

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

INTERIM CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

30th SEPTEMBER, 2006

**ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

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TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT
01 JANUARY - 30 SEPTEMBER, 2006
(Expressed in Euro)

GROUP

	<u>Notes</u>	<u>01.01/ 30.09.06</u>	<u>01.07/ 30.09.06</u>	<u>01.01/ 30.09.05</u>	<u>01.07/ 30.09.05</u>
Revenues	8	99.710.510	23.872.583	95.302.578	21.396.632
Cost of Sales	9	<u>(92.020.762)</u>	<u>(28.138.559)</u>	<u>(83.828.450)</u>	<u>(25.421.227)</u>
Gross profit		7.689.748	(4.265.976)	11.474.128	(4.024.595)
Other operating income	10	<u>7.643.744</u>	<u>3.869.998</u>	<u>3.789.404</u>	<u>1.628.463</u>
Total gross operating profit		15.333.492	(395.978)	15.263.532	(2.396.132)
Distribution costs	9	(3.024.941)	(998.372)	(2.813.228)	(1.020.559)
Administrative expenses	9	<u>(5.308.948)</u>	<u>(1.619.244)</u>	<u>(5.050.097)</u>	<u>(1.464.584)</u>
Operating profit		<u>6.999.603</u>	<u>(3.013.594)</u>	<u>7.400.207</u>	<u>(4.881.275)</u>
Non operating income					
Interest received and receivable		7.605	5.271	5.912	322
Profit on disposal of fixed assets		55.815	0	2.500	0
Prior years' income		79.380	0	11.744	0
Other income	11	<u>155.423</u>	<u>29.524</u>	<u>147.664</u>	<u>23.938</u>
		298.223	34.795	167.820	24.260
Non operating expenses					
Interest and similar charges	9	(3.109.446)	(1.515.008)	(3.430.331)	(996.329)
Prior years' expenses	12	(359.936)	(101.205)	(617.257)	(92.746)
Provisions		(1.616.400)	(122.400)	(137.880)	119.520
Losses from the sale of fixed assets		(81.004)	(81.004)	0	0
Other expenses	13	<u>(21.536)</u>	<u>28.794</u>	<u>(522.930)</u>	<u>258.627</u>
		(5.188.322)	(1.790.823)	(4.708.398)	(710.928)
Profit for the year before tax		2.109.504	(4.769.622)	2.859.629	(5.567.943)
Income tax	14	<u>(460.627)</u>	<u>1.447.961</u>	<u>(758.818)</u>	<u>1.851.366</u>
Prior years' deferred tax	14	<u>199.431</u>	<u>66.477</u>	<u>120.916</u>	<u>51.974</u>
Profit for the year after tax		<u>1.848.308</u>	<u>(3.255.184)</u>	<u>2.221.727</u>	<u>(3.664.603)</u>
Earnings per share € (note 30)		0,05	(0,09)	0,07	(0,12)

Notes forming an integral part of the financial statements on pages 7 to 41.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT
01 JANUARY - 30 SEPTEMBER, 2006
(Expressed in Euro)

COMPANY

	<u>Notes</u>	<u>01.01/ 30.09.06</u>	<u>01.07/ 30.09.06</u>	<u>01.01/ 30.09.05</u>	<u>01.07/ 30.09.05</u>
Revenues	8	98.378.152	23.484.482	94.446.000	21.053.836
Cost of Sales	9	<u>(91.578.472)</u>	<u>(28.099.964)</u>	<u>(83.809.582)</u>	<u>(25.414.733)</u>
Gross profit		6.799.680	(4.615.482)	10.636.418	(4.360.897)
Other operating income	10	<u>7.643.745</u>	<u>3.869.998</u>	<u>3.789.404</u>	<u>1.628.463</u>
Total gross operating profit		14.443.425	(745.484)	14.425.822	(2.732.434)
Distribution costs	9	<u>(3.024.941)</u>	<u>(998.372)</u>	<u>(2.813.228)</u>	<u>(1.020.559)</u>
Administrative expenses	9	<u>(5.245.403)</u>	<u>(1.616.146)</u>	<u>(5.033.712)</u>	<u>(1.457.704)</u>
Operating profit		<u>6.173.081</u>	<u>(3.360.002)</u>	<u>6.578.882</u>	<u>(5.210.697)</u>
Non operating income					
Interest received and receivable		7.605	5.271	5.912	322
Profit on disposal of fixed assets		55.815	0	2.500	0
Prior years' income		79.380	0	11.744	0
Other income	11	<u>155.423</u>	<u>29.524</u>	<u>147.664</u>	<u>23.938</u>
		298.223	34.795	167.820	24.260
Non operating expenses					
Interest and similar charges	9	<u>(3.104.413)</u>	<u>(1.515.173)</u>	<u>(3.422.725)</u>	<u>(996.281)</u>
Prior years' expenses	12	<u>(359.936)</u>	<u>(101.205)</u>	<u>(617.257)</u>	<u>(92.746)</u>
Provisions		<u>(1.616.400)</u>	<u>(122.400)</u>	<u>(137.880)</u>	<u>119.520</u>
Losses from the sale of fixed assets		<u>(81.004)</u>	<u>(81.004)</u>	<u>0</u>	<u>0</u>
Other expenses	13	<u>(15.866)</u>	<u>34.465</u>	<u>(452.180)</u>	<u>258.919</u>
		(5.177.619)	(1.785.317)	(4.630.042)	(710.588)
Profit for the year before tax		1.293.685	(5.110.524)	2.116.660	(5.897.025)
Income tax	14	<u>(379.046)</u>	<u>1.482.052</u>	<u>(680.617)</u>	<u>1.887.047</u>
Prior years' deferred tax	14	<u>199.431</u>	<u>66.477</u>	<u>120.916</u>	<u>51.974</u>
Profit for the year after tax		<u>1.114.070</u>	<u>(3.561.995)</u>	<u>1.556.959</u>	<u>(3.958.004)</u>

Notes forming an integral part of the financial statements on pages 7 to 41.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT
01 JANUARY - 30 SEPTEMBER, 2006
(Expressed in Euro)

Total fixed assets		<u>183.531.453</u>	<u>181.483.918</u>	<u>151.279.271</u>	<u>149.231.736</u>
CURRENT ASSETS					
Inventories		339.211	322.573	339.211	322.573
Trade and other receivables	19	36.810.973	40.625.137	34.944.165	38.601.066
Claims from affiliated companies	20	0	0	3.758.700	3.758.700
Deferred taxes	21	1.555.078	1.355.647	1.555.078	1.355.647
Prepayments of programme rights	22	29.859.334	36.090.586	29.859.334	36.090.586
Cash and cash equivalents	23	<u>7.648.044</u>	<u>2.442.621</u>	<u>7.072.289</u>	<u>1.910.298</u>
Total current assets		<u>76.212.640</u>	<u>80.836.564</u>	<u>77.528.777</u>	<u>82.038.870</u>
Total assets		<u>259.744.093</u>	<u>262.320.482</u>	<u>228.808.048</u>	<u>231.270.606</u>
EQUITY AND LIABILITIES					
Share capital	24	34.361.250	31.237.500	34.361.250	31.237.500
Share premium	24	33.469.247	35.031.122	33.469.247	35.031.122
Reserves	25	39.624.113	41.185.988	11.287.361	12.849.236
Profit for the period		1.848.308	0	1.114.070	0
Retained earnings		4.091.361	8.152.236	628.422	4.689.297
Translation difference		<u>48.713</u>	<u>48.125</u>	<u>0</u>	<u>0</u>
Net position		<u>113.442.992</u>	<u>115.654.971</u>	<u>80.860.350</u>	<u>83.807.155</u>
Long term liabilities	26	48.832.741	46.967.522	48.832.741	46.967.522
SHORT TERM LIABILITIES					
Trade and other payables	27	63.366.721	87.838.398	65.013.318	88.636.338
Short term borrowings	28	25.101.639	3.984.591	25.101.639	3.984.591
Long term liabilities payable next period	26.1	<u>9.000.000</u>	<u>7.875.000</u>	<u>9.000.000</u>	<u>7.875.000</u>
Total Short Term Liabilities		<u>97.468.360</u>	<u>99.697.989</u>	<u>99.114.957</u>	<u>100.495.929</u>
Total equity and liabilities		<u>259.744.093</u>	<u>262.320.482</u>	<u>228.808.048</u>	<u>231.270.606</u>

Notes forming an integral part of the financial statements on pages 7 to 41.

TELETYPOS TELEVISION PROGRAMMES S.A.
"MEGA CHANNEL"
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
30th SEPTEMBER, 2006
(Expressed in Euro)

<u>GROUP</u>	<u>Share</u> <u>Capital</u>	<u>Share</u> <u>Premium</u>	<u>Statutory</u> <u>Reserve</u>	<u>Other</u> <u>Reserves</u>	<u>Translation</u> <u>Difference</u> <small>fin.statements of subsidiary</small>	<u>Revaluation</u> <u>Reserves</u>	<u>Profit</u> <u>for the year</u>	<u>Retained</u> <u>Earnings</u>	<u>Total</u>
Shareholders equity 2005									
Balance 31st December, 2004	31.237.500	35.031.122	3.351.531	7.565.167	56.995	29.826.287	0	7.989.641	115.058.243
Translation difference 31/12/2004					-56.995				-56.995
Translation difference 30/09/2005					48.158				48.158
Approval of 2004 dividend by G.A.								-3.748.500	-3.748.500
Profit for the period after tax(01/01-30/09/2005)							2.221.727		2.221.727
Adjustment affecting directly Net Position				193.643					193.643
Net Position 30/09/2005	31.237.500	35.031.122	3.351.531	7.758.810	48.158	29.826.287	2.221.727	4.241.141	113.716.276
Balance 30th September 2005	31.237.500	35.031.122	3.351.531	7.758.810	48.158	29.826.287	2.221.727	4.241.141	113.716.276
Translation difference 30/9/2005					-48.158				-48.158
Translation difference 31/12/2005					48.125				48.125
Profit for the period after tax (30/09/2005)							-2.221.727		-2.221.727
Profit for the year after tax							4.521.994		4.521.994
Statutory reserve							-236.899		-236.899
Distribution of earnings to personnel							-350.000		-350.000
BoD Remuneration							-24.000		-24.000
Retained earnings 31/12/2004							4.241.141	-4.241.141	0
Proposed dividend for the year 2005							-4.060.875	4.060.875	0
Retained earnings 31/12/2005							-4.091.361	4.091.361	0
Adjustment affecting directly Net Position				12.461					12.461
Distribution of earnings for the year 2005			236.899						236.899
Net position 31/12/ 2005	31.237.500	35.031.122	3.588.430	7.771.271	48.125	29.826.287	0	8.152.236	115.654.971
Net position 2006									
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.271	48.125	29.826.287	0	8.152.236	115.654.971
Foreign exchange difference 31/12/2005					-48.125				-48.125
Translation difference 30.09.2006					48.713				48.713
Approval of 2005 dividend by G.A.								-4.060.875	-4.060.875
Share capital increase	3.123.750	-1.561.875		-72.341		-1.489.534			0
Profit for the period after tax (01/01-30/09/2006)							1.848.307	0	1.848.307
Net position 30/06/2006	34.361.250	33.469.247	3.588.430	7.698.930	48.713	28.336.753	1.848.307	4.091.361	113.442.991

TELETYPOS TELEVISION PROGRAMMES S.A.
"MEGA CHANNEL"
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
30th SEPTEMBER, 2006
(Expressed in Euro)

<u>COMPANY</u>	<u>Share</u>	<u>Share</u>	<u>Statutory</u>	<u>Other</u>	<u>Translation</u>	<u>Profit for</u>	<u>Retained</u>	<u>Total</u>
	<u>Capital</u>	<u>Premium</u>	<u>Reserve</u>	<u>Reserves</u>	<u>difference</u>	<u>the year</u>	<u>Earnings</u>	
Net position 2005								
Balance 31st December, 2004	31.237.500	35.031.122	3.351.531	7.565.168	1.489.534	0	5.354.042	84.028.897
Approval of 2004 dividend by G.A.							-3.748.500	-3.748.500
Profit for the period after tax(01/01-30/09/2005)						1.556.959		1.556.959
Adjustment affecting directly Net Position				193.643				193.643
Net Position 30/09/ 2005	31.237.500	35.031.122	3.351.531	7.758.811	1.489.534	1.556.959	1.605.542	82.030.999
Balance 30th September, 2005	31.237.500	35.031.122	3.351.531	7.758.811	1.489.534	1.556.959	1.605.542	82.030.999
Profit for the period after tax(30/09/2005)						-1.556.959		-1.556.959
Profit for the year after tax						3.694.654		3.694.654
Statutory Reserve						-236.899		-236.899
Profit distributed to personnel						-350.000		-350.000
B.o.D. Remuneration						-24.000		-24.000
Retained earnings 31/12/2004						1.605.542	-1.605.542	0
Proposed dividend for 2005						-4.060.875	4.060.875	0
Retained earnings 31/12/2005						-628.422	628.422	0
Adjustment affecting directly Net Position				12.461				12.461
Distribution of earnings 2005			236.899					236.899
Net Position 30/06/2006	31.237.500	35.031.122	3.588.430	7.771.272	1.489.534	0	4.689.297	83.807.155
Net Position 2006								
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.272	1.489.534	0	4.689.297	83.807.155
Approval of 2005 dividend by G.A.							-4.060.875	-4.060.875
Profit for the period after tax (01/01-30/09/2006)						1.114.070		1.114.070
Share Capital Increase	3.123.750	-1.561.875		-72.341	-1.489.534			

TELETYPOS TELEVISION PROGRAMMES S.A.
MEGA CHANNEL
CASH FLOW STATEMENT
FOR THE PERIOD , 01 JANUARY - 30 SEPTEMBER, 2006
(Expressed in Euro)

Income from investing activities	17.583	(8.412)	17.583	(8.412)
Interest and similar charges	3.109.446	3.430.331	3.104.413	3.422.725
(Increase) in stock of spares and consumables	(16.637)	(25.541)	(16.637)	(25.541)
Decrease in stock of programme rights	6.231.252	6.958.378	6.231.252	6.958.378
Decrease in debtors and others	2.320.165	7.929.406	2.162.900	8.874.360
Decrease in payables	45.888	(16.793)	45.888	(16.794)
Minus: Interest and similar charges	(23.357.693)	(17.191.611)	(22.515.289)	(18.222.554)
Income tax paid	(3.045.382)	(3.401.732)	(3.040.348)	(3.394.125)
Total Cash Flow from Operating Activities (a)	39.212.625	46.794.800	39.169.192	45.935.107
Cash Flow from investing activities				
(Increase) of investments and participations	(600)	0	(600)	0
Purchase of tangible and intangible fixed assets	(53.230.819)	(49.728.411)	(53.230.819)	(49.728.411)
Income from the sale of fixed assets	57.400	2.500	57.400	2.500
Interest receivables	2.714	1.999	2.714	1.999
Dividends payables	4.891	3.913	4.891	3.913
Total Cash Flow from Investing Activities (b)	(53.166.414)	(49.719.999)	(53.166.414)	(49.719.999)
Cash Flow from Financing Activities				
Income from bonds	91.383.003	36.324.351	91.383.003	36.324.351
Payments for bonds	(68.080.037)	(29.781.072)	(68.080.037)	(29.781.072)
Dividend paid	(4.143.753)	(3.734.945)	(4.143.753)	(3.734.945)
Net Cash Flow from Financing Activities c	19.159.213	2.808.334	19.159.213	2.808.334
Increase in net liquid funds (a)+(b)+(c)	5.205.424	(116.865)	5.161.991	(976.558)
Cash and Cash equivalents at beginning of the year	2.442.620	2.670.819	1.910.298	2.400.673
Cash and Cash equivalents at year end	7.648.044	2.553.954	7.072.289	1.424.115

Notes forming an integral part of the financial statements on pages 7 to 41.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated and parent financial statements in accordance with IFRS
30th September, 2006
(Expressed in Euro)

1. General Information

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

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

The parent company has incorporated in 2000 Teletypos Cyprus Ltd. Its investment is stated at 100% of shareholding. The company's main objective is the trading of television programmes in Cyprus and in the area of Middle East.

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

The company's main objectives are:

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

The financial statements have been approved by the company's Board of Directors at 16/11/2006. The composition of the Board of Directors is as follows:

Christos Lambrakis	- Chairman, non-executive member
Elias Tsigas	- Managing Director
Yiorgos Bobolas	- Non-executive member
Yiorgos Vardinogiannis	- Non-executive member
Fotios Bobolas	- Non-executive member
Christos Tegopoulos	- Non-executive member
Stauros Psicharis	- Non-executive member
Yiorgos Aidinis	- Independent non-executive member
Yiorgos Poursanidis	- Independent non-executive member

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated and parent financial statements in accordance with IFRS
30th September, 2006
(Expressed in Euro)

2. Compliance with IFRS (International Financial Reporting Standards)

The attached financial statements have been prepared by the management of the company in accordance with International Financial Reporting Standards (IFRS) and with the corresponding amendments that have been published from the International Accounting Standards Board (IASB) and from the International Financial Reporting Interpretation Committee (IFRIC) respectively, and have been adopted from the European Union.

3. General Accounting Principles

3.1. Accounting convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of land and buildings, which has been done in 1992, 1996, 2000 and 2004 on the basis of relevant legislation.

The resulting overvalue is capitalised.

Company's management decided that the valuation of land and buildings on current value is not necessary.

3.2. Base of Consolidation

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

Consolidated financial statements are based on separate companies financial statements which have been prepared in accordance with IFRS and certain accounting principles followed by the Group.

All group's companies have the same reporting date.

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

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated and parent financial statements in accordance with IFRS
30th September, 2006
(Expressed in Euro)

3. General Accounting Principles (cont.)

3.3. Participations

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

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

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

3.4. Foreign currency transactions and balances

a. Transactions in foreign currencies and presentation

The company's parent and consolidated accounts are presented in the country's currency in which the company operates. The consolidated accounts are presented in Euros.

b. Transactions and company's accounts

Transactions in foreign currencies are reflected at the rate prevailing at the time the transactions are recorded. All cash assets and liabilities in foreign currencies are expressed in Euro at the rates prevailing at the balance sheet date. Realised and unrealised exchange gains and losses are transferred to profit and loss account. Non-cash assets and liabilities with historical cost expressed in foreign currency are presented at the rate prevailing at acquisition date.

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3.5. Borrowing Cost

Borrowing cost is related to the production of assets and is capitalized in cases where there is a significant period until the moment they can be used in operations. Any corresponding income (financial income) is deducted from the relevant borrowing cost. Other borrowing costs are charged in the income statement.

3.6. Programme and film rights

Programme and film rights refer to self-owned television programmes and third parties programmes.

3.6.1. Self-owned television programmes

The cost of self-owned programs is capitalised as intangible fixed assets (Programme rights) and is amortised as described in note 3.7.

3.6.2. License third parties' T.V. programmes in foreign currency

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

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

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3.7 Depreciation and Amortization

Fixed Assets

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

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

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3. General Accounting Principles (cont.)

3.7. Depreciation and Amortization (cont.)

Fixed Assets (cont.)

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

In addition to the original accounting presentation of cost, land is presented at revised values.

The revised value is defined according to relevant legislation. The excess amount of the revaluation is transferred to the account ‘Revaluation Reserve’ and is presented in the Balance Sheet as part of Equity.

Programme and film rights

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

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

Programme and film rights include:

- acquisition cost of tele-series
- rights for production and broadcast of T.V. games
- cost of in-house production programmes

Programmes that, according to management estimations can not be broadcasted for more than one year, are 100% amortized in the year of their broadcast.

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3.General Accounting Principles (cont.)

3.8 Taxation

Income tax is calculated on taxable profits and according to the rate which is in force (29% for the year 2006 and 32% for the year 2005). Taxable profit differs from company's profit as reported in the income statement because it excludes items of income or expenses that are not taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

Income tax of subsidiary company is calculated with a 10% tax rate on accounted net profit on which no further taxation applies.

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3. General Accounting Principles (cont.)

3.9. Inventories (Spare parts and Consumables)

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

3.10. Provisions

Provisions are recognized when:

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

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

3.11. Revenues

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

3.12. Impairment

At each balance sheet date, the company's management reviews the carrying amounts of its tangible and intangible assets to determine whether there is indication that those assets have suffered any impairment loss. At 30.09.2006, there was no such indication.

3.13. Trade receivables

At first, trade receivables are accounted at their appropriate value, and then, are revalued taking into consideration their present value using a real discount rate. Impairment because of differences with the present value or because of provision for bad debts is accounted only for substantial amounts. The amount of provision for possible impairment is transferred to profit and loss account.

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3. General Accounting Principles (cont.)

3.14. Investments

Investments are accounted at their appropriate value plus any cost directly related to their acquisition.

Then, securities that the company intends and is able to hold up to their maturity date are valued at real cost using the real discount rate minus possible loss connected to amounts that cannot be recovered.

Non-recoverable amounts, as well as, possible difference from valuation are transferred to profit and loss account.

Other non-investment securities are characterized as tradeable or intended for reselling and are valued at their appropriate value. Profit or loss incurred by valuation of tradeable or intended for reselling securities is transferred directly to profit and loss account or directly to equity respectively, up to the date of their sale or recognition of possible impairment of their value, in which case, profit or loss accounted in equity is transferred to profit and loss account.

3.15. Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments.

3.16. Bank loans

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

3.17. Trade Creditors

Trade creditors are stated, at first, at the nominal value of the liabilities. Then, they are revised at their real value using the real discount rate method, if there is significant difference from the nominal value.

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3. General Accounting Principles (cont.)

3.18. Use of derivative products and hedging of foreign exchange and interest rate risks

Company's activities are subject to exchange rate and interest rate fluctuations. The company uses derivative products for the hedging of these risks, according to the need for covering the exposure to changes in exchange or interest rates.

3.19. Patents and trademarks

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

3.20. Retirement benefits

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

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

The liability, is the present value of the defined benefit obligation determined on an actual basis at the balance sheet date. The defined obligation has been calculated by independent actuaries. The estimated liability on 30.09.2006 is recognised in the financial statements.

The obligation of previous years has been separated and charged directly to equity, and the obligation related to the period, is charged to income statement.

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

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4. Nature of activities

The company operates in the Greek state offering services and it is not subject to any risks arising from the economic or the geographical environment.

5. Business Risk Management

Company's operations are subject to several business risks such as:

- Foreign exchange risk
- Business risk
- Credit risk
- Liquidity risk
- Cash flow and fair value interest rate risk

- **Foreign exchange risk**

Although the company operates within the Greek state, a large sum of its TV programmes are purchased from abroad. As a result, it is subject to foreign exchange risk between the Euro and other currencies (mainly US dollars). Nevertheless, the fact that majority of the TV programmes are purchased from countries within the European Union eliminates the foreign currency risk.

- **Business risk**

Company's main revenue comes from the sale of advertisement. Thus, the company is subject to advertisement's price fluctuations as a result from the competition with other TV stations or with other mass media.

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5. Business Risk Management (cont.)

- **Credit risk**

The credit risk, which is related to the credit profile of the clients, is low and controllable since most of the company's clients have strong balance sheets.

- **Liquidity risk**

The management is exercising a conservative policy as of the liquidity risk aiming in maintaining a balance between the financing and the credit period and an adequate cash flow.

- **Cash flow and fair value interest rate risk**

Interest rate risk is mainly related to long term borrowing. When needed, the management applies a preventive policy to cover the exposure to changes in interest rates.

There was no need to estimate the reasonable value of the financial means using the real interest rate method.

6. Management's assumptions

The company makes estimates and assumptions before adopting its accounting principles. There is no particular issue which would require further investigation.

7. Dividends

Dividends to shareholders are recognized as payables and appear as liabilities in the balance sheet in the year in which dividends have been approved by the General Assembly meeting.

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8. Turnover**GROUP****COMPANY**

	<u>30/9/2006</u>	<u>%</u>	<u>30/9/2005</u>	<u>%</u>	<u>30/9/2006</u>	<u>%</u>	<u>30/9/2005</u>	<u>%</u>
Advertising	97.734.537	98,02	92.916.885	97,50	97.734.537	99,35	92.916.885	98,38
Income from T.V. rights programmes	625.615	0,63	520.675	0,55	625.615	0,64	520.675	0,55
Income from T.V. rights	18.000	0,02	1.008.440	1,06	18.000	0,02	1.008.440	1,07
Income from T.V. rights (sub. company)	<u>1.332.358</u>	<u>1,33</u>	<u>856.578</u>	<u>0,90</u>	<u>0</u>	<u>0,00</u>	<u>0</u>	<u>0,00</u>
	<u>99.710.510</u>	<u>100,00</u>	<u>95.302.578</u>	<u>100,00</u>	<u>98.378.152</u>	<u>100,00</u>	<u>94.446.000</u>	<u>100,00</u>

9. Operating Expenses

	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Staff wages and expenses	23.892.887	22.234.540	23.892.887	22.234.540
Third parties fees and expenses	16.832.428	15.379.325	16.390.139	15.360.457
Utilities	4.439.425	4.308.348	4.439.425	4.308.348
Taxes and duties	2.597.164	1.339.130	2.597.164	1.339.130
Sundry expenses	4.910.587	3.997.228	4.847.041	3.980.843
Financial expenses	3.109.446	3.430.331	3.104.413	3.422.725
Consumables-spare parts	215.516	264.009	215.516	264.009
Depreciation/Amortisation	51.055.408	47.772.264	51.055.408	47.772.264
Less: Cost of origination of own productio	<u>(3.588.764)</u>	<u>(3.603.069)</u>	<u>(3.588.764)</u>	<u>(3.603.069)</u>
	<u>103.464.097</u>	<u>95.122.106</u>	<u>102.953.229</u>	<u>95.079.247</u>

The above amounts have been allocated as follows:

	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Cost of sales	92.020.762	83.828.450	91.578.472	83.809.582
Administrative expenses	5.308.948	5.050.097	5.245.403	5.033.712
Distribution expenses	3.024.941	2.813.228	3.024.941	2.813.228
Financial expenses	3.109.446	3.430.331	3.104.413	3.422.725
	<u>103.464.097</u>	<u>95.122.106</u>	<u>102.953.229</u>	<u>95.079.247</u>

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	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
10. Other operating income				
Government grants	13.284	43.266	13.284	43.266
Computer and technical support to clients	6.646.823	2.829.086	6.646.823	2.829.086
Income earned from co-operation with third parties	952.115	895.134	952.115	895.134
Income from rentals	31.523	21.918	31.523	21.918
	<u>7.643.745</u>	<u>3.789.404</u>	<u>7.643.745</u>	<u>3.789.404</u>
11. Other Income				
Foreign exchange differences	155.410	18.812	155.410	18.812
Sundry income	13	128.852	13	128.852
	<u>155.423</u>	<u>147.664</u>	<u>155.423</u>	<u>147.664</u>
12. Prior years' expenses				
Technical support services	181.179	306.361	181.179	306.361
"DIONYSOS" Royalties	0	160.822	0	160.822
Compensations	100.307	58.434	100.307	58.434
Sundry expenses	78.450	91.640	78.450	91.640
	<u>359.936</u>	<u>617.257</u>	<u>359.936</u>	<u>617.257</u>
13. Other expenses				
Foreign exchange valuation differences	20.645	521.651	14.975	450.901
Sundry expenses	891	1.279	891	1.279
	<u>21.536</u>	<u>522.930</u>	<u>15.866</u>	<u>452.180</u>

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14. Taxation

The company's profits are taxed at the rate of 29% for the year 2006 and 32% for the year 2005 after they have been adjusted for expenses not tax allowable and for any tax free reserves.

The company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999. The profits of the subsidiary company are taxed at the tax rate of 10% and no further taxation applies in the country of operations.

	<u>GROUP</u>		<u>COMPANY</u>					
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>				
Provision for income tax	(456.750)	(755.532)	(375.169)	(677.331)				
Other non-incorporated in operating cost taxes	(3.877)	(3.286)	(3.877)	(3.286)				
Deferred taxes (note 21)	199.431	120.916	199.431	120.916				
Total tax for the year	<u><u>(261.196)</u></u>	<u><u>(637.902)</u></u>	<u><u>(179.615)</u></u>	<u><u>(559.701)</u></u>				
Total tax for the year consists of:								
	<u>30/9/2006</u>	TAX	<u>30/9/2005</u>	TAX	<u>30/9/2006</u>	TAX	<u>30/9/2005</u>	TAX
		RATE		RATE		RATE		RATE
Profit for the year before taxes (parent)	1.293.685		2.116.660		1.293.685		2.116.660	
Profit for the year before taxes (subsidiary)	815.819		742.969		0		0	
Taxable profit	<u>2.109.504</u>		<u>2.859.629</u>		<u>1.293.685</u>		<u>2.116.660</u>	
Income tax (parent)	(375.169)	29%	(677.331)	32%	(375.169)	29%	(677.331)	32%
Income tax (subsidiary)	(81.581)	10%	(74.297)	10%	0		0	
Prepayment of income tax (subsidiary)	0		(3.704)		0		0	
Total tax for the period	<u>(456.750)</u>		<u>(755.332)</u>		<u>(375.169)</u>		<u>(677.331)</u>	
Deferred taxes								
Intangible assets. Formation expenses	(631)		(41.231)		(631)		(41.231)	
Provision for contingencies-expenses	200.062		162.147		200.062		162.147	
Total tax	<u>199.431</u>		<u>120.916</u>		<u>199.431</u>		<u>120.916</u>	
Other non-incorporated in operating cost taxes	(3.877)		(3.286)		(3.877)		(3.286)	
Total tax for the period	<u><u>(261.196)</u></u>		<u><u>(637.702)</u></u>		<u><u>(179.615)</u></u>		<u><u>(559.701)</u></u>	

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15. Intangible assets - Programme rights

GROUP / COMPANY

	Programme and film rights	Formation Expenses	Share Capital's Increase Expenses	License Trademark	Total
<u>Cost</u>					
1.1.2006	577.432.978	0	0	384.891	577.817.869
Purchases	48.562.538	15.619	3.124	0	48.581.281
Disposals	0	0	0	(115.009)	(115.009)
In House Production under way	2.975.014	0	0	0	2.975.014
30.09.2006	<u>628.970.530</u>	<u>15.619</u>	<u>3.124</u>	<u>269.882</u>	<u>629.259.155</u>
<u>Amortization</u>					
1.1.2006	441.572.638	0	0	268.745	441.841.383
Charge for the period	49.426.692	15.619	3.124	40.482	49.485.917
Disposals	0	0	0	(115.009)	(115.009)
30.09.06	<u>490.999.330</u>	<u>15.619</u>	<u>3.124</u>	<u>194.218</u>	<u>491.212.291</u>
Net Book Value 30.09.2006	<u>137.971.200</u>	<u>0</u>	<u>0</u>	<u>75.664</u>	<u>138.046.864</u>
Net Book Value 31.12.2005	<u>135.860.340</u>	<u>0</u>	<u>0</u>	<u>116.146</u>	<u>135.976.486</u>

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16. Fixed assets – Tangible assets

GROUP/COMPANY

	<u>Land</u> <u>(1)</u>	<u>Buildings</u>	<u>Plant and</u> <u>machinery</u>	<u>Transportation</u> <u>means</u>	<u>Furniture</u> <u>and</u> <u>equipment</u>	<u>Total</u>
<u>Cost</u>						
1.1.06	4.799.610	2.531.878	17.252.380	917.058	13.104.759	38.605.685
Purchases	0	57.500	1.017.480	37.906	561.639	1.674.525
Sales	0	0	(1.850)	(10.550)	(45.000)	(57.400)
Disposals	0	0	(8.899)	(141.155)	(624.858)	(774.912)
30.09.06	<u>4.799.610</u>	<u>2.589.378</u>	<u>18.259.111</u>	<u>803.259</u>	<u>12.996.540</u>	<u>39.447.898</u>
<u>Depreciation</u>						
1.1.06	0	1.551.920	13.528.339	576.246	11.584.761	27.241.266
Additions	0	199.505	678.021	64.361	627.603	1.569.490
Disposals	0	0	(9.564)	(150.770)	(589.389)	(749.723)
30.09.06	<u>0</u>	<u>1.751.425</u>	<u>14.196.796</u>	<u>489.837</u>	<u>11.622.975</u>	<u>28.061.033</u>
N.B.V.						
30.09.06	<u>4.799.610</u>	<u>837.953</u>	<u>4.062.315</u>	<u>313.422</u>	<u>1.373.565</u>	<u>11.386.865</u>
31.12.05	<u>4.799.610</u>	<u>979.958</u>	<u>3.724.041</u>	<u>340.812</u>	<u>1.519.998</u>	<u>11.364.419</u>

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16 Fixed assets (cont.)**(1) Land**

Acquisition cost	<u>1.333.457</u>
Revaluation (according to Greek Legislation (see note 3.6)	
- 1992 192.293	
- 1996 838.590	
- 2001 945.736	
- 2004 1.489.534	<u>3.466.153</u>
Revaluated balance as at 30.09.2006	<u>4.799.610</u>

17 Investments – Shares in associated companies

Investments are stated at cost as follows:

GROUP

	30/09/2006	% Shareholding	31/12/2005	% Shareholding
NETMED N.V. (via subsidiary)	33.260.500	12,5	33.260.500	12,5
Logos (Cyprus)	438.596	25	438.596	25
Television Royalties S.A.	600	1	-	-
	33.699.696		33.699.096	

	30/09/2006 % Voting Rights	31/12/2005 % Voting Rights
NETMED N.V. (via subsidiary)	12,5	12,5
Logos (Cyprus)	25	25
Television Royalties S.A.	1	-

Main activities:

NETMED N.V. : Production of, and trading in, television programmes
 Logos (Cyprus) : TV and Radio broadcasts
 Television Royalties S.A.: Management and protection of third parties' royalties

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17 Investments – Shares in associated companies (cont.)

Investments are stated at cost as follows:

<u>COMPANY</u>	<u>30/09/2006</u>	%	<u>31/12/2005</u>	%
		<u>Shareholding</u>		<u>Shareholding</u>
Teletypos Cyprus Ltd	1.008.318	100	1.008.318	100
Logos (Cyprus)	438.596	25	438.596	25
Television Royalties S.A.	<u>600</u>	1	<u>-</u>	
	<u>1.447.514</u>		<u>1.446.914</u>	

	<u>30/09/2006</u>	<u>31/12/2005</u>
	<u>% Voting</u>	<u>% Voting</u>
	<u>Rights</u>	<u>Rights</u>
Teletypos Cyprus Ltd	100	100
Logos (Cyprus)	25	25
Television Royalties S.A.	1	-

Main activities:

Teletypos Cyprus Ltd : Production of, and trading in, television programmes
 Logos (Cyprus) : TV and Radio broadcasts
 Television Royalties S.A.: Management and protection of third parties' royalties

Participations are valued at acquisition cost.

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18. Other financial assets	GROUP		COMPANY	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Guarantee given:				
Rent	344.435	330.963	344.435	330.963
Unitel (telecommunications)	0	56.420	0	56.420
Hertz (car rental)	28.771	32.212	28.771	32.212
Electricity Power	15.875	15.875	15.875	15.875
EBU (4 lines)	6.000	6.000	6.000	6.000
Associated Press	1.388	1.388	1.388	1.388
Attiki Road	1.500	1.000	1.500	1.000
Other financial assets	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
	<u>398.028</u>	<u>443.917</u>	<u>398.028</u>	<u>443.917</u>
	GROUP		COMPANY	
19. Trade and other receivables				
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Clients (1)	28.216.355	33.620.744	26.353.017	31.596.673
Post dated cheques	4.396.642	1.159.038	4.396.642	1.159.038
Income tax 2003	1.657.424	1.657.424	1.657.424	1.657.424
Provision for prepayment of income tax and other receivables from Greek Government	1.805.668	1.778.808	1.802.198	1.778.808
Shares of listed company *	4.691	29.146	4.691	29.146
Doubtful debtors	283.028	283.028	283.028	283.028
V.A.T.	0	1.776.280	0	1.776.280
Advances on account	93.161	24.165	93.161	24.165
Other debtors	<u>354.004</u>	<u>296.504</u>	<u>354.004</u>	<u>296.504</u>
	<u>36.810.973</u>	<u>40.625.137</u>	<u>34.944.165</u>	<u>38.601.066</u>

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19. Trade and other receivables (cont.)

* a) Cost of shares (19.564 shares) of a company listed in the Greek stock exchange under the name of “GREEK STOCK EXCHANGE S.A.” which is valued at the remaining value after the decrease of capital mentioned in b and c. The Stock Exchange market price as at 29.09.2006 was Euro 12,5 per share.

b) By means of a decision of the Annual General Meeting of the company’s shareholders that was held on the 25th of April 2005, the share capital of the company “GREEK STOCK EXCHANGE S.A.” was reduced by 145.730.754,65 euro with cash payback to shareholders (2,05 per share) and the distribution of 0,2 euro per share dividends to the shareholders.

The share capital decrease was followed by a corresponding decrease of the company’s par value to 3 euro from 5,05 euro per share.

c) By means of a decision of the Annual General Meeting of the company’s shareholders that was held on the 23rd of May 2006, the share capital of the company “GREEK STOCK EXCHANGE S.A.” was reduced by 87.788.078,75 euro . The share capital decrease was followed by a corresponding decrease of the company’s par value to 1,75 euro from 3 euro and a cash payback to shareholders of 1,25 euro per share.

(1) Bank letters of guarantee of € 798.552 (30/09/2006) were received as a security against receivables.

20. Claims against associate companies

COMPANY

	<u>30/09/2006</u>	<u>31/12/2005</u>
Teletypos Cyprus Ltd	3.758.700	3.758.700

In 2003 the company transferred in ‘Teletypos Cyprus Ltd’, at value cost, its participation in Multichoice Hellas.

GROUP

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

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21. Deffered taxes**GROUP/COMPANY**

	<u>30/9/2006</u>	<u>31/12/2005</u>
Deferred tax liabilities	(220.980)	(220.349)
Receivable from deferred taxes	1.776.058	1.575.996
	<hr/>	<hr/>
Closing balance	<u>1.555.078</u>	<u>1.355.647</u>
Deffered tax analysis:		
	<u>30/9/2006</u>	<u>31/12/2005</u>
At 1 st January	1.355.647	1.177.422
Differed tax for the period	199.431	178.225
	<hr/>	<hr/>
Balance as of 30th September	<u>1.555.078</u>	<u>1.355.647</u>

Deferred taxation assets/liabilities are connected to:

<u>Group/Company</u>	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Total
Balance at 1st January , 2005	50.407	1.214.426	(87.411)	1.177.422
Plus: Charge to income statement for the year	(43.303)	150.758	70.770	178.225
Balance 31st December, 2005	<u>7.104</u>	<u>1.365.184</u>	<u>(16.641)</u>	<u>1.355.647</u>
Plus: Charge to income statement for the year	(631)	200.062	0	199.431
Balance 30th September, 2006	<u>6.473</u>	<u>1.565.246</u>	<u>(16.641)</u>	<u>1.555.078</u>

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22 Prepayments of programme rights**GROUP / COMPANY**

	<u>30/9/2006</u>	<u>31/12/2005</u>
Film rights	29.489.375	35.746.378
Sundry expenses	<u>369.959</u>	<u>344.208</u>
	<u>29.859.334</u>	<u>36.090.586</u>

23. Cash and cash equivalent

	GROUP		COMPANY	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Cash in hand	23.133	27.180	23.133	27.180
Cash in bank	<u>7.624.911</u>	<u>2.415.441</u>	<u>7.049.156</u>	<u>1.883.118</u>
	<u>7.648.044</u>	<u>2.442.621</u>	<u>7.072.289</u>	<u>1.910.298</u>

24 Share capital**GROUP/COMPANY**

	<u>000' Drs.</u>	<u>Euro</u>
Authorised share capital		
Issued and fully paid € 31,237,500,00 nominal ordinary shares of G.Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium (a)	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	<u>681,273</u>	
Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each		<u>10,644,178</u> <u>31.237.500</u>
Increase of share capital through capitalisation:		
- Difference from issuance of shares		1.561.875
- Revaluation reserves		1.489.534
- Taxable reserves		<u>72.341</u>
Total share capital at 30/09/06 34,361,250 nominal ordinary shares of Euro 1 each		<u>34.361.250</u>

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24 Share capital (cont.)

24(a) The difference from the issuance of shares is the difference between the nominal value of the shares and the issuance value of the shares that have been made available to the public through the Stock Exchange in 1994 and 1999.

24(b) The G.M. of the 23rd of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization **a)** amount 1.489.534.26 euro through a revaluation of assets according to law 2065/1992 **b)** amount 1.561.875,00 euro through existent reserves that occurred from previous share capital increases and **c)** amount 72.340,74 through taxable reserves according to article 8 of the law 2579/1998 with the issuance of three million one hundred twenty three thousands seven hundred and fifty (3.123.750) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held.

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

24(c) The share capital of Teletypos Cyprus has been crossed out for consolidation purposes.

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25 Reserves**GROUP**

	Statutory* reserves	Revenue reserve	Revaluation reserve	Total
Balance at 1 January, 2005	3.351.532	7.565.167	29.826.286	40.742.985
Change in year	0	206.104	0	206.104
Distribution of profits on 2005	236.899	0	0	236.899
Balance at 31 December, 2005	3.588.431	7.771.271	29.826.286	41.185.988
Change in year (note 24b)	0	(72.341)	(1.489.534)	(1.561.875)
Balance at 30 September, 2006	3.588.431	7.698.930	29.826.286	39.624.113

COMPANY

	Statutory* reserves	Revenue reserve	Revaluation reserve	Total
Balance at 1 January, 2005	3.351.531	7.565.168	1.489.534	12.406.233
Change in year	0	206.104	0	206.104
Distribution of profits on 2005	236.899	0	0	236.899
Balance at 31 December, 2005	3.588.430	7.771.272	1.489.534	12.849.236
Change in year (note 24b)	0	(72.341)	(1.489.534)	(1.561.875)
Balance at 30 September, 2006	3.588.430	7.698.931	0	11.287.361

*The company is obliged by Greek company Law 2190/1920 to transfer to this reserve 5% of its annual profits until these reserves are accumulated to one third (1/3) of its paid up share capital.

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26 Long term liabilities

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Debenture loan (26.1)	37.500.000	31.500.000	37.500.000	31.500.000
Bank loans (26.1)	5.063.304	10.002.385	5.063.304	10.002.385
Guarantees	8.455	4.402	8.455	4.402
	<u>42.571.759</u>	<u>41.506.787</u>	<u>42.571.759</u>	<u>41.506.787</u>
Provision for retirement benefits (26.2)	6.260.982	5.460.735	6.260.982	5.460.735
	<u>6.260.982</u>	<u>5.460.735</u>	<u>6.260.982</u>	<u>5.460.735</u>
Total long term liabilities	<u>48.832.741</u>	<u>46.967.522</u>	<u>48.832.741</u>	<u>46.967.522</u>

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26. Long term liabilities (cont.)

26.1 Debenture loans

a) Represent debenture loan of Euro 45.000.000 that was obtained by the company under a loan agreement dated 25.05.2004. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,55% per annum above 3 months Euribor. The remaining amount is payable in three instalments as follows: Euro 9,0 mil. in 06.06.2007, Euro 9,0 mil. in 06.06.08 and Euro 13,5 mil. in 06.06.09 and

b) Debenture loan of Euro 15.000.000 that was obtained by the company under a loan agreement dated 27.09.2006. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,50% per annum above 3 months Euribor. The amount is payable at 29.09.2009.

The component banks of the a) debenture loans are as follows. Alpha Bank is the administrative bank.

	<u>Total</u>	<u>Payments</u>	<u>Short Term Portion</u>	<u>Long Term Portion</u>
Alpha Bank	11.900.000	3.575.000	2.380.000	5.945.000
Piraeus Bank	10.000.000	3.000.000	2.000.000	5.000.000
Commercial Bank	7.000.000	2.100.000	1.400.000	3.500.000
National Bank	3.000.000	900.000	600.000	1.500.000
Egnatia Bank	3.000.000	900.000	600.000	1.500.000
General Bank	2.300.000	687.500	460.000	1.152.500
Aspis Bank	2.000.000	600.000	400.000	1.000.000
Laiki Bank	2.000.000	600.000	400.000	1.000.000
EFG Telesis Finance	2.000.000	600.000	400.000	1.000.000
Bank of Attica	<u>1.800.000</u>	<u>537.500</u>	<u>360.000</u>	<u>902.500</u>
(a) Debenture Loan	<u>45.000.000</u>	<u>13.500.000</u>	<u>9.000.000</u>	<u>22.500.000</u>
(b) The component bank and the administrative bank of the b) debenture loan is Alpha Bank				<u>15.000.000</u>
Total of (a)+(b) debenture Loan				<u>37.500.000</u>
Loan from Alpha Bank				5.063.304
Total	<u>45.000.000</u>	<u>13.500.000</u>	<u>9.000.000</u>	<u>42.563.304</u>

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26. Long term liabilities (cont.)

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

Retirement indemnities have been calculated by the actuarial company ‘Hewitt Associates’.
 For the third quarter 2006 retirement indemnities account for € 800.247.

Forecast up to 31/12/2005	€ 5,460,735
Forecast for the period (01.01/30.09.06)	<u>€ 800.247</u>
Forecast at 30/09/2006	€ 6,260,982

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	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
27. Trade and other payable				
Payables trade	38.063.249	74.074.296	39.712.855	75.020.466
Dividends payable	27.1 426.410	509.289	426.410	509.289
Advances by customer	893.726	546.126	893.726	546.126
Taxes and duties	27.2 6.140.920	7.433.740	6.140.920	7.286.478
Social security funds	500.344	989.873	500.344	989.873
Other creditors	27.3 824.294	2.788.705	821.285	2.787.737
Accruals	27.4 16.517.778	1.496.369	16.517.778	1.496.369
Balance as per books at 30th September	<u>63.366.721</u>	<u>87.838.398</u>	<u>65.013.318</u>	<u>88.636.338</u>
27.1. Dividends payable				
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Balance at 1 January	509.289	534.466	509.289	534.466
Plus: Approved dividends for the year	4.060.875	3.748.500	4.060.875	3.748.500
Less: Dividends paid during the year	<u>(4.143.754)</u>	<u>(3.773.677)</u>	<u>(4.143.754)</u>	<u>(3.773.677)</u>
Dividends payable 30th of September (1)	<u>426.410</u>	<u>509.289</u>	<u>426.410</u>	<u>509.289</u>
27.2. Taxes and Duties				
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Broadcasting licence fees	2.219.425	3.778.285	2.219.425	3.778.285
Income tax (note 3. 8)	1.253.515	2.342.255	1.253.515	2.342.255
Income tax (Subsidiary)	0	147.263		
Taxes and Duties related to full time employees	354.827	707.312	354.827	707.313
Other withholding taxes	84.102	174.409	84.102	174.409
V.A.T.	1.848.194		1.848.194	
Prior years' taxes and duties	380.365	283.028	380.365	283.028
Settlement Stamp Duty L.2328/95	492	1.188	492	1.188
Balance as per books at 30th September	<u>6.140.920</u>	<u>7.433.740</u>	<u>6.140.920</u>	<u>7.286.478</u>

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27. Trade and other payable (cont.)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/09/2006</u>	<u>31/12/2005</u>	<u>30/09/2006</u>	<u>31/12/2005</u>
27.3. Other creditors				
Staff wages	29.533	40.772	29.533	40.772
Third parties fees	242.607	242.737	239.598	242.737
Suppliers' checks outstanding	0	1.870.012	0	1.870.012
Sundry creditors	452.021	283.051	452.021	282.083
Distribution of earnings to personnel	100.133	352.133	100.133	352.133
Balance as per books at 30th September	<u>824.294</u>	<u>2.788.705</u>	<u>821.285</u>	<u>2.787.737</u>

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/09/2006</u>	<u>31/12/2005</u>	<u>30/09/2006</u>	<u>31/12/2005</u>
27.4. Accruals				
Interest and similar charges	170.232	106.167	170.232	106.167
Broadcasting license fees & other third party rights	1.653.256	398.781	1.653.256	398.781
Personnel expenses	0	0	1.041.592	0
Third parties fees	14.912	894.626	14.912	894.626
Sundry expenses	2.099	487	2.099	487
Programme cost	1.975.061	20.000	1.975.061	20.000
Film rights	1.060.626	76.308	1.060.626	76.308
Forecast for customer provisions	10.600.000	0	10.600.000	0
Balance as per books at 30th September	<u>16.517.778</u>	<u>1.496.369</u>	<u>16.517.778</u>	<u>1.496.369</u>

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28. Short term borrowings
Bank overdrafts

GROUP/COMPANY

	Credit limit	Amount withdrawn
NATIONAL BANK OF GREECE	12.000.000	0
COMMERCIAL BANK	12.000.000	31.045
ALPHA BANK	16.000.000	8.013.886
PIRAEUS BANK	10.000.000	9.995.028
EGNATIA BANK	3.000.000	36.765
BANK OF ATTICA	4.000.000	0
ASPIS BANK.	3.000.000	0
NOVA BANK	4.500.000	24.915
BANK OF CYPRUS	5.000.000	4.000.000
EFG EUROBANK-ERGASIAS	<u>10.000.000</u>	<u>3.000.000</u>
	<u>79.500.000</u>	<u>25.101.639</u>

Interest rate of short term bank loans for the period fluctuated from 4,30% to 4,50%.

29. Shares that have been issued

<u>COMPANY</u>	<u>Number of shares</u>	<u>Period</u>	<u>Adjusted number of shares</u>
<u>2005</u>			
1 st January - 31.12.2005			
Adjusted number of Shares	31,237,500	12/12	<u>31,237,500</u>
<u>2006</u>			
1 ⁿ January - 30.09.2006			
Issuance of shares (note24b)	3.123.750		3.123.750
Adjusted number of shares	<u>34,361,250</u>	9/9	<u>34,361,250</u>

GROUP

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

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30. Earnings per Share

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

	GROUP		COMPANY	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Profit for the year after taxes	1.848.309	2.221.727	1.114.070	1.556.959
Weighted average shares outstanding	<u>34.361.250</u>	<u>31.237.500</u>	<u>34.361.250</u>	<u>31.237.500</u>
Earnings per share in Euro	<u>0,05</u>	<u>0,07</u>	<u>0,03</u>	<u>0,05</u>

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31. Contingencies

- 31.1** Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2000 to 2005 (note 14).
- 31.2** Letters of guarantee issued by banks amounting to USD 4,300,000 for meeting of liabilities of foreign programme, of Euro 1,511.250 for meeting liabilities on behalf of the Greek Football Association (ΕΠΟ) and 400.000 euro for meeting liabilities on behalf of TELESTARE.
- 31.3** Payment of compensation to third parties amounting to 18,5 million euros approximately claimed in the above suits.

The company's lawyers do not expect any significant charges from the above mentioned contingencies.

32. Financial Commitments

- 32.1 Commitments under agreements of approximately 36,3 million euro for the production of Greek programmes.
- 32.2 Commitments under agreements of approximately 5,98 million euro for foreign programmes.

33. Compensation to executives and management

Board of Directors' salaries and other members of the management salaries as appointed by IAS 24 and all transactions including the remuneration of the management were as follows:

	01/01-30/09/2006	01/01-30/09/2005
Salaries	1.866.157	1.766.171
BoD Remuneration	24.000	24.000

34. Transactions with affiliated companies

The company has a participation in the capital of the company TELETYPOS CYPRUS Ltd. (100%) and a participation in the company Logos Cyprus (25%). (Transactions with affiliated companies have been cleared in the balance sheet due to consolidation).

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34. Transactions with affiliated companies (cont.)

Transactions with affiliated companies are as follows:

	SALE	SALE	PURCHASE	PURCHASE
	01/01-30/09/06	01/01-30/09/05	01/01-30/09/06	01/01-30/09/05
DOL	355.176	459.155	3.339	6.412
PHGASOS	369.264	513.994	6.892	31.259
ANOSI S.A.	0	0	5.441.260	8.601.261
ATA S.A.	0	0	7.135.103	1.805.689
O LOGOS	0	0	0	0
TELETYPOS CYPRUS	0	0	1.130.950	875.000
TOTAL	724.440	973.149	13.717.544	11.319.621

	CLAIMS		LIABILITIES	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
DOL	74.076	86.149	-3.693	-18.234
PHGASOS	293.188	960.349	-154	-32.723
ANOSI S.A.	0	0	-3.675.600	-5.119.098
ATA S.A.	0	0	-4.177.051	-4.226.730
O LOGOS	23.436	23.436	0	0
TELETYPOS CYPRUS	3.758.700	3.758.700	-3.575.950	-3.060.900
TOTAL	4.149.400	4.828.634	-11.432.448	-12.457.685

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated and parent financial statements in accordance with IFRS
30th September, 2006
(Expressed in Euro)

35. Events after the balance sheet date

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

Athens, 16th November 2006

The President of Board of Directors

The Managing Director
And member of Board of Directors

Christos D. Lambrakis
M 154944

Elias E. Tsigas
Ξ 414434

Financial Controller

Chief Accountant

Athanasios G. Andreoulis
Φ 064116

Vasilios A. Kritikos
X 575439