

**CONSOLIDATED FINANCIAL STATEMENTS
OF
TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE”
AND ITS SUBSIDIARY – TELETYPOS CYPRUS**

31st March, 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 - 31 MARCH, 2006
(Expressed in Euro)

	<u>Notes</u>	<u>01.01/ 31.03.06</u>	<u>01.01/ 31.03.05</u>
Revenue (sales)	8	32.987.935	32.281.887
Cost of sales	9	<u>(29.814.091)</u>	<u>(27.692.876)</u>
Gross profit		3.173.844	4.589.011
Other operating income	10	<u>1.510.412</u>	<u>1.246.269</u>
Total gross operating profit		4.684.256	5.835.280
Distribution expenses	9	(1.103.670)	(902.713)
Administrative expenses	9	<u>(1.872.008)</u>	<u>(1.733.509)</u>
Operating profit		<u>1.708.578</u>	<u>3.199.058</u>
Non operating income			
Interest received and receivable		277	209
Other income	11	<u>62.317</u>	<u>1.332</u>
		62.594	1.541
Non operating expenses			
Interest and similar charges	9	(281.713)	(782.649)
Prior years' expenses	12	(198.457)	(240.960)
Other expenses	13	<u>(32.287)</u>	<u>(223.881)</u>
		(512.457)	(1.247.490)
Profit for the period before tax		1.258.715	1.953.109
Income tax	14	<u>(330.087)</u>	<u>(586.676)</u>
Other taxes not incorporated in operating cost		<u>(3.877)</u>	<u>(3.286)</u>
Deferred taxes	14	<u>66.477</u>	<u>54.049</u>
Profit for the period after tax		<u>991.228</u>	<u>1.417.196</u>
Earnings per share € (note 28)		<u>0,03</u>	<u>0,05</u>

Notes forming an integral part of the financial statements on pages 5 to 36.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET OF TELETYPOS S.A.
31 MARCH, 2006
(Expressed in Euro)

	Notes	<u>31.03.2006</u>	<u>31.12.2005</u>
FIXED ASSETS			
Intangible assets – Programme rights	15	139.618.383	135.976.486
Tangible assets	16	11.753.597	11.364.419
Investments in associates	17	33.699.096	33.699.096
Other financial assets	18	453.983	443.917
Total fixed assets		<u>185.525.059</u>	<u>181.483.918</u>
CURRENT ASSETS			
Inventories		310.700	322.573
Trade and other receivables	19	49.414.978	40.625.137
Deferred taxes	20	1.422.124	1.355.647
Prepayments of programme rights	21	35.997.952	36.090.586
Cash and cash equivalents	22	5.095.174	2.442.621
Total current assets		<u>92.240.928</u>	<u>80.836.564</u>
Total assets		<u>277.765.987</u>	<u>262.320.482</u>
EQUITY AND LIABILITIES			
Share capital	23	31.237.500	31.237.500
Share premium	23	35.031.122	35.031.122
Reserves	24	41.185.988	41.185.988
Profit for the period		991.228	0
Retained earnings		8.152.236	8.152.236
Translation difference		49.554	48.125
Net position		<u>116.647.628</u>	<u>115.654.971</u>
Long term liabilities	25	47.231.886	46.967.522
CURRENT LIABILITIES			
Trade and other payables	26	80.320.512	87.838.398
Short term borrowings	27	25.690.961	3.984.591
Current portion of long term borrowings	25.1	7.875.000	7.875.000
Total short term liabilities		<u>113.886.473</u>	<u>99.697.989</u>
Total equity and liabilities		<u>277.765.987</u>	<u>262.320.482</u>

Notes forming an integral part of the financial statements on pages 5 to 36.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
31 MARCH, 2006
(Expressed in Euro)

	<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>	<u>Revaluation</u> <u>reserve</u>	<u>Profit for</u> <u>the year</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
Shareholders equity 2005									
Balance 31 st 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 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
Revaluation differences of participations									0
Adjustment affecting directly Net Position				206.104					206.104
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 31.03.2006									
Balance 31 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
Translation difference					-48.125				-48.125
Foreign exchange difference					49.554				49.554
Profit for the period							991.228	0	991.228
Net Position 31/03/ 2006	31.237.500	35.031.122	3.588.430	7.771.271	49.554	29.826.287	991.228	8.152.236	116.647.628

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD, 01 JANUARY - 31 MARCH, 2006
(Expressed in Euro)

	<u>31.03.06</u>	<u>31.03.05</u>
Cash flow from operating activities		
Profit before taxation	1.258.715	1.953.109
Adjustments for items not involving the movement of cash:		
Depreciation and amortization	17.017.808	16.511.438
Provisions	266.749	216.197
Interest and similar charges	<u>281.713</u>	<u>782.649</u>
Operating profit before changes in working capital	18.824.985	19.463.393
Decrease/(Increase) in stock of spares and consumables	11.874	(85.727)
Decrease in stock of programme rights	92.633	2.511.969
(Increase) in debtors and others	(8.789.841)	(3.284.796)
(Decrease) in payables	(7.873.048)	(7.240.784)
Minus: Interest and similar charges	<u>(191.187)</u>	<u>(713.836)</u>
Total cash flows from Operating Activities	(16.749.569)	(8.813.174)
Net cash flow from operating activities	<u>2.075.416</u>	<u>10.650.219</u>
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(21.048.882)	(21.426.386)
(Increase) in long term receivables	<u>(10.067)</u>	<u>(10.482)</u>
Net cash flow from investing activities	<u>(21.058.949)</u>	<u>(21.436.868)</u>
Cash flows from financing activities		
(Decrease) in long term borrowings	(2.385)	0
Increase in short term borrowings	21.706.370	13.273.428
Dividends paid	<u>(67.899)</u>	<u>(3.715)</u>
Net cash flow from financing activities	<u>21.636.086</u>	<u>13.269.713</u>
Increase in net liquid funds	<u>2.652.553</u>	<u>2.483.064</u>
Cash and cash equivalents at beginning of the period	<u>2.442.621</u>	<u>2.670.819</u>
Cash and cash equivalents at the end of the period	<u>5.095.174</u>	<u>5.153.883</u>

Notes forming an integral part of the financial statements on pages 5 to 36.

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated financial statements in accordance with IFRS
31 March, 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 Kennedi 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 11/4/2006. The composition of the Board of Directors is as follows:

Christos Tegopoulos:	- Chairman
Elias Tsigas	- Managing Director
Christos Lambrakis	- Member
Yiorgos Bobolas	- Member
Yiorgos Prousanidis	- Non-executive member
Yiorgos Aidinis	- 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 (except for the year 2004).

TELETYPOS TELEVISION PROGRAMMES S.A.
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3. General Accounting Principles (cont.)

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.

3.3. Participations

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

Affiliated companies are these 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.

TELETYPOS TELEVISION PROGRAMMES S.A.
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3. General Accounting Principles (cont.)

3.4. Foreign currency transactions and balances(cont.)

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.

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.

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3. General Accounting Principles (cont.)

3.6. Programme and film rights (cont.)

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.

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 (32% for the year 2005 and 35% for year 2004). 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 31.03.2006, 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 Payables

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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Notes to the consolidated financial statements in accordance with IFRS
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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 31.03.2006 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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“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY
Notes to the consolidated financial statements in accordance with IFRS
31 March, 2006
(Expressed in Euro)

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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Notes to the consolidated financial statements in accordance with IFRS
31 March, 2006
(Expressed in Euro)

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

	<u>31/3/2006</u>	<u>%</u>	<u>31/3/2005</u>	<u>%</u>
Advertising	32.225.334	97,69	31.355.710	97,13
Income from T.V. rights	476.830	1,45	631.796	1,96
Income from T.V. rights (subsidiary company)	<u>285.771</u>	<u>0,86</u>	<u>294.381</u>	<u>0,91</u>
	<u>32.987.935</u>	<u>100,00</u>	<u>32.281.887</u>	<u>100,00</u>

9. Operating expenses

	<u>31/3/2006</u>	<u>31/3/2005</u>
Staff wages and expenses	7.906.653	7.499.836
Thrid parties fees and expenses	5.320.166	4.522.986
Utilities	1.330.519	1.386.036
Taxes and duties	866.337	446.155
Sundry expenses	1.635.255	1.301.688
Financial expenses	281.713	782.649
Consumables - Spare parts	80.400	74.390
Depreciation/Amortization	17.017.808	16.511.438
Less: Cost of origination of own production	(1.367.369)	(1.413.431)
	<u>33.071.482</u>	<u>31.111.747</u>

The above amounts have been allocated as follows:

	<u>31/3/2006</u>	<u>31/3/2005</u>
Cost of sales	29.814.091	27.692.876
Administrative expenses	1.872.008	1.733.509
Distribution expenses	1.103.670	902.713
Financial expenses	281.713	782.649
	<u>33.071.482</u>	<u>31.111.747</u>

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10. Other operating income

	<u>31/3/2006</u>	<u>31/3/2005</u>
Government grants	0	2.024
Computer and technical support to clients	1.259.477	920.155
Income earned from co-operation with third parties	243.629	316.784
Income from rentals	7.306	7.306
	<u>1.510.412</u>	<u>1.246.269</u>

11. Other income

	<u>31/3/2006</u>	<u>31/3/2005</u>
Foreign exchange differences	62.304	1.332
Sundry income	13	0
	<u>62.317</u>	<u>1.332</u>

12. Prior years' expenses

	<u>31/3/2006</u>	<u>31/3/2005</u>
Technical support services	137.039	235.210
Sundry expenses	61.418	5.750
	<u>198.457</u>	<u>240.960</u>

13. Other expenses

	<u>31/3/2006</u>	<u>31/3/2005</u>
Provision for doubtful receivables	20.000	0
Foreign exchange valuation differences	12.287	159.174
Sundry expenses	0	64.707
	<u>32.287</u>	<u>223.881</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>31/3/2006</u>	<u>31/3/2005</u>
Current income tax for the period	-330.087	-586.676
Other non-incorporated in operating cost taxes	-3.877	-3.286
Deferred taxes (note 22)	66.477	54.049
Total tax for the period	<u>-267.487</u>	<u>-535.913</u>

Total tax for the period consists of:

	<u>31/3/2006</u>	TAX RATE	<u>31/3/2005</u>	TAX RATE
Profit for the period before taxes (parent)	1.074.822		1.746.603	
Profit for the period before taxes (subsidiary)	<u>183.893</u>		<u>206.506</u>	
	1.258.715		1.953.109	
Income tax (parent)	-311.698	29%	-558.913	32%
Income tax (subsidiary)	-18.389	10%	-20.651	10%
Prepayment of income tax (subsidiary)	<u>0</u>		<u>-7.112</u>	
Total tax for the period	<u>-330.087</u>		<u>-586.676</u>	

Deferred taxes

Intangible assets - Formation expenses	-210	0
Provisions for contingencies-expenses	<u>66.687</u>	<u>54.049</u>
Total tax revenue	66.477	54.049
Other non-incorporated in operating cost taxes	-3.877	-3.286
Total tax for the period	<u>-267.487</u>	<u>-535.913</u>

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15. Intangible assets - Programme rights

	Programme and film rights	License Trademark	Total
<u>Cost</u>			
1.1.2006	577.432.978	384.891	577.817.869
Purchases	17.244.180	0	17.244.180
Disposals	0	(115.009)	(115.009)
In House Production under way	2.902.465	0	2.902.465
31.03.2006	597.579.623	269.882	597.849.505
<u>Amortization</u>			
1.1.2006	441.572.638	268.745	441.841.383
Charge for the period	16.491.254	13.494	16.504.748
Disposals	0	(115.009)	(115.009)
31.03.06	458.063.892	167.230	458.231.122
Net Book Value 31.03.2006	139.515.731	102.652	139.618.383
Net Book Value 31.12.2005	135.860.340	116.146	135.976.486

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16. Fixed assets – Tangible assets

	<u>Land (1)</u>	<u>Buildings</u>	<u>Plant and machinery</u>	<u>Transportation means</u>	<u>Furniture and equipment</u>	<u>Total</u>
<u>Cost</u>						
1.1.2006	4.799.610	2.531.878	17.252.380	917.058	13.104.758	38.605.684
Purchases	<u>0</u>	<u>0</u>	<u>755.788</u>	<u>0</u>	<u>146.449</u>	<u>902.237</u>
31.03.2006	<u>4.799.610</u>	<u>2.531.878</u>	<u>18.008.168</u>	<u>917.058</u>	<u>13.251.207</u>	<u>39.507.921</u>
<u>Depreciation</u>						
1.1.2006	0	1.551.919	13.528.339	576.246	11.584.761	27.241.265
Additions	0	65.583	233.726	16.491	197.259	513.059
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
31.03.2006	<u>0</u>	<u>1.617.502</u>	<u>13.762.065</u>	<u>592.737</u>	<u>11.782.020</u>	<u>27.754.324</u>
N.B.V.						
31.03.2006	<u>4.799.610</u>	<u>914.376</u>	<u>4.246.103</u>	<u>324.321</u>	<u>1.469.187</u>	<u>11.753.597</u>
N.B.V.						
31.12.2005	<u>4.799.610</u>	<u>979.959</u>	<u>3.724.041</u>	<u>340.812</u>	<u>1.519.997</u>	<u>11.364.419</u>

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16. Fixed assets (cont.)

(1) Land

Acquisition cost up to 31.03.2006	<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 31.03.2006	<u><u>4.799.610</u></u>

17. Investments – Shares in associated companies

Investments are stated at cost as follows:

	31/03/2006	% 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
	33.699.096		33.699.096	

	31/03/2006 % Voting Rights	31/12/2005 % Voting Rights
NETMED N.V. (via subsidiary)	12,5	12,5
Logos (Cyprus)	25	25

Main activities:

NETMED N.V.: Operation of subscribe TV
 Logos (Cyprus): TV and Radio broadcasts

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18. Other financial assets

	<u>31/3/2006</u>	<u>31/12/2005</u>
Guarantee given:		
Rent	340.363	330.963
Unitel (telecommunications)	56.420	56.420
Hertz (car rental)	32.878	32.212
Electricity Power	15.875	15.875
EBU (4 lines)	6.000	6.000
Associated Press	1.388	1.388
Attiki Road	1.000	1.000
Other	<u>59</u>	<u>59</u>
	<u>453.983</u>	<u>443.917</u>

19. Trade and other receivables

	<u>31/3/2006</u>	<u>31/12/2005</u>
Clients (1)	33.663.317	33.620.744
Post dated cheques	11.290.610	1.159.038
Income tax 2003	1.657.424	1.657.424
Provision for prepayment of income tax and other receivables from Greek Government	1.778.808	1.778.808
Shares of listed company *	29.146	29.146
Doubtful debtors	283.028	283.028
V.A.T.	0	1.776.280
Advances on account	63.898	24.165
Other debtors	<u>648.747</u>	<u>296.504</u>
	<u>49.414.978</u>	<u>40.625.137</u>

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19. Trade and other receivables (cont.)

- Cost of shares (19.564 shares) of the company “GREEK STOCK EXCHANGE” which is listed in the Athens Stock Exchange and is stated at value cost 3,54 Euro per share. The Stock Exchange Value as at 31.03.2006 was Euro 13,00.

By means of a decision of the General Assembly meeting of the company’s shareholders that was held on the 25th of April 2005, the share capital was reduced by 145.730.754,65 euro with cash payback to shareholders (2,05 per share). The General Assembly has also approved 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.

- (1) Bank letter of guarantee of € 1.778.558 (31/03/2006) and € 2.061.854 (31/03/2005) were received as a security against receivables.

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20. Deferred taxes

	<u>31/3/2006</u>	<u>31/12/2005</u>
Deferred tax liabilities	(220.559)	(220.349)
Receivable from deferred taxes	1.642.683	1.575.996
Net balance	<u>1.422.124</u>	<u>1.355.647</u>

Deferred tax analysis:

	<u>31/3/2006</u>	<u>31/12/2004</u>
At 1 st January	1.355.647	1.177.422
Deferred tax for the period	66.477	178.225
Balance at 31st March, 2006	<u>1.422.124</u>	<u>1.355.647</u>

Deferred taxation assets/liabilities are connected to:

	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Total
Balance at 1 st January, 2005	50.407	1.214.426	(87.411)	1.177.422
Plus: Charge to income statement for the year	<u>(43.303)</u>	<u>150.758</u>	<u>70.770</u>	<u>178.225</u>
Balance at 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 period	<u>(210)</u>	<u>66.687</u>	<u>0</u>	<u>66.477</u>
Balance at 31st March, 2006	<u>6.894</u>	<u>1.431.871</u>	<u>(16.641)</u>	<u>1.422.124</u>

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21. Prepayment of programme rights

	<u>31/3/2006</u>	<u>31/12/2005</u>
Film rights	35.906.510	35.746.378
Sundry expenses	<u>91.442</u>	<u>344.208</u>
	<u><u>35.997.952</u></u>	<u><u>36.090.586</u></u>

22. Cash and cash equivalent

	<u>31/3/2006</u>	<u>31/12/2005</u>
Cash in hand	17.378	27.180
Cash at banks	<u>5.077.796</u>	<u>2.415.441</u>
	<u><u>5.095.174</u></u>	<u><u>2.442.621</u></u>

23. Share capital

	<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	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 (G.Drs. 340,75) each	<u><u>10,644,178</u></u>	<u><u>31.237.500,00</u></u>

Share premium is part of the difference between the nominal and issued value of ordinary shares sold to the public through the Athens Stock Exchange in 1994 and 1999.

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24. Reserves

	Statutory* reserves	Revenue reserve	Revaluation reserve	Total
Balance at 1 January, 2005	3.351.532	7.565.167	29.826.286	40.742.985
Revaluation of property	0	0	0	0
Revaluation differences of participations and securities	0	0	0	0
Change in period	0	206.104	0	206.104
Distribution of profits 2005	236.899	0	0	236.899
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December, 2005	<u>3.588.431</u>	<u>7.771.271</u>	<u>29.826.286</u>	<u>41.185.988</u>
Change in period	0	0	0	0
Balance at 31 March, 2006	<u>3.588.431</u>	<u>7.771.271</u>	<u>29.826.286</u>	<u>41.185.988</u>

*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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25. Long term liabilities

	<u>31/3/2006</u>	<u>31/12/2005</u>
Debenture loan (25.1)	31.500.000	31.500.000
Bank loans (25.1)	10.000.000	10.002.385
Guarantees	<u>4.402</u>	<u>4.402</u>
	<u>41.504.402</u>	<u>41.506.787</u>
Provision for retirement benefits (25.2)	<u>5.727.484</u>	<u>5.460.735</u>
	<u>5.727.484</u>	<u>5.460.735</u>
Total long term liabilities	<u>47.231.886</u>	<u>46.967.522</u>

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25. Long term liabilities (cont.)

25.1 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	1.487.500	2.087.500	8.325.000
Piraeus Bank	10.000.000	1.250.000	1.750.000	7.000.000
Commercial Bank	7.000.000	875.000	1.225.000	4.900.000
National Bank of Greece	3.000.000	375.000	525.000	2.100.000
Egnatia Bank	3.000.000	375.000	525.000	2.100.000
General Bank of Greece	2.300.000	287.500	400.000	1.612.500
Aspis Bank	2.000.000	250.000	350.000	1.400.000
Laiki Bank	2.000.000	250.000	350.000	1.400.000
EFG Telesis Finance	2.000.000	250.000	350.000	1.400.000
Attika Bank of Greece	<u>1.800.000</u>	<u>225.000</u>	<u>312.500</u>	<u>1.262.500</u>
Total of debenture Loan	45.000.000	5.625.000	7.875.000	31.500.000
Piraeus Bank				5.000.000
ALPHA BANK				5.000.000
Total Long term Loan	45.000.000	5.625.000	7.875.000	41.500.000

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25. Long term liabilities (cont.)

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

The retirement indemnities were calculated by the actuarial company “Hewitt Associates S.A.”. The portion for the first quarter of 2006 is € 266.749.

Provision up to 31/12/2005	€ 5.460.735
Provision for the period (01/01-31/03/2006)	<u>€ 266.749</u>
Provision for personnel retirement indemnities	€ 5.727.484

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26. Trade and other payable

	<u>31/3/2006</u>	<u>31/12/2005</u>
Payables trade	57.676.222	74.074.296
Dividends payable	26.1 441.390	509.289
Advances by customer	10.695.489	546.126
Taxes and duties	26.2 5.185.882	7.433.740
Social security funds	527.340	989.873
Other creditors	26.3 1.081.044	2.788.705
Accruals	26.4 4.713.145	1.496.369
Balance as per books at 31st March	<u>80.320.512</u>	<u>87.838.398</u>

26.1. Dividends payable

	<u>31/3/2006</u>	<u>31/12/2005</u>
Balance at 1 January	509.289	534.466
Plus: Approved dividends 2004	0	3.748.500
Less: Dividends paid during the year	(67.899)	(3.773.677)
Dividends payable at 31 March (1)	<u>441.390</u>	<u>509.289</u>

26.2. Taxes and Duties

	<u>31/3/2006</u>	<u>31/12/2005</u>
Broadcasting licence fees	739.808	3.778.285
Income tax (note 3. 8)	2.653.954	2.342.255
Income tax (Subsidiary)	144.588	147.263
Taxes and Duties related to full time employees	379.829	707.312
Other withholding taxes	139.532	174.409
VAT	844.382	0
Prior year's taxes and duties	283.028	283.028
Current Stamp Duty	761	1.188
Balance as per books at 31st December	<u>5.185.882</u>	<u>7.433.740</u>

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26. Trade and other payable (cont.)

26.3. Other creditors

	<u>31/03/2006</u>	<u>31/12/2005</u>
Staff wages	20.933	40.772
Third parties fees	309.717	242.737
Suppliers' checks outstanding	0	1.870.012
Sundry creditors	748.261	633.051
Distribution of earnings to personnel	2.133	2.133
Balance as per books at 31st March	<u>1.081.044</u>	<u>2.788.705</u>

26.4. Accruals

	<u>31/03/2006</u>	<u>31/12/2005</u>
Interest and similar charges	196.693	106.167
Broadcasting license fees & other third party rights	2.574.530	398.781
Remuneration and personnel expenses	1.001.480	0
Third parties fees	670.819	894.626
Sundry expenses	1.951	487
Programme cost	174.000	20.000
Film rights	93.672	76.308
Balance as per books at 31st March	<u>4.713.145</u>	<u>1.496.369</u>

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27. Short term borrowings

Bank overdrafts

	Credit limit	Amount withdrawn
NATIONAL BANK OF GREECE	12.000.000	5.281
COMMERCIAL BANK	12.000.000	31.138
ALPHA BANK	16.000.000	94.485
PIRAEUS BANK	20.000.000	10.000.000
EGNATIA BANK	3.000.000	3.021.926
BANK OF ATTICA	2.200.000	0
ASPIS BANK	3.000.000	3.000.000
NOVA BANK	4.500.000	3.538.131
BANK OF CYPRUS	5.000.000	4.000.000
EFG EUROBANK-ERGASIAS	<u>3.000.000</u>	<u>2.000.000</u>
	<u>80.700.000</u>	<u>25.690.961</u>

Interest rate of short term bank loans during this period fluctuated from 4.30% to 4.50%.

28. 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>31/03/2006</u>	<u>31/03/2005</u>
Earnings after tax for the period	991.228	1.417.196
Weighted average shares outstanding	<u>31.237.500</u>	<u>31.237.500</u>
Earnings per share in Euro	<u>0,03</u>	<u>0,05</u>

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29. Net Position and Profit reconciliation between Greek Accounting Standards and I.F.R.S.

	NET POSITION 31/12/2003	PROFIT 31/12/2003	NET POSITION 31/12/2004	PROFIT 31/12/2004
Net Position and Profit according to Greek Accounting Standards	79.794.059	3.446.049	113.510.991	4.813.227
Write off of bad debts	-2.477.665		-2.477.665	-317.770
Write off of long-term depreciation expenses	-171.445		-171.445	27.424
Write off of payments on account of tangible assets	-644.483		-644.483	
Provision for staff indemnities	-4.278.400		-4.278.400	-579.304
Unrealised exchange differences	148.578		0	249.748
Deferred tax	1.077.600		1.129.605	47.815
Adjustment for proposed dividend		3.748.500		3.748.500
Total adjustments for adoption to IFRS	-6.345.815	3.748.500	-6.442.388	3.176.413
Net Position and Profit after adjustment for IFRS adoption	73.448.244	7.194.549	107.068.603	7.989.640

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30. Contingencies

- 30.1** 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).
- 30.2** Letters of guarantee issued by banks amounting to CHF 2.125.000 (1,36 millions euro), 708.000 euro for meeting liabilities on behalf of the Greek Football Association (EPIO) and 400.000 euro for meeting liabilities on behalf of TELESTARE.
- 30.3** Payment of compensation to third parties amounting to 16,8 million euros approximately claimed in the above suits.

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

31. Financial Commitments

- 31.1** Commitments under agreements of approximately 25,3 million euro for the production of Greek programmes.
- 31.2** Commitments under agreements of approximately 4,09 million euro for foreign programmes.

32. Compensation to executives and management

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

	01/01-31/03/2006	01/01-31/03/2005
Salaries	<u>516.191</u>	<u>469.850</u>

33. 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. 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, April 11, 2006

The President of Board of Directors

Christos K. Tegopoulos
Α 102836

Financial Controller

Athanasios G. Andreoulis
Φ 064116

The Managing Director
And member of Board of Directors

Elias E. Tsigas
Ξ 414434

Chief Accountant

Vasilios A. Kritikos
Χ 575439