |                    |
|----------------------|--------------------|-------------------|------------------|--------------------|
| Loans                | 8.811.627          | 50.000.000        | -                | 58.811.627         |
| Suppliers and others | 106.272.481        | -                 | 8.314.122        | 114.586.603        |
| Dividends payable    | 68.882             | -                 | -                | 68.882             |
| <b>TOTAL</b>         | <b>115.152.990</b> | <b>50.000.000</b> | <b>8.314.122</b> | <b>173.467.112</b> |

**Uncertainties that will be faced**

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

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

**C. Related party transactions**

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

The Board of Directors of the parent company decided at the 26<sup>th</sup> of November 2009 to transfer the share of 25% of the Cypriot company “O Logos O.E”. The transfer was made to the “TELETYPOS CYPRUS LTD” at the 8/12/2009 with the price of 438.596 million euro which is the historical cost of the investment.

Substantial transactions with related parties are as follows:

|            | Programme production |               | Payable       |               |
|------------|----------------------|---------------|---------------|---------------|
|            | 1/1/-31/12/09        | 1/1/-31/12/08 | 1/1/-31/12/09 | 1/1/-31/12/08 |
| ANOSI A.E. | 13.523.512           | 10.694.767    | 7.414.545     | 4.960.109     |
| ATA A.E.   | 13.301.014           | 12.254.937    | 5.951.265     | 4.730.683     |

Transactions with related parties are within the limits of the usual transaction practice and pricing policy of the company. The existing receivables / liabilities are not secured with any guarantee. They are settled according to the company’s credit policy. There was no need to create a provision for contingent doubtful receivable from related parties.

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

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

**E. Financial instruments**

**Significant accounting policies**

Accounting policies adopted in reference with the financial instruments including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument, are disclosed in note 5 to the financial statements of 31/12/2009.

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

| Categories of financial instruments               | Group      |          | Company    |          |
|---|------------|----------|------------|----------|
|   | 31.12.2009 | 31.12.08 | 31.12.2009 | 31.12.08 |
|   | € 000's    | € 000's  | € 000's    | € 000's  |
| <b>Financial Assets</b>                           |            |          |            |          |
| Receivables (including cash and cash equivalents) | 83.413     | 109.560  | 53.423     | 76.137   |
| Available-for-sale financial assets               | 143        | 109      | 143        | 109      |
| <b>Financial Liabilities</b>                      |            |          |            |          |
| Carrying amounts of payables (including loans)    | 178.063    | 173.467  | 170.965    | 162.309  |

#### Fair value of financial instruments

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

Exceptionally investment in shares of a company listed in Athens Stock Exchange is measured at the closing value of 31/12/2009.

#### F. Company's prospects

##### General industry information

Advertising has been one of the most rapidly growing sectors of the Greek economy in the last ten years. However, from October 2008 to December 2009 there was a big decrease in the total advertising sector which has affected the whole economy.

|   | 2007<br>(euro) | 2008<br>(euro) | 2009<br>(euro) |
|---|----------------|----------------|----------------|
| Total Advertising Expenditure<br>(thous. Euros) | 2.652.662      | 2.667.528      | 2.209.719      |
| % change  | 13,3%          | 0,6%           | -17,2%         |

Source: Media services (excluding VAT)

Advertising sector with the high decrease in 2009 are the following:

|  | 2009<br>(million euro) | 2008<br>(million euro) | %    |
|--|------------------------|------------------------|------|
| Food / Drinks                            | 155.0                  | 179.1                  | -13% |
| Communications                           | 101.8                  | 112.7                  | -10% |
| Consumer goods                           | 92.0                   | 101.3                  | -9%  |
| Banks / Insurance                        | 57.3                   | 72.8                   | -21% |
| Automobiles                              | 57.2                   | 90.8                   | -37% |
| Retail stores                            | 53.3                   | 60.1                   | -11% |
| Publishing                               | 53.1                   | 64.8                   | -18% |
| Home and office suppliers/Electric goods | 23.9                   | 36.9                   | -35% |
| Spirits                                  | 19.4                   | 26.5                   | -24% |
|  | 4.2                    | 9.4                    | -55% |

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

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

|             | Television |     | Magazines |     | Newspapers |     | Radio   |     | Total     |
|-------------|------------|-----|-----------|-----|------------|-----|---------|-----|-----------|
|             | Amount     | (%) | Amount    | (%) | Amount     | (%) | Amount  | (%) |           |
| <b>2007</b> | 939.840    | 35% | 1.047.493 | 39% | 499.732    | 19% | 165.597 | 6%  | 2.652.662 |
| <b>2008</b> | 860.708    | 32% | 1.113.270 | 42% | 478.568    | 18% | 214.982 | 8%  | 2.667.528 |
| <b>2009</b> | 711.964    | 32% | 889.814   | 40% | 441.750    | 20% | 166.192 | 8%  | 2.209.719 |

Note: Amounts in thousand euro

Television advertising expenditure increased by 18,7% in 2007. However, it was decreased in 2008 and 2009 by 8,4% and 17,3% respectively. This is mainly due to the general economic crisis.

In 2009 Mega occupied a dominant position in the advertising market, providing very high returns on advertising investments. Specifically, Mega's market share in the television market for 2009 is 31,7%.

|               | 2007             |             | 2008             |             | 2009             |             |
|---------------|------------------|-------------|------------------|-------------|------------------|-------------|
|               | (thousands euro) | %           | (thousands euro) | %           | (thousands euro) | %           |
| Mega          | 283.396          | 30,2%       | 270.866          | 31,5%       | 225.864          | 31,7%       |
| Antenna       | 216.486          | 23,0%       | 167.650          | 19,5%       | 154.319          | 21,7%       |
| Alpha         | 153.780          | 16,3%       | 141.704          | 16,5%       | 104.070          | 14,6%       |
| Star          | 141.463          | 15,1%       | 137.858          | 16,0%       | 118.672          | 16,7%       |
| Alter         | 90.340           | 9,5%        | 88.893           | 10,3%       | 78.628           | 11,0%       |
| Net           | 40.934           | 4,4%        | 43.256           | 5,0%        | 21.935           | 3,10%       |
| ET1           | 12.738           | 1,4%        | 9.857            | 1,1%        | 8.014            | 1,10%       |
| ET3           | 703              | 0,1%        | 624              | 0,1%        | 463              | 0,1%        |
| <b>Σύνολο</b> | <b>939.840</b>   | <b>100%</b> | <b>860.708</b>   | <b>100%</b> | <b>711.964</b>   | <b>100%</b> |

Along with the preference in advertising market, MEGA is also competitive in television broadcasting ratings. In 2009 Mega maintained its leading position in total audience – full day (19,8%) noting the greatest difference (5 points) from the second canal (Antenna). Also, in full day and specifically in commercial audience (adults aged 15-44) Mega remains first since 2005 (audience share 19,4%). Finally, in 2009 its commercial audience in the prime time zone Mega maintained its first ranking with 22,9%.

**Full day – Total audience**

|         | 2007  | 2008  | 2009  |
|---------|-------|-------|-------|
| Mega    | 18,5% | 18,3% | 19,8% |
| Antenna | 16,5% | 15,2% | 14,8% |
| Alpha   | 13,9% | 13,6% | 12,7% |
| Star    | 10,8% | 10,4% | 10,0% |
| Alter   | 10,3% | 11,2% | 10,7% |
| Net     | 9,6%  | 10,3% | 9,4%  |
| ET1     | 3,8%  | 3,4%  | 3,4%  |

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

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

|         | <b>2007</b> | <b>2008</b> | <b>2009</b> |
|---------|-------------|-------------|-------------|
| Mega    | 21,0%       | 20,0%       | 19,4%       |
| Antenna | 15,6%       | 15,9%       | 16,8%       |
| Alpha   | 11,9%       | 12,5%       | 13,7%       |
| Star    | 13,9%       | 13,2%       | 13,2%       |
| Alter   | 8,0%        | 8,3%        | 7,8%        |
| Net     | 8,0%        | 8,4%        | 6,6%        |
| ET1     | 3,5%        | 3,0%        | 2,5%        |

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

|         | <b>2007</b> | <b>2008</b> | <b>2009</b> |
|---------|-------------|-------------|-------------|
| Mega    | 26,1%       | 23,1%       | 22,9%       |
| Antenna | 14,8%       | 15,4%       | 16,8%       |
| Alpha   | 12,1%       | 13,5%       | 14,5%       |
| Star    | 13,4%       | 12,8%       | 12,5%       |
| Alter   | 6,4%        | 6,0%        | 5,4%        |
| Net     | 7,9%        | 9,1%        | 7,1%        |
| ET1     | 3,2%        | 2,9%        | 2,5%        |

In 2007, for the first time in Greek television, a daily television serial was included in the prime time zone achieving great success. Specifically, the daily serial ‘Maria I Ashimi’ achieved for the months January – June an average viewer rating of 40,6%. The total population that watched the television serial for 1 minute or more on average amounted to 2.6 million viewers. Furthermore, the live broadcasts of the show ‘So you think you can dance’ achieved the highest viewer coverage amongst all the other reality format shows of Mega (Bar, Farma, Survivor). The total population that watched the live show for 1 minute or more on average amounted to 3.7 million viewers.

In 2008, the serials with the greatest viewership in prime time in the Greek television were broadcasted by Mega: ‘Lakis o Glykoulis’ (40,6%), ‘Eytyxismenoi Mazi’ (38,9%) and ‘Polikatikia’ (37,9%). As far as news bulletin is concerned, the main news bulletin of Mega, in 2008, was first in viewership with a rating of 21,5%.

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

The goals of the company for 2010 are:

- To provide to its audience consistent and reliable information, news bulletins as well as current affair programmes.
- To invest in Greek productions so that it can maintain the range of its audience.
- To show first run foreign movies and by enriching even further, the station’s movie library.
- To show important sports games.
- To retain the consistency and reliability of its commercial policy.
- To retain its competent associates.
- To retain its technologically competent.
- To retain its financial position and by increasing its advertising income.

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

However, the global economic crisis is still affecting heavily the television advertising market since October 2008. The outlook for 2010 are foreseen unfavorable without being able to predict the amount of the decrease in advertising expenditure. However, a downward trend in advertising market is expected in 2010.

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

There are no such activities.

**I. Branches**

The company has a branch in Thessaloniki without significant activities.

**J. Explanatory report**

**a. Share Capital Structure.**

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

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

As follows:

- Dividend right which is proposed on occasion by the Board of Directors and determined from the General Meeting. The distributed dividend can not be smaller than 35% of the net profits.

The dividend is being paid within 2 months after the final decision of the General Meeting.

- Right of return of the contribution in the case of the liquidation of the company.
- Right of preference when the Share Capital is increased.
- Right of participation in the General Meeting, under the condition of the observance of the procedure.

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

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

**c. Significant direct or indirect participations in the as defined by the Presidential Decree 51/1992.**

According to the shareholders' book of 31/12/2009, the shareholders that held more than 5% of the total voting rights are:

Pegasos Ekdotiki S.A. 26,82%  
Labrakis Reporting Organization S.A. 22,11%  
Benbay Ltd 5,08%

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

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

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

**e. Limitation on voting rights.**

There are no such limitations.

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

The company is not aware of any such agreements.

**g. Regulations regarding the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20.**

There are no such regulations that differentiate from those provided for in Codified Law 2190/20.

**h. Authority of the Board of Directors to issue new shares or to purchase their own shares of the Company, pursuant to article 16 of Codified Law 2190/20.**

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

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

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

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

Such agreements do not exist.

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

Such agreements do not exist.

Athens, 19 January 2010  
For the Board of Directors

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

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

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

We have audited the accompanying financial statements and the consolidated financial statements of TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” which comprise the statement of financial position as at 31 December, 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

**Auditor’s Responsibility**

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

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

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

### **Opinion**

In our opinion, the aforementioned financial statements and the consolidated financial statements give a true and fair view of the financial position of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" as of 31 December, 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

### **Report on other Legal and Regulatory Requirements**

We have confirmed that the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements as required by articles 43a, 107 and 37 of the Greek Company Law 2190/1920.

Piraeus, 12 February, 2010

THE CERTIFIED PUBLIC ACCOUNTANT

STYLIANOS KOURTELLAS  
REG. NO. 11031  
**MOORE STEPHENS**  
**CHARTERED ACCOUNTANTS**  
**REG. NO. 110**

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

| <b><u>GROUP</u></b>                                |              |  | <b>01.01/<br/>31.12.09</b> | <b>01.01/<br/>31.12.08</b> |
|--|--------------|--|----------------------------|----------------------------|
|  | <b>Notes</b> |  | <b>139.379.984</b>         | <b>168.939.515</b>         |
| Revenues   | 8            |  | 139.379.984                | 168.939.515                |
| Cost of Sales                                      | 9            |  | <u>(135.422.089)</u>       | <u>(143.493.354)</u>       |
| <b>Gross Profit</b>                                |              |  | <b>3.957.895</b>           | <b>25.446.161</b>          |
| Other operating income                             | 10           |  | 9.558.240                  | 12.234.249                 |
|  |              |  | <b>13.516.135</b>          | <b>37.680.410</b>          |
| Distribution expenses                              | 9            |  | (3.427.052)                | (4.307.084)                |
| Administration expenses                            | 9            |  | (8.441.649)                | (9.094.810)                |
| <b>Operating profit</b>                            |              |  | <b><u>1.647.434</u></b>    | <b><u>24.278.516</u></b>   |
| <b>Non operating income</b>                        |              |  |                            |                            |
| Interest received and receivable                   |              |  | 1.786.196                  | 1.198.558                  |
| Profit on disposal of fixed assets                 |              |  | 12.721                     | 59.137                     |
| Profits from sale of investments                   |              |  | 0                          | 38.907.211                 |
| Income from securities                             |              |  | 0                          | 14.673                     |
| Other income                                       | 11           |  | <u>3.814.546</u>           | <u>787.916</u>             |
|  |              |  | <b>5.613.463</b>           | <b>40.967.495</b>          |
| <b>Non operating expenses</b>                      |              |  |                            |                            |
| Interest and similar charges                       | 9            |  | (5.099.903)                | (6.675.161)                |
| Provisions   |              |  | (429.311)                  | (1.109.001)                |
| Losses on disposal of fixed assets                 |              |  | (6.359)                    | (79.875)                   |
| Other expenses                                     | 12           |  | (1.045.897)                | (2.121.490)                |
|  |              |  | <b><u>(6.581.470)</u></b>  | <b><u>(9.985.527)</u></b>  |
| <b>Profit for the period before tax</b>            |              |  | <b><u>679.427</u></b>      | <b><u>55.260.484</u></b>   |
| Prior year's additional income tax                 | 13           |  | 0                          | (1.689.036)                |
| Non recurring tax contribution                     | 13           |  | (1.928.542)                | 0                          |
| Income tax   | 13           |  | <u>(329.917)</u>           | <u>(11.163.210)</u>        |
| <b>Profit for the period after tax</b>             |              |  | <b><u>(1.579.032)</u></b>  | <b><u>42.408.238</u></b>   |
| Other total income (expenses)                      |              |  |                            |                            |
| Translation difference                             |              |  | 0                          | (428.189)                  |
| Statutory reserves                                 |              |  | 0                          | (27.984.572)               |
| Unrealised gains of valuation of listed securities |              |  | 24.945                     | (269.983)                  |
| Total other income (expenses)                      |              |  | <b><u>24.945</u></b>       | <b><u>(28.682.744)</u></b> |
| Total expenses - Income for the year               |              |  | <b><u>(1.554.087)</u></b>  | <b><u>13.725.494</u></b>   |
| <b>Earnings per share € (note 29)</b>              |              |  | <b><u>-0,0418</u></b>      | <b><u>1,1220</u></b>       |

Notes forming an integral part of the financial statements on pages 23 to 61.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

| <u>COMPANY</u>                              | <u>Notes</u> | <u>01.01/<br/>31.12.09</u> | <u>01.01/<br/>31.12.08</u> |
|---|--------------|----------------------------|----------------------------|
| Revenues                                    | 8            | 139.180.409                | 168.071.935                |
| Cost of Sales                               | 9            | (135.326.289)              | (142.893.354)              |
| <b>Gross Profit</b>                         |              | <b><u>3.854.120</u></b>    | <b><u>25.178.581</u></b>   |
| Other operating income                      | 10           | <u>9.558.240</u>           | <u>12.234.249</u>          |
|   |              | <b><u>13.412.360</u></b>   | <b><u>37.412.830</u></b>   |
| Distribution expenses                       | 9            | (3.427.052)                | (4.307.084)                |
| Administration expenses                     | 9            | <u>(8.344.420)</u>         | <u>(8.969.125)</u>         |
| <b>Operating profit</b>                     |              | <b><u>1.640.888</u></b>    | <b><u>24.136.621</u></b>   |
| <b>Non operating income</b>                 |              |                            |                            |
| Interest received and receivable            |              | 104.273                    | 15.048                     |
| Profit on disposal of fixed assets          |              | 12.721                     | 59.137                     |
| Income from participations                  | 19           | 3.000.000                  | 23.822.627                 |
| Income from securities                      |              | 0                          | 14.673                     |
| Other income                                | 11           | 1.014.546                  | 712.991                    |
| <b>Non operating expenses</b>               |              | <b><u>4.131.540</u></b>    | <b><u>24.624.476</u></b>   |
| Interest and similar charges                | 9            | (5.098.050)                | (6.666.812)                |
| Provisions                                  |              | (224.311)                  | (1.109.001)                |
| Losses on disposal of fixed assets          |              | (6.359)                    | (79.875)                   |
| Other expenses                              | 12           | <u>(1.045.897)</u>         | <u>(2.081.381)</u>         |
|   |              | <b><u>(6.374.617)</u></b>  | <b><u>(9.937.069)</u></b>  |
| <b>Profit for the period before tax</b>     |              | <b><u>(602.189)</u></b>    | <b><u>38.824.028</u></b>   |
| Prior year's additional income tax          | 13           | 0                          | (1.689.036)                |
| None recurring tax contribution             | 13           | (1.928.542)                | 0                          |
| Income tax                                  | 13           | <u>(157.804)</u>           | <u>(10.950.770)</u>        |
| <b>Profit for the period after tax</b>      |              | <b><u>(2.688.535)</u></b>  | <b><u>26.184.222</u></b>   |
| <b>TOTAL OTHER INCOME (EXPENSES)</b>        |              |                            |                            |
| Unrealised gains of listed securities       |              | <u>24.945</u>              | <u>(269.983)</u>           |
| <b>Total other income (expenses)</b>        |              | <b><u>24.945</u></b>       | <b><u>(269.983)</u></b>    |
| <b>Total expenses - Income for the year</b> |              | <b><u>(2.663.590)</u></b>  | <b><u>25.914.239</u></b>   |
| Earnings per share € (note 29)              |              | <b><u>-0,0711</u></b>      | <b><u>0,6928</u></b>       |

Notes forming an integral part of the financial statements on pages 23 to 61.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF FINANCIAL POSITION**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

|  |       | <b><u>GROUP</u></b>       |                           | <b><u>COMPANY</u></b>     |                           |
|--|-------|---------------------------|---------------------------|---------------------------|---------------------------|
|  | Note: | <b><u>31.12.2009</u></b>  | <b><u>31.12.2008</u></b>  | <b><u>31.12.2009</u></b>  | <b><u>31.12.2008</u></b>  |
| <b>FIXED ASSETS</b>                              |       |                           |                           |                           |                           |
| Intangible assets – Programme rights             | 14    | 151,663,247               | 149,546,072               | 151,663,247               | 149,546,072               |
| Tangible assets                                  | 15    | 11,047,034                | 11,493,712                | 11,047,034                | 11,493,712                |
| Investments in associates                        | 16    | 689,796                   | 439,796                   | 1,277,200                 | 1,465,796                 |
| Deferred taxation                                | 20    | 2,163,578                 | 1,995,093                 | 2,163,578                 | 1,995,093                 |
| Other financial assets                           | 17    | 514,519                   | 460,131                   | 514,519                   | 460,131                   |
| <b>Total fixed assets</b>                        |       | <b><u>166,078,174</u></b> | <b><u>163,934,804</u></b> | <b><u>166,665,578</u></b> | <b><u>164,960,804</u></b> |
| <b>CURRENT ASSETS</b>                            |       |                           |                           |                           |                           |
| Inventories                                      |       | 380,055                   | 386,122                   | 380,055                   | 386,122                   |
| Trade and other receivables                      | 18    | 39,108,465                | 47,139,506                | 38,629,268                | 45,914,231                |
| Claims against associated companies              | 19    | 0                         | 0                         | 3,438,596                 | 23,000,000                |
| Prepayments of programme rights & other expenses | 21    | 30,130,953                | 28,436,290                | 30,085,349                | 28,436,290                |
| Cash and cash equivalents                        | 22    | 44,447,435                | 62,530,491                | 11,498,588                | 7,332,041                 |
| <b>Total assets</b>                              |       | <b><u>114,066,908</u></b> | <b><u>138,492,409</u></b> | <b><u>84,031,856</u></b>  | <b><u>105,068,684</u></b> |
|  |       | <b><u>280,145,082</u></b> | <b><u>302,427,213</u></b> | <b><u>250,697,434</u></b> | <b><u>270,029,488</u></b> |
| <b>EQUITY AND LIABILITIES</b>                    |       |                           |                           |                           |                           |
| Share capital                                    | 23    | 37,797,375                | 37,797,375                | 37,797,375                | 37,797,375                |
| Share premium                                    | 23    | 33,469,247                | 33,469,247                | 33,469,247                | 33,469,247                |
| Reserves   | 24    | 10,472,750                | 8,919,546                 | 10,472,750                | 8,919,546                 |
| Retained earnings                                |       | <u>20,342,400</u>         | <u>48,773,933</u>         | <u>(2,006,944)</u>        | <u>27,534,092</u>         |
| <b>Long term liabilities</b>                     |       | <b><u>102,081,772</u></b> | <b><u>128,960,101</u></b> | <b><u>79,732,428</u></b>  | <b><u>107,720,260</u></b> |
| <b>CURRENT LIABILITIES</b>                       | 25    | <b><u>58,931,986</u></b>  | <b><u>58,314,122</u></b>  | <b><u>58,931,986</u></b>  | <b><u>58,314,122</u></b>  |
| <b>SHORT TERM LIABILITIES</b>                    |       |                           |                           |                           |                           |
| Trade and other payables                         | 26    | 80,125,060                | 106,341,363               | 73,026,756                | 95,183,479                |
| Short term borrowings                            | 27    | 39,006,264                | 3,811,627                 | 39,006,264                | 3,811,627                 |
| Long term liabilities payable next period        | 25.1  | 0                         | 5,000,000                 | 0                         | 5,000,000                 |
| <b>Total Short Term Liabilities</b>              |       | <b><u>119,131,324</u></b> | <b><u>115,152,990</u></b> | <b><u>112,033,020</u></b> | <b><u>103,995,106</u></b> |
| <b>Total equity and liabilities</b>              |       | <b><u>280,145,082</u></b> | <b><u>302,427,213</u></b> | <b><u>250,697,434</u></b> | <b><u>270,029,488</u></b> |

Notes forming an integral part of the financial statements on pages 23 to 61.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**1<sup>st</sup> January – 31st December, 2009**  
**(Expressed in Euro)**

|   | <u>Share<br/>Capital</u> | <u>Share<br/>Premium</u> | <u>Statutory<br/>Reserve</u> | <u>Other<br/>Reserves</u> | <u>Revaluation<br/>Reserves</u> | <u>Translation<br/>Differences</u> | <u>Valuation reserve<br/>on listed securities</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>       |
|---|--------------------------|--------------------------|------------------------------|---------------------------|---------------------------------|------------------------------------|---|------------------------------|--------------------|
| <b>GROUP</b>  |                          |                          |                              |                           |                                 |                                    |   |                              |                    |
| <b>Net position 31/12/2009</b>                      |                          |                          |                              |                           |                                 |                                    |   |                              |                    |
| Balance 1st January, 2008                           | 34,361,250               | 33,469,247               | 3,865,728                    | 7,698,930                 | 28,336,753                      | 38,660                             | 352,152   | 16,626,201                   | 124,748,921        |
| Share Capital Increase                              | 3,436,125                |                          |                              | -3,436,125                |                                 |                                    |   |                              | 0                  |
| Approval of 2007 dividend by G.A.                   |                          |                          | 708,844                      |                           |                                 |                                    |   | -10,223,157                  | -9,514,313         |
| Profit for the period after tax                     |                          |                          |                              |                           | -28,336,753                     | -38,660                            | -269,983  | 42,370,889                   | 13,725,493         |
| <b>Net position 31/12/2008</b>                      | <b>37,797,375</b>        | <b>33,469,247</b>        | <b>4,574,572</b>             | <b>4,262,805</b>          | <b>0</b>                        | <b>0</b>                           | <b>82,169</b>                                     | <b>48,773,933</b>            | <b>128,960,101</b> |
| <b>Net position 31/12/2009</b>                      |                          |                          |                              |                           |                                 |                                    |   |                              |                    |
| Balance as of 1st January 2009                      | 37,797,375               | 33,469,247               | 4,574,572                    | 4,262,805                 | 0                               | 0                                  | 82,169  | 48,773,933                   | 128,960,101        |
| Approval of distribution by G.A.                    |                          |                          | 1,528,259                    |                           |                                 |                                    |   | -26,852,501                  | -25,324,242        |
| Total comprehensive income (expense) after taxation |                          |                          |                              |                           |                                 |                                    | 24,945  | -1,579,032                   | -1,554,087         |
| <b>Net position 31/12/2009</b>                      | <b>37,797,375</b>        | <b>33,469,247</b>        | <b>6,102,831</b>             | <b>4,262,805</b>          | <b>0</b>                        | <b>0</b>                           | <b>107,114</b>                                    | <b>20,342,400</b>            | <b>102,081,772</b> |

Notes forming an integral part of the financial statements on pages 23 to 61.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**1<sup>st</sup> January – 31st December, 2009**  
**(Expressed in Euro)**

**COMPANY**

**Net position 31/12/2008**

|                                   | <u>Share<br/>Capital</u> | <u>Share<br/>Premium</u> | <u>Statutory<br/>Reserve</u> | <u>Other<br/>Reserves</u> | <u>Revaluation<br/>Reserves</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>       |
|-----------------------------------|--------------------------|--------------------------|------------------------------|---------------------------|---------------------------------|------------------------------|--------------------|
| Balance 1st January, 2008         | 34,361,250               | 33,469,247               | 3,865,728                    | 7,698,930                 | 352,152                         | 11,573,027                   | 91,320,334         |
| Share Capital Increase            | 3,436,125                |                          |                              | -3,436,125                |                                 |                              | 0                  |
| Approval of 2007 dividend by G.A. |                          |                          | 708,844                      |                           |                                 | -10,223,157                  | -9,514,313         |
| Profit for the period after tax   |                          |                          |                              |                           | -269,983                        | 26,184,222                   | 25,914,239         |
| <b>Net position 31/12/2008</b>    | <b>37,797,375</b>        | <b>33,469,247</b>        | <b>4,574,572</b>             | <b>4,262,805</b>          | <b>82,169</b>                   | <b>27,534,092</b>            | <b>107,720,260</b> |

**Net position 31/12/2009**

|   |                   |                   |                  |                  |                |                   |                   |
|---|-------------------|-------------------|------------------|------------------|----------------|-------------------|-------------------|
| Balance 1st January, 2009                           | 37,797,375        | 33,469,247        | 4,574,572        | 4,262,805        | 82,169         | 27,534,092        | 107,720,260       |
| Approval of 2007 Distribution by G.A.               |                   |                   | 1,528,259        | 0                |                | -26,852,501       | -2,532,242        |
| Total comprehensive income/(expense) after taxation |                   |                   |                  |                  | 24,945         | -2,688,535        | -2,663,590        |
| <b>Net position 31/12/2009</b>                      | <b>37,797,375</b> | <b>33,469,247</b> | <b>6,102,831</b> | <b>4,262,805</b> | <b>107,114</b> | <b>-2,006,944</b> | <b>79,732,428</b> |

Notes forming an integral part of the financial statements on pages 23 to 61.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CASH FLOWS**  
**1<sup>st</sup> January – 31st December 2009**  
**(Expressed in Euro)**

|   |                            |                            |                            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Decrease (Increase) in stock of spares and consumables          | 6,067                      | 25,593                     | 6,067                      | 25,593                     |
| Decrease in stock of programme rights                           | (1,649,060)                | 3,509,923                  | (1,649,060)                | 3,509,923                  |
| Decrease(Increase) in debtors and others                        | 7,733,023                  | 750,645                    | 6,971,066                  | 4,823,350                  |
| (Increase) in payables  | (54,387)                   | (7,415)                    | (54,387)                   | (7,415)                    |
| Repayments of borrowings  | (14,329,013)               | 827,369                    | (10,504,389)               | (3,474,392)                |
| Minus:  |                            |                            |                            |                            |
| Interest and similar charges                                    | (5,197,504)                | (6,887,134)                | (5,195,651)                | (6,878,785)                |
| Income tax paid   | (16,195,871)               | (8,498,882)                | (15,960,915)               | (8,329,727)                |
| <b>Total Cash Flow from Operating Activities (a)</b>            | <b><u>59,491,666</u></b>   | <b><u>97,139,523</u></b>   | <b><u>59,984,596</u></b>   | <b><u>97,732,995</u></b>   |
| <b>Cash Flow from investing activities</b>                      |                            |                            |                            |                            |
| Investments in subsidiaries, affiliates, cooperations and other | (250,000)                  | (600)                      | (250,000)                  | (600)                      |
| Sale of subsidiaries, affiliates, cooperations and other        | 0                          | 53,870,400                 | 438,596                    | 0                          |
| (Increase)/ in long term receivables                            | (86,009,291)               | (91,754,191)               | (86,009,291)               | (91,754,191)               |
| (Increase) of investments and participations                    | 12,722                     | 59,429                     | 12,722                     | 59,429                     |
| Interest  | 1,786,196                  | 1,198,559                  | 104,273                    | 15,048                     |
| Dividends paid  | 0                          | 14,673                     | 23,000,000                 | 14,673                     |
| <b>Net Cash Flow from Investing Activities (b)</b>              | <b><u>(84,460,373)</u></b> | <b><u>(36,611,730)</u></b> | <b><u>(62,703,700)</u></b> | <b><u>(91,665,641)</u></b> |
| <b>Cash Flow from Financing Activities</b>                      |                            |                            |                            |                            |
| (Decrease) in long term borrowings                              | 35,194,636                 | 2,500,000                  | 35,194,636                 | 2,500,000                  |
| Repayments of borrowings  | (5,501,000)                | (183,405)                  | (5,501,000)                | (183,405)                  |
| Dividends paid  | (22,807,985)               | (8,686,753)                | (22,807,985)               | (8,686,753)                |
| <b>Net Cash Flow from Financing Activities (c)</b>              | <b><u>6,885,651</u></b>    | <b><u>(6,370,158)</u></b>  | <b><u>6,885,651</u></b>    | <b><u>(6,370,158)</u></b>  |
| <b>(Decrease)(Increase in net liquid funds (a)+(b)+(c))</b>     | <b><u>(18,083,056)</u></b> | <b><u>54,157,635</u></b>   | <b><u>4,166,547</u></b>    | <b><u>(302,804)</u></b>    |
| <b>Cash and cash equivalents at beginning of the period</b>     | <b>62,530,491</b>          | <b>8,372,856</b>           | <b>7,332,041</b>           | <b>7,634,845</b>           |
| <b>Cash and cash equivalents at end of period</b>               | <b><u>44,447,435</u></b>   | <b><u>62,530,491</u></b>   | <b><u>11,498,588</u></b>   | <b><u>7,332,041</u></b>    |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY**  
**Notes to the consolidated and parent financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

**1. General Information**

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

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

The parent company incorporated in 2000 Teletypos Cyprus Ltd. which is a fully owned subsidiary. The company's main objective is the trading of television programmes in Cyprus and in the area of Middle East.

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

The company's main objectives are:

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

The financial statements have been approved by the company's Board of Directors at 26/2/2009. The composition of the Board of Directors is as follows:

|                        |  |
|------------------------|--|
| Elias Tsigas           | - Chairman and executive Managing Director |
| Panayiotis Psicharis   | - Non-executive member                     |
| Yiorgos Bobolas        | - Non-executive member                     |
| Yiorgos Vardinogiannis | - Non-executive member                     |
| Fotis Bobolas          | - Non-executive member                     |
| Stauros Psicharis      | - Non-executive member                     |
| Yiorgos Aidinis        | - Independent non-executive member         |
| Yiorgos Poursanidis    | - Independent non-executive member         |

**TELETYPOS TELEVISION PROGRAMMES S.A.**

**“MEGA CHANNEL - GREECE”**

**Notes to the consolidated and separate financial statements in accordance with IFRS**

**31<sup>st</sup> December, 2009**

**(Expressed in Euro)**

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

The group/company adopted, in the current year, the new and revised International Financial Reporting Standards (IFRS) and the corresponding amendments that have been published from the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) respectively, in the respect that these are related with the group's activity and are effective with the accounting periods beginning on 1<sup>st</sup> of January 2009.

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

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

- IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial Instruments: Disclosures” - Reclassifications of Financial Instruments (applied prospectively from 1 July 2008)
- **IAS 1 - (Revised) Presentation of Financial Statements** (effective for annual periods beginning on or after 1 January 2009);
- **IFRS 8 - Operating Segments** (effective for annual periods beginning on or after 1 January 2009);
- **IFRIC 13 - Customer Loyalty Programmes** (effective for annual periods beginning on or after 1 July 2008);
- **IAS 23 - (Revised) Borrowing Costs** (effective for annual periods beginning on or after 1 January 2009);
- **IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements” – Puttable Financial Instruments** (effective for annual periods beginning on or after 1 January 2009)
- **IFRS 1 (Amendment) “First Adoption of IFRS” and IAS 27 (Amendment) “Consolidated and Separate Financial Statements”** (effective for annual periods beginning on or after 1 January, 2009”.
- **IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations** (effective for annual periods beginning on or after 1 January 2009)
- **IFRIC 16 - Hedges of a net investment in a foreign operation** (effective for annual periods beginning on or after 1 October 2008)
- **IFRIC 15 - Agreements for the construction of real estate** (effective for annual periods beginning on or after 1 January 2009).

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

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

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

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

*b. Standards and interpretations not yet effective*

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

- **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial instruments: Disclosures” – Reclassification of Financial Assets** (effective for annual periods beginning on or after 1 July 2009)
- **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”** (effective for annual periods beginning on or after 1 July 2009)
- **IFRS 5 (Amendment) “Non-current assets held for sale and discontinued operations” (and consequential amendment to IFRS 1 “First-time adoption of IFRS”)** (effective for annual periods beginning on or after 1 July 2009).
- **IFRIC 17 “Distribution of Non cash Assets to owners”** (effective for annual periods beginning on or after 1 July, 2009).
- **IAS 24 “Related parties disclosures”** (effective for annual periods beginning on or after 1 January, 2011).

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

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

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

**3. Significant Accounting Policies**

**3.1. Statement of compliance**

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

**3.2. Historical cost convention**

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

**Basis of consolidation**

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

Consolidated financial statements are based on separate companies' financial statements which have been prepared in accordance with IFRS and the accounting principles followed by the Group. All group's companies have the same reporting date.

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

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

**3.3. Investments in associates**

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

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

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

**3.4. Foreign currency transactions and balances**

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

The company's parent and consolidated accounts are presented in the currency of the country in which the company has its activities. The consolidated financial statements are presented in euros which is the parent's company functional currency. From 1/1/2009 euro is the functional currency of Teletypos S.A.'s subsidiary Teletypos Cyprius Ltd.

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

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

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

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

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of these assets.
- Exchange differences on monetary items received from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment of a foreign operation.
- For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in the parent company's reporting currency, using the exchange rates at the balance sheet date. Income and expense are translated at the average exchange rate of the period. Exchange differences arising are recognised as foreign currency reserve in equity.

Such exchange differences are recognized in profit and loss in the period in which the foreign operation is disposed of.

**3.5. Borrowing Cost**

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

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**

**“MEGA CHANNEL - GREECE”**

**Notes to the consolidated and separate financial statements in accordance with IFRS**

**31<sup>st</sup> December, 2009**

**(Expressed in Euro)**

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

**3.6. Programme and film rights**

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

**3.6.1. Own production television programmes**

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

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

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

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

**3.7. Depreciation and Amortisation**

**Fixed Assets**

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

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

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

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

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

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

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

**Programme and film rights**

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

|   | <u>%</u> |
|---|----------|
| First year of transmission              | 20       |
| Thereafter (whether transmitted or not) | 20       |

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

**3.8. Taxation**

**Current taxation**

Income tax is calculated on taxable profits and according to the rate which is in force (25% for the year 2008 and 2009). Taxable profit differs from company's profit as reported in the financial statement because it excludes items of income or expenses that are not taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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

**Deferred taxation**

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised. This tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

**TELETYPOS TELEVISION PROGRAMMES S.A.****“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31<sup>st</sup> December, 2009****(Expressed in Euro)****3. Significant Accounting Policies (cont.)****3.9. Inventories (Spare parts and Consumables)**

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

**3.10. Provisions**

Provisions are recognised when:

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

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

**3.11. Revenues**

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

**3.12. Impairment**

At each balance sheet date, the company's management reviews the carrying amounts of its tangible and intangible assets to determine whether there is indication that those assets have suffered an impairment loss. At 31.12.2009, there was no such indication.

**3.13. Trade receivables**

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

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

**3.14. Investments**

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

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

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

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

**3.15. Cash and cash equivalents**

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

**3.16. Bank loans**

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

**3.17. Trade Creditors**

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

**TELETYPOS TELEVISION PROGRAMMES S.A.****“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31<sup>st</sup> December, 2009****(Expressed in Euro)****3. Significant Accounting Policies (cont.)****3.18 Patents and trademarks**

Trademark is estimated initially at purchase cost and is amortised during the period of 5 years.

**3.19 Retirement benefits**

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

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

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

The most important assumptions taken into account are:

| Date of assumption | Interest rate | Increase in remuneration | Inflation rate |
|--------------------|---------------|--------------------------|----------------|
| 31/12/2008         | 4,80%         | 4,00%                    | 2,50%          |
| 31/12/2009         | 4,80%         | 4,00%                    | 2,50%          |

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

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

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

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

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

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

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

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

Financial assets are classified into the following four categories:

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

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

The entity does not recognise such financial assets

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

The entity does not recognise such investments

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

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

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

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

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

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

**5.1.4. Loans and receivables**

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

**5.1.5. Impairment of financial assets**

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

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

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

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

**5.2.1. Equity instrument**

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

**5.2.2. Financial liabilities**

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

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

The entity does not recognize such financial liabilities

**TELETYPOS TELEVISION PROGRAMMES S.A.****“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31<sup>st</sup> December, 2009****(Expressed in Euro)****5. Financial assets (cont.)****5.2. Financial liabilities and equity instruments issued by the Group (cont.)****5.2.2. Financial liabilities (cont.)****5.2.2.2. Other financial liabilities**

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

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

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

**5.3. Financial derivatives**

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

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

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

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

**7. Dividends**

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

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

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

| <b>8. Revenue</b>                    | <b><u>Group</u></b>       |                      |                           |                      | <b><u>Company</u></b>     |                      |                           |                      |
|--------------------------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
|                                      | <b><u>31/12/2009</u></b>  | <b><u>%</u></b>      | <b><u>31/12/2008</u></b>  | <b><u>%</u></b>      | <b><u>31/12/2009</u></b>  | <b><u>%</u></b>      | <b><u>31/12/2008</u></b>  | <b><u>%</u></b>      |
| Advertising                          | 137,471,008               | 98.63                | 166,925,428               | 98.81                | 137,471,008               | 98.77                | 166,925,428               | 99.32                |
| Income from TV programmes            | 1,256,565                 | 0.90                 | 859,810                   | 0.51                 | 1,256,565                 | 0.90                 | 859,810                   | 0.51                 |
| Income from TV rights                | 452,836                   | 0.32                 | 286,697                   | 0.17                 | 452,836                   | 0.33                 | 286,697                   | 0.17                 |
| Income from TV rights (Sub. Company) | <u>199,575</u>            | 0.14                 | <u>867,580</u>            | 0.51                 | <u>0</u>                  | 0.00                 | <u>0</u>                  | 0.00                 |
|                                      | <b><u>139,379,984</u></b> | <b><u>100.00</u></b> | <b><u>168,939,515</u></b> | <b><u>100.00</u></b> | <b><u>139,180,409</u></b> | <b><u>100.00</u></b> | <b><u>168,071,935</u></b> | <b><u>100.00</u></b> |

**9. Operating expenses**

|                                 | <b><u>31/12/2009</u></b>  | <b><u>31/12/2008</u></b>  | <b><u>31/12/2009</u></b>  | <b><u>31/12/2008</u></b>  |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Staff wages and expenses        | 38,017,404                | 38,897,242                | 38,017,404                | 38,897,242                |
| Third parties fees and expenses | 15,864,726                | 20,613,719                | 15,864,726                | 20,613,719                |
| Loyalties payable               | 95,800                    | 600,000                   | -                         | -                         |
| Utilities                       | 6,245,388                 | 6,187,039                 | 6,245,388                 | 6,187,039                 |
| Taxes and duties                | 755,443                   | 4,408,207                 | 755,443                   | 4,408,207                 |
| Sundry expenses                 | 5,848,416                 | 8,094,136                 | 5,751,187                 | 7,968,451                 |
| Financial expenses              | 5,099,903                 | 6,675,161                 | 5,098,050                 | 6,666,812                 |
| Consumables-spare parts         | 245,241                   | 348,372                   | 245,241                   | 348,372                   |
| Depreciation/Amortization       | 84,332,434                | 82,314,369                | 84,332,434                | 82,314,369                |
| Less: Cost of own production    | <u>(4,114,062)</u>        | <u>(4,567,836)</u>        | <u>(4,114,062)</u>        | <u>(4,567,836)</u>        |
|                                 | <b><u>152,390,693</u></b> | <b><u>163,570,409</u></b> | <b><u>152,195,811</u></b> | <b><u>162,836,375</u></b> |

The above amounts have been allocated as follows:

|                                | <b><u>31/12/2009</u></b>  | <b><u>31/12/2008</u></b>  | <b><u>31/12/2009</u></b>  | <b><u>31/12/2008</u></b>  |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Cost of sales</b>           | 135,422,089               | 143,493,354               | 135,326,289               | 142,893,354               |
| <b>Administrative expenses</b> | 8,441,649                 | 9,094,810                 | 8,344,420                 | 8,969,125                 |
| <b>Selling expenses</b>        | 3,427,052                 | 4,307,084                 | 3,427,052                 | 4,307,084                 |
| <b>Financial expenses</b>      | 5,099,903                 | 6,675,161                 | 5,098,050                 | 6,666,812                 |
|                                | <b><u>152,390,693</u></b> | <b><u>163,570,409</u></b> | <b><u>152,195,811</u></b> | <b><u>162,836,375</u></b> |

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

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

|  | <u>GROUP</u>      |                   | <u>COMPANY</u>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <u>31/12/2009</u> | <u>31/12/2008</u> | <u>31/12/2009</u> | <u>31/12/2008</u> |
| <b>10. Other operating income</b>                  |                   |                   |                   |                   |
| Government grant educational programs              | 12.911            | 14.763            | 12.911            | 14.763            |
| Computer and technical support to clients          | 8.429.852         | 11.029.984        | 8.429.852         | 11.029.984        |
| Income earned from co-operation with third parties | 1.068.081         | 1.154.004         | 1.068.081         | 1.154.004         |
| Income from rentals                                | 47.396            | 35.498            | 47.396            | 35.498            |
|  | <u>9.558.240</u>  | <u>12.234.249</u> | <u>9.558.240</u>  | <u>12.234.249</u> |
| <b>11. Other income</b>                            |                   |                   |                   |                   |
| Foreign exchange valuation differences             | 472.899           | 660.086           | 472.899           | 585.161           |
| Other discounts                                    | 335.598           | 0                 | 335.598           | 0                 |
| Reversal of provisions                             | 2.800.000         | 0                 | 0                 | 0                 |
| Sundry income                                      | 206.049           | 127.830           | 206.049           | 127.830           |
|  | <u>3.814.546</u>  | <u>787.916</u>    | <u>1.014.546</u>  | <u>712.991</u>    |
| <b>12. Other expenses</b>                          |                   |                   |                   |                   |
| Technical support and services                     | 40.721            | 132.657           | 40.721            | 132.657           |
| Compensation                                       | 520.248           | 0                 | 520.248           | 0                 |
| Provisions   | 163.840           | 71.680            | 163.840           | 71.680            |
| Foreign exchange valuation differences             | 260.226           | 499.388           | 260.226           | 459.279           |
| Association of advertisers (tax duty 11/89-12/91)* | 0                 | 1.337.927         | 0                 | 1.337.927         |
| Other expenses                                     | 60.862            | 79.838            | 60.862            | 79.838            |
|  | <u>1.045.897</u>  | <u>2.121.490</u>  | <u>1.045.897</u>  | <u>2.081.381</u>  |

Lump sum payment for final settlement of a dispute in respect of prior year pension fund contribution.

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

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

### 13. Taxation

The company's profits are taxed at the rate of 25% for the year 2008 and 2009 after they have been adjusted for expenses not tax allowable and for any tax free reserves.

The company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 2004.

The profits of the subsidiary company are taxed at the tax rate of 10% and no further taxation applies. Profits from sale of shares are not taxable. Dividends from the subsidiary company are added to the taxable income of the parent company. The corresponding dividend's tax paid in foreign country is set off against taxes.

|  | <u>GROUP</u>              |                            | <u>COMPANY</u>             |                            |                           |      |                            |      |
|--|---------------------------|----------------------------|----------------------------|----------------------------|---------------------------|------|----------------------------|------|
|  | <u>31/12/2009</u>         | <u>31/12/2008</u>          | <u>31/12/2009</u>          | <u>31/12/2008</u>          |                           |      |                            |      |
| Current income tax                                     | (491.414)                 | (11.372.238)               | (319.301)                  | (11.159.798)               |                           |      |                            |      |
| Deferred taxes (note 20)                               | 176.800                   | 259.461                    | 176.800                    | 259.461                    |                           |      |                            |      |
| Other non-incorporated in operating cost taxes         | (15.303)                  | (50.433)                   | (15.303)                   | (50.433)                   |                           |      |                            |      |
| <b>Total tax for the period</b>                        | <b><u>(329.917)</u></b>   | <b><u>(11.163.210)</u></b> | <b><u>(157.804)</u></b>    | <b><u>(10.950.770)</u></b> |                           |      |                            |      |
| Additional income tax of previous years *              | (1.928.542)               | 0                          | (1.928.542)                | 0                          |                           |      |                            |      |
|  | 0                         | (1.689.036)                | 0                          | (1.689.036)                |                           |      |                            |      |
| Total tax expense                                      | <b><u>(2.258.459)</u></b> | <b><u>(11.163.210)</u></b> | <b><u>(2.086.346)</u></b>  | <b><u>(10.950.770)</u></b> |                           |      |                            |      |
| Total tax for the year consists of:                    |                           |                            |                            |                            |                           |      |                            |      |
|  | <u>31/12/2009</u>         | TAX                        | <u>31/12/2008</u>          | TAX                        | <u>31/12/2009</u>         | TAX  | <u>31/12/2008</u>          | TAX  |
|  |                           | RATE                       |                            | RATE                       |                           | RATE |                            | RATE |
| Profit for the period before taxes (parent)            | (602.189)                 |                            | 38.824.027                 |                            | (602.189)                 |      | 38.824.027                 |      |
| Profit for the period before taxes (subsidiary)        | 1.481.616                 |                            | 1.351.873                  |                            | 0                         |      | 0                          |      |
| Profit for the period απαλλασόμενου φόρου (θυγατρική)  | 2.800.000                 |                            | 0                          |                            | 0                         |      | 0                          |      |
|  | 0                         |                            | 15.084.584                 |                            | 0                         |      | 0                          |      |
| Accounting differences                                 | 1.879.029                 |                            | 5.810.903                  |                            | 1.879.029                 |      | 5.810.903                  |      |
| <b>Taxable profit</b>                                  | <b><u>5.558.456</u></b>   |                            | <b><u>61.071.387</u></b>   |                            | <b><u>1.276.840</u></b>   |      | <b><u>44.634.930</u></b>   |      |
| Income tax (parent)                                    | (319.210)                 | 25%                        | (11.158.733)               | 25%                        | (319.210)                 | 25%  | (11.158.733)               | 25%  |
| Income tax (subsidiary)                                | (148.161)                 | 10%                        | (135.187)                  | 10%                        | 0                         |      | 0                          |      |
| Prepayment of income tax (subsidiary)                  | (23.952)                  |                            | (77.253)                   |                            | 0                         |      | 0                          |      |
| Additional 3% tax on the income from property (parent) | (91)                      |                            | (1.065)                    |                            | (91)                      |      | (1.065)                    |      |
| <b>Total tax for the period</b>                        | <b><u>(491.414)</u></b>   |                            | <b><u>(11.372.238)</u></b> |                            | <b><u>(319.301)</u></b>   |      | <b><u>(11.159.798)</u></b> |      |
| <b>Deferred taxes</b>                                  |                           |                            |                            |                            |                           |      |                            |      |
| Intangible assets. Formation expenses                  | 0                         |                            | (5.539)                    |                            | 0                         |      | (5.539)                    |      |
| Provision for contingencies - expenses                 | 176.800                   |                            | 280.563                    |                            | 176.800                   |      | 280.563                    |      |
| Foreign exchange difference (income)                   | 0                         |                            | (15.563)                   |                            | 0                         |      | (15.563)                   |      |
| Total tax  | <b><u>176.800</u></b>     |                            | <b><u>259.461</u></b>      |                            | <b><u>176.800</u></b>     |      | <b><u>259.461</u></b>      |      |
| Other non-incorporated in operating cost taxes         | (15.303)                  |                            | (50.433)                   |                            | (15.303)                  |      | (50.433)                   |      |
|  | (1.928.542)               |                            | 0                          |                            | (1.928.542)               |      | 0                          |      |
| Prior year's additional income tax*                    | 0                         |                            | (1.689.036)                |                            | 0                         |      | (1.689.036)                |      |
| <b>Total tax for the period</b>                        | <b><u>(2.258.459)</u></b> |                            | <b><u>(12.852.246)</u></b> |                            | <b><u>(2.086.346)</u></b> |      | <b><u>(12.639.806)</u></b> |      |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

\* The company has finalised its tax liability up to year 2004.

Gains from the sale of investments in the affiliated company. NETMED N.V. are tax exempt (note 16), however they are taxed in the holding company in case the holding company receives the proceeds in the form of dividends.

The company has finalized in 2008 tax for liabilities for the years 2000, 2001, 2002, 2003 and 2004: The additional tax obligations was computed mainly on the basis of accounting differences (expenses not allowed by tax authorities) on which the management has its reservations.

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

The nature of the tax authorities computed accounting differences are not accepted by the management. For this reason no provision has been made for contingent liability for the open years.

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

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

**14. Intangible assets- Programme rights**

**GROUP/COMPANY**

|                                  | Programme<br>and<br>film rights | Formation<br>expenses | Share Capital's<br>Increase<br>Expenses | License<br>Trade mark | Total              |
|----------------------------------|---------------------------------|-----------------------|---|-----------------------|--------------------|
| <b>2008</b>                      |                                 |                       |   |                       |                    |
| <b><u>Cost</u></b>               |                                 |                       |   |                       |                    |
| 1.1.2008                         | 749,812,304                     | 0                     | 0                                       | 261,404               | <b>750,073,708</b> |
| Purchases                        | 84,664,014                      | 0                     | 5,996                                   | 0                     | <b>84,670,010</b>  |
| Disposals                        | 0                               | 0                     | 0                                       | (216,653)             | <b>(216,653)</b>   |
| Own production in progress       | 5,155,825                       | 0                     | 0                                       | 0                     | <b>5,155,825</b>   |
| 31.12.2008                       | <b>839,632,143</b>              | <b>0</b>              | <b>5,996</b>                            | <b>44,751</b>         | <b>839,682,890</b> |
| <b><u>Amortization</u></b>       |                                 |                       |   |                       |                    |
| 1.1.2008                         | 609,855,900                     | 0                     | 0                                       | 251,374               | <b>610,107,274</b> |
| Charge for the period            | 80,231,250                      | 0                     | 5,996                                   | 8,951                 | <b>80,246,197</b>  |
| Disposals                        | 0                               | 0                     | 0                                       | (216,653)             | <b>(216,653)</b>   |
| 31.12.2008                       | <b>690,087,150</b>              | <b>0</b>              | <b>5,996</b>                            | <b>43,672</b>         | <b>690,136,818</b> |
| <b>Net Book Value 31.12.2008</b> | <b>149,544,993</b>              | <b>0</b>              | <b>0</b>                                | <b>1,079</b>          | <b>149,546,072</b> |
| <b>2009</b>                      |                                 |                       |   |                       |                    |
| <b><u>Cost</u></b>               |                                 |                       |   |                       |                    |
| 1.1.2009                         | <b>839,632,143</b>              | <b>0</b>              | <b>5,996</b>                            | <b>44,751</b>         | <b>839,682,890</b> |
| Purchases                        | 82,272,533                      | 0                     | 0                                       | 0                     | <b>82,272,533</b>  |
| Disposals                        | 0                               | 0                     | (5,996)                                 | (39,351)              | <b>(45,347)</b>    |
| Own production in progress       | 1,740,454                       | 0                     | 0                                       | 0                     | <b>1,740,454</b>   |
| 31.12.2009                       | <b>923,645,130</b>              | <b>0</b>              | <b>0</b>                                | <b>5,400</b>          | <b>923,650,530</b> |
| <b><u>Amortization</u></b>       |                                 |                       |   |                       |                    |
| 1.1.2009                         | <b>690,087,150</b>              | <b>0</b>              | <b>5,996</b>                            | <b>43,672</b>         | <b>690,136,818</b> |
| Charge for the period            | 81,894,733                      | 0                     | 0                                       | 1,080                 | <b>81,895,813</b>  |
| Disposals                        | 0                               | 0                     | 0                                       | (39,351)              | <b>(39,351)</b>    |
| 31.12.2009                       | <b>771,981,883</b>              | <b>0</b>              | <b>5,996</b>                            | <b>5,400</b>          | <b>771,993,280</b> |
| <b>Net Book Value 31.12.2009</b> | <b>151,663,247</b>              | <b>0</b>              | <b>(5,996)</b>                          | <b>0</b>              | <b>151,657,250</b> |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

| <b>2008</b>                | <b><u>Land</u></b>      | <b><u>Buildings</u></b> | <b><u>Plant and</u></b>  | <b><u>Transportation</u></b> | <b><u>Furnitures</u></b> | <b><u>Total</u></b>      |
|----------------------------|-------------------------|-------------------------|--------------------------|------------------------------|--------------------------|--------------------------|
|                            | <b><u>1</u></b>         |                         | <b><u>machinery</u></b>  | <b><u>means</u></b>          | <b><u>and</u></b>        |                          |
|                            |                         |                         |                          |                              | <b><u>equipment</u></b>  |                          |
| <b><u>Cost</u></b>         |                         |                         |                          |                              |                          |                          |
| 1.1.2008                   | 4.799.610               | 2.655.118               | 19.972.252               | 785.950                      | 13.406.813               | <b>41.619.743</b>        |
| Purchases                  | 0                       | 97.318                  | 1.024.060                | 66.428                       | 740.549                  | <b>1.928.355</b>         |
| Sales                      | 0                       | (23)                    | (26.349)                 | (20.906)                     | (12.151)                 | <b>(59.429)</b>          |
| Disposals                  | 0                       | (26.121)                | (807.917)                | (102.507)                    | (626.026)                | <b>(1.562.571)</b>       |
| <b>31.12.2008</b>          | <b><u>4.799.610</u></b> | <b><u>2.726.292</u></b> | <b><u>20.162.046</u></b> | <b><u>728.965</u></b>        | <b><u>13.509.185</u></b> | <b><u>41.926.098</u></b> |
| <b><u>Depreciation</u></b> |                         |                         |                          |                              |                          |                          |
| 1.1.2008                   | 0                       | 2.109.245               | 15.126.320               | 564.847                      | 12.105.635               | <b>29.906.047</b>        |
| For the period             | 0                       | 129.610                 | 1.063.133                | 76.425                       | 799.003                  | <b>2.068.171</b>         |
| Disposals                  | 0                       | (26.143)                | (833.929)                | (123.413)                    | (558.347)                | <b>(1.541.832)</b>       |
| <b>31.12.2008</b>          | <b><u>0</u></b>         | <b><u>2.212.712</u></b> | <b><u>15.355.524</u></b> | <b><u>517.859</u></b>        | <b><u>12.346.291</u></b> | <b><u>30.432.386</u></b> |
| <b>N.B.V.</b>              |                         |                         |                          |                              |                          |                          |
| <b>31.12.2008</b>          | <b><u>4.799.610</u></b> | <b><u>513.580</u></b>   | <b><u>4.806.522</u></b>  | <b><u>211.106</u></b>        | <b><u>1.162.894</u></b>  | <b><u>11.493.712</u></b> |
| <b>2009</b>                |                         |                         |                          |                              |                          |                          |
| <b><u>Cost</u></b>         |                         |                         |                          |                              |                          |                          |
| 1.1.2009                   | 4.799.610               | 2.726.292               | 20.162.046               | 728.965                      | 13.509.185               | <b>41.926.098</b>        |
| Purchases                  | 0                       | 40.650                  | 915.348                  | 0                            | 1.040.304                | <b>1.996.302</b>         |
| Sales                      | 0                       | 0                       | (6.300)                  | 0                            | (6.422)                  | <b>(12.722)</b>          |
| Disposals                  | 0                       | 0                       | (771.186)                | 0                            | (194.702)                | <b>(965.888)</b>         |
| <b>31.12.2009</b>          | <b><u>4.799.610</u></b> | <b><u>2.766.942</u></b> | <b><u>20.299.908</u></b> | <b><u>728.965</u></b>        | <b><u>14.348.365</u></b> | <b><u>42.943.790</u></b> |
| <b><u>Depreciation</u></b> |                         |                         |                          |                              |                          |                          |
| 1.1.2009                   | 0                       | 2.212.712               | 15.355.524               | 517.859                      | 12.346.291               | <b>30.432.386</b>        |
| for the period             | 0                       | 96.763                  | 1.129.677                | 75.302                       | 1.134.877                | <b>2.436.619</b>         |
| Sales                      | 0                       | 0                       | (772.669)                | 0                            | (199.580)                | <b>(972.249)</b>         |
| <b>31.12.2009</b>          | <b><u>0</u></b>         | <b><u>2.309.475</u></b> | <b><u>15.712.532</u></b> | <b><u>593.161</u></b>        | <b><u>13.281.588</u></b> | <b><u>31.896.756</u></b> |
| <b>N.B.V.</b>              |                         |                         |                          |                              |                          |                          |
| <b>31.12.2009</b>          | <b><u>4.799.610</u></b> | <b><u>457.467</u></b>   | <b><u>4.587.376</u></b>  | <b><u>135.804</u></b>        | <b><u>1.066.777</u></b>  | <b><u>11.047.034</u></b> |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

Investments are stated at cost as follows:

**GROUP**

|                           |           | 31/12/2009            | %            | 31/12/2008            | %            |
|---------------------------|-----------|-----------------------|--------------|-----------------------|--------------|
|                           |           |                       | Shareholding |                       | Shareholding |
| Logos (Cyprus)            | <b>a.</b> | 438.596               | 25           | 438.596               | 25           |
| Television Royalties S.A. | <b>b.</b> | 1.200                 | 1            | 1.200                 | 1            |
| Digital Provider S.A      | <b>c.</b> | <u>250.000</u>        | 14,29        | <u>---</u>            | -            |
|                           |           | <u><b>689.796</b></u> |              | <u><b>439.796</b></u> |              |

**Main activities:**

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

The size of the investment.

The nil participation in the net worth at the time of the acquisition.

The finalisation data (Revenues and Costs) of Logos from TV only.

The financial results of Logos (TV only)

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

**b. TELEVISION ROYALTIES S.A.:** Is a new established company, the purpose of which is the protection of the affiliated royalties.

**c. DIGITAL PROVIDER S,A.** The company “Digital Provider A.E.” was established in the year 2009, together with other six companies (equal participation). The main activity of the company is the development of earth digital transmitter, including technical services, installation and support for these services.

**COMPANY**

|                           | <u>31/12/2009</u> | %                   | <u>31/12/2008</u> | %                   |
|---------------------------|-------------------|---------------------|-------------------|---------------------|
|                           |                   | <u>Shareholding</u> |                   | <u>Shareholding</u> |
| Teletypos Cyprus Ltd      | 1.026.000         | 100                 | 1.026.000         | 100                 |
| Logos (Cyprus)            | 0                 | 0                   | 438.596           | 25                  |
| Television Royalties S.A. | 1.200             | 1                   | 1.200             | 1                   |
| ΨΗΦΙΑΚΟΣ ΠΑΡΟΧΟΣ Α.Ε.     | <u>250.000</u>    | 14,29               | ---               | ---                 |
|                           | <u>1.277.200</u>  |                     | <u>1.465.796</u>  |                     |

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

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

**17. Other financial assets**

|                         | <u>GROUP</u>          |                       | <u>COMPANY</u>        |                       |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                         | <u>31/12/2009</u>     | <u>31/12/2008</u>     | <u>31/12/2009</u>     | <u>31/12/2008</u>     |
| <b>Guarantee given:</b> |                       |                       |                       |                       |
| Rent                    | 421,822               | 396,604               | 421,822               | 396,604               |
| Hertz (car rental)      | 42,615                | 38,705                | 42,615                | 38,705                |
| Electricity Power       | 16,535                | 15,875                | 16,535                | 15,875                |
| EBU (4 lines)           | 30,600                | 6,000                 | 30,600                | 6,000                 |
| Associated Press        | 1,388                 | 1,388                 | 1,388                 | 1,388                 |
| Attiki Road             | 1,500                 | 1,500                 | 1,500                 | 1,500                 |
| Other financial assets  | 59                    | 59                    | 59                    | 59                    |
|                         | <b><u>514,519</u></b> | <b><u>460,131</u></b> | <b><u>514,519</u></b> | <b><u>460,131</u></b> |

**18. Trade and other receivables**

|   | <u>GROUP</u>             |                          | <u>COMPANY</u>           |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | <u>31/12/2009</u>        | <u>31/12/2008</u>        | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| Clients (1)   | 25,298,535               | 29,426,593               | 25,052,229               | 28,973,644               |
| Cheques receivable  | 2,606,124                | 5,509,639                | 2,606,124                | 5,509,639                |
| Cheques overdue (protested)   | 1,307,217                | 1,226,677                | 1,307,217                | 1,226,677                |
| Prepayment of income tax and<br>other receivables from Greek Government | 8,885,799                | 9,141,168                | 8,885,800                | 9,141,168                |
| Shares of listed company (2)  | 142,817                  | 109,558                  | 142,817                  | 109,558                  |
| V.A.T.  | 2,796,483                | 3,528,051                | 2,796,483                | 3,516,375                |
| Advances on account   | 14,820                   | 79,781                   | 14,820                   | 79,781                   |
| Settlement stamp  | 116,886                  | 116,886                  | 116,886                  | 116,886                  |
| Other debtors   | 1,463,059                | 1,935,067                | 1,230,167                | 1,174,417                |
| <b>Minus:</b> Provision for doubtful debts and<br>overdue cheques       | (3,523,275)              | (3,933,914)              | (3,523,275)              | (3,933,914)              |
|   | <b><u>39,108,465</u></b> | <b><u>47,139,506</u></b> | <b><u>38,629,268</u></b> | <b><u>45,914,231</u></b> |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

- (1) Bank letters of guarantee of € 147.875 (31/12/2009) were received as a security of receivables.
- (2) Valuation shares (19.564 shares) of a company listed in the Greek stock exchange under the name of “GREEK STOCK EXCHANGE S.A.” which is valued at the closing market price at 31.12.2009 (Euro 7,30 per share).

**19. Receivables - Associated companies**

**COMPANY**

|                      | <b><u>31/12/2009</u></b> | <b><u>31/12/2008</u></b> |
|----------------------|--------------------------|--------------------------|
| Teletypos Cyprus Ltd | 3,438.596                | 23.000.000               |

In the first semester of 2009 ‘Teletypos Cyprus Ltd’ paid dividend of 23.000.000 euro to the parent company. This was decided at the G.M. of 31/12/2008.

The General Meeting of Teletypos Cyprus Ltd, which is a 100%, owned subsidiary, at 31/12/2009 decided the distribution of dividend € 3.000.000.

**GROUP**

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

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

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

**20. Deferred taxes**

**GROUP/COMPANY**

|                              | <u>31/12/2009</u> | <u>31/12/2008</u> |
|------------------------------|-------------------|-------------------|
| Deferred tax liabilities     | (791,505)         | (439,875)         |
| Deferred tax assets          | 2,955,083         | 2,434,968         |
|                              | <b>2,163,578</b>  | <b>1,995,093</b>  |
| Deferred tax analysis:       |                   |                   |
|                              | <u>31/12/2009</u> | <u>31/12/2008</u> |
| At 1st January               | 1,995,093         | 1,645,638         |
| Deferred tax for the period: | 176,800           | 259,461           |
|                              | (8,315)           | 89,994            |
|                              | <b>2,163,578</b>  | <b>1,995,093</b>  |

Deferred tax assets/liabilities are related to:

| <u>Group/Company</u>                             | Intangible<br>assets<br>Preliminary<br>expenses | Provisions       | Unrealized<br>exchange<br>differences | Valuation reserves<br>on listed<br>securities | Total            |
|--|---|------------------|---------------------------------------|---|------------------|
| Balance as 1st January, 2008                     | 5,538   | 1,795,697        | (38,213)                              | (117,384)                                     | <b>1,645,638</b> |
| Plus: Charge to income statement<br>for the year | (5,538)   | 280,562          | (15,563)                              | 0   | <b>259,461</b>   |
|  | 0   | 0                | 0                                     | 89,994  | <b>89,994</b>    |
| <b>Balance as 31st December 2008</b>             | <b>0</b>  | <b>2,076,259</b> | <b>(53,776)</b>                       | <b>(27,390)</b>                               | <b>1,995,093</b> |
| Plus: Charge to income statement<br>for the year | 0   | 156,738          | 20,062                                | 0   | <b>176,800</b>   |
| Recognised directly in equity                    | 0   | 0                | 0                                     | (8,315)                                       | <b>(8,315)</b>   |
| <b>Balance 31st December, 2009</b>               | <b>0</b>  | <b>2,232,997</b> | <b>(33,714)</b>                       | <b>(35,705)</b>                               | <b>2,163,578</b> |

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

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

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

| <u>GROUP/COMPANY</u> | <u>GROUP</u>             |                          | <u>COMPANY</u>           |                          |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                      | <u>31/12/2009</u>        | <u>31/12/2008</u>        | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| Film rights          | 29.988.401               | 28.301.721               | 29.988.401               | 28.301.721               |
| Receivable income    | 45.604                   | 0                        | 0                        | 0                        |
| Prepaid expenses     | 96.948                   | 134.569                  | 96.948                   | 134.569                  |
|                      | <u><b>30.130.953</b></u> | <u><b>28.436.290</b></u> | <u><b>30.085.349</b></u> | <u><b>28.436.290</b></u> |

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

**22. Cash and cash equivalent**

|              | <u>Group</u>             |                          | <u>Company</u>           |                         |
|--------------|--------------------------|--------------------------|--------------------------|-------------------------|
|              | <u>31/12/2009</u>        | <u>31/12/2008</u>        | <u>31/12/2009</u>        | <u>31/12/2008</u>       |
| Cash         | 14.816                   | 25.979                   | 14.816                   | 25.979                  |
| Cash in bank | 44.432.619               | 62.504.512               | 11.483.772               | 7.306.062               |
|              | <u><b>44.447.435</b></u> | <u><b>62.530.491</b></u> | <u><b>11.498.588</b></u> | <u><b>7.332.041</b></u> |

**23. Share capital**

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

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

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

**23. Share capital (cont)**

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

31/12/2008 € 5,92 και € 5,26

31/12/2009 € 4,84 και € 4,31

**23(a)** The share premium is the difference between the nominal value of the shares and the value at which they were issued and were listed to the Stock Exchange in 1994 and 1999.

**23(b)** The G.M. of the 23<sup>rd</sup> of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization of **a)** 1.489.534,26 euro a revaluation reserve **b)** 1.561.875,00 euro share premium **c)** 72.340,74 through tax paid reserves on the issue of three million one hundred twenty three thousands seven hundred and fifty (3.123.750) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held.

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

**23(c)** The G.M. of the 15th of May 2009 decided to increase the share capital by three million four hundred thirty six thousands one hundred and twenty five (3.436.125) euros through capitalization **a)** 3.383.002,12 euro tax paid reserves **b)** 53.122,88 euro tax paid reserves by the issue of three million four hundred thirty six thousands one hundred and twenty five (3.436.125) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held.

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

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

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

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

**24. Reserves**

| <u>Group</u>                        | *Statutory<br>Reserves | Revenue<br>reserve | Revaluation<br>reserve | Valuation<br>reserves on<br>listed<br>securities | Total             |
|-------------------------------------|------------------------|--------------------|------------------------|--|-------------------|
| Balance at 1 January, 2008          | 3,865,728              | 7,698,931          | 28,336,752             | 352,152  | 40,253,562        |
| Change in year (note 24a)           | 708,844                | (3,436,125)        | (28,336,752)           | (269,983)  | (31,334,016)      |
| <b>Balance at 31 December, 2008</b> | <b>4,574,572</b>       | <b>4,262,806</b>   | <b>(0)</b>             | <b>82,169</b>                                    | <b>8,919,546</b>  |
| Distribution approval 2007 of G.A.  | 1,528,260              |                    |                        |  | 1,528,260         |
| Translation adjustment (note 24b)   |                        |                    |                        | 24,944   | 24,944            |
| <b>Balance at 31 December, 2009</b> | <b>6,102,832</b>       | <b>4,262,806</b>   | <b>(0)</b>             | <b>107,113</b>                                   | <b>10,472,750</b> |

Company

|                                       | *Statutory<br>Reserves | Revenue<br>reserve | Revaluation<br>reserve | Valuation<br>reserves<br>on listed<br>securities | Total             |
|---------------------------------------|------------------------|--------------------|------------------------|--|-------------------|
| Balance at 1 January, 2008            | 3.865.728              | 7.698.931          |                        | 352.152  | 11.916.810        |
| Change in year (note 24a)             | 708.844                | (3.436.125)        |                        | (269.983)  | (2.997.264)       |
| <b>Balance at 31 December, 2008</b>   | <b>4.574.572</b>       | <b>4.262.806</b>   | <b>0</b>               | <b>82.169</b>                                    | <b>8.919.546</b>  |
| Approval of distribution 2008 by G.A. | 1.528.260              |                    |                        |  | 1.528.260         |
| Share Capital Increase (note 24b)     |                        |                    |                        | 24.944   | 24.944            |
| <b>Balance at 31 December, 2009</b>   | <b>6.102.832</b>       | <b>4.262.806</b>   | <b>0</b>               | <b>107.113</b>                                   | <b>10.472.750</b> |

**24a.** Approval of distribution, from the G.M., of 2007 statutory reserve of 709 thousands euro. Share capital increase of 3.436 thousands euro and corresponding decrease of reserves (note 23c). Change of reserves and valuation of shares of 270 thousands euro. Translation difference of 352 thousands euro that occurred from the adoption of euro as the operation currency in the Cypriot subsidiary Teletypos Cyprus Ltd. Transfer of investment reserves in the earnings of Teletypos Cyprus LTD of 27,985 thousands euro.

**24b.** Valuation of the cost of shares listed on the stock exchange for which a reserve was created previously. The amount of approximately 25 thousand euros represent impairments equivalent to the original reserve.

**24c.** Approval of distribution from the G.M. of reserves of 1,528 thousands euro.

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

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

**25. Long term liabilities**

|  | <u>GROUP</u>             |                          | <u>COMPANY</u>           |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | <u>31/12/2009</u>        | <u>31/12/2008</u>        | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| Debenture loan (25.1)                    | 49.499.000               | 50.000.000               | 49.499.000               | 50.000.000               |
| Guarantees                               | 0                        | 9.088                    | 0                        | 9.088                    |
|  | <u>49.499.000</u>        | <u>50.009.088</u>        | <u>49.499.000</u>        | <u>50.009.088</u>        |
| Provision for retirement benefits (25.2) | 9.432.986                | 8.305.034                | 9.432.986                | 8.305.034                |
|  | <u>9.432.986</u>         | <u>8.305.034</u>         | <u>9.432.986</u>         | <u>8.305.034</u>         |
| <b>Total long term liabilities</b>       | <u><b>58.931.986</b></u> | <u><b>58.314.122</b></u> | <u><b>58.931.986</b></u> | <u><b>58.314.122</b></u> |

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

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

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

**25.1 Debenture loans**

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

|                                      |            | <b>Date of<br/>payment</b> | <b>Long-term<br/>portion</b> | <b>Short-term<br/>portion</b> |
|--------------------------------------|------------|----------------------------|------------------------------|-------------------------------|
| Debenture loan                       | Alpha Bank | 14-March-2011              | 7.500.000                    | 0                             |
| Debenture loan                       | Alpha Bank | 14-Sept-2011               | 7.500.000                    | 0                             |
| Debenture loan                       | Alpha Bank | 14-March-2012              | 7.500.000                    | 0                             |
| Debenture loan                       | Alpha Bank | 14-Sept-2012               | 7.500.000                    | 0                             |
| Debenture loan                       | Alpha Bank | 14-March-2013              | 20.000.000                   | 0                             |
| <b>Total</b>                         |            |                            | <b>50.000.000</b>            | <b>0</b>                      |
| <b>Issuance expenses of the loan</b> |            |                            | <u>(501.000)</u>             |                               |
| <b>Total loans 31/12/2009</b>        |            |                            | <b>49.499.000</b>            |                               |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

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

Retirement indemnities have been calculated by the actuarial company ‘Hewitt Associates’. For the period 1/1-31/12/2009 estimated retirement indemnities are € 1.207.542 and for 2008 are € 1.287.198.

|                                       |            |                         |
|---------------------------------------|------------|-------------------------|
|                                       |            | <b><u>2008</u></b>      |
| Opening provisions                    | 31/12/2007 | 7,182,786               |
| Payments during 2008                  |            | (164,950)               |
| Adjustment of liabilities             | 31/12/2008 | <u>1,287,198</u>        |
| Provision for retirement indemnities  | 31/12/2008 | <b><u>8,305,034</u></b> |
|                                       |            | <b><u>2009</u></b>      |
| Opening provisions                    | 31/12/2008 | 8,305,034               |
| Payments during                       | 2009       | (79,590)                |
| Adjustment of liabilities (provision) | 31/12/2009 | <u>1,207,542</u>        |
| Provision for retirement indemnities  | 31/12/2009 | <b><u>9,432,986</u></b> |

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

|  | <u>GROUP</u>             |                           | <u>COMPANY</u>           |                          |
|--|--------------------------|---------------------------|--------------------------|--------------------------|
|  | <u>31/12/2009</u>        | <u>31/12/2008</u>         | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| <b>26. Trade and other payable</b>           |                          |                           |                          |                          |
| Payables trade                               | 60,065,759               | 65,971,084                | 60,043,367               | 64,509,112               |
| Dividends payable 26.1                       | 52,714                   | 68,882                    | 52,714                   | 68,882                   |
| Advances by customer                         | 2,608,274                | 1,604,955                 | 2,608,274                | 1,604,955                |
| Taxes and duties 26.2                        | 4,429,930                | 23,095,546                | 3,607,303                | 22,272,919               |
| Social security funds                        | 1,208,122                | 1,206,844                 | 1,208,122                | 1,206,844                |
| Other creditors 26.3                         | 4,637,627                | 2,478,635                 | 4,637,627                | 2,478,635                |
| Accruals 26.4                                | 7,122,634                | 11,915,417                | 869,349                  | 3,042,132                |
| <b>Balance as per books at 31st December</b> | <b><u>80,125,060</u></b> | <b><u>106,341,363</u></b> | <b><u>73,026,756</u></b> | <b><u>95,183,479</u></b> |
| <b>26.1. Dividends payable</b>               |                          |                           |                          |                          |
|  | <u>31/12/2009</u>        | <u>31/12/2008</u>         | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| Balance at 1 January                         | 68,882                   | 165,322                   | 68,882                   | 165,322                  |
| Plus: Approved dividends for the year 2007   | 0                        | 8,590,313                 | 0                        | 8,590,313                |
| Plus: Approved dividends for the year 2008   | 25,324,241               | 0                         | 25,324,241               | 0                        |
| Less: Dividends paid during the year         | (25,340,409)             | (8,686,753)               | (25,340,409)             | (8,686,753)              |
| <b>Dividends payable 31st December</b>       | <b><u>52,714</u></b>     | <b><u>68,882</u></b>      | <b><u>52,714</u></b>     | <b><u>68,882</u></b>     |
| <b>26.2. Taxes and duties</b>                |                          |                           |                          |                          |
|  | <u>Group</u>             |                           | <u>Company</u>           |                          |
|  | <u>31/12/2009</u>        | <u>31/12/2008</u>         | <u>31/12/2009</u>        | <u>31/12/2008</u>        |
| Broadcasting licence fees                    | 672,288                  | 4,613,594                 | 672,288                  | 4,613,594                |
| Income tax (note 3. 8)                       | 0                        | 15,960,915                | 0                        | 15,960,915               |
| Staff Taxes and Duties                       | 820,962                  | 1,410,636                 | 820,962                  | 1,410,636                |
| Dividend withholding tax                     | 822,627                  | 822,627                   | 0                        | 0                        |
| Addition income tax                          | 1,928,542                | 0                         | 1,928,542                | 0                        |
| Other withholding taxes                      | 184,584                  | 286,731                   | 184,584                  | 286,731                  |
| V.A.T.                                       | 0                        | 0                         | 0                        | 0                        |
| Advertising stamp Duty L. 2328/95            | 927                      | 1,043                     | 927                      | 1,043                    |
| <b>Balance as per books at 31st December</b> | <b><u>4,429,930</u></b>  | <b><u>23,095,546</u></b>  | <b><u>3,607,303</u></b>  | <b><u>22,272,919</u></b> |

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

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

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

|  | <u>GROUP</u>            |                         | <u>COMPANY</u>          |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <u>31/12/2009</u>       | <u>31/12/2008</u>       | <u>31/12/2009</u>       | <u>31/12/2008</u>       |
| <b>26.3. Other creditors</b>                 |                         |                         |                         |                         |
| Staff wages                                  | 0                       | 9,761                   | 0                       | 9,761                   |
| Third parties fees                           | 250,645                 | 465,342                 | 250,645                 | 465,342                 |
| Checks payables *                            | 3,166,306               | 1,340,890               | 3,166,306               | 1,340,890               |
| Sundry creditors                             | 20,676                  | 531,509                 | 20,676                  | 531,509                 |
| Distribution of earnings to personnel        | 1,200,000               | 131,133                 | 1,200,000               | 131,133                 |
| <b>Balance as per books at 31st December</b> | <b><u>4,637,627</u></b> | <b><u>2,478,635</u></b> | <b><u>4,637,627</u></b> | <b><u>2,478,635</u></b> |

\* Cheques payable not presented to the banks as at 31/12/09

|  | <u>GROUP</u>            |                          | <u>COMPANY</u>        |                         |
|--|-------------------------|--------------------------|-----------------------|-------------------------|
|  | <u>31/12/2009</u>       | <u>31/12/2008</u>        | <u>31/12/2009</u>     | <u>31/12/2008</u>       |
| <b>26.4. Accrued expenses</b>                |                         |                          |                       |                         |
| Interest and similar charges                 | 82,674                  | 180,275                  | 82,674                | 180,275                 |
| Royalties                                    | 647,082                 | 617,398                  | 647,082               | 617,398                 |
| Third parties fees                           | 224,363                 | 33,225                   | 24,363                | 33,225                  |
| Board of Directors remuneration              | 24,000                  | 24,000                   | 24,000                | 24,000                  |
| Staff wages                                  | 0                       | 1,500,000                | 0                     | 1,500,000               |
| Programme cost                               | 77,000                  | 602,000                  | 77,000                | 602,000                 |
| Film rights                                  | 14,230                  | 85,234                   | 14,230                | 85,234                  |
| Guarantees for sale of investment            | 6,053,285               | 8,873,285                | 0                     | 0                       |
| <b>Balance as per books at 31st December</b> | <b><u>7,122,634</u></b> | <b><u>11,915,417</u></b> | <b><u>869,349</u></b> | <b><u>3,042,132</u></b> |

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

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

**27. Short-term borrowings**

**Bank overdrafts**

| <u>GROUP/COMPANY</u>    | <u>31/12/2009</u>        |                            | <u>31/12/2008</u>         |                            |
|-------------------------|--------------------------|----------------------------|---------------------------|----------------------------|
|                         | <b>Credit<br/>limit</b>  | <b>Amount<br/>withdraw</b> | <b>Credit<br/>limit</b>   | <b>Amount<br/>withdraw</b> |
| NATIONAL BANK OF GREECE | 6.000.000                | 1.325.675                  | 12.000.000                | 1.106                      |
| COMMERCIAL BANK         | 15.500.000               | 5.876.739                  | 15.500.000                | 48.212                     |
| ALPHA BANK              | 10.000.000               | 3.646.893                  | 12.700.000                | 2.580.600                  |
| PIRAEUS BANK            | 5.000.000                | 2.156.957                  | 5.000.000                 | 1.181.709                  |
| MARFIN - EGNATIA BANK   | 10.000.000               | 10.000.000                 | 10.000.000                | 0                          |
| BANK OF ATTICA          | 0                        | 0                          | 4.000.000                 | 0                          |
| MILLENNIUM BANK         | 6.000.000                | 0                          | 6.000.000                 | 0                          |
| BANK OF CYPRUS          | 6.000.000                | 6.000.000                  | 6.000.000                 | 0                          |
| H S B C                 | 0                        | 0                          | 3.000.000                 | 0                          |
| EFG EUROBANK - ERGASIAS | 20.700.000               | 10.000.000                 | 17.500.000                | 0                          |
| PANELLINIA BANK         | 0                        | 0                          | 10.000.000                | 0                          |
| HELLENIC BANK           | 0                        | 0                          | 5.000.000                 | 0                          |
|                         | <b><u>79.200.000</u></b> | <b><u>39.006.264</u></b>   | <b><u>106.700.000</u></b> | <b><u>3.811.627</u></b>    |

Interest rate of short term bank loans for the period fluctuated from 2,80% to 4,00%.

**28. Issued Shares**

| <u>COMPANY</u>                       | <u>Number<br/>of shares</u> | <u>Period</u> | <u>Adjusted number<br/>of shares</u> |
|--------------------------------------|-----------------------------|---------------|--------------------------------------|
| <b><u>2008</u></b>                   |                             |               |                                      |
| 1 <sup>st</sup> January – 31.12.2008 | <u>37,797,375</u>           | 12/12         | <u>37,797,375</u>                    |
| <b><u>2009</u></b>                   |                             |               |                                      |
| 1 <sup>st</sup> January – 31.12.2009 |                             |               |                                      |
| Adjusted number<br>of shares         | <u>37,797,375</u>           | 12/12         | <u>37,797,375</u>                    |

**GROUP**

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

## 29. Earnings per Share

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

|                                     | <u>GROUP</u>          |                      | <u>COMPANY</u>        |                      |
|-------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
|                                     | 31/12/2009            | 31/12/2008           | 31/12/2009            | 31/12/2008           |
| Profit for the year after taxes     | (1.579.032)           | 42.408.238           | (2.688.535)           | 26.184.222           |
| Weighted average shares outstanding | 37.797.375            | 37.797.375           | 37.797.375            | 37.797.375           |
| Earnings per share in Euro          | <u><u>-0,0418</u></u> | <u><u>1,1220</u></u> | <u><u>-0,0711</u></u> | <u><u>0,6928</u></u> |

## 30. Financial instruments

### 30.1. Significant accounting policies

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

| Categories of financial instruments               | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 31.12.2009         | 31.12.2008         | 31.12.2009         | 31.12.2008         |
| <b>Financial Assets</b>                           |                    |                    |                    |                    |
| Receivables (including cash and cash equivalents) | <u>83.413.083</u>  | <u>109.560.439</u> | <u>53.423.635</u>  | <u>76.136.714</u>  |
| Available-for-sale financial assets               | <u>142.817</u>     | <u>109.558</u>     | <u>142.817</u>     | <u>109.558</u>     |
| <b>Financial Liabilities</b>                      |                    |                    |                    |                    |
| Carrying amounts of payables (including loans)    | <u>178.063.310</u> | <u>173.467.112</u> | <u>170.965.006</u> | <u>162.309.228</u> |

**TELETYPOS TELEVISION PROGRAMMES S.A.**

**“MEGA CHANNEL - GREECE”**

**Notes to the consolidated and separate financial statements in accordance with IFRS**

**31<sup>st</sup> December, 2009**

**(Expressed in Euro)**

**30.2. Fair value of financial instruments**

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

Exceptionally investments in shares of listed companies in the Stock Exchange Market are measured at fair value at the closing date rate in 31/12/2009.

**30.3. Financial risk management objectives**

The management monitors the developments both in the foreign markets and the local markets to take corrective action. These risks include market risk (including monetary risk, interest rate risk and price risk) the credit risk and liquidity risk. The company endeavors to decrease these risks, and primarily interest rate risks through derivatives. The company does not use derivatives for speculation purposes.

**30.4. Market**

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

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

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

**30.5. Interest rate risk management**

The company is exposed to a limited interest rate risk as it borrows long-term funds at floating interest rate. The risk is managed by the group by the use of interest rate swap contracts, which minimise such risk. The contracts are evaluated regularly to ensure effectiveness.

**Interest rate swap agreements**

By these contracts the company tries to mitigate the risk of the fluctuating interest rate on the basis of notional amounts.

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

At 31.12.2009 there are two notional interest rate swap agreements of total notional amount of Euro 50.000.000 with a settlement date at 2015. Interest expenses of these contracts are recorded in the statement of comprehensive income. Based on discounted future cash flow the fair value of these two contracts at year end date was approximately nil.

**30.6. Credit risk management**

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

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

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

**30.7. Liquidity risk management**

The company manages liquidity risk by matching the maturity profiles of financial assets and with the effort for maintaining adequate funds available (cash in hand and at banking) and borrowing facilities. The strict follow up of budget is another mean for securing balancing between cash inflow and outflow.

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

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

**31. Contingent liabilities**

- 31.1 Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2005 and forward (note 13).
- 31.2 Letters of guarantee issued by banks: a) USA Dollars 1,537,242 for securing liabilities for foreign programme, b) Euro 1,200,000 for meeting liabilities on behalf of the Greek Football Association (EPIO), 23,750,000 euro for securing liabilities on behalf of UEFA
- 31.3 Claims by third parties for compensation amounting to 20,87 million euros.

The company's lawyers do not expect any significant charges from these claims.

**32. Financial Commitments**

- 32.1 Commitments under agreements of approximately 48,03 million euro for the production of Greek programmes.
- 32.2 Commitments under agreements of approximately 12,70 million euro for foreign programmes.

**Operating lease obligations**

|   |                      |
|---|----------------------|
| Payable next year                       | 2.578.427,00         |
| Payable within the years 2011-2015      | 11.257.667,00        |
| Payable after the five years after 2016 | <u>1.057.269,00</u>  |
|   | <u>14.893.363,00</u> |

**33. Remunerations of the Board of Directors**

|                            | <u>01/01-31/12//2009</u> | <u>01/01-31/12/2008</u> |
|----------------------------|--------------------------|-------------------------|
| Salaries                   | 3.753.056                | 3.202.882               |
| BOD remuneration 2007-2008 | 24.000                   | 24.000                  |

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

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

**34. Related parties transactions**

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

Transactions with related parties are as follows:

|                   | SALES            |                  | PURCHASES         |                   |
|-------------------|------------------|------------------|-------------------|-------------------|
|                   | 01/01-31/12/09   | 01/01-31/12/08   | 01/01-31/12/09    | 01/01-31/12/08    |
| DOL               | 955,368          | 828,046          | 6,615             | 9,602             |
| PHGASOS           | 777,417          | 1,508,837        | 9,566             | 18,416            |
| ANOSI S.A.        | 0                | 0                | 13,523,512        | 10,694,767        |
| ATA S.A.          | 0                | 0                | 13,301,014        | 12,254,937        |
| O LOGOS           | 45,517           | 2,174            | 0                 | 0                 |
| TELETYPOS CYPRUS* | 0                | 0                | 1,976,700         | 1,992,000         |
| <b>TOTAL</b>      | <b>1,778,302</b> | <b>2,339,057</b> | <b>28,817,407</b> | <b>24,969,722</b> |

|                               | RECEIVABLES      |                   | PAYABLES           |                    |
|-------------------------------|------------------|-------------------|--------------------|--------------------|
|                               | 01/01-31/12/09   | 01/01-31/12/08    | 01/01-31/12/09     | 01/01-31/12/08     |
| DOL                           | 677,294          | 404,475           | -1,566             | -3,752             |
| PHGASOS                       | 518,598          | 921,385           | -2,388             | -3,814             |
| ANOSI S.A.                    | 0                | 0                 | -7,414,545         | -4,960,109         |
| ATA S.A.                      | 0                | 0                 | -5,951,265         | -4,730,683         |
| O LOGOS                       | 50               | 1,675             | 0                  | 0                  |
| TELETYPOS CYPRUS (dividends)* | 3,000,000        | 23,000,000        | 0                  | 0                  |
| TELETYPOS CYPRUS*             | 0                | 0                 | -1,576,700         | -992,000           |
| <b>TOTAL</b>                  | <b>4,195,942</b> | <b>24,327,535</b> | <b>-14,946,464</b> | <b>-10,690,358</b> |

\*These above amounts were eliminated on consolidation.

Transactions with related parties are in accordance with the usual transaction and pricing policy of the company. Receivables/Payables are not secured by any guarantee. They are settled according to the company's credit policy. There was no need to provide for any doubtful debt.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2009**  
**(Expressed in Euro)**

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

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

**36. Approval of financial statements**

The financial statements have been approved by the BoD at the 19th of January 2010.

Athens, 19 January 2010

President of Board of Directors  
& Managing Director

Elias E. Tsigas  
Ξ 414434

Financial Controller

Athanasios G. Andreoulis  
Φ 064116

Member of Board of Directors

Georgios C. Aidinis  
H 355263

Chief Accountant

Vasilios A. Kritikos  
X 575439

## E. BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR 2009



TELETYPOS TELEVISION PROGRAMMES S.A.

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

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

BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR  
from January 1st, 2009 to December 31st, 2009

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

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

Responsible Prefecture: Prefecture of Athens

Website address: www.megatv.com

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

Approval date of the annual financial statements by the Board of Directors: January 19, 2010

Certified Auditor-Accountant: Stylianos Kourtellos

Auditing Company: MOORE STEPHENS S.A.

Type of Auditor-Accountants' audit report: In agreement

| BALANCE SHEET INFORMATION (Amounts in thousands of euro)   |                |                |                | CASH FLOW STATEMENT INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro) |  |                 |                 |                 |                |
|--|----------------|----------------|----------------|--|--|-----------------|-----------------|-----------------|----------------|
|  | GROUP          |                | COMPANY        |  | GROUP  |                 | COMPANY         |                 |                |
|  | 31/12/2009     | 31/12/2008     | 31/12/2009     | 31/12/2008   | 1/01-31/12/2009  | 1/01-31/12/2008 | 1/01-31/12/2009 | 1/01-31/12/2008 |                |
| <b>ASSETS</b>  |                |                |                |  |  |                 |                 |                 |                |
| Ownership tangible fixed Assets  | 6.247          | 6.694          | 6.247          | 6.694  |  |                 |                 |                 |                |
| Investments in real estate   | 4.800          | 4.800          | 4.800          | 4.800  | Profit / (loss) before taxation  | 679             | 55.260          | -602            | 38.824         |
| Intangible fixed Assets  | 151.663        | 149.546        | 151.663        | 149.546  | Plus / minus adjustments for:  |                 |                 |                 |                |
| Other noncurrent Assets  | 3.368          | 2.995          | 3.955          | 3.921  | Depreciation and amortization  | 84.332          | 82.314          | 84.332          | 82.314         |
| Inventories  | 380            | 386            | 380            | 386  | Provisions   | 923             | 3.390           | 718             | 3.390          |
| Trade receivables  | 26.678         | 33.218         | 26.431         | 32.765   | Exchange differences   | -63             | -121            | -63             | -122           |
| Short-term claims against associated companies   | 0              | 0              | 3.439          | 23.000   | Results (revenues, expenses, gains and losses) from investing activities                               | -1.793          | -40.100         | -3.111          | -23.009        |
| Other current Assets   | 87.009         | 104.888        | 63.792         | 48.917   | Interest and similar charges   | 5.100           | 6.875           | 5.098           | 6.687          |
| Noncurrent Assets intended for sale  | 0              | 0              | 0              | 0  | Plus / minus adjustments for changes in working capital accounts or connected to operating activities: |                 |                 |                 |                |
| <b>TOTAL ASSETS</b>  | <b>280.145</b> | <b>302.427</b> | <b>250.697</b> | <b>270.029</b>   | Decrease in stock of spares and consumables  | 6               | 26              | 6               | 26             |
|  |                |                |                |  | (Increase) / Decrease in prepaid programme rights  | -1.649          | 3.510           | -1.649          | 3.510          |
| <b>EQUITY &amp; LIABILITIES</b>  |                |                |                |  | Decrease in trade and other receivables  | 7.733           | 751             | 6.971           | 4.823          |
| Share Capital  | 37.797         | 37.797         | 37.797         | 37.797   | (Increase) in log-term receivables (Guarantee given)   | -54             | -7              | -54             | -7             |
| Other elements of Equity   | 64.285         | 91.163         | 41.935         | 69.923   | (Decrease) / Increase in current liabilities (apart from loans)  | -14.329         | 827             | -10.504         | -3.474         |
| Total Equity of parent company's owners (a)  | 102.082        | 128.960        | 79.732         | 107.720  | Interest and similar charges paid  | -5.198          | -6.887          | -5.196          | -6.879         |
| Minority interest (b)  | 0              | 0              | 0              | 0  | Income tax paid  | -16.196         | -8.499          | -15.961         | -8.330         |
| Total Equity (c) = (a) + (b)   | 102.082        | 128.960        | 79.732         | 107.720  | <b>Net cash flow from operating activities (a)</b>   | <b>59.491</b>   | <b>97.139</b>   | <b>59.985</b>   | <b>97.733</b>  |
| Long-term borrowings   | 49.499         | 50.000         | 49.499         | 50.000   | <b>Investing activities</b>  |                 |                 |                 |                |
| Provisions / Other long-term liabilities   | 9.433          | 9.314          | 9.433          | 9.314  | Investments in subsidiaries, affiliates, cooperations and other  | -250            | -1              | -250            | -1             |
| Short-term borrowings  | 39.006         | 8.812          | 39.006         | 8.812  | Sale of subsidiaries, affiliates, cooperations and other   | 0               | 53.870          | 0               | 458            |
| Other short-term liabilities   | 80.125         | 106.341        | 73.027         | 95.183   | Purchase of tangible and intangible fixed assets   | -86.009         | -91.754         | -86.009         | -91.754        |
| Liabilities related to Noncurrent Assets intended for sale   | 0              | 0              | 0              | 0  | Amount received from sale of tangible and intangible fixed assets                                      | 13              | 59              | 13              | 59             |
| Total Liabilities (d)  | 178.063        | 173.467        | 170.965        | 162.309  | Interest received  | 1.786           | 1.199           | 1.004           | 15             |
| <b>TOTAL EQUITY &amp; LIABILITIES (c) + (d)</b>  | <b>280.145</b> | <b>302.427</b> | <b>250.697</b> | <b>270.029</b>   | Dividends received   | 0               | 15              | 23.000          | 15             |
|  |                |                |                |  | <b>Net cash flow from investing activities (b)</b>   | <b>-84.460</b>  | <b>-36.612</b>  | <b>-62.704</b>  | <b>-91.666</b> |
| <b>TOTAL REVENUES INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)</b>                 |                |                |                |  | <b>Financing activities</b>  |                 |                 |                 |                |
|  |                |                |                |  | Amount received from issued loans  | 35.195          | 2.500           | 35.195          | 2.500          |
| Revenue  | 139.380        | 168.948        | 139.180        | 168.072  | Amount paid to loans   | -5.501          | -183            | -5.501          | -183           |
| Gross profit / (loss)  | 13.516         | 37.680         | 13.412         | 37.413   | Dividends paid   | -22.808         | -8.687          | -22.808         | -8.687         |
| Earnings before Interest, Taxes, and Investing results   | 3.987          | 21.536         | 1.385          | 21.659   | <b>Net cash flow from financing activities (c)</b>   | <b>6.886</b>    | <b>-6.370</b>   | <b>6.886</b>    | <b>-6.870</b>  |
| Earnings / (loss) before Taxes   | 670            | 55.260         | 602            | 38.824   | (Decrease) / Increase in net liquid funds of the full year (a)-(b)+(c)                                 | <b>-18.083</b>  | <b>54.157</b>   | <b>4.167</b>    | <b>-303</b>    |
| (Loss) / earnings after Taxes (A)  | -1.579         | 42.408         | -2.689         | 26.184   | Cash and cash equivalents at the beginning of the full year  | <b>62.530</b>   | <b>8.373</b>    | <b>7.332</b>    | <b>7.635</b>   |
| -Parent company's owners   | -1.579         | 42.408         | -2.689         | 26.184   | <b>Cash and cash equivalents at the end of the full year</b>   | <b>44.447</b>   | <b>62.530</b>   | <b>11.499</b>   | <b>7.332</b>   |
| -Minority Interest   | 0              | 0              | 0              | 0  |  |                 |                 |                 |                |
| Other total Revenues after Taxes (B)   | 25             | -28.683        | 25             | -270   |  |                 |                 |                 |                |
| Added total Revenues after Taxes (A) + (B)   | -1.554         | 13.725         | -2.664         | 25.914   |  |                 |                 |                 |                |
| -Parent company's owners   | -1.554         | 13.725         | -2.664         | 25.914   |  |                 |                 |                 |                |
| -Minority Interest   | 0              | 0              | 0              | 0  |  |                 |                 |                 |                |
| (Loss) / earnings after Taxes per share (in euro)  | -0.0418        | 1,1220         | -0,0711        | 0,6928   |  |                 |                 |                 |                |
| Proposed dividend per share (in euro)  | -              | -              | 0,00           | 0,67   |  |                 |                 |                 |                |
| Earnings before Interest, Taxes, Depreciation, Amortization, and Investing results                 | 88.319         | 104.150        | 85.718         | 103.974  |  |                 |                 |                 |                |
| <b>STATEMENT OF CHANGES IN EQUITY INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)</b> |                |                |                |  |  |                 |                 |                 |                |
|  |                |                |                |  |  |                 |                 |                 |                |
| Total Equity at the beginning of the full year (1.1.2009 and 1.1.2008 respectively)                | 128.960        | 124.749        | 107.720        | 91.320   |  |                 |                 |                 |                |
| Added total Revenues after Taxes   | -1.554         | 13.725         | -2.664         | 25.914   |  |                 |                 |                 |                |
| Increase in share capital  | 0              | 0              | 0              | 0  |  |                 |                 |                 |                |
| Distributed dividends  | -25.324        | -8.590         | -25.324        | -8.590   |  |                 |                 |                 |                |
| Distribution of earnings to personnel and BOD remuneration   | 0              | -924           | 0              | -924   |  |                 |                 |                 |                |
| Purchase / (sale) of treasury stock  | 0              | 0              | 0              | 0  |  |                 |                 |                 |                |
| <b>Total Equity at the end of the full year (31.12.2009 and 31.12.2008 respectively)</b>           | <b>102.082</b> | <b>128.960</b> | <b>79.732</b>  | <b>107.720</b>   |  |                 |                 |                 |                |

## ADDITIONAL DATA AND INFORMATION

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 644 persons on 31/12/2009 and 652 persons on 31/12/2008. The subsidiary company does not have personnel.
- Customer rebates of the parent company amount to 11.395 and 13.716 thousand euros for the full year 2009 and 2008 respectively.
- Broadcasting licence fees of the parent company amount to 168 and 3.806 thousand euros for the full year 2009 and 2008 respectively, despite the appeal, by the parent company, against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The financial years of the parent and subsidiary company that have not been examined by the tax authorities are stated in notes 31.1 and 13, respectively, of the annual financial statements.
- From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:

|   | Group      | Company    |
|---|------------|------------|
| a) Revenues                                   | 1.778.302  | 1.778.302  |
| b) Expenses                                   | 26.840.707 | 28.817.407 |
| c) Receivables                                | 1.195.942  | 4.195.942  |
| d) Liabilities                                | 13.399.754 | 14.946.454 |
| e) Compensation to executives and management  | 3.777.056  | 3.777.056  |
| f) Receivables from executives and management | -          | -          |
| g) Liabilities to executives and management   | -          | -          |

The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.

8. Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus. Details about the subsidiary company are stated in notes 1 and 16 of the annual financial statements.

9. On November 26, 2009, the BOD of the parent company determined the transfer of the 25% participation in the Cypriot company "LOGOS" to "TELETYPOS CYPRUS LTD".

10. The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its earnings only (note 16a of the annual financial statements).

11. The fiscal period of the consolidated companies has not been modified.

12. Other total Revenues after Taxes 25 thousand euros (of the group and company) for the full year 2009 concern valuation of shares listed in the Athens Stock Exchange.

This change of 25 thousand euros is estimated at an equal amount the reserve and the other assets (shares of listed company).

Other total Revenues after Taxes 28.683 thousand euros (of the group), 270 thousand euros (of the company) for the full year 2008 concern:

a. Exchange difference 428 thousand euros caused by the obligatory adoption of euro as operating currency by the Cypriot subsidiary TELETYPOS CYPRUS LTD.

b. Sale of affiliated company of the group at the value of 27.985 thousand euros (difference between fair value and acquisition cost).

c. Valuation of shares listed in the Athens Stock Exchange. This change of 270 thousand euros impaired at an equal amount the reserve and the other assets (shares of listed company).

13. The amount of the provisions that have been occurred in the following cases are:

|  | Group     | Company |
|--|-----------|---------|
| - Cases that refer to the above note 5                               | -         | -       |
| - Financial years that have not been examined by the tax authorities | -         | -       |
| - Other provisions   | 6.053.285 | -       |

Other provisions concern contingent expenses of the sale of investment (note 26.4 of the annual financial statements).

14. There is no change in the method of consolidation of the 100% subsidiary TELETYPOS CYPRUS LTD in the consolidated financial statements.

15. The financial statements of TELETYPOS S.A. are accounted with the equity method in the consolidated financial statements of the following companies:

a) "PEGASUS PUBLISHING S.A." established in Greece and ownership of 26,82%.

b) "LAMBRAKIS PRESS S.A." established in Greece and ownership of 22,11%.

16. The General Shareholders' Meeting dated June 25, 2009 approved distribution of earnings to personnel 1.500.000 euros and BOD remuneration 24.000 euros. These are recognized provisions in the income statement for the full year ended 31/12/2008.

The General Shareholders' Meeting approved also statutory reserve of 1.528.259,52 euros and dividend distribution of 25.324.241,25 euros.

Athens, January 19, 2010

THE PRESIDENT OF BOARD OF DIRECTORS AND MANAGING DIRECTOR

A MEMBER OF BOARD OF DIRECTORS

FINANCIAL CONTROLLER

CHIEF ACCOUNTANT

ELIAS E. TSIGAS  
☐ 414434YIORGOS CHR. AIDINIS  
☐ 355263ATHANASIOS G. ANDREOULIS  
☐ 064116VASILIOS A. KRITIKOS  
☐ 575439

