



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, 2008 - DECEMBER 31, 2008

(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 of the Group. As a result of this, we recommend to any potential investor, that before engage in any type of investment activity or any other kind of transaction with the Company, to visit the Company's web site at the electronic address www.forthnet.gr, where all interim condensed financial statements according to IFRS as well as the Audit Review report, when is required, are posted.

(Amounts in euro)

GENERAL INFORMATION:

Supervising Authority: Ministry of Development, Secretary of Commerce
Date of Approval of the Annual Financial Statements: March 16, 2009
Chief Auditors - Accountants: Chris Peleandridis, Saloustros Stavros
Auditing Companies: ERNST & YOUNG S.A., SOL S.A.
Review Report: Upon approval
Website: www.forthnet.gr

Members of the Board of Directors:

Averof Ioannis - President of the BoD, Non-Executive Member
Padmanabhan Deepak Srinivas- Vice-President of the BoD, Non-Executive Member
Tzortzakis Pantelis - Chief Executive Officer, Executive Member
Warrington Michael, Non-Executive Member
Koutsoudakis Georgios, Independent-Non-Executive Member
Majid Mohsin, Non-Executive Member
Payatakes Alkiviades, Non-Executive Member
Portelli Saviour, Non-Executive Member
Stratos Iason, Independent-Non-Executive Member

ANNUAL BALANCE SHEET

	GROUP		COMPANY	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
ASSETS				
Tangible assets	230,382,168	122,893,920	153,775,026	121,772,564
Intangible assets	269,894,053	17,599,528	15,514,911	15,298,893
Provisional goodwill	285,965,176	-	-	-
Other non current assets	35,750,742	17,352,401	313,560,335	21,071,830
Inventories	6,846,673	1,316,383	1,859,398	1,182,931
Trade receivables	55,183,317	31,556,622	31,970,470	28,138,279
Other current assets	144,156,007	75,536,450	35,994,115	75,026,513
Non current assets available for sale	379,877	379,877	330,149	330,149
TOTAL ASSETS	1,028,558,013	266,435,181	553,004,404	262,821,159
EQUITY AND LIABILITIES				
Share capital (155,431,324 shares of €1.18 each)	183,408,963	45,852,241	183,408,963	45,852,241
Retained earnings and other reserves	201,055,909	77,621,435	201,047,732	77,313,692
Total Shareholders equity (a)	384,464,872	123,473,676	384,456,695	123,165,933
Minority interests (b)	4,388,902	43,428	-	-
Total Equity (c)=(a)+(b)	388,853,774	123,517,104	384,456,695	123,165,933
Long-term borrowings	315,285,988	49,821,935	84,225,806	49,101,935
Provisions/Other long-term liabilities	133,294,804	11,296,236	14,159,405	11,189,991
Short-term borrowings	11,328,499	1,155,516	-	-
Other Current Liabilities	179,794,948	80,644,390	70,162,498	79,363,300
Total Liabilities (d)	639,704,239	142,918,077	168,547,709	139,655,726
TOTAL EQUITY AND LIABILITIES (c)+(d)	1,028,558,013	266,435,181	553,004,404	262,821,159

ANNUAL CASH FLOW STATEMENT

	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Cash flow from Operating Activities				
Loss before taxes (continuing activities)	(54,573,400)	(40,442,501)	(46,071,491)	(40,698,287)
Add / Less adjustments for:				
Depreciation and amortization	54,205,558	20,047,221	36,121,102	19,230,642
Amortization of subsidies	(3,169,775)	-	(2,960,597)	-
Gains/losses on disposals of tangible and intangible assets	(292,446)	352,242	(113,605)	354,321
Allowance for doubtful receivable accounts	5,153,006	4,930,000	4,580,000	4,900,000
Other provisions	6,916,693	3,204,931	6,803,573	3,181,098
Gains on disposals of financial investing activities	(2,271,456)	(2,334,093)	(1,386,135)	(2,323,588)
Financial expenses	12,286,739	2,648,243	5,076,117	2,545,943
Share of profits of associates accounted for under the equity method	(3,274)	(4,462)	-	-
Add less adjustments for changes in working capital related to operating activities:				
Decrease / (increase) inventories	2,782,759	(27,792)	(676,467)	(13,805)
Decrease / (increase) trade accounts receivable and prepayments	(13,417,140)	(17,368,656)	(10,217,705)	(16,323,679)
(Decrease) / increase liabilities (other than Bank loans)	4,605,487	21,604,618	205,691	21,892,895
Less:				
Interest and related expenses paid	(8,557,812)	(2,380,635)	(4,944,641)	(2,289,888)
Tax paid	(2,086,453)	(63,956)	-	(63,956)
Increase/(decrease) in other long-term receivables	(25,133)	(83,650)	(19,881)	(77,881)
Increase/(decrease) in other long-term liabilities	35,000	(1,219,750)	35,000	(1,219,750)
Net cash from/(used in) operating activities (a)	1,588,353	(11,138,240)	(13,560,838)	(10,805,935)
Cash flow from Investing Activities				
Acquisition of group of companies	(390,756,446)	-	-	-
Investment in subsidiary	(33,660)	-	(285,060,000)	(599,584)
Purchase of tangible and intangible assets	(72,902,198)	(45,622,748)	(72,225,252)	(43,967,240)
Proceeds from the sale of tangible and intangible assets	144,292	26,890	144,292	24,455
Interest received	2,466,901	2,219,875	1,499,718	2,210,005
Sales of financial assets at fair value with changes in net results	-	68,130,477	-	68,130,477
Loan Repayment of Subsidiary	(61,652,458)	-	-	-
Net cash flow from/(used in) investing activities (b)	(572,733,560)	24,754,494	(355,641,242)	25,798,113
Cash flow from Financing Activities				
Net payments for increase of share capital	293,504,728	1,695,454	293,504,728	1,695,454
Net proceeds from long-term issuance	265,464,053	49,821,935	35,000,000	49,101,935
Repayment of long-term borrowings	(18,000,000)	(34,000,000)	-	(34,000,000)
Net change in short-term borrowings	7,172,982	151,125	-	-
Net change in finance lease creditors	(3,606,105)	(141,654)	(132,360)	(108,701)
Net cash flows from/(used in) financing activities (c)	544,535,658	17,576,860	328,372,368	16,688,688
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	23,390,442	31,143,114	(40,837,912)	31,680,866
Cash and cash equivalents at beginning of year	56,120,418	24,977,304	55,701,928	24,021,062
Cash and cash equivalents at end of year	79,510,860	56,120,418	14,864,016	55,701,928

ANNUAL STATEMENT OF INCOME

	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Turnover	211,756,540	118,842,309	136,110,828	113,978,698
Gross Profit/(Loss)	13,225,015	3,027,109	(1,356,163)	1,377,942
Loss before taxes, financing and investing activities	(44,561,391)	(40,132,813)	(42,381,510)	(40,475,932)
Loss before income taxes	(54,573,400)	(40,442,501)	(46,071,491)	(40,698,287)
Loss after income taxes	(40,871,357)	(32,530,290)	(40,185,154)	(32,733,098)
Attributable to:				
Equity holders of the parent	(40,484,720)	(32,532,801)	(40,185,154)	(32,733,098)
Minority Holders	(386,637)	2,511	-	-
Loss after taxes per share - Basic (if:)	(0.4855)	(0.8439)	(0.4773)	(0.8491)
Profit/(Loss) before taxes, financing, investing activities and depreciation	6,474,392	(20,085,592)	(9,221,004)	(21,245,290)

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Total equity balance at the beginning of period	123,517,104	151,513,972	123,165,933	151,369,741
Including minority rights (01.01.2008 and 01.01.2007 respectively)	(40,871,357)	(32,530,290)	(40,185,154)	(32,733,098)
(Loss) after income taxes	82,645,747	118,983,682	82,980,779	118,636,645
- Issuance of share capital	299,593,877	1,699,919	299,593,877	1,699,919
- Share capital issuance costs (net from deferred tax)	(4,566,862)	(3,349)	(4,566,862)	(3,349)
- Employee stock option plan	6,448,901	2,832,720	6,448,901	2,832,720
- Minority interest on reserves distributed by subsidiary	-	4,132	-	-
- Acquisition of subsidiary	4,732,111	-	-	-
Total equity balance at the beginning of period	388,853,774	123,517,104	384,456,695	123,165,933
Including minority rights (31.12.2008 and 31.12.2007 respectively)	-	-	-	-

ADDITIONAL DATA AND INFORMATION

- The above financial statements during the year 01/01/2008-31/12/2008 have been approved by the members of the Board of Directors on March 16, 2009.
 - As of December 31, 2008 the Group's total number of employees reached 1,538, while the parent Company's 914. At December 31, 2007 the Group's relative number of employees was 992, while the parent company's was 935.
 - 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 September 30, 2008: 34.79%) 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.
 - On August 27, 2008, Forthnet completed the acquisition of all shares in NetMed N.V. son Intervention (Services) B.V. through its 100% subsidiary "Forthnet Media Holdings S.A.", against payment of a total consideration of €91,653,113.
The funds for the payment of the total consideration of the acquisition derived from the increase of Forthnet S.A.'s share capital and the partial issuance of the bond facility by Forthnet Media Holdings S.A.
From the above date the following companies are consolidated in the financial statements: Intervention (Services) B.V., NetMed N.V., NetMed Hellas S.A., Multichoice Hellas S.A., Symel S.A., NetMed S.A., Ad Value S.A., Rpo S.A., Multichoice Holdings (Cyprus) Ltd, Multichoice (Cyprus) Public Company Ltd, Myriad Development B.V., Tiledrasi A.E., Dikomo Investment Sarl, Tiledrasi S.A.
The impact of the acquisition on the revenues and losses after income taxes and minority interests is as follows (note 11 of the annual financial statements):
- | Name | Revenues | % | Losses after taxes and minority interests | % |
|------------------------------|------------|--------|---|--------|
| NETMED N.V. | 69,684,613 | 32.47% | 3,242,638 | -8.01% |
| INTERVENTION (SERVICES) B.V. | 0.00% | 0.00% | 405,681 | -1.00% |
- The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax-years amounting to €2 for the Company and €2.5 for the Group. In addition, no deferred tax asset has been recognised for set-off of tax losses of amount € 7.3 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 provision for the above issues and 0.00 for the company and € 0.00 for the group.
 - The amounts of other provisions and 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) | Όμιλος | Εταιρεία |
|---|------------|-----------|
| a) Income | 204,932 | 377,200 |
| b) Expenses | 2,601,444 | 325,415 |
| c) Receivables | 328,476 | 567,625 |
| d) Liabilities | 389,451 | 242,554 |
| e) Fees of Managers and members of the Board of Directors | 11,123,623 | 4,861,605 |
| 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 | 14,551 | 58,372 |
- In accordance with the decision of the Extraordinary General Shareholders Meeting of May 14, 2008 a share capital increase took place from July 18, 2008 up to and including August 1, 2008 up to the amount of € 137,556,722 through the issuance of 116,573,491 new common registered shares, of a nominal value of € 1.18 per share, at an offer price per share, of € 2.57. The difference between the exercise price and the nominal value of each share of € 157,470,293 was credited to share premium.
 - The goodwill that arisen from the acquisition that was completed on August 27, 2008 amounted to €285,965,176 and it is provisional (note 11 of the annual financial statements). The confirmation of the goodwill will be completed within 12 months from the date of the acquisition.
 - During the current period an amount of € 4,566,862 is recorded directly in the equity of the company and the Group (net from deferred tax), which concerns share capital issuance costs of the parent Company.
 - The Group Capital Expenditure for the year ended December 31, 2008 amounted to €133,187,177 in which are included the renewal of transporter leases amounting to € 63,509,544.
 - The General Assembly of the Subsidiary Company RPO S.A. which was held on September 30, 2008, decided on the resolution and settlement of the Company dated on November 1, 2008.
On December 31, 2008 the Prefecture of Eastern Attica with its decision (Protocol Number 10294/31-12-2008) announced the final dissolution of the company and its deletion from the registry of societies among.

Iraklion , March 16, 2009

PRESIDENT OF THE B.o.D.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

AVEROF IOANNIS
ID Number N 772354

TZORTZAKIS PANTELIS
ID Number. X 072948

KANELLOPOULOS PAVLOS
ID Number N 006982

KOSMAS SPYROS
ID Number AZ 555377
License Number O.E.E. 0016310 A Class