



forthnet

**INTERIM CONDENSED
FINANCIAL STATEMENTS
(SEPARATE AND CONSOLIDATED)
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
FOR THE PERIOD
(AS ADOPTED BY THE EUROPEAN UNION)
JANUARY 1 –SEPTEMBER 30, 2009
OF HELLENIC COMPANY FOR
TELECOMMUNICATIONS AND
TELEMATIC APPLICATIONS S.A.
(Forthnet S.A.)**

Forthnet S.A.

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

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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

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

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

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

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

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

Athens, November 18, 2009

Deepak Srinivas Padmanabhan

Pantelis Tzortzakis

Ioannis Averof

President of the
Board of Directors

Vice-President
of the Board of Directors and
Chief Executive Officer

Member of the
Board of Directors

**INTERIM CONDENSED
FINANCIAL STATEMENTS
(PARENT COMPANY AND CONSOLIDATED)**

for the nine-month period ended
September 30, 2009

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

	Notes	The Group				The Company			
		01.01- 30.09.2009	01.01- 30.09.2008	01.07- 30.09.2009	01.07- 30.09.2008	01.01- 30.09.2009	01.01- 30.09.2008	01.07- 30.09.2009	01.07- 30.09.2008
Revenues	4	272,046,149	119,128,015	92,087,863	53,493,216	121,370,595	97,342,558	43,193,320	34,413,720
Cost of sales	8	(228,620,095)	(113,401,477)	(78,617,261)	(43,172,587)	(113,641,155)	(99,055,480)	(39,310,868)	(30,623,731)
Gross profit/(loss)		43,426,054	5,726,538	13,470,602	10,320,629	7,729,440	(1,712,922)	3,882,452	3,789,989
Selling and distribution expenses	8	(35,041,447)	(31,015,576)	(12,857,959)	(14,543,265)	(19,105,258)	(27,311,789)	(7,050,331)	(11,411,484)
Administrative expenses	8	(20,619,544)	(8,941,928)	(6,065,688)	(2,120,461)	(7,450,773)	(8,201,459)	(2,327,849)	(1,708,822)
Research and development expenses	8	(1,490,072)	(2,005,136)	(513,935)	(468,349)	(1,490,072)	(2,005,136)	(513,935)	(468,349)
Other income	4	3,580,131	4,248,515	1,125,398	599,518	3,536,342	4,149,395	1,205,550	584,066
Share of profits of associates accounted for under the equity method	10	300	450	150	(150)	-	-	-	-
Financial income	7	1,115,518	1,481,048	195,177	1,158,702	214,440	1,366,180	106,296	1,044,360
Financial expenses	7	(15,113,471)	(5,306,029)	(4,437,396)	(3,409,330)	(2,842,378)	(3,354,434)	(730,054)	(1,544,636)
Loss before income taxes		(24,142,531)	(35,812,118)	(9,083,651)	(8,462,706)	(19,408,259)	(37,070,165)	(5,427,871)	(9,714,876)
Income taxes	9	(905,297)	3,606,091	459,690	(1,572,479)	1,694,398	4,242,980	539,993	1,933,097
Loss after tax (A)		(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Other total comprehensive income after tax (B)		-	-	-	-	-	-	-	-
Total comprehensive income after tax (A)+(B)		(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Loss for the period attributable to:									
Shareholders of the Parent		(24,650,930)	(32,105,529)	(8,441,881)	(9,933,689)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Minority interests		(396,898)	(100,498)	(182,080)	(101,496)	-	-	-	-
		(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Total comprehensive income for the period attributable to:									
Shareholders of the Parent		(24,650,930)	(32,105,529)	(8,441,881)	(9,933,689)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Minority interests		(396,898)	(100,498)	(182,080)	(101,496)	-	-	-	-
		(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)	(17,713,861)	(32,827,185)	(4,887,878)	(7,781,779)
Loss per share (Basic)		(0.1586)	(0.5328)	(0.0543)	(0.0968)	(0.1140)	(0.5431)	(0.0314)	(0.0751)
Weighted Average Number of Shares (Basic)		155,431,324	60,445,515	155,431,324	103,620,883	155,431,324	60,445,515	155,431,324	103,620,883

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

	Notes	The Group		The Company	
		30.09.2009	31.12.2008	30.09.2009	31.12.2008
ASSETS					
Non current assets					
Property, Plant and Equipment	11	246,686,556	230,382,168	177,829,151	153,775,026
Intangible assets	12	243,904,432	269,166,534	13,169,223	15,002,342
Goodwill	10	286,692,695	727,519	512,569	512,569
Provisional goodwill	10	-	285,965,176	-	-
Investments in subsidiaries	10	-	-	289,313,232	289,113,234
Investments in associates accounted under the equity method	10	69,584	69,284	44,500	44,500
Other non-current assets		1,907,589	1,291,429	237,888	240,022
Available for sale financial assets	13	379,877	379,877	330,149	330,149
Programme and film rights	14	-	297,864	-	-
Deferred tax assets		34,723,808	34,092,165	26,141,805	24,162,579
Total non current assets		814,364,541	822,372,016	507,578,517	483,180,421
Current assets					
Inventories	15	5,834,725	6,846,673	1,869,102	1,859,398
Programme and film rights	14	52,820,989	31,865,284	-	-
Trade Receivables	16	61,254,117	55,183,317	35,142,281	31,970,470
Prepayments and other receivables	17	34,054,165	32,779,863	28,648,716	21,130,099
Cash and cash equivalents	18	86,203,261	79,510,860	48,044,816	14,864,016
Total Current Assets		240,167,257	206,185,997	113,704,915	69,823,983
TOTAL ASSETS		1,054,531,798	1,028,558,013	621,283,432	553,004,404
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	19	183,408,963	183,408,963	183,408,963	183,408,963
Share premium		300,981,286	300,981,286	300,981,286	300,981,286
Other reserves		13,264,850	12,864,883	12,642,180	12,242,213
Accumulated deficit		(137,441,190)	(112,790,260)	(129,889,628)	(112,175,767)
Total		360,213,909	384,464,872	367,142,801	384,456,695
Minority interests		3,992,004	4,388,902	-	-
Total equity		364,205,913	388,853,774	367,142,801	384,456,695
Non current liabilities					
Long-term liabilities	20	336,192,300	315,285,988	109,735,709	84,225,806
Long-term transponder leases	22	56,759,678	60,441,236	-	-
Other long-term leases	21	1,967,971	2,068,223	1,967,971	2,068,223
Other long-term obligations		602,883	35,000	129,900	35,000
Long-term obligations of programmes and film rights	23	1,816,984	1,840,217	-	-
Reserve for staff retirement indemnities		3,452,670	3,157,009	1,597,060	1,524,902
Government grants	26	12,129,212	11,252,053	11,461,966	10,531,280
Deferred tax liability		48,675,758	54,501,066	-	-
Total Non-Current Liabilities		461,597,456	448,580,792	124,892,606	98,385,211
Current Liabilities					
Trade accounts payable	24	135,644,590	92,791,139	93,843,475	54,892,198
Short-term borrowings	20	1,202,729	1,184,499	-	-
Current portion of long-term borrowings	20	19,727,000	10,144,000	9,583,000	-
Deferred income	3	35,692,892	37,389,950	13,491,198	12,382,307
Current portion of transponder leases	22	6,676,502	9,525,898	-	-
Short-term portion of other obligations	21	213,195	465,765	147,721	140,930
Current portion of programmes and film rights obligations	23	11,863,602	21,447,115	-	-
Income tax payable		8,971,167	8,875,999	100,000	206,009
Accrued and other current liabilities	25	8,736,752	9,299,082	12,082,631	2,541,054
Total Current Liabilities		228,728,429	191,123,447	129,248,025	70,162,498
Total Liabilities		690,325,885	639,704,239	254,140,631	168,547,709
TOTAL LIABILITIES AND EQUITY		1,054,531,798	1,028,558,013	621,283,432	553,004,404

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



HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.
Interim Condensed Financial Statements for the period ended September 30, 2009
Interim Statement of Changes in Shareholders Equity
(amounts in Euro, unless stated otherwise)

The Group	Attributable to equity holders of the parent company					Minority Interests	Total Equity
	Share capital	Share premium	Other reserves	Accumulated deficit	Total		
Total Equity beginning at the period January 1, 2008	45,852,241	143,510,993	6,415,982	(72,305,540)	123,473,676	43,428	123,517,104
Acquisition of subsidiary	-	-	-	-	-	2,007,334	2,007,334
Issuance of share capital	137,556,722	162,037,155	-	-	299,593,877	-	299,593,877
Share capital issuance costs (net from deferred tax)	-	(4,800,148)	-	-	(4,800,148)	-	(4,800,148)
Total comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(32,105,529)	(32,105,529)	(100,498)	(32,206,027)
Stock option plan	-	-	6,448,901	-	6,448,901	-	6,448,901
Total Equity ending at the period September 30, 2008	183,408,963	300,748,000	12,864,883	(104,411,069)	392,610,777	1,950,264	394,561,041
Total Equity beginning at the period January 1, 2009	183,408,963	300,981,286	12,864,883	(112,790,260)	384,464,872	4,388,902	388,853,774
Total Comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(24,650,930)	(24,650,930)	(396,898)	(25,047,828)
Stock option plan	-	-	399,967	-	399,967	-	399,967
Total Equity ending at the period September 30, 2009	183,408,963	300,981,286	13,264,850	(137,441,190)	360,213,909	3,992,004	364,205,913
The Company	Share capital	Share premium	Other reserves	Accumulated deficit	Total		
Total Equity beginning at the period January 1, 2008	45,852,241	143,510,993	5,793,312	(71,990,613)	123,165,933		
Total comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(32,827,185)	(32,827,185)		
Issuance of share capital	137,556,722	162,037,155	-	-	299,593,877		
Share capital issuance costs (net from deferred tax)	-	(4,800,148)	-	-	(4,800,148)		
Stock option plan	-	-	6,448,901	-	6,448,901		
Total Equity ending at the period September 30, 2008	183,408,963	300,748,000	12,242,213	(104,817,798)	391,581,378		
Total Equity beginning at the period January 1, 2009	183,408,963	300,981,286	12,242,213	(112,175,767)	384,456,695		
Total comprehensive income after income taxes of the period (continuing and discontinuing operations)	-	-	-	(17,713,861)	(17,713,861)		
Stock option plan	-	-	399,967	-	399,967		
Total Equity ending at the period September 30, 2009	183,408,963	300,981,286	12,642,180	(129,889,628)	367,142,801		

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



Interim Cash Flow Statement
(amounts in Euro, unless stated otherwise)

	The Group		The Company	
	01.01- 30.09.2009	01.01- 30.09.2008	01.01- 30.09.2009	01.01- 30.09.2008
Cash flows from Operating Activities				
Loss before income taxes	(24,142,531)	(35,812,118)	(19,408,259)	(37,070,165)
Adjustments for:				
Depreciation and amortisation	65,643,567	27,649,740	32,865,761	26,049,343
Amortisation of subsidies	(2,537,769)	(2,847,974)	(2,484,243)	(2,847,974)
Gains on disposal of tangible and intangible assets	(49,867)	(218,367)	(1,358)	(105,496)
Financial (income)/expenses	13,997,953	3,824,981	2,627,938	1,988,254
Share of profits of associates accounted for under the equity method	(300)	(450)	-	-
Allowance for doubtful accounts receivable	4,127,909	3,347,972	3,207,183	3,300,000
Provision for staff retirement indemnities	551,131	409,075	211,110	227,722
Stock option plan	706,634	6,448,901	706,634	6,448,901
Operating profit/(loss) before working capital changes	58,296,727	2,801,760	17,724,766	(2,009,415)
(Increase)/Decrease in:				
Inventories	1,011,948	(619,881)	(9,704)	(605,546)
Trade accounts receivable	(9,295,709)	4,772,240	(6,437,552)	(8,974,085)
Programme and Film Rights	(30,860,313)	-	-	-
Prepayments and other receivables	(2,177,301)	(2,594,842)	(7,460,059)	(17,208,983)
Increase/(Decrease) in:				
Trade accounts payable	32,947,526	(1,032,866)	39,547,630	(5,813,532)
Deferred income	(1,697,058)	5,420,875	1,108,891	3,685,475
Accrued and other current liabilities	640,391	(1,137,297)	2,536,633	(1,727,674)
Interest paid	(12,954,790)	(3,553,342)	(3,457,573)	(3,153,347)
Income taxes paid	(6,924,493)	(108,460)	(78,169)	-
Payment of staff retirement indemnities	(255,470)	(50,093)	(138,952)	(47,594)
Increase in other non-current assets	(616,162)	(18,913)	2,135	(16,726)
Increase in other long-term liabilities	94,900	11,000	94,900	11,000
Net cash from/(used in) Operating Activities	28,210,196	3,890,181	43,432,946	(35,860,427)
Cash flow from Investing activities				
Capital expenditure for property, plant and equipment	(40,678,956)	(52,979,604)	(39,410,552)	(52,837,687)
Purchase/development of intangible assets	(6,100,522)	(5,870,854)	(5,888,933)	(5,870,854)
Disposals for property, plant and equipment and intangible assets	49,417	184,726	33,456	165,134
Interest and related income received	1,115,518	1,814,380	214,440	1,479,763
Acquisition of Loan Obligation	-	(61,985,944)	-	-
Investment in subsidiary	-	-	(199,998)	(285,060,000)
Increase in participation in subsidiaries	-	(389,926,358)	-	-
Net cash used in Investing Activities	(45,614,543)	(508,763,654)	(45,251,587)	(342,123,644)
Cash flows from Financing Activities				
Net proceeds from the issuance of share capital	-	293,193,681	-	293,193,681
Net change in long-term borrowings	30,489,312	229,754,022	35,092,903	35,092,903
Net change in short-term borrowings	18,230	4,989,408	-	5,000,000
Net change in leases	(6,410,794)	(913,588)	(93,462)	(98,487)
Net cash from Financing Activities	24,096,748	527,023,523	34,999,441	333,188,097
Net increase/(decrease) in cash and cash equivalents	6,692,401	22,150,050	33,180,800	(44,795,974)
Cash and cash equivalents at the beginning of period	79,510,860	56,120,418	14,864,016	55,701,928
Cash and cash equivalents of the end of the period	86,203,261	78,270,468	48,044,816	10,905,954

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

1. CORPORATE INFORMATION:

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

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

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

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

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

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

On February 14, 2008, Forgoing Ltd, which is based in Cyprus, acquired a participating interest of 21% of Forthnet’s share capital. During the year 2008 and the period ended September 30, 2009, Forgoing Ltd acquired further participating interest and each participation increased at September 30, 2009 to 37.10% in Forthnet’s share capital.

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

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

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

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

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

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

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

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

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

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

The Group's number of employees at September 30, 2009, amounted to 1,459, while that of the Company to 839. At September 30, 2008, the respective number of employees was 1,498 for the Group and 948 for the Company.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

(a) Basis of Preparation of Financial Statements:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

Notes to the Interim Condensed Financial Statements

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

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

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

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

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

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

(b) Approval of Financial Statements:

The Board of Directors of Forthnet approved the separate and consolidated condensed financial statements for the period ended at September 30, 2009, on November 18, 2009.

**(c) Significant Accounting Judgements and Estimates:**

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

- (a) **Allowance for doubtful accounts receivables:** The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.
- (b) **Provision for income taxes:** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.
- (c) **Depreciation rates:** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.
- (d) **Impairment of property, plant and equipment and intangibles (including goodwill):** Property, plant and equipment and intangibles are tested for impairment when there are indicators that the carrying amounts may not be recoverable except from goodwill which is tested annually. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 3i).
- (e) **Deferred tax assets:** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.
- (f) **Measurement of intangible assets during the purchase price allocation:** Regarding the recognition of intangible assets the Company's Management has used as a basis the business plans of the acquired companies and has taken into consideration the average cost of capital used, in combination with assumptions relating to the risk free interest rate, the most optimal capital structure of the sector, the equity cost, as well as the borrowing cost.

3. PRINCIPAL ACCOUNTING POLICIES:

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

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

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

**Notes to the Interim Condensed Financial Statements**

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

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

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

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

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

- (b) **Investments in Associates:** The Group's investments in other entities in which it exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognised at cost and subsequently increased or decreased to recognise the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment.
- (c) **Foreign Currency Translation:** The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position dates, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

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

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

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



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

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

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

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

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

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

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

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

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

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

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

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

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

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

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

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

- (i) **Research and Development Costs:** Research costs are expensed as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the requirements of IAS 38 “Intangible Assets” are met. Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.
- (j) **Impairment of Assets:** With the exception of goodwill and other intangible assets with indefinite useful life which is tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

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



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

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

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

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

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

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

(ii) Loans and receivables:

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

(iii) Available-for-sale financial assets:

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

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

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

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

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

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(amounts in Euro, unless stated otherwise)

- (n) **Cash and Cash Equivalents:** The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.
- (o) **Borrowing Costs:** As of January 1, 2009, all borrowing costs incurred during the construction period of a qualifying asset are capitalized as part of the cost of these assets. All other borrowing costs are recognized as an expense in the statement of comprehensive income when incurred.
- (p) **Loan Agreements:** All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income of the year/period either through the amortisation process or where the liabilities are written-off except those which are being capitalised base on paragraph (o) above.
- (q) **Stock Option Plan:** The Group has established stock option plans for its employees. The cost of the respective transactions is measured at the fair value of the stock or stock options as of the date of the approval of the plans by the management which is considered the granting date. The fair value is measured through the application of the appropriate valuation models.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

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

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

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

**Notes to the Interim Condensed Financial Statements**

(amounts in Euro, unless stated otherwise)

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

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

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

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

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

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

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

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

Billed revenue which has been deferred and will be recognised as income in subsequent years/periods for the Group and the Company at September 30, 2009 amounted to € 35,692,892 and € 13,491,198 respectively (at December 31, 2008 amounted to € 37,389,950 for the Group and € 12,382,307 for the Company).

Unbilled revenues for the Group and the Company at September 30, 2009, amounted to € 3,130,418 (at December 31, 2008, amounted to € 1,977,171 for the Group and the Company respectively).

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

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

4. REVENUES:

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

	The Group		The Company	
	January 1 - September 30		January 1 - September 30	
	2009	2008	2009	2008
Operating Revenues				
Direct Retail Services	218,176,631	59,168,827	79,821,385	43,851,408
Bundled services (2play)	67,405,805	36,185,161	67,405,805	36,185,161
Telephony	8,434,178	5,083,529	8,434,178	5,083,529
ADSL	3,981,402	2,582,718	3,981,402	2,582,718
Pay-TV Revenues	138,355,246	15,317,419	-	-
Indirect Retail Services	15,311,046	28,536,448	15,311,046	28,536,448
Telephony	9,671,004	18,979,143	9,671,004	18,979,143
ADSL	4,324,498	7,919,291	4,324,498	7,919,291
Other	1,315,544	1,638,014	1,315,544	1,638,014
Direct Business Services	19,719,872	19,207,136	19,719,872	19,207,136
E-business	2,387,044	3,323,123	2,387,044	3,323,123
Pay-TV Advertisement Revenues	5,875,125	619,674	-	-
Forth CRS	3,100,283	3,569,600	-	-
Equipment	3,695,188	1,317,008	1,297,663	516,718
Other services	3,780,960	3,386,199	2,833,585	1,907,725
Total Operating Revenues	272,046,149	119,128,015	121,370,595	97,342,558
Other Income	3,580,131	4,248,515	3,536,342	4,149,395
Total Revenues	275,626,280	123,376,530	124,906,937	101,491,953

5. GROUP SEGMENT INFORMATION:

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

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

Goodwill arising from acquisition of all shares in NetMed N.V. and Intervision (Services) B.V. through its 100% subsidiary Forthnet Media Holdings S.A. determined based on the fair value of the consolidated balance sheet of the acquired companies as at August 27,2008 and is considered final. Goodwill is allocated to the two reportable operating segments, Telecommunications and Pay TV.

Goodwill allocated to telecommunication sector is € 82,631,648 and the goodwill allocated to Pay-TV is € 203,333,528.

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

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

	<u>Telecommunications</u>	<u>Pay-TV</u>	<u>Eliminations</u>	<u>Total</u>
Sales to customers	125,768,986	146,277,163	-	272,046,149
Revenues between segment activity	820,959	829,144	(1,650,103)	-
Total revenues	126,589,945	147,106,307	(1,650,103)	272,046,149
Profit/(loss) before taxes	(19,561,370)	14,138,910	(18,720,071)	(24,142,531)
Goodwill	83,359,167	203,333,528	-	286,692,695
Total assets				
as at September 30, 2009	423,654,318	650,306,057	(19,428,577)	1,054,531,798
as at December 31, 2008	561,245,129	503,371,216	(36,058,332)	1,028,558,013

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

6. PAYROLL COST:

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

	<u>The Group</u>		<u>The Company</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Wages and salaries	28,493,489	19,505,837	15,870,553	17,084,892
Social security costs	6,289,310	4,328,431	3,691,721	3,814,021
Staff retirement indemnities	551,131	409,075	211,110	227,722
Stock option plans	706,634	6,448,901	706,634	6,448,901
Other staff costs	506,967	352,862	334,418	296,987
Total	36,547,531	31,045,106	20,814,436	27,872,523
Less: Amounts capitalised	2,373,702	2,627,985	2,101,846	2,265,171
Payroll Cost (Note 8)	34,173,829	28,417,121	18,712,590	25,607,352

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

7. FINANCIAL INCOME / (EXPENSES):

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

	The Group		The Company	
	September 30,		September 30,	
	2009	2008	2009	2008
Interest on long-term borrowings (Note 20)	(11,384,622)	(4,483,117)	(3,073,729)	(2,949,670)
Interest on short-term borrowings (Note 20)	(40,712)	(186,783)	-	(104,796)
Finance charges paid under finance leases	(2,957,414)	(183,302)	(90,634)	(108,087)
Other financial costs	(1,529,456)	(452,827)	(476,748)	(191,881)
Total financial expenses	(15,912,204)	(5,306,029)	(3,641,111)	(3,354,434)
Less: Amounts capitalised	798,733	-	798,733	-
Total financial expenses	(15,113,471)	(5,306,029)	(2,842,378)	(3,354,434)
Interest earned on cash at banks and on time deposits (Note 18)	1,115,518	1,481,048	214,440	1,366,180
Other financial income	-	-	-	-
Total financial income	1,115,518	1,481,048	214,440	1,366,180
Total financial income/(expenses), net	(13,997,953)	(3,824,981)	(2,627,938)	(1,988,254)

8. ANALYSIS OF EXPENSES:

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

	The Group		The Company	
	September 30,		September 30,	
	2009	2008	2009	2008
Payroll and related costs (Note 6)	34,173,829	28,417,121	18,712,590	25,607,352
Third party fees, services, royalties and licenses	94,697,169	22,449,593	16,311,693	11,199,862
Telecommunication costs	56,680,887	52,380,183	56,680,887	52,380,183
Sundry expenses, taxes and duties	3,056,740	4,056,739	872,588	3,381,972
Advertising and promotion costs	16,126,559	11,815,810	8,541,492	10,712,481
Depreciation and amortisation	65,643,567	27,649,740	32,865,761	26,049,343
Allowance for doubtful accounts receivable (Note 16)	4,127,909	3,347,972	3,207,183	3,300,000
Cost of sales of inventory and consumables	11,264,498	5,246,959	4,495,064	3,942,671
Total expenses	285,771,158	155,364,117	141,687,258	136,573,864

The above expenses are analysed as follows:

	The Group		The Company	
	September 30,		September 30,	
	2009	2008	2009	2008
Cost of sales	228,620,095	113,401,477	113,641,155	99,055,480
Selling and distribution expenses	35,041,447	31,015,576	19,105,258	27,311,789
Administrative expenses	20,619,544	8,941,928	7,450,773	8,201,459
Research and development expenses	1,490,072	2,005,136	1,490,072	2,005,136
	285,771,158	155,364,117	141,687,258	136,573,864

9. INCOME TAXES:

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

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

	<u>The Group</u>		<u>The Company</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current income taxes	7,320,440	938,123	284,829	-
Deferred income taxes	(6,415,143)	(4,544,214)	(1,979,227)	(4,242,980)
Total income taxes (credit) / debit reflected in the statements of comprehensive income	<u>905,297</u>	<u>(3,606,091)</u>	<u>(1,694,398)</u>	<u>(4,242,980)</u>

At September 30, 2009, Forthnet accepted the outcome of the tax-audit concerning concerning unaudited fiscal years from 2003 to 2006. According to the said tax audit, the total tax for the above four fiscal years amounted to €390,837. The Company for the above unaudited tax years had made a provision in the financial statements as at June 30, 2009, amounting to € 206,008. Consequently the interim condensed financial statements as at September 30, 2009 for the parent company and the group were charged by an amount of € 184,829. Moreover, in the current period a provision was made for the unaudited tax years 2007 and 2008 amounting to € 100,000.

As for Forthnet's subsidiaries, they have not been audited for the following fiscal years:

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

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

In a future tax audit of the unaudited tax years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 2.4 million for the Group and € 0.1 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws. In addition, a differed tax asset on tax losses of € 6.0 million has not been recognized in order to cover the possible reduction in tax losses in a future tax audit.

10. SUBSIDIARIES AND ASSOCIATES - GOODWILL:

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

Subsidiary	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				30.09.2009	31.12.2008	30.09.2009	31.12.2008
Forth CRS S.A.	P. Faliro, Attica, Greece	Full	Direct	99.31%	99.31%	3,738,753	3,738,753
Telemedicine Technologies S.A.	Paris, France	Full	Direct	96.43%	94.40%	514,479	314,481
Forthnet Media Holdings S.A.	Kallithea, Attica, Greece	Full	Direct	100.00%	100.00%	285,060,000	285,060,000
						<u>289,313,232</u>	<u>289,113,234</u>

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

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				30.09.2009	31.12.2008	30.09.2009	31.12.2008
Athlonet S.A.	Kallithea, Attica, Greece	Equity method	Direct	44.00%	44.00%	69,584	69,284

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

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 30.09.2009
Shipping Clearance S.A.	Athens, Greece	Full	Indirect	51.00%

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

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 30.09.2009
Intervision (Services) B.V.	Holland	Full	Indirect	100.00%
NetMed N.V.	Holland	Full	Indirect	100.00%
Tiledrasi S.A.	Attica, Greece	Full	Indirect	100.00%

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

Company	Registered Office	Consolidation Method	Participation Relationship	Percentage participation
			30.09.2009	30.09.2009
Myriad Development BV (Besloten Vennotschap)	Holland	Full	Indirect	100%
Dikomo Investment Sarl (Luxembourg)	Luxembourg	Full	Indirect	100%
Tiledrasi S.A. (Luxembourg)	Luxembourg	Full	Indirect	100%
Multichoice Holdings (Cyprus) LTD	Cyprus	Full	Indirect	69.02%
Multichoice (Cyprus) Public Company LTD	Cyprus	Full	Indirect	35.19%
NetMed Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Multichoice Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	96.39%
NetMed S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Syned S.A.	Kantza, Attica, Greece	Full	Indirect	100%
RPO S.A.	Kantza, Attica, Greece	Full	Indirect	100%
Ad Value S.A.	Kantza, Attica, Greece	Full	Indirect	100%

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

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

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	190,355	190,355	-	-
Netmed N.V. Group and Intervision B.V.	285,965,176	-	-	-
Total	286,692,695	727,519	512,569	512,569

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

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

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

The goodwill which arose from the above acquisition, which is included in the accompanying statement of financial position, was based on the fair values of the consolidated balance sheet of the acquired companies as at August 27, 2008 and it is considered final.

Notes to the Interim Condensed Financial Statements

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

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

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

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

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

During the current period the acquired companies have contributed € 6,737,226 (negative) after taxes and minority interests.

Cash outflow at the acquisition date:

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

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2009 to September 30, 2009, the Group's investments in tangible assets amounted to € 48,460,816 and those of the Company amounted to € 47,192,411 and relate mainly to the expansion of Forthnet's private network and also to the development of new Forthnet shops (at September 30, 2008 the additions of tangible assets amounted to € 47,883,374 and € 47,718,452 for the Group and the Company respectively).

With respect to the sub-projects 6 & 7 of the development programme "Information Society", during the period the Company proceeded to the construction of a Broadband network, which is expected to be completed by the end of 2009. During the period ended September 30, 2009, the Company invested approximately € 28.4 million. The amount of borrowing costs capitalized during the period ended September 30, 2009, was approximately € 798 thousands. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 2.8%.

There is no property, plant and equipment that has been pledged as security. The title of the capitalised leased assets has been retained by the lessor. The net book value of the Company's capitalized leased assets at September 30, 2009 and at December 31, 2008, amounted to € 2,511,589 and € 2,551,610, respectively. For the Group the related amounts are € 63,771,038 and € 71,009,053 at September 30, 2009 and at December 31, 2008.

12. INTANGIBLE ASSETS:

During the period from January 1, 2009 to September 30, 2009, the Group's investment in intangible assets amounted to € 8,164,418 and those of the Company's amounted to € 7,952,829 and relate mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at September 30, 2008 amounted to € 5,906,891 and € 5,457,728 for the Group and the Company respectively).

13. AVAILABLE FOR SALE FINANCIAL ASSETS:

Available for sale financial assets are analysed as follows:

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Shares – unlisted	379,877	379,877	330,149	330,149
Total	379,877	379,877	330,149	330,149

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

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

14. PROGRAMME AND FILM RIGHTS:

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

	The Group	
	30.09.2009	31.12.2008
Purchased sports rights	75,509,388	36,547,468
Licensed film rights	10,980,536	9,737,623
Sports and Film Rights	86,489,924	46,285,091
sports rights Amortization	30,372,364	12,491,009
film rights Amortization	3,296,571	1,630,934
Sports and Film Rights Amortisation	33,668,935	14,121,943
Amortization sports rights	45,137,024	24,056,459
Amortization film rights	7,683,965	8,106,689
Sports and Film Rights, net	52,820,989	32,163,148
Less: Programme and film rights short-term	52,820,989	31,865,284
Programme and film rights, long-term	-	297,864

15. INVENTORIES:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Merchandise	8,353,889	10,881,575	1,869,102	1,859,398
Consumables	197,962	76,807	-	-
Total	8,551,851	10,958,382	1,869,102	1,859,398
Less obsolescence	(2,717,126)	(4,111,709)	-	-
Total inventories	5,834,725	6,846,673	1,869,102	1,859,398

16. TRADE ACCOUNTS RECEIVABLE:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Domestic customers	79,010,702	71,519,696	47,280,090	42,351,106
Foreign customers	3,562,828	2,126,695	887,669	669,822
Receivables from Greek State	1,622,998	1,556,043	1,622,998	1,556,043
Cheques and notes receivable	4,520,151	4,468,783	1,755,186	1,743,225
Unbilled revenue	3,130,418	1,977,171	3,130,418	1,977,171
	91,847,097	81,648,388	54,676,361	48,297,367
Less: Allowance for doubtful accounts receivable	(30,592,980)	(26,465,071)	(19,534,080)	(16,326,897)
Balance of trade accounts receivable	61,254,117	55,183,317	35,142,281	31,970,470

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Beginning balance	26,465,071	12,382,051	16,326,897	11,999,534
Acquisition of subsidiary	-	9,182,651	-	-
Provision (Note 8)	4,127,909	5,153,006	3,207,183	4,580,000
Less: Utilisation	-	(252,637)	-	(252,637)
Ending period balance	30,592,980	26,465,071	19,534,080	16,326,897

17. PREPAYMENTS AND OTHER RECEIVABLES:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Receivables due from the Greek State	15,643,400	15,107,612	13,341,515	12,390,323
Prepaid expenses	1,068,424	4,820,685	945,208	973,910
Value Added Tax	5,567,215	8,374,878	2,002,975	6,766,904
Advances to suppliers	7,646,853	4,370,190	1,724,485	47,611
Other debtors	4,128,273	106,498	1,621,705	951,351
Receivables from affiliated companies	-	-	9,012,828	-
Total balance of other receivables and prepayments	34,054,165	32,779,863	28,648,716	21,130,099

18. CASH AND CASH EQUIVALENTS:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Cash in hand	130,714	2,704,127	48,974	51,854
Cash at banks	43,972,547	30,456,733	30,995,842	11,812,162
Time deposits	42,100,000	46,350,000	17,000,000	3,000,000
Total	86,203,261	79,510,860	48,044,816	14,864,016

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended September 30, 2009, amounted to € 1,115,518 and € 214,440 for the Group and the Company, respectively, (for the period ended September 30, 2008, € 1,481,048 and € 1,366,180 for the Group and the Company respectively) and are included in the financial income in the accompanying interim condensed statements of comprehensive income.

19. SHARE CAPITAL:

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

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

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

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

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

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

20. LONG-TERM AND SHORT-TERM BORROWINGS:

a) Long-term Loans:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Bond loan	355,415,300	324,853,988	119,318,709	84,225,806
Other long term loans	504,000	576,000	-	-
Total	355,919,300	325,429,988	119,318,709	84,225,806
Less current portion:				
- Bond loan	19,583,000	10,000,000	9,583,000	-
- Other	144,000	144,000	-	-
Total	19,727,000	10,144,000	9,583,000	-
Long-term portion	336,192,300	315,285,988	109,735,709	84,225,806

Bond Loan 2007:

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

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

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

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

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

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

At August 06, 2009, the Company reached an agreement to amend the financial covenants by accepting the increase in interest margin to 2.5%. The agreed set of financial covenants are as follows:

1. EBITDA / Net interest expenses greater or equal to 2.5 to 3.5 for the fiscal years 2009-2013.
2. Total net bank borrowing / EBITDA less or equal to 7 to 4 for the fiscal years 2009-2013.
3. Total net bank borrowing / Total equity less or equal to 1.15 to 1 for the fiscal years 2009-2013.
4. Cash Flow / Debt Service greater or equal to 1.02 for the fiscal years 2009-2013.

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

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

Other Group Bond Loans

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

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

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

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

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

The financial covenants are the same with the ones described in the previous paragraph for the parent Company Bond Loan.

Total interest expenses on long-term loans for the periods ended September 30, 2009 and 2008, amounted to € 11,384,622 and € 4,483,117 respectively for the Group and € 3,073,727 and € 2,949,670 respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements of comprehensive income.

b) Short-term borrowings:

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

	<u>The Group</u>		<u>The Company</u>	
	<u>30.09.2009</u>	<u>31.12.2008</u>	<u>30.09.2009</u>	<u>31.12.2008</u>
Credit lines available	24,222,000	24,222,000	11,600,000	11,600,000
Unused portion	<u>(23,019,271)</u>	<u>(23,037,501)</u>	<u>(11,600,000)</u>	<u>(11,600,000)</u>
Used portion	<u>1,202,729</u>	<u>1,184,499</u>	<u>-</u>	<u>-</u>

The total interest expense for short-term borrowings for the periods ended September 30, 2009 and 2008, amounted to € 40,712 and € 186,783, respectively, for the Group and € 0 and € 104,796, for the Company respectively and is included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

21. FINANCE LEASE OBLIGATIONS:

The finance lease obligations relate to:

- Leasing of a building at Antigonis 58, Peristeri, Attica, with a value of € 2,669,054 (including expenses, taxes, etc.) and is repayable in a hundred and seventy five (175) monthly instalments (from August 10, 2005 through February 10, 2020) bearing interest at the three month Euribor plus a margin of 1.5%.
- Leasing of equipment (printers) by the Company's subsidiary, Forth CRS, during 2005 with a total value of € 199,935, with duration of three years, repayable in equal monthly instalments bearing interest at Euribor plus a margin of 2.5%.

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

The finance lease obligations are analysed as follows:

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Obligation under finance lease	2,181,166	2,533,988	2,115,692	2,209,153
Less: Current portion	(213,195)	(465,765)	(147,721)	(140,930)
Long-term portion	1,967,971	2,068,223	1,967,971	2,068,223

22. FINANCE LEASE TRANSPONDER OBLIGATIONS:

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

The finance lease transponders obligations are analysed as follows:

	The Group	
	30.09.2009	31.12.2008
Obligation under finance lease	63,436,180	69,967,134
Less: Current portion	(6,676,502)	(9,525,898)
Long-term portion	56,759,678	60,441,236

23. PROGRAMME AND FILM RIGHTS LIABILITIES:

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

	The Group	
	30.09.2009	31.12.2008
Programmes and Rights	13,680,586	23,287,332
Less: Current portion	(11,863,802)	(21,447,115)
Long-term portion	1,816,984	1,840,217

24. TRADE ACCOUNTS PAYABLE:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Domestic suppliers	106,511,715	67,903,083	72,876,881	42,854,286
Foreign suppliers	10,048,513	18,437,747	2,757,637	7,343,836
Post dated cheques payable	19,084,362	6,450,309	18,208,957	4,694,076
135,644,590	92,791,139	93,843,475	54,892,198	

25. ACCRUED AND OTHER CURRENT LIABILITIES:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Social security payable	1,021,700	1,603,277	575,377	1,219,033
Value added tax	1,540,456	627,920	-	-
Other taxes and duties	2,061,844	2,925,428	496,125	481,584
Customer advances	99,051	68,953	-	-
Interest accrued	-	1,455,649	-	-
Other current liabilities (intercompany amounts, etc)	4,013,701	2,617,855	11,011,129	840,437
	8,736,752	9,299,082	12,082,631	2,541,054

26. GOVERNMENT GRANTS:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Government Grant N. 3299/2004 (Note 29)	9,997,700	9,559,775	9,000,000	8,562,074
Subprojects 6 & 7 of the Operational Programme "Information Society" (Note 29)	8,580,267	5,603,264	8,580,267	5,603,264
Transfer to previous year income statement	(3,910,986)	-	(3,634,058)	-
Credit to the comprehensive income	(2,537,769)	(3,910,986)	(2,484,243)	(3,634,058)
Ending Balance	12,129,212	11,252,053	11,461,966	10,531,280

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

27. EMPLOYEE STOCK OPTION PLANS:

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

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

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

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

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

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

- The 321,252 options vested on the October 15, 2009. The first exercise period is December 2009 and can be exercised until December 2011 at a strike price of €1.18.
- 749,581 options vested on the October 15, 2010. December 2010 is set as the first period of exercise until December 2011, at a strike price of €1.18.

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

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

2nd Plan (long-term)

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

- 2,331,470 options vested in April 2011 (provided that according to the published financial results, the targets set for 2010 have been achieved). First exercise period is from June 1 to June 20, 2011 and can be exercised until December 2014.
- 3,108,626 options vested in April 2012 (provided that according to the published financial results, the targets set for 2011 have been achieved). First exercise period is from June 1 to June 20, 2012 and can be exercised until December 2014.

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

28. RELATED PARTIES:

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

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

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Technology and Research Foundation	Shareholder	30.09.2008	191,615	55,644
		30.09.2009	140,881	57,987
Forth CRS S.A.	Subsidiary	30.09.2008	83,559	2,141
		30.09.2009	65,970	5,743
Athlonet S.A.	Associated	30.09.2008	5,718	12,650
		30.09.2009	12,306	6,600
MultiChoice Hellas S.A.	Subsidiary	30.09.2008	-	-
		30.09.2009	789,491	714,105
SYNED S.A.	Subsidiary	30.09.2008	-	-
		30.09.2009	121	-
NETMED S.A.	Subsidiary	30.09.2008	-	-
		30.09.2009	145	-
NetMed Hellas S.A.	Subsidiary	30.09.2008	-	-
		30.09.2009	37,831,202	17,039
Forthnet Media Holdings S.A.	Subsidiary	30.09.2008	480	-
		30.09.2009	-	98,000
	Total	30.09.2008	281,372	70,435
	Total	30.09.2009	38,840,116	899,474



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<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Technology and Research Foundation	Shareholder	31.12.2008 30.09.2009	5,686 27,352	12,126 10,942
Forth CRS S.A.	Subsidiary	31.12.2008 30.09.2009	161,090 239,595	32,072 38,438
Telemedicine Technologies S.A.	Subsidiary	31.12.2008 30.09.2009	336,675 136,677	- -
Athlonet S.A.	Associated	31.12.2008 30.09.2009	2,489 1,802	17,131 6,227
MultiChoice Hellas S.A..	Subsidiary	31.12.2008 30.09.2009	10,626 939,494	147,905 997,091
NetMed Hellas	Subsidiary	31.12.2008 30.09.2009	47,931 7,697,062	- 20,277
Forthnet Media Holdings S.A.	Subsidiary	31.12.2008 30.09.2009	3,128 4,235	33,320 149,940
	Total	31.12.2008	567,625	242,554
	Total	30.09.2009	9,046,217	1,222,915

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

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Technology and Research Foundation	Shareholder	30.09.2008 30.09.2009	191,615 140,881	55,644 57,987
Lumiere Productions S.A.	Shareholder	30.09.2008 30.09.2009	- -	284,695 2,271,025
Lumiere Television Ltd	Shareholder	30.09.2008 30.09.2009	1,000 -	136,922 1,264,413
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	30.09.2008 30.09.2009	- -	27,192 81,576
Gambritsos Georgios	Members of the B.O.D. – Executive members	30.09.2008 30.09.2009	- -	22,986 179,603
Athlonet S.A.	Associated	30.09.2008 30.09.2009	5,718 12,306	12,650 6,600
	Total	30.09.2008	198,333	540,089
	Total	30.09.2009	153,187	3,861,204

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Technology and Research Foundation	Shareholder	31.12.2008	5,686	12,126
		30.09.2009	27,352	10,942
Lumiere Productions S.A.	Shareholder	31.12.2008	-	6,378
		30.09.2009	-	396,333
Lumiere Television Ltd	Shareholder	31.12.2008	320,301	337,627
		30.09.2009	-	4,000
Lumiere Cosmos Communications	Shareholder	31.12.2008	-	10
		30.09.2009	-	10
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2008	-	16,179
		30.09.2009	-	16,179
Athlonet S.A.	Associated	31.12.2008	2,489	17,131
		30.09.2009	1,802	6,227
	Total	31.12.2008	328,476	389,451
	Total	30.09.2009	29,154	433,691

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

	<u>The Group</u>		<u>The Company</u>	
	<u>30.09.2009</u>	<u>30.09.2008</u>	<u>30.09.2009</u>	<u>30.09.2008</u>
Salaries and fees for executive members of the BoD	218,445	392,297	218,445	392,297
Salaries and fees for non executive members of the BoD	104,400	104,400	104,400	104,400
Salaries and fees for Senior Managers	1,941,865	1,111,617	650,025	919,210
Total	2,264,710	1,608,314	972,870	1,415,907

29. COMMITMENTS AND CONTINGENCIES:

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

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

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

Development Law 3299/2004: According to decision no. 28757/YPE/4/00447/L.3299/E/ 22.12.2006 of the Minister and Deputy-Minister of Finance and Economics (GG 358/15.03.2007), the Company's business plan relating to the establishment of an integrated, high-speed broadband network applying a cutting-edge technology for the provision of new data, voice and content services in the regions of Attica and Thessaloniki, in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounts to approximately €30 million. The percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 9 million. Up to September 30, 2009, the Company had completed its investment of the above amount and a related provision of approximately € 9 million has been included in Government grants and receivable from the State. The Ministry of Finance and Economics with its decision at September 29, 2009, (protocol number 46205) certified the completion of the cost and the operation launch of the above investment.

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

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

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

Agreements with Information Society S.A.: On March 12, 2007, the Company signed two agreements with Information Society S.A., which are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts the overall budget for the 2 sub-projects equals to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation is expected to be completed for Milestone I by July 31, 2009 and for Milestone II by October 31, 2009. Up to September 30, 2009, the Company's investment amounted to € 44.9 million, for which an amount of € 8.6 million has been granted by "Information Society S.A." and has been included in Government grants.

Commitments:

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Within one year	3,821,155	1,847,561	1,713,792	1,673,096
2-5 years	14,412,075	5,611,674	5,125,511	5,226,052
Over 5 years	14,158,926	3,276,527	2,879,676	3,219,196
Total	32,392,156	10,735,762	9,718,979	10,118,344

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

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

	The Group		The Company	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Good execution of agreements	25,219,933	19,898,399	17,372,763	12,467,875
Participation in bids	492,812	256,000	245,312	8,500
Guarantee for advance payments received	29,023,593	6,709,735	29,023,593	6,709,735
Total	54,736,338	26,864,134	46,641,668	19,186,110

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 108 million and for the Company amounted to approximately € 103 million at September 30, 2009. In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), amounted to approximately € 7.2 million.

30. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

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

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

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

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

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

2. The remaining (apart from the above claims concerning regulatory and telecommunication law matters) judicial claims of the Company against third parties amount to approximately € 8.5 millions.

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

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

II. Judicial claims of third parties against Forthnet

1. Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of articles 57-59C.C. regarding the protection of personality, the provisions of Law 146/1914 regarding unfair competition combined with the provisions regarding misleading comparative advertising of Law 2251/1994 on consumer protection which violation, includes the without right of use of OTE's name in the Company's advertising campaign. With its legal action, OTE claims amongst other the payment of compensation amounting to € 500.000,00 due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action (namely from 11/03/2009) and until payment thereof. The adjudication of the above action has been cancelled on June 4th, 2009 due to the Courts' stay (due to the European Parliament Elections) and no summons has been served on the Company to appear on Court on a new date.
2. € 350 thousand concern a lawsuit filed an individual against Forthnet as restitution for the moral damages that he incurred due to the alleged violation of the plaintiff's right to personality due to the Company's unlawful behavior concerning its contractual obligations for the provision to the plaintiff of internet services.
3. Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of the Code of Ethics on the Provision of Telecommunications Activities (article 11 par. 3), articles 57-59C.C. regarding the protection of personality, as well as the provisions of Law 146/1914 regarding prohibited and unfair advertising. The said violation is based on the unauthorized use of OTE's corporate name in the Company's advertising campaign. With its legal action, OTE claims amongst other the payment of compensation amounting to € 5,000,000.00 due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action (namely from 21/08/2009) and until payment thereof.

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

- B.** (a) The outstanding judicial claims of third parties against the subsidiary NetMed Hellas S.A. amount to € 13.5 million approximately, plus interest and legal expenses. From the abovementioned amount:
- i) € 4.7 million approximately, plus interest and moral damages, concerns an action filed by CEO's heirs claiming payment of lost cheques, plus interest. The case has not yet been heard.
 - ii) € 7.4 million approximately plus interest, concern claims of PAE (Football Clubs), for the restitution of the alleged damage they incurred due to the claimed unlawful termination –on the part of NetMed Hellas S.A. of the agreements for the TV/radio broadcasting of their football games.

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

- (b) The outstanding judicial claims of the subsidiary NetMed Hellas S.A. against third parties amount to € 135 million approximately, plus interest and expenses. The abovementioned amount is mainly related to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damage incurred by NetMed Hellas S.A. due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with NetMed Hellas S.A. for the TV/radio broadcast of their football matches.
- C.** (a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 12.2 million approximately, plus interest and legal expenses. From the abovementioned amount:
- i) € 7.7 million approximately (as it stood on March 9, 2006) plus interest concerns a claim of the Greek State relating to differences resulting from tax audits. Multichoice Hellas S.A. has filed appeals against the above actions before the Administrative Court of Athens. Trial date has not yet been set.

Notes to the Interim Condensed Financial Statements

(amounts in Euro, unless stated otherwise)

- ii) € 810 thousand approximately, plus interest, concern a lawsuit by MSG Media Services S.A. as compensation (lost profits and moral damages) for the alleged abusive, on the part of Multichoice Hellas S.A., rescission of their cooperation agreement regarding the purchase of technical equipment and the provision of technical services. The judgement issued by the first instance court, rejected the request of the plaintiff for compensation, yet accepting the invalidity of the rescission. The trial before the Court of Appeals accepted the appeal of Multichoice Hellas S.A. and rejected the lawsuit of the litigant party. The case is considered pending on the reasoning that the litigant party is entitled to file an appeal.
- iii) € 1.8 million approximately concerns a lawsuit by Unitek S.A, an agent of Multichoice Hellas S.A, by which demands the amount to be paid to it, for disputes arising from their agreement. Unitek S.A. resigned from the claim, but it has not waived its rights and, consequently, it may come back with another claim

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

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

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

- D. The outstanding judicial claims of third parties against the subsidiary Myriad Development BV amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development BV of the 3,528 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.
- E. The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 0,81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 828 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.
- F. The outstanding judicial claims of third parties against the subsidiary Dikomo Investment Sarl amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Dikomo Investment Sarl of the 1,272 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.
- G. The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 2,872 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

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



HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.
Interim Condensed Financial Statements for the period ended September 30, 2009
Notes to the Interim Condensed Financial Statements
(amounts in Euro, unless stated otherwise)

Iraklion, November 18, 2009

President of the Board of Directors

Vice President of the Board of Directors
and
Chief Executive Officer

Deepak Srinivas Padmanabhan
Passport I.d. Z 1031032

Pantelis Tzortzakis
I.D. X 072948

Chief Financial Officer

Chief Accountant

Pavlos Kanellopoulos
I.D. N 006982

Spyros Kosmas
I.D. AZ 555377
License No. O.E.E. 0016310
A Class

FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2009
HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.
Forthnet S.A.

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

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

FINANCIAL DATA & INFORMATION FOR THE PERIOD JANUARY 1, 2009 - SEPTEMBER 30, 2009

(According to 4507/28.04.2009 resolution of Greek Capital Committee)

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

(amounts in euro)

ΣΤΟΙΧΕΙΑ ΕΠΙΧΕΙΡΗΣΗΣ :

 Website: www.forthnet.gr
 Date of Approval of the First Quarter: November 18, 2009
 Financial Statements: Chas Pridemelis, Subsecretary Statistic
 Certified Address - Accountants: ERNST & YOUNG S.A. S.O.L.S.A.
 Auditing Company: Not required
 Terms; Exchange; Emplacement: Not required

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
ASSETS				
Tangible assets	246,686,556	230,382,168	177,829,151	153,775,026
Intangible assets	530,597,127	269,894,053	13,681,792	15,514,911
Provisional goodwill	-	285,965,176	-	-
Other non current assets	36,700,981	35,750,742	315,737,425	313,560,335
Investments	3,524,725	6,946,673	1,869,102	1,829,298
Trade receivables	63,254,117	55,183,217	35,142,281	31,570,478
Other current assets	173,076,415	144,156,607	76,693,552	35,994,115
Available for sale financial assets	374,877	379,877	330,149	-
TOTAL ASSETS	1,054,531,798	1,028,558,013	621,283,432	553,004,404
EQUITY AND LIABILITIES				
Share Capital (155,431,324 shares @ € 1.18 each)	183,408,963	183,408,963	183,408,963	183,408,963
Retained earnings and other reserves	176,804,946	201,255,909	183,735,838	201,047,732
Total Shareholders' equity (a)	360,213,909	384,664,872	367,144,801	384,456,695
Minority interests (b)	3,992,004	4,388,902	-	-
Total Equity (c)=(a)+(b)	364,205,913	389,053,774	367,144,801	384,456,695
Long-term borrowings	336,192,300	315,285,988	109,735,709	84,225,806
Provisional/Other long-term liabilities	125,405,156	133,294,804	15,156,897	14,159,405
Short-term borrowings	20,929,729	11,328,499	9,583,000	-
Other Current Liabilities	203,798,700	179,794,948	119,665,025	70,162,498
Total Liabilities (d)	690,325,885	639,704,239	254,140,631	168,547,709
TOTAL EQUITY AND LIABILITIES (c)+(d)	1,054,531,798	1,028,558,013	621,283,432	553,004,404

TOTAL COMPREHENSIVE INCOME

	GROUP			
	01.01.-30.09.2009	01.01.-30.09.2008	01.07.-30.09.2009	01.07.-30.09.2008
Turnover	272,046,149	110,138,015	92,087,863	53,493,216
Costs of Sales	(42,452,054)	(2,275,520)	(12,470,602)	(16,269,629)
Loss before taxes, financing and investing activities	(10,144,878)	(31,987,586)	(4,841,582)	(6,211,928)
Loss before income taxes	(24,142,531)	(35,812,118)	(9,083,651)	(8,462,706)
Loss after income taxes (A)	(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)
- Share holders of the parent company	(24,650,930)	(32,105,529)	(8,441,881)	(9,933,689)
- Minority interests	(396,898)	(100,498)	(182,080)	(101,496)
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income after income tax(A)+(B)	(25,047,828)	(32,206,027)	(8,623,961)	(10,035,185)
- Share holders of the parent company	(24,650,930)	(32,105,529)	(8,441,881)	(9,933,689)
- Minority interests	(396,898)	(100,498)	(182,080)	(101,496)
Loss after taxes per share - Basic (a/c)	(0.1586)	(0.5328)	(0.0543)	(0.0968)
Profit/(Loss) before taxes, financing, investing activities and depreciation	52,960,920	(7,185,820)	16,441,366	4,345,717

COMPANY

	COMPANY			
	01.01.-30.09.2009	01.01.-30.09.2008	01.07.-30.09.2009	01.07.-30.09.2008
Turnover	121,376,559	97,342,538	43,193,320	34,113,720
Costs of Sales	(7,729,440)	(1,712,920)	(3,882,442)	(3,789,969)
Loss before taxes, financing and investing activities	(16,780,321)	(35,081,911)	(4,894,112)	(9,214,600)
Loss before income taxes	(19,408,259)	(37,070,165)	(5,427,871)	(9,714,876)
Loss after income taxes (A)	(17,713,861)	(32,827,185)	(4,887,878)	(7,701,779)
- Share holders of the parent company	(17,713,861)	(32,827,185)	(4,887,878)	(7,701,779)
- Minority interests	-	-	-	-
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income after income tax(A)+(B)	(17,713,861)	(32,827,185)	(4,887,878)	(7,701,779)
- Share holders of the parent company	(17,713,861)	(32,827,185)	(4,887,878)	(7,701,779)
- Minority interests	-	-	-	-
Loss after taxes per share - Basic (a/c)	(0.1140)	(0.5431)	(0.0934)	(0.0751)
Profit/(Loss) before taxes, financing, investing activities and depreciation	13,601,197	(11,880,542)	5,591,331	230,606

ADDITIONAL DATA AND INFORMATION

- The above financial statements for the period 01/01/2009-30/09/2009 have been approved by the members of the Board of Directors on November 18, 2009
 - As September 30, 2009 the total number of employees reached 1,459, while those of the Parent Company reached 839. As September 30, 2008 the Group's relative number of employees was 1,498, while that of the parent company was 948
 - There are not any real burden on the Group's real estate
 - The financial statements of the Group are included in the financial statements of Company "FORGENDO LIMITED"
 - Head Office: Cyprus, Evros, Evros, Evros at September 30, 2009 37,104 under the equity method
 - Same accounting methods and assumptions have been used in prior fiscal years
 - The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated in the interim consolidated financial statements of the year, are stated in Note 9 of the interim condensed financial statements
 - The audited tax years of the Company and of the companies of the Group are stated in Note 9 of the interim condensed financial statements
 - The impact of the acquisition on the revenues and losses after income taxes and minority interests is as follows (note 10 of the interim condensed financial statements)
- | Name | Revenues | % | Lesser after taxes and minority interests | % |
|-----------------------------|-------------|--------|---|---------|
| NETMED N.V. | 146,277,164 | 53.77% | (7,227,908) | -29.32% |
| INTERVISION (SERVICES) B.V. | - | 0.00% | 490,682 | 1.99% |
- The Company and the Group have made cumulative provisions for additional taxes assessment for the unaudited tax years amounting to € 0.1 for the Company and € 2.4 for the Group. In addition, no deferred tax asset has been recognized for net-of-the losses of amount € 0.0 for the Group and the Company in order to cover any additional taxes which will occur in future tax audit
 - There are no disputes or controversies under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status
 - The amount of the provision for the above taxes are: € 0.00 for the company and € 0.00 for the group
 - The amounts of other provisions are: € 0.00 for the Company and € 0.00 for the Group

- At the end of current period no shares of the parent company are possessed by either the parent company or any subsidiary or associate companies
- The accumulated income and expenses since the beginning of the current fiscal year as well as the Company's and the Group's trade accounts receivable and payable balances at the end of the current fiscal year that have resulted from the transactions with their related parties, according to IAS 24, are as follows:

(Amounts in euro)	Group	Company
(a) Income	153,187	38,840,116
(b) Expenses	3,861,204	399,474
(c) Receivables	29,154	5,046,217
(d) Liabilities	433,691	1,222,915
(e) Fees of Managers and members of the Board of Directors	2,264,710	972,870
(f) Amounts owed by Managers and members of the Board of Directors	0	0
(g) Amounts to Managers and members of the Board of Directors	16,179	0

- The goodwill that arose from the acquisition that was completed on August 27, 2008 amounted to € 285,965,176 (note 10 of the interim condensed financial statements). The confirmation of the goodwill will be completed within 12 months from the date of the acquisition
- The Group Capital Expenditure for the period ending at September 30, 2009 amounted to € 56,625,234
- As September 30, 2009, Forthnet accepted the outcome of the tax audit concerning unaudited fiscal years from 2003 to 2006. According to the tax audit, the total tax for the above four fiscal years amounted to €390,837. The Company for the above unaudited tax years had made a provision in the financial statements as at June 30, 2009, amounting to € 205,000. Consequently the interim condensed financial statements as at September 30, 2009 for the parent company and the group were charged by an amount of € 185,837.

Iraklion, November 18, 2009

PRESIDENT OF THE B.O.D.

 THE VICE PRESIDENT &
 CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

 DEEPAK SREENIVAS PADDANABHAN
 Passport No Z 1031032

 TZORTZAKIS PANTELIS
 ID Number: X072948

 KANELLOPOULOS PAULOS
 ID Number: N 006982

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