

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

**INTERIM CONSOLIDATED AND PARENT FINANCIAL STATEMENTS**

**30<sup>th</sup> JUNE, 2006**

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

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**REVIEW REPORT**  
**To the Shareholders of**  
**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**

We have reviewed the accompanying interim financial statements as well as the consolidated interim financial statements of TELETYPOS TELEVISION PROGRAMMES S.A. “MEGA CHANNEL - GREECE” as of and for the six month period ended 30 June, 2006. These interim financial statements are the responsibility of the company’s management.

We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and to analytical review of the financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In our opinion, the aforementioned financial statements present fairly in all material respects, the financial position of the company, the results of its operations and its cash flow for the period then ended, in accordance with the International Financial Reporting Standards (IFRS) that have been adopted by the European Union .

Without qualifying our review report, we draw your attention to note 31.1, of the financial statements, where it is mentioned that 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. Since the examinations results of the not yet examined financial years can not be estimated , a respective provision has not been made.

Athens, 27 July, 2006

THE CERTIFIED PUBLIC ACCOUNTANT

STYLIANOS KOURTELLAS  
A.M. SOEL 11031

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

**GROUP**

	<u>Notes</u>	<u>01.01/ 30.06.06</u>	<u>01.04/ 30.06.06</u>	<u>01.01/ 30.06.05</u>	<u>01.04/ 30.06.05</u>
Revenues	8	75.837.927	42.849.992	73.905.945	41.624.058
Cost of Sales	9	<u>(63.882.203)</u>	<u>(34.068.112)</u>	<u>(58.407.223)</u>	<u>(30.714.347)</u>
<b>Gross profit</b>		<b>11.955.724</b>	<b>8.781.880</b>	<b>15.498.722</b>	<b>10.909.711</b>
Other operating income	10	<u>3.773.747</u>	<u>2.263.335</u>	<u>2.160.941</u>	<u>914.672</u>
<b>Total gross operating profit</b>		<b>15.729.471</b>	<b>11.045.215</b>	<b>17.659.663</b>	<b>11.824.383</b>
Distribution costs	9	<u>(2.026.569)</u>	<u>(922.899)</u>	<u>(1.792.668)</u>	<u>(889.956)</u>
Administrative expenses	9	<u>(3.689.704)</u>	<u>(1.817.697)</u>	<u>(3.585.513)</u>	<u>(1.852.003)</u>
<b>Operating profit</b>		<b>10.013.198</b>	<b>8.304.619</b>	<b>12.281.482</b>	<b>9.082.424</b>
Non operating income					
Interest received and receivable		2.335	2.058	5.590	5.381
Profit on disposal of fixed assets		55.815	55.815	2.500	2.500
Prior years' income		79.380	79.380	11.744	11.744
<b>Other income</b>	11	<u>125.898</u>	<u>63.581</u>	<u>123.727</u>	<u>122.394</u>
		<b>263.428</b>	<b>200.834</b>	<b>143.561</b>	<b>142.019</b>
Non operating expenses					
Interest and similar charges	9	<u>(1.594.438)</u>	<u>(1.312.725)</u>	<u>(2.434.002)</u>	<u>(1.651.353)</u>
Prior years' expenses	12	<u>(258.731)</u>	<u>(60.274)</u>	<u>(524.511)</u>	<u>(283.550)</u>
Extraordinary expenses		<u>(1.494.000)</u>	<u>(1.494.000)</u>	<u>(257.400)</u>	<u>(257.400)</u>
<b>Other expenses</b>	13	<u>(50.330)</u>	<u>(18.043)</u>	<u>(781.556)</u>	<u>(557.676)</u>
		<b>(3.397.499)</b>	<b>(2.885.042)</b>	<b>(3.997.469)</b>	<b>(2.749.979)</b>
<b>Profit for the year before tax</b>		<b>6.879.127</b>	<b>5.620.411</b>	<b>8.427.574</b>	<b>6.474.464</b>
Income tax	14	<u>(1.908.589)</u>	<u>(1.574.624)</u>	<u>(2.610.185)</u>	<u>(2.020.223)</u>
Prior years' deferred tax	14	<u>132.954</u>	<u>66.477</u>	<u>68.942</u>	<u>14.893</u>
<b>Profit for the year after tax</b>		<b>5.103.492</b>	<b>4.112.264</b>	<b>5.886.331</b>	<b>4.469.134</b>
Earnings per share € (note 30)		<b>0,15</b>	<b>0,12</b>	<b>0,19</b>	<b>0,14</b>

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 JUNE, 2006**  
**(Expressed in Euro)**

**COMPANY**

	<u>Notes</u>	<u>01.01/ 30.06.06</u>	<u>01.04/ 30.06.06</u>	<u>01.01/ 30.06.05</u>	<u>01.04/ 30.06.05</u>
Revenues	8	74.893.670	42.191.506	73.392.164	41.404.657
Cost of Sales	9	<u>(63.478.508)</u>	<u>(33.758.370)</u>	<u>(58.394.850)</u>	<u>(30.715.052)</u>
<b>Gross profit</b>		<b><u>11.415.162</u></b>	<b><u>8.433.136</u></b>	<b><u>14.997.314</u></b>	<b><u>10.689.605</u></b>
Other operating income	10	<u>3.773.747</u>	<u>2.263.335</u>	<u>2.160.941</u>	<u>914.672</u>
<b>Total gross operating profit</b>		<b><u>15.188.909</u></b>	<b><u>10.696.471</u></b>	<b><u>17.158.255</u></b>	<b><u>11.604.277</u></b>
Distribution costs	9	(2.026.569)	(922.899)	(1.792.668)	(889.956)
Administrative expenses	9	<u>(3.629.257)</u>	<u>(1.761.369)</u>	<u>(3.576.009)</u>	<u>(1.846.681)</u>
<b>Operating profit</b>		<b><u>9.533.083</u></b>	<b><u>8.012.203</u></b>	<b><u>11.789.578</u></b>	<b><u>8.867.640</u></b>
Non operating income					
Interest received and receivable		2.335	2.058	5.590	5.381
Profit on disposal of fixed assets		55.815	55.815	2.500	2.500
Prior years' income		79.380	79.380	11.744	11.744
<b>Other income</b>	11	<u>125.898</u>	<u>63.581</u>	<u>123.727</u>	<u>122.394</u>
		<b><u>263.428</u></b>	<b><u>200.834</u></b>	<b><u>143.561</u></b>	<b><u>142.019</u></b>
Non operating expenses					
Interest and similar charges	9	(1.589.241)	(1.311.333)	(2.426.444)	(1.649.823)
Prior years' expenses	12	(258.731)	(60.274)	(524.511)	(283.550)
Extraordinary expenses		(1.494.000)	(1.494.000)	(257.400)	(257.400)
<b>Other expenses</b>	13	<u>(50.330)</u>	<u>(18.043)</u>	<u>(711.098)</u>	<u>(551.804)</u>
		<b><u>(3.392.302)</u></b>	<b><u>(2.883.650)</u></b>	<b><u>(3.919.453)</u></b>	<b><u>(2.742.577)</u></b>
<b>Profit for the year before tax</b>		<b><u>6.404.209</u></b>	<b><u>5.329.387</u></b>	<b><u>8.013.686</u></b>	<b><u>6.267.082</u></b>
Income tax	14	<u>(1.861.098)</u>	<u>(1.545.522)</u>	<u>(2.567.665)</u>	<u>(2.005.466)</u>
Prior years' deferred tax	14	<u>132.954</u>	<u>66.477</u>	<u>68.942</u>	<u>14.893</u>
<b>Profit for the year after tax</b>		<b><u>4.676.065</u></b>	<b><u>3.850.342</u></b>	<b><u>5.514.963</u></b>	<b><u>4.276.509</u></b>
Earnings per share € (note 30)		<b>0,14</b>	<b>0,11</b>	<b>0,18</b>	<b>0,14</b>

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 JUNE, 2006**  
**(Expressed in Euro)**

		<b><u>GROUP</u></b>		<b><u>COMPANY</u></b>	
	Note	<b><u>30.06.2006</u></b>	<b><u>31.12.2005</u></b>	<b><u>30.06.2006</u></b>	<b><u>31.12.2005</u></b>
<b>FIXED ASSETS</b>					
Intangible assets – Programme rights	15	141.648.910	135.976.486	141.648.910	135.976.486
Tangible assets	16	11.605.148	11.364.419	11.605.148	11.364.419
Investments in associates	17	33.699.696	33.699.096	1.447.514	1.446.914
Other financial assets	18	<u>453.737</u>	<u>443.917</u>	<u>453.737</u>	<u>443.917</u>
<b>Total fixed assets</b>		<b><u>187.407.491</u></b>	<b><u>181.483.918</u></b>	<b><u>155.155.309</u></b>	<b><u>149.231.736</u></b>
<b>CURRENT ASSETS</b>					
Inventories		314.794	322.573	314.794	322.573
Trade and other receivables	19	48.376.639	40.625.137	46.458.885	38.601.066
Deferred taxes	20	0	0	3.758.700	3.758.700
Prepayments of programme rights	21	1.488.601	1.355.647	1.488.601	1.355.647
Cash and cash equivalents	22	32.379.158	36.090.586	32.379.158	36.090.586
<b>Total current assets</b>	23	<u>8.159.170</u>	<u>2.442.621</u>	<u>7.320.891</u>	<u>1.910.298</u>
<b>Total assets</b>		<b><u>90.718.362</u></b>	<b><u>80.836.564</u></b>	<b><u>91.721.029</u></b>	<b><u>82.038.870</u></b>
		<b><u>278.125.853</u></b>	<b><u>262.320.482</u></b>	<b><u>246.876.338</u></b>	<b><u>231.270.606</u></b>
<b>EQUITY AND LIABILITIES</b>					
Share capital					
Share premium	24	34.361.250	31.237.500	34.361.250	31.237.500
Reserves	24	33.469.247	35.031.122	33.469.247	35.031.122
Retained earnings	25	39.624.113	41.185.988	11.287.361	12.849.236
Translation difference		5.103.492	0	4.676.065	0
<b>Net position</b>		4.091.361	8.152.236	628.422	4.689.297
		<u>49.254</u>	<u>48.125</u>	<u>0</u>	<u>0</u>
<b>Long term liabilities</b>		<b><u>116.698.717</u></b>	<b><u>115.654.971</u></b>	<b><u>84.422.345</u></b>	<b><u>83.807.155</u></b>
<b>CURRENT LIABILITIES</b>	26	38.561.230	46.967.522	38.561.230	46.967.522
<b>SHORT TERM LIABILITIES</b>					
Trade and other payables	27	80.894.309	87.838.398	81.921.166	88.636.338
Short term borrowings	28	32.971.597	3.984.591	32.971.597	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>
<b>Total Short Term Liabilities</b>		<b><u>122.865.906</u></b>	<b><u>99.697.989</u></b>	<b><u>123.892.763</u></b>	<b><u>100.495.929</u></b>
<b>Total equity and liabilities</b>		<b><u>278.125.853</u></b>	<b><u>262.320.482</u></b>	<b><u>246.876.338</u></b>	<b><u>231.270.606</u></b>

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**  
**30<sup>th</sup> JUNE, 2006**  
**(Expressed in Euro)**

<b><u>GROUP</u></b>	<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>
<b>Shareholders equity 2005</b>									
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 2004 & 2005					-8.870				-8.870
Approval of 2004 dividend by G.A.								-3.748.500	-3.748.500
Profit for the period 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				206.104					206.104
Distribution of earnings for the year 2005			236.899						236.899
<b>Net position 31/12/ 2005</b>	<b>31.237.500</b>	<b>35.031.122</b>	<b>3.588.430</b>	<b>7.771.271</b>	<b>48.125</b>	<b>29.826.287</b>	<b>0</b>	<b>8.152.236</b>	<b>115.654.971</b>
<b>Net position 30.06.2006</b>									
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					-48.125				-48.125
Translation difference 30.06.2006					49.254				49.254
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							5.103.492	0	5.103.492
<b>Net position 30/06/2006</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.588.430</b>	<b>7.698.930</b>	<b>49.254</b>	<b>28.336.753</b>	<b>5.103.492</b>	<b>4.091.361</b>	<b>116.698.717</b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**"MEGA CHANNEL"**  
**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**30<sup>th</sup> JUNE, 2006**  
**(Expressed in Euro)**

<b><u>COMPANY</u></b>	<b><u>Share</u></b>	<b><u>Share</u></b>	<b><u>Statutory</u></b>	<b><u>Other</u></b>	<b><u>Translation</u></b>	<b><u>Profit for</u></b>	<b><u>Retained</u></b>	<b><u>Total</u></b>
	<b><u>Capital</u></b>	<b><u>Premium</u></b>	<b><u>Reserve</u></b>	<b><u>Reserves</u></b>	<b><u>difference</u></b>	<b><u>the year</u></b>	<b><u>Earnings</u></b>	
<b>Net position 2005</b>								
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
Translation difference 2004 & 2005								0
Approval of 2004 dividend by G.A.							-3.748.500	-3.748.500
Profit for the period after tax						3.694.654		3.694.654
Statutory reserve						-236.899		-236.899
Distribution to the personnel						-350.000		-350.000
BoD Remuneration						-24.000		-24.000
Retained earnings 31/12/2005						1.605.542	-1.605.542	0
Proposed dividend for the year 2005						-4.060.875	4.060.875	0
Retained earnings 31/12/2005						-628.422	628.422	0
Adjustment affecting directly Net Position				206.104				206.104
Distribution of earnings for the year 2005			236.899					236.899
<b>Net Position 31/12/ 2005</b>	<b>31.237.500</b>	<b>35.031.122</b>	<b>3.588.430</b>	<b>7.771.272</b>	<b>1.489.534</b>	<b>0</b>	<b>4.689.297</b>	<b>83.807.155</b>
<b>Net Position 30.06.2006</b>								
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
Profit for the period						4.676.065		4.676.065
Approval of 2005 dividend by G.A.							-4.060.875	-4.060.875
Share capita increase	3.123.750	-1.561.875		-72.341		-1.489.534		0
<b>Net Position 30/06/2006</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.588.430</b>	<b>7.698.931</b>	<b>1.489.534</b>	<b>3.186.531</b>	<b>628.422</b>	<b>84.422.345</b>

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

	<b><u>GROUP</u></b>		<b><u>COMPANY</u></b>	
	<b><u>30.06.06</u></b>	<b><u>30.06.05</u></b>	<b><u>30.06.06</u></b>	<b><u>30.06.05</u></b>
<b>Cash flow from operating activities</b>				
Profit before taxation	6.879.126	8.427.573	6.404.209	8.013.685
<b>Adjustments for items not involving the movement of cash</b>				
Depreciation and amortisation	36.257.222	34.156.173	36.257.222	34.156.173
Provisions	2.027.498	432.393	2.027.498	432.394
(Profit) on disposal of fixed assets	(55.815)	(2.500)	(55.815)	(2.500)
Interest and similar charges	<u>1.594.438</u>	<u>2.434.002</u>	<u>1.589.240</u>	<u>2.426.444</u>
<b>Operating profit before changes in working capital</b>	<b><u>46.702.469</u></b>	<b><u>45.447.641</u></b>	<b><u>46.222.354</u></b>	<b><u>45.026.196</u></b>
Decrease / (Increase) in stock of spares and consumables	7.780	(9.073)	7.780	(9.073)
Decrease in stock of programme rights	3.711.429	4.536.248	3.711.429	4.536.248
(Increase) in debtors and others	(9.245.503)	(12.374.243)	(9.351.820)	(11.096.042)
(Decrease) in payables	(8.164.789)	(3.682.284)	(7.921.363)	(5.035.453)
Minus: Interest and similar charges	(1.596.267)	(2.447.085)	(1.591.069)	(2.439.528)
Income tax paid	<u>(617.416)</u>	<u>(876.178)</u>	<u>(585.564)</u>	<u>(876.178)</u>
<b>Total Cash Flow from Operating Activities</b>	<b><u>(15.904.766)</u></b>	<b><u>(14.852.615)</u></b>	<b><u>(15.730.607)</u></b>	<b><u>(14.920.026)</u></b>
<b>Net Cash Flow from Operating Activities</b>	<b><u>30.797.703</u></b>	<b><u>30.595.026</u></b>	<b><u>30.491.747</u></b>	<b><u>30.106.170</u></b>
<b>Cash Flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	(42.114.558)	(41.157.573)	(42.114.558)	(41.157.573)
(Increase)/ in long term receivables	(9.821)	(6.805)	(9.821)	(6.806)
(Increase) of investments and participations	<u>(600)</u>	<u>0</u>	<u>(600)</u>	<u>0</u>
<b>Net Cash Flow from Investing Activities</b>	<b><u>(42.124.979)</u></b>	<b><u>(41.164.378)</u></b>	<b><u>(42.124.979)</u></b>	<b><u>(41.164.379)</u></b>
<b>Cash Flow from Financing Activities</b>				
(Decrease) in long term borrowings	(8.939.790)	(7.875.000)	(8.939.790)	(7.875.000)
Increase in short term loan	30.112.006	25.799.076	30.112.006	25.799.077
Dividend paid	<u>(4.128.391)</u>	<u>(13.818)</u>	<u>(4.128.391)</u>	<u>(13.818)</u>
<b>Net Cash Flow from Financing Activities</b>	<b><u>17.043.825</u></b>	<b><u>17.910.258</u></b>	<b><u>17.043.825</u></b>	<b><u>17.910.259</u></b>
Increase in net liquid funds	<u>5.716.549</u>	<u>7.340.906</u>	<u>5.410.593</u>	<u>6.852.050</u>
Cash and Cash equivalents at beginning of the year	<u>2.442.621</u>	<u>2.670.819</u>	<u>1.910.298</u>	<u>2.400.673</u>
<b>Cash and Cash equivalents at year end</b>	<b><u>8.159.170</u></b>	<b><u>10.011.725</u></b>	<b><u>7.320.891</u></b>	<b><u>9.252.723</u></b>

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

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**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 23/2/2006. 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
Fotis 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

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**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.

**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.

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**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 31.12.2005, 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 31.12.2005 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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<b>8. Turnover</b>	<b><u>GROUP</u></b>				<b><u>COMPANY</u></b>			
	<b><u>30/6/2006</u></b>	<b><u>%</u></b>	<b><u>30/6/2005</u></b>	<b><u>%</u></b>	<b><u>30/6/2006</u></b>	<b><u>%</u></b>	<b><u>30/6/2005</u></b>	<b><u>%</u></b>
Advertising	74.257.595	97,92	72.075.739	97,52	74.257.595	99,15	72.075.739	98,21
Income from T.V. rights programmes	618.075	0,81	513.625	0,69	618.075	0,83	513.625	0,70
Income from T.V. rights	18.000	0,02	802.800	1,09	18.000	0,02	802.800	1,09
Income from T.V. rights (sub. company)	944.257	1,24	513.781	0,70	0	0,00	0	0,00
	<b><u>75.837.927</u></b>	<b><u>100,00</u></b>	<b><u>73.905.945</u></b>	<b><u>100,00</u></b>	<b><u>74.893.670</u></b>	<b><u>100,00</u></b>	<b><u>73.392.164</u></b>	<b><u>100,00</u></b>

**9. Operating Expenses**

	<b><u>30/6/2006</u></b>	<b><u>30/6/2005</u></b>	<b><u>30/6/2006</u></b>	<b><u>30/6/2005</u></b>
Staff wages and expenses	15.957.813	15.413.668	15.957.813	15.413.668
Third parties fees and expenses	11.601.211	10.445.836	11.601.211	10.433.463
Utilities	2.931.411	2.857.071	2.931.411	2.857.071
Taxes and duties	1.733.812	893.823	1.733.812	893.823
Sundry expenses	3.707.936	2.695.509	3.243.794	2.686.005
Financial expenses	1.594.438	2.434.002	1.589.241	2.426.444
Consumables-spare parts	164.198	198.569	164.198	198.569
Depreciation/Amortisation	36.257.222	34.156.173	36.257.222	34.156.173
Less: Cost of origination of own productio	(2.755.126)	(2.875.245)	(2.755.126)	(2.875.245)
	<b><u>71.192.914</u></b>	<b><u>66.219.406</u></b>	<b><u>70.723.575</u></b>	<b><u>66.189.971</u></b>

The above amounts have been allocated as follows:

	<b><u>30/6/2006</u></b>	<b><u>30/6/2005</u></b>	<b><u>30/6/2006</u></b>	<b><u>30/6/2005</u></b>
Cost of sales	63.882.203	58.407.223	63.478.508	58.394.850
Administrative expenses	3.689.704	3.585.513	3.629.257	3.576.009
Distribution expenses	2.026.569	1.792.668	2.026.569	1.792.668
Financial expenses	1.594.438	2.434.002	1.589.241	2.426.444
	<b><u>71.192.914</u></b>	<b><u>66.219.406</u></b>	<b><u>70.723.575</u></b>	<b><u>66.189.971</u></b>

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	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/6/2006</u>	<u>30/6/2005</u>	<u>30/6/2006</u>	<u>30/6/2005</u>
<b>10. Other operating income</b>				
Government grants	0	2.024	0	2.024
Computer and technical support to clients	3.244.572	1.782.705	3.244.572	1.782.705
Income earned from co-operation with third parties	506.108	361.600	506.108	361.600
Income from rentals	23.067	14.612	23.067	14.612
	<u><b>3.773.747</b></u>	<u><b>2.160.941</b></u>	<u><b>3.773.747</b></u>	<u><b>2.160.941</b></u>
<b>11. Other Income</b>				
Foreign exchange differences	125.885	1.363	125.885	1.363
Sundry income	13	122.364	13	122.364
	<u><b>125.898</b></u>	<u><b>123.727</b></u>	<u><b>125.898</b></u>	<u><b>123.727</b></u>
<b>12. Prior years' expenses</b>				
Technical support servises	180.364	356.760	180.364	356.760
"DIONYSOS" Royalties	0	160.822	0	160.822
Sundry expenses	78.367	6.929	78.367	6.929
	<u><b>258.731</b></u>	<u><b>524.511</b></u>	<u><b>258.731</b></u>	<u><b>524.511</b></u>
<b>13. Other expenses</b>				
Foreign exchange valuation differences	14.193	711.098	14.193	711.098
Sundry expenses	36.137	70.458	36.137	0
	<u><b>50.330</b></u>	<u><b>781.556</b></u>	<u><b>50.330</b></u>	<u><b>711.098</b></u>

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**14. Taxation**

The company's profits are taxed at the rate of 32% for the year 2005 and 35% for the year 2004 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><b>GROUP</b></u>		<u><b>COMPANY</b></u>	
	<u><b>30/6/2006</b></u>	<u><b>30/6/2005</b></u>	<u><b>30/6/2006</b></u>	<u><b>30/6/2005</b></u>
Current income tax	(1.904.713)	(2.606.899)	(1.857.221)	(2.564.379)
Other non-incorporated in operating cost taxes	(3.877)	(3.286)	(3.877)	(3.286)
Deferred taxes (note 21)	132.955	68.942	132.955	68.942
<b>Total tax for the year</b>	<u><u><b>(1.775.635)</b></u></u>	<u><u><b>(2.541.243)</b></u></u>	<u><u><b>(1.728.143)</b></u></u>	<u><u><b>(2.498.723)</b></u></u>

Total tax for the year consists of:

	<u><b>30/6/2006</b></u>	TAX	<u><b>30/6/2005</b></u>	TAX	<u><b>30/6/2006</b></u>	TAX	<u><b>30/6/2005</b></u>	TAX
		RATE		RATE		RATE		RATE
Profit for the year before taxes (parent)	6.404.209		8.013.686		6.404.209		8.013.686	
Profit for the year before taxes (subsidiary)	474.917		413.888		0		0	
<b>Taxable profit</b>	<u><u><b>6.879.126</b></u></u>		<u><u><b>8.427.574</b></u></u>		<u><u><b>6.404.209</b></u></u>		<u><u><b>8.013.686</b></u></u>	
Income tax (parent)	(1.857.221)	29%	(2.564.379)	32%	(1.857.221)	29%	(2.564.379)	32%
Income tax (subsidiary)	(47.492)	10%	(41.389)	10%	0		0	
Prepayment of income tax (subsidiary)	0		(1.131)		0		0	
<b>Total tax for the year</b>	<u><u><b>(1.904.713)</b></u></u>		<u><u><b>(2.606.899)</b></u></u>		<u><u><b>(1.857.221)</b></u></u>		<u><u><b>(2.564.379)</b></u></u>	
<b>Deferred taxes</b>								
Intangible assets. Formation expenses	(420)		(39.156)		(420)		(39.156)	
Provision for contingencies-expenses	133.375		108.098		133.375		108.098	
Total tax	<u><u><b>132.955</b></u></u>		<u><u><b>68.942</b></u></u>		<u><u><b>132.955</b></u></u>		<u><u><b>68.942</b></u></u>	
Other non-incorporated in operating cost taxes	(3.877)		(3.286)		(3.877)		(3.286)	
<b>Total tax for the period</b>	<u><u><b>(1.775.635)</b></u></u>		<u><u><b>(2.541.243)</b></u></u>		<u><u><b>(1.728.143)</b></u></u>		<u><u><b>(2.498.723)</b></u></u>	

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**15. Intangible assets - Programme rights**

**GROUP / COMPANY**

	<b>Programme and film rights</b>	<b>Formation Expenses</b>	<b>Share Capital's Increase Expenses</b>	<b>License Trademark</b>	<b>Total</b>
<b><u>Cost</u></b>					
1.1.2006	577.432.978	0	0	384.891	<b>577.817.869</b>
Purchases	39.885.663	15.619	3.124	0	<b>39.904.406</b>
Disposals	0	0	0	(115.009)	<b>(115.009)</b>
In House Production under way	981.746	0	0	0	<b>981.746</b>
30.06.2006	<b><u>618.300.387</u></b>	<b><u>15.619</u></b>	<b><u>3.124</u></b>	<b><u>269.882</u></b>	<b><u>618.589.012</u></b>
<b><u>Amortization</u></b>					
1.1.2006	441.572.638	0	0	268.745	<b>441.841.383</b>
Charge for the period	35.167.997	15.619	3.124	26.988	<b>35.213.728</b>
Disposals	0	0	0	(115.009)	<b>(115.009)</b>
30.06.06	<b><u>476.740.635</u></b>	<b><u>15.619</u></b>	<b><u>3.124</u></b>	<b><u>180.724</u></b>	<b><u>476.940.102</u></b>
<b>Net Book Value 30.06.2006</b>	<b><u>141.559.752</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>89.158</u></b>	<b><u>141.648.910</u></b>
<b>Net Book Value 31.12.2005</b>	<b><u>135.860.340</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>116.146</u></b>	<b><u>135.976.486</u></b>

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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>
<b><u>Cost</u></b>						
1.1.06	4.799.610	2.531.878	17.252.380	917.058	13.104.759	<b>38.605.685</b>
Purchases	0	0	854.727	30.846	399.835	<b>1.285.408</b>
Sales	0	0	(1.850)	(10.150)	(45.000)	<b>(57.000)</b>
Disposals	0	0	(8.899)	(136.149)	(526.625)	<b>(671.673)</b>
<b>30.06.06</b>	<b><u>4.799.610</u></b>	<b><u>2.531.878</u></b>	<b><u>18.096.358</u></b>	<b><u>801.605</u></b>	<b><u>12.932.969</u></b>	<b><u>39.162.420</u></b>
<b><u>Depreciation</u></b>						
1.1.06	0	1.551.920	13.528.339	576.246	11.584.761	<b>27.241.266</b>
Additions	0	131.057	461.192	39.478	411.767	<b>1.043.494</b>
Disposals	0	0	(9.564)	(146.299)	(571.625)	<b>(727.488)</b>
<b>30.06.06</b>	<b><u>0</u></b>	<b><u>1.682.977</u></b>	<b><u>13.979.967</u></b>	<b><u>469.425</u></b>	<b><u>11.424.903</u></b>	<b><u>27.557.272</u></b>
<b>N.B.V.</b>						
<b>30.06.06</b>	<b><u>4.799.610</u></b>	<b><u>848.901</u></b>	<b><u>4.116.391</u></b>	<b><u>332.180</u></b>	<b><u>1.508.066</u></b>	<b><u>11.605.148</u></b>
<b>31.12.05</b>	<b><u>4.799.610</u></b>	<b><u>979.958</u></b>	<b><u>3.724.041</u></b>	<b><u>340.812</u></b>	<b><u>1.519.998</u></b>	<b><u>11.364.419</u></b>

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

Acquisition cost up to 31.12.2005	1.333.457
Revaluation (according to Greek Legislation (see note 4.1)	
- 1992 192.293	
- 1996 838.590	
- 2001 945.736	
- 2004 1.489.534	<u>3.466.153</u>
<b>Revaluated balance as at 30.06.2006</b>	<u><b>4.799.610</b></u>

**17 Investments – Shares in associated companies**

Investments are stated at cost as follows:

**GROUP**

	<b>30/06/2006</b>	<b>% Shareholding</b>	<b>31/12/2005</b>	<b>% Shareholding</b>
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	-	-
	<b>33.699.696</b>		<b>33.699.096</b>	

	<b>30/06/2006 % Voting Rights</b>	<b>31/12/2005 % Voting Rights</b>
NETMED N.V. (via subsidiary)	12,5	12,5
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

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**17 Investments – Shares in associated companies (cont.)**

Investments are stated at cost as follows:

<u>COMPANY</u>	<u>30/06/2006</u>	%	<u>31/12/2005</u>	%
		Shareholding		Shareholding
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>30/06/2006</u>	<u>31/12/2005</u>
	% Voting Rights	% Voting Rights
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

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<b>18. Other financial assets</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<u><b>30/6/2006</b></u>	<u><b>31/12/2005</b></u>	<u><b>30/6/2006</b></u>	<u><b>31/12/2005</b></u>
<b>Guarantee given:</b>				
Rent	344.379	330.963	344.379	330.963
Unitel (telecommunications)	56.420	56.420	56.420	56.420
Hertz (car rental)	28.116	32.212	28.116	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><b>453.737</b></u>	<u><b>443.917</b></u>	<u><b>453.737</b></u>	<u><b>443.917</b></u>
	<b>GROUP</b>		<b>COMPANY</b>	
<b>19. Trade and other receivables</b>				
	<u><b>30/6/2006</b></u>	<u><b>31/12/2005</b></u>	<u><b>30/6/2006</b></u>	<u><b>31/12/2005</b></u>
Clients (1)	32.087.190	33.620.744	30.169.436	31.596.673
Post dated cheques	12.072.445	1.159.038	12.072.445	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	1.790.161	1.778.808	1.790.161	1.778.808
Shares of listed company *	29.146	29.146	29.146	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	67.494	24.165	67.494	24.165
Other debtors	<u>389.751</u>	<u>296.504</u>	<u>389.751</u>	<u>296.504</u>
	<u><b>48.376.639</b></u>	<u><b>40.625.137</b></u>	<u><b>46.458.885</b></u>	<u><b>38.601.066</b></u>

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

- \* Cost of shares (19.564 shares) of a company listed in the Greek stock exchange under the name of “GREEK STOCK EXCHANGE S.A.” is stated at cost of 3,54 Euro per share. The Stock Exchange market price as at 30.06.2006 was Euro 12,58 per share.

By means of a decision of the Annual General Meeting of the company’s shareholders that was held on the 25<sup>th</sup> 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). Additionally 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.

- (1) Bank letters of guarantee of € 777.853 (30/06/2006) were received as a security against receivables.

**20. Claims against associate companies**

**COMPANY**

	<u>30/06/2006</u>	<u>31/12/2005</u>
Teletypos Cyprus Ltd	<u>3.758.700</u>	<u>3.758.700</u>

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>30/6/2006</u>	<u>31/12/2005</u>
Deferred tax liabilities	(220.769)	(220.349)
Receivable from deferred taxes	1.709.370	1.575.996
<b>Closing balance</b>	<b><u>1.488.601</u></b>	<b><u>1.355.647</u></b>
Deffered tax analysis:		
	<u>30/6/2006</u>	<u>31/12/2005</u>
At 1 <sup>st</sup> January	1.355.647	1.177.422
Differed tax for the period	132.954	178.225
<b>Balance as of 30th June</b>	<b><u>1.488.601</u></b>	<b><u>1.355.647</u></b>

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
<b>Balance 31st December, 2005</b>	<b><u>7.104</u></b>	<b><u>1.365.184</u></b>	<b><u>(16.641)</u></b>	<b><u>1.355.647</u></b>
Plus: Charge to income statement for the year	(420)	133.374	0	132.954
<b>Balance 30th June, 2006</b>	<b><u>6.684</u></b>	<b><u>1.498.558</u></b>	<b><u>(16.641)</u></b>	<b><u>1.488.601</u></b>

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

	<u>30/6/2006</u>	<u>31/12/2005</u>
Film rights	32.142.080	35.746.378
Sundry expenses	237.078	344.208
	<u><b>32.379.158</b></u>	<u><b>36.090.586</b></u>

**23. Cash and cash equivalent**

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
Cash in hand	17.131	27.180	17.131	27.180
Cash in bank	8.142.039	2.415.441	7.303.760	1.883.118
	<u><b>8.159.170</b></u>	<u><b>2.442.621</b></u>	<u><b>7.320.891</b></u>	<u><b>1.910.298</b></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>	
<b>Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each</b>		<u>10,644,178</u> <u>31.237.500</u>
Increase of share capital through capitalisation:		
- Difference from issuance of shares		1.561.875
- Revaluation reserves		1.489.534
- Taxable reserves		<u>72.341</u>
<b>Total share capital at 30/06/06 34,361,250 nominal ordinary shares of Euro 1 each</b>		<u><b>34.361.250</b></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 23<sup>rd</sup> of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization **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, which accounts to thirty four million three thousand sixty one and two hundred and fifty 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**

	<b>Statutory*</b> <b>reserves</b>	<b>Revenue</b> <b>reserve</b>	<b>Revaluation</b> <b>reserve</b>	<b>Total</b>
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
<b>Balance at 31 December, 2005</b>	<b>3.588.431</b>	<b>7.771.271</b>	<b>29.826.286</b>	<b>41.185.988</b>
Change in year (note 24b)	0	(72.341)	(1.489.534)	(1.561.875)
<b>Balance at 30 June, 2006</b>	<b>3.588.431</b>	<b>7.698.930</b>	<b>29.826.286</b>	<b>39.624.113</b>

**COMPANY**

	<b>Statutory*</b> <b>reserves</b>	<b>Revenue</b> <b>reserve</b>	<b>Revaluation</b> <b>reserve</b>	<b>Total</b>
Balance at 1 January, 2005	3.351.532	7.565.167	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
<b>Balance at 31 December, 2005</b>	<b>3.588.431</b>	<b>7.771.271</b>	<b>1.489.534</b>	<b>12.849.236</b>
Change in year (note 24b)	0	(72.341)	(1.489.534)	(1.561.875)
<b>Balance at 30 June, 2006</b>	<b>3.588.431</b>	<b>7.698.930</b>	<b>0</b>	<b>11.287.361</b>

\*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>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
Debenture loan (26.1)	22.500.000	31.500.000	22.500.000	31.500.000
Bank loans (26.1)	10.058.541	10.002.385	10.058.541	10.002.385
Guarantees	8.456	4.402	8.456	4.402
	<u><b>32.566.997</b></u>	<u><b>41.506.787</b></u>	<u><b>32.566.997</b></u>	<u><b>41.506.787</b></u>
Provision for retirement benefits (26.2)	5.994.233	5.460.735	5.994.233	5.460.735
	<u><b>5.994.233</b></u>	<u><b>5.460.735</b></u>	<u><b>5.994.233</b></u>	<u><b>5.460.735</b></u>
<b>Total long term liabilities</b>	<u><b>38.561.230</b></u>	<u><b>46.967.522</b></u>	<u><b>38.561.230</b></u>	<u><b>46.967.522</b></u>

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

**26.1 Debenture loans**

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 four instalments as follows: Euro 7,9 mil. in 06.06.2006, 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.

The component banks of the 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>
<b>Total of debenture Loan</b>	<b><u>45.000.000</u></b>	<b><u>13.500.000</u></b>	<b><u>9.000.000</u></b>	<b><u>22.500.000</u></b>
Piraeus Bank				5.000.000
Alpha Bak				5.058.541
<b>Total Long term Loan</b>	<b><u>45.000.000</u></b>	<b><u>13.500.000</u></b>	<b><u>9.000.000</u></b>	<b><u>32.558.541</u></b>

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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 first semester 2006 retirement indemnities account for € 533.498.

Forecast up to 31/12/2005	€ 5,460,735
Forecast for the period (01.01/30.06.06)	<u>€ 533,498</u>
Forecast at 30/06/2006	€ 5,994,233

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	<u>GROUP</u>		<u>COMPANY</u>		
		<u>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
<b>27. Trade and other payable</b>					
Payables trade		53.925.087	74.074.296	54.972.994	75.020.466
Dividends payable	27.1	441.773	509.289	441.773	509.289
Advances by customer		2.468.428	546.126	2.468.428	546.126
Taxes and duties	27.2	8.429.529	7.433.740	8.411.496	7.286.478
Social security funds		533.133	989.873	533.133	989.873
Other creditors	27.3	1.295.803	2.788.705	1.292.786	2.787.737
Accruals	27.4	13.800.556	1.496.369	13.800.556	1.496.369
<b>Balance as per books at 30th June</b>		<b><u>80.894.309</u></b>	<b><u>87.838.398</u></b>	<b><u>81.921.166</u></b>	<b><u>88.636.338</u></b>
<b>27.1. Dividends payable</b>					
		<u>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</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		(4.128.391)	(3.773.677)	(4.128.391)	(3.773.677)
<b>Dividends payable 30th of June (1)</b>		<b><u>441.773</u></b>	<b><u>509.289</u></b>	<b><u>441.773</u></b>	<b><u>509.289</u></b>
<b>27.2. Taxes and Duties</b>					
		<u>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
Broadcasting licence fees		1.479.616	3.778.285	1.479.616	3.778.285
Income tax (note 3. 8)		3.613.912	2.342.255	3.613.912	2.342.255
Income tax (Subsidiary)		18.033	147.263		
Taxes and Duties related to full time employees		398.625	707.312	398.625	707.313
Other withholding taxes		202.732	174.409	202.732	174.409
V.A.T.		2.196.185		2.196.185	
Prior years' taxes and duties		520.004	283.028	520.004	283.028
Settlement Stamp Duty L.2328/95		422	1.188	422	1.188
<b>Balance as per books at 30th June</b>		<b><u>8.429.529</u></b>	<b><u>7.433.740</u></b>	<b><u>8.411.496</u></b>	<b><u>7.286.478</u></b>

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## 27. Trade and other payable (cont.)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/06/2006</u>	<u>31/12/2005</u>	<u>30/06/2006</u>	<u>31/12/2005</u>
<b>27.3. Other creditors</b>				
Staff wages	19.695	40.772	19.695	40.772
Third parties fees	486.294	242.737	486.294	242.737
Suppliers' checks outstanding	0	1.870.012	0	1.870.012
Sundry creditors	437.681	283.051	434.664	282.083
Distribution of earnings to personnel	352.133	352.133	352.133	352.133
<b>Balance as per books at 31st December</b>	<b><u>1.295.803</u></b>	<b><u>2.788.705</u></b>	<b><u>1.292.786</u></b>	<b><u>2.787.737</u></b>

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/06/2006</u>	<u>31/12/2005</u>	<u>30/06/2006</u>	<u>31/12/2005</u>
<b>27.4. Accruals</b>				
Interest and similar charges	104.338	106.167	104.338	106.167
Broadcasting license fees & other third party rights	1.132.586	398.781	1.132.586	398.781
Personnel expenses	1.065.877	0	1.065.877	0
Third parties fees	15.130	894.626	15.130	894.626
Sundry expenses	1.999	487	1.999	487
Programme cost	1.020.000	20.000	1.020.000	20.000
Film rights	1.060.626	76.308	1.060.626	76.308
Forecast for customer provisions	9.400.000	0	9.400.000	0
<b>Balance as per books at 30th June</b>	<b><u>13.800.556</u></b>	<b><u>1.496.369</u></b>	<b><u>13.800.556</u></b>	<b><u>1.496.369</u></b>

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**28. Short term borrowings****Bank overdrafts****Group/Company**

	<b>Credit limit</b>	<b>Amount withdrawn</b>
NATIONAL BANK OF GREECE	12.000.000	69.696
COMMERCIAL BANK	12.000.000	5.056.132
ALPHA BANK	16.000.000	320.839
PIRAEUS BANK	20.000.000	12.485.747
EGNATIA BANK	3.000.000	3.024.822
BANK OF ATTICA	2.200.000	0
ASPIS BANK.	3.000.000	3.000.000
NOVA BANK	4.500.000	2.014.361
BANK OF CYPRUS	5.000.000	4.000.000
EFG EUROBANK-ERGASIAS	<u>3.000.000</u>	<u>3.000.000</u>
	<b><u>80.700.000</u></b>	<b><u>32.971.597</u></b>

**29. Shares that have been issued**

<b><u>COMPANY</u></b>	<b><u>Number of shares</u></b>	<b><u>Period</u></b>	<b><u>Adjusted number of shares</u></b>
<b><u>2005</u></b>			
1 <sup>st</sup> January - 31.12.2005			
Adjusted number of Shares	31,237,500	12/12	<u>31,237,500</u>
<b><u>2006</u></b>			
1 <sup>n</sup> January - 30.06.2006			
Issuance of shares (note24b)	3.123.750		3.123.750
Adjusted number of shares	<u>34,361,250</u>	6/6	<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 year:

	<u><b>31/12/2005</b></u>	<u><b>31/12/2004</b></u>
Profit for the year after taxes	4.521.994	8.394.061
Weighted average shares outstanding	<u>31.237.500</u>	<u>31.237,500</u>
Earnings per share in Euro	<u><b>0,14</b></u>	<u><b>0,27</b></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 Euro 850.000 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 16 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 28,8 million euro for the production of Greek programmes.
- 32.2 Commitments under agreements of approximately 12,1 million euro for foreign programmes.

**33. Compensation to executives and management**

Board of Directors' salaries and other members of the management were as follows:

	01/01-30/06/2006	01/01-30/06/2005
Salaries	<u>1.114.692</u>	<u>1.044.937</u>

**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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Transactions with affiliated companies are as follows:

	SALE	SALE	PURCHASE	PURCHASE
	01/01-30/06/06	01/01-30/06/05	01/01-30/06/06	01/01-30/06/05
DOL	202.943	305.233	2.292	4.834
PHGASOS	217.582	288.924	6.311	18.097
ANOSI S.A.	0		5.441.200	8.178.861
ATA S.A.	0		6.689.208	1.701.603
O LOGOS	0		0	0
TELETYPOS CYPRUS	0		0	595.000
<b>TOTAL</b>	<b>420.525</b>	<b>594.157</b>	<b>12.139.011</b>	<b>10.498.395</b>

	CLAIMS		LIABILITIES	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
DOL	71.419	86.149	-2.448	-18.234
PHGASOS	449.730	960.349	-7.766	-32.723
ANOSI S.A.	0	0	-6.660.722	-5.119.098
ATA S.A.	0	0	-8.239.084	-4.226.730
O LOGOS	23.436	23.436	0	0
TELETYPOS CYPRUS	3.758.700	3.758.700	-2.795.000	-3.060.900
<b>TOTAL</b>	<b>4.303.285</b>	<b>4.828.634</b>	<b>-17.705.020</b>	<b>-12.457.685</b>

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**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, 17<sup>th</sup> July 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