



**HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.**

**Forthnet S.A.**

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

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

**FINANCIAL DATA & INFORMATION FOR THE PERIOD JANUARY 1, 2009 - DECEMBER 31, 2009**

**(Published based on Corporate Law 2190, article 135 for corporations that report annual financial statements, consolidated or not, according to IFRS)**

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

**(Amounts in euro)**

**GENERAL INFORMATION:**

**Supervising Authority:** Ministry of Development, Secretary of Commerce  
**Date of Approval of the Annual Financial Statements:** March 15, 2010  
**The Certified Auditors - Accountants:** Georgios Anastopoulos, Stavros Saloustros  
**Auditing Companies:** ERNST & YOUNG S.A., SOL S.A.  
**Review Report:** Upon approval  
**Website:** www.forthnet.gr

**Members of the Board of Directors:**  
 Padmanabhan Deepak Srinivas, President of the BoD, Non-Executive Member  
 Tzortzakis Pantelis, Vice-President of the BoD & Chief Executive Officer, Executive Member  
 Warrington Michael, Non-Executive Member  
 Mijail Mohsin, Non-Executive Member  
 Parrelli Savinour, Non-Executive Member  
 Botman Franciscus Johannes, Non-Executive Member  
 Averof Ioannis, Independent-Non-Executive Member  
 Lloyd Edwin, Independent-Non-Executive Member

**STATEMENT OF FINANCIAL POSITION (parent company and consolidated)**

	GROUP		COMPANY	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
<b>ASSETS</b>				
Tangible assets	305,257,127	230,382,168	179,268,579	153,775,026
Intangible assets	241,364,207	269,166,534	15,645,799	15,002,342
Goodwill	286,692,695	286,692,695	512,569	512,569
Other non current assets	36,593,901	35,832,755	315,522,259	313,890,484
Inventories	5,537,891	6,846,673	2,269,943	1,859,398
Trade receivables	54,219,167	55,183,317	31,134,051	31,970,470
Other current assets	154,310,267	144,156,007	58,479,751	55,994,115
Non current assets available for sale	-	297,864	-	-
<b>TOTAL ASSETS</b>	<b>1,084,075,255</b>	<b>1,028,558,013</b>	<b>602,832,951</b>	<b>553,004,404</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital (155,431,324 shares of €1.18 each)	183,408,963	183,408,963	183,408,963	183,408,963
Retained earnings and other reserves	161,162,560	201,055,909	175,998,182	201,047,732
Total Shareholders equity (a)	344,571,523	384,464,872	359,407,145	384,456,695
Minority interests (b)	3,886,038	4,388,902	-	-
Total Equity (c)=(a)+(b)	348,457,561	388,853,774	359,407,145	384,456,695
Long-term borrowings	330,890,404	315,295,988	109,249,677	84,225,806
Provisions/Other long-term liabilities	188,525,128	133,294,804	25,635,124	14,159,405
Short-term borrowings	21,256,127	11,328,499	10,000,000	-
Other Current Liabilities	195,146,035	179,794,948	98,441,005	70,162,498
Total Liabilities (d)	735,617,694	639,704,239	243,425,806	168,547,709
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>1,084,075,255</b>	<b>1,028,558,013</b>	<b>602,832,951</b>	<b>553,004,404</b>

**TOTAL COMPREHENSIVE INCOME (parent company and consolidated)**

	GROUP		COMPANY	
	01.01 - 31.12.2009	01.01 - 31.12.2008	01.01 - 31.12.2009	01.01 - 31.12.2008
Turnover	371,767,395	211,736,540	169,297,218	136,110,828
Gross Profit/(Loss)	51,139,860	13,225,015	15,787,690	11,356,163
Loss before taxes, financing and investing activities	(21,732,773)	(44,561,391)	(23,226,953)	(42,381,510)
Loss before income taxes	(40,520,436)	(54,573,400)	(26,858,339)	(46,071,491)
<b>Loss after income taxes (a)</b>	<b>(41,182,772)</b>	<b>(40,871,357)</b>	<b>(25,836,109)</b>	<b>(40,185,154)</b>
- Share holders of the parent company	(40,679,908)	(40,484,720)	(25,836,109)	(40,185,154)
- Non-controlling interests	(502,864)	(386,637)	-	-
<b>Other comprehensive income after taxes (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income after income (a)+(b)</b>	<b>(41,182,772)</b>	<b>(40,871,357)</b>	<b>(25,836,109)</b>	<b>(40,185,154)</b>
- Share holders of the parent company	(40,679,908)	(40,484,720)	(25,836,109)	(40,185,154)
- Non-controlling interests	(502,864)	(386,637)	-	-
Loss after taxes per share - Basic (inf):	(0.2617)	(0.4855)	(0.1662)	(0.4773)
Profit/(Loss) before taxes, financing, investing activities and depreciation	64,025,980	6,474,392	18,212,479	(9,221,005)

**STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)**

	GROUP		COMPANY	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Total equity balance at the beginning of period (01.01.2009 and 01.01.2008 respectively)	388,853,774	123,517,104	384,456,695	123,165,933
Total comprehensive income after taxes	(41,182,772)	(40,871,357)	(25,836,109)	(40,185,154)
Issuance of share capital	-	299,593,877	-	299,593,877
Share capital issuance costs	-	(4,566,862)	-	(4,566,862)
Acquisition of Subsidiary	786,559	6,448,901	786,559	6,448,901
Stock option plan	-	4,732,111	-	-
Total equity balance end of period (31.12.2009 and 31.12.2008 respectively)	<b>348,457,561</b>	<b>388,853,774</b>	<b>359,407,145</b>	<b>384,456,695</b>

**ANNUAL CASH FLOW STATEMENT (parent company and consolidated)**

	GROUP		COMPANY	
	01.01 - 31.12.2009	01.01 - 31.12.2008	01.01 - 31.12.2009	01.01 - 31.12.2008
<b>Operating Activities</b>				
Loss before taxes (continuing activities)	(40,520,436)	(54,573,400)	(26,858,339)	(46,071,491)
<i>Add / Less adjustments for:</i>				
Depreciation and amortization	88,877,544	54,205,558	44,487,381	36,121,102
Amortization of subsidies	(3,118,791)	(3,169,775)	(3,047,949)	(2,960,597)
Gains on disposals of tangible and intangible assets	50,292	(292,446)	57,547	(113,605)
Allowance for doubtful receivable accounts	4,271,241	5,153,000	3,183,931	4,580,000
Other provisions	2,626,694	6,916,693	1,173,831	6,803,573
Gains on disposals of financial investing activities	(1,359,421)	(2,271,456)	(272,225)	(1,386,135)
Interest and related expenses	20,146,095	12,286,739	3,903,610	5,076,117
Share of profits of associates accounted for under the equity method	989	(3,274)	-	-
<i>Add less adjustments for changes in working capital related to operating activities:</i>				
Decrease / (increase) inventories	1,308,782	2,782,759	(410,544)	(676,467)
Decrease / (increase) trade accounts receivable and prepayments	(23,816,912)	(13,417,140)	924,515	(10,217,705)
(Decrease) / increase liabilities (other than Bank loans)	24,521,530	(1,445,479)	25,665,487	(5,277,573)
<b>Less:</b>				
Interest and related expenses paid	(20,080,789)	(8,557,812)	(4,785,687)	(4,944,641)
Tax paid	(11,919,862)	(2,086,453)	(390,837)	-
Increase/(decrease) in other long-term receivables	(608,396)	(25,133)	(24,720)	(19,881)
Increase/(decrease) in other long-term liabilities	119,900	35,000	119,900	35,000
<b>Net cash from/(used in) operating activities (a)</b>	<b>40,498,460</b>	<b>(4,462,613)</b>	<b>43,725,901</b>	<b>(19,052,303)</b>
<b>Cash flow from Investing Activities</b>				
Increase in participation in subsidiaries	-	(390,790,106)	(199,598)	(285,060,000)
Purchase of tangible and intangible assets	(74,336,191)	(72,902,198)	(69,269,467)	(72,225,252)
Received Grants	16,329,348	6,050,966	16,329,348	5,483,265
Proceeds from the sale of tangible and intangible assets	72,083	144,292	40,583	144,292
Interest received	1,280,054	2,466,901	272,225	1,499,718
Payments for acquisition of subsidiaries, associated, joint ventures	-	(61,652,458)	-	-
Acquisition of Loan Obligation	-	-	-	-
<b>Net cash flow from/(used in) investing activities (b)</b>	<b>(56,654,706)</b>	<b>(516,682,603)</b>	<b>(52,827,309)</b>	<b>(350,157,977)</b>
<b>Cash flow from Financing Activities</b>				
Net proceeds from the issuance of share capital	-	293,504,728	-	293,504,728
Net change in long-term borrowings	35,000,000	265,464,053	35,000,000	35,000,000
Net change in short-term borrowings	(10,000,000)	(18,000,000)	-	-
Net change in finance lease creditors	-	7,172,982	-	-
Settlement of obligation from leases	(8,805,388)	(3,606,105)	(140,930)	(132,360)
<b>Net cash flows from/(used in) financing activities (c)</b>	<b>16,194,612</b>	<b>544,535,658</b>	<b>34,859,070</b>	<b>328,372,368</b>
<b>Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>38,366</b>	<b>23,390,442</b>	<b>25,757,662</b>	<b>(40,837,912)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>79,510,860</b>	<b>56,120,418</b>	<b>14,864,016</b>	<b>55,701,928</b>
<b>Cash and cash equivalents at end of the period</b>	<b>79,549,226</b>	<b>79,510,860</b>	<b>40,621,678</b>	<b>14,864,016</b>

**ADDITIONAL DATA AND INFORMATION**

- The above financial statements during the year 01.01.2009-31.12.2009 have been approved by the members of the Board of Directors on March 15, 2010.
- At December 31, 2009 the Group's total number of employees reached 1,472, while the parent Company's 847. At December 31, 2008 the Group's relative number of employees was 1,538, while the parent company's was 914.
- There are not any real burden on the Group's real estate.
- The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at December 31, 2009: 37.10% under the equity method).
- Same accounting methods and assessments have been used as 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 annual consolidated financial statements of the year, are stated in note 11 of the annual financial statements.
- The unaudited tax years of the Company and of the companies of the Group are stated in Note 10 of the annual financial statements.
- The Company and the Group have made cumulative provisions for additional tax assessments for the unaudited tax-years amounting €0.2m. for the Company and € 2.5m. for the Group. In addition, no deferred tax asset has been recognised for set-off of tax losses of amount € 4.5 m. for the Group and the Company in order to cover any additional taxes which will occur in future tax audit.
- There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status.

- The amount of the other provisions are € 1.15 m. for the company and € 1.15m. 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	190,078	40,174,215
b) Expenses	(6,607,807)	(1,530,064)
c) Receivables	254,007	2,141,234
d) Liabilities	509,154	1,786,836
e) Fees of Managers and members of the Board of Directors	3,268,490	1,401,911
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	43,533	0

- The goodwill that arose from the acquisition that was completed on August 27, 2008 amounted to €285,965,176. (note 11 of the annual financial statements).
- The Group Capital Expenditure for the year ended December 31, 2009 amounted to €136,174,081 in which are included the renewal of transporter leases amounting to € 60,383,308.

Iraklion , March 15, 2010

PRESIDENT OF THE B.o.D.

THE VICE PRESIDENT & CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

DEEPAK SRINIVAS PADMANABHAN  
Passport No Z 1031032

TZORTZAKIS PANTELIS  
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ID Number N 006982

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