

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31st December 2006

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

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**TRANSLATION FROM THE ORIGINAL
ISSUED IN THE GREEK LANGUAGE**

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TELETYPOS TELEVISION PROGRAMMES S.A.
"MEGA CHANNEL - GREECE**

We have audited the accompanying financial statements and the consolidated financial statements of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" which consist of the balance sheet as at 31 December, 2006, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards which are harmonised with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the consolidated financial statements give a true and fair view the financial position of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" as of 31 December, 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of matter

Without qualifying our opinion we draw attention to note 32.1 to the financial statements where it is mentioned that the company's tax liability is not finalised since 2000. The financial impact of such finalisation cannot be estimated at this time.

Report on other Legal and Regulatory Requirements

According to Greek Company law 2190/1920 requirements, we report the following:
In our opinion the Board of Director's report is consistent with the accompanying financial statements.

Athens, 14 February, 2007

THE CERTIFIED PUBLIC ACCOUNTANT

STYLIANOS KOURTELLAS
REG. NO. 11031
MOORE STEPHENS
CHARTERED ACCOUNTANTS

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE”
INCOME STATEMENT
1st JANUARY - 31st DECEMBER 2006
(Expressed in Euro)

GROUP

	<u>Notes</u>	<u>01.01/ 31.12.06</u>	<u>01.01/ 31.12.05</u>
Revenue	8	145.084.613	137.607.216
Cost of Sales	9	<u>(134.092.402)</u>	<u>(118.667.066)</u>
Gross profit		10.992.211	18.940.150
Other operating income	10	<u>14.637.523</u>	<u>6.203.088</u>
		25.629.734	25.143.238
Distribution expenses	9	(4.417.285)	(3.899.541)
Administration expenses	9	<u>(7.220.811)</u>	<u>(7.182.078)</u>
Operating profit		<u>13.991.637</u>	<u>14.061.619</u>
Non operating income			
Interest received and receivable		18.490	24.874
Profit on disposal of fixed assets		58.066	18.861
Profit from investing activities		4.891	0
Prior years' income	11	101.831	23.661
Other income	12	<u>313.088</u>	<u>75.984</u>
		<u>496.366</u>	<u>143.380</u>
Non operating expenses			
Interest and similar charges	9	(4.762.541)	(4.826.181)
Prior years' expenses	13	(371.650)	(723.312)
Provisions		(1.028.686)	(516.421)
Losses from disposal of fixed assets		(81.004)	(5.696)
Other expenses	14	<u>(45.784)</u>	<u>(1.045.076)</u>
		<u>(6.289.665)</u>	<u>(7.116.686)</u>
Profit for the year before tax		8.198.338	7.088.313
Income tax	15	<u>(2.641.421)</u>	<u>(2.495.320)</u>
Prior years' tax	15	<u>0</u>	<u>(249.225)</u>
Deffered taxation	15	<u>161.948</u>	<u>178.226</u>
Profit for the year after tax		<u>5.718.865</u>	<u>4.521.994</u>
Earnings per share € (note 30)		<u>0,17</u>	<u>0,14</u>
Proposed dividends € (note 28.1)		<u>0,13</u>	<u>0,13</u>

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

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE”
INCOME STATEMENT
1st JANUARY - 31st DECEMBER, 2006
(Expressed in Euro)

COMPANY

	<u>Notes</u>	<u>01.01/ 31/12/06</u>	<u>01.01/ 31/12/05</u>
Revenue	8	143.311.126	136.221.726
Cost of Sales	9	<u>(133.478.392)</u>	<u>(118.538.676)</u>
Gross profit		9.832.734	17.683.050
Other operating income	10	<u>14.637.523</u>	<u>6.203.088</u>
		24.470.257	23.886.138
Distribution expenses	9	(4.417.285)	(3.899.541)
Administration expenses	9	<u>(7.105.186)</u>	<u>(6.965.717)</u>
Operating profit		<u>12.947.786</u>	<u>13.020.880</u>
Non operating income			
Interest received and receivable		7.048	8.613
Profit on disposal of fixed assets		58.066	18.861
Profit from investing activities		4.891	0
Prior years' income	11	101.831	23.661
Other income	12	<u>313.088</u>	<u>75.984</u>
		484.924	127.119
Non operating expenses			
Interest and similar charges	9	(4.755.963)	(4.812.837)
Prior years' expenses	13	(371.650)	(723.312)
Provisions		(1.028.685)	(516.421)
Losses on disposal of fixed assets		(81.004)	(5.695)
Other expenses	14	<u>(39.211)</u>	<u>(933.461)</u>
		(6.276.513)	(6.991.726)
Profit for the year before tax		7.156.197	6.156.273
Income tax	15	<u>(2.536.633)</u>	<u>(2.390.618)</u>
Prior years' tax	15	0	(249.225)
Deffered taxation	15	<u>161.948</u>	<u>178.226</u>
Profit for the year after tax		<u>4.781.512</u>	<u>3.694.656</u>
Earnings per share € (note 30)		<u>0,14</u>	<u>0,12</u>
Proposed dividends € (note 28.1)		<u>0,13</u>	<u>0,13</u>

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

TELETYPOS TELEVISION PROGRAMMES S.A.
“MEGA CHANNEL - GREECE”
BALANCE SHEET
1st JANUARY - 31st DECEMBER, 2006
(Expressed in Euro)

		<u>GROUP</u>		<u>COMPANY</u>	
	Note	<u>31.12.2006</u>	<u>31.12.2005</u>	<u>31.12.2006</u>	<u>31.12.2005</u>
ASSETS					
Non-current assets					
Intangible assets – Programme rights	16	144.273.143	135.976.486	144.273.143	135.976.486
Tangible assets	17	11.814.972	11.364.419	11.814.972	11.364.419
Investments in associates and subsidiary	18	33.699.696	33.699.096	1.447.514	1.446.914
Other financial assets	19	398.923	443.917	398.923	443.917
Deferred taxes	22	<u>1.517.596</u>	<u>1.355.647</u>	<u>1.517.596</u>	<u>1.355.647</u>
Total fixed assets		<u>191.704.330</u>	<u>182.839.565</u>	<u>159.452.148</u>	<u>150.587.383</u>
CURRENT ASSETS					
Inventories		332.480	322.573	332.480	322.573
Trade and other receivables	20	42.680.768	40.625.137	40.729.029	38.601.066
Receivables from affiliated	21	0	0	3.758.700	3.758.700
Prepayments of programme rights	23	35.382.367	36.090.586	35.382.367	36.090.586
Cash and cash equivalents	24	<u>4.873.426</u>	<u>2.442.621</u>	<u>4.190.966</u>	<u>1.910.298</u>
Total current assets		<u>83.269.041</u>	<u>79.480.917</u>	<u>84.393.542</u>	<u>80.683.223</u>
Total assets		<u>274.973.371</u>	<u>262.320.482</u>	<u>243.845.690</u>	<u>231.270.606</u>
EQUITY AND LIABILITIES					
Share capital	25	34.361.250	31.237.500	34.361.250	31.237.500
Share premium	25	33.469.247	35.031.122	33.469.247	35.031.122
Reserves	26	39.901.411	41.185.988	11.564.658	12.849.236
Retained earnings		9.108.929	8.152.236	4.708.636	4.689.297
Translation difference		47.818	48.126	0	0
Total equity		<u>116.888.655</u>	<u>115.654.972</u>	<u>84.103.791</u>	<u>83.807.155</u>
Long term liabilities	27	58.754.986	46.967.522	58.754.986	46.967.522
SHORT TERM LIABILITIES					
Trade and other payables	28	85.831.721	87.838.398	87.488.904	88.636.338
Short term borrowings	29	4.498.009	3.984.591	4.498.009	3.984.591
Long term liabilities payable next period	27.1	<u>9.000.000</u>	<u>7.875.000</u>	<u>9.000.000</u>	<u>7.875.000</u>
Total Short Term Liabilities		<u>99.329.730</u>	<u>99.697.989</u>	<u>100.986.913</u>	<u>100.495.929</u>
Total equity and liabilities		<u>274.973.371</u>	<u>262.320.483</u>	<u>243.845.690</u>	<u>231.270.606</u>

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

TELETYPOS TELEVISION PROGRAMMES S.A.
"MEGA CHANNEL"
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
31st December, 2006
(Expressed in Euro)

<u>GROUP</u>	<u>Share Capital</u>	<u>Share Premium</u>	<u>Statutory Reserve</u>	<u>Other Reserves</u>	<u>Revaluation Reserves</u>	<u>Translation Difference</u> fin.statements of subsidiary	<u>Retained Earnings</u>	<u>Total</u>
Net position 2005								
Balance 31st December, 2004	31.237.500	35.031.122	3.351.531	7.565.167	29.826.287	56.995	7.989.641	115.058.243
Translation difference 2004-2005						-8.870		-8.870
Approval of 2004 dividend by Annual General Meeting							-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
Board of Directors Remuneration							-24.000	-24.000
5% discount for payment upfront				12.461				12.461
Adjustment affecting directly Net Worth				193.643				193.643
Distribution of earnings for the year 2005			236.899					236.899
Total equity 31/12/2005	31.237.500	35.031.122	3.588.430	7.771.271	29.826.287	48.125	8.152.236	115.654.971
Net position 2006								
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.271	29.826.287	48.125	8.152.236	115.654.971
Foreign exchange difference 2005-2006						-307		-307
Share capital increase	3.123.750	-1.561.875		-72.341	-1.489.534			0
Approval of 2005 dividend by Annual General Meeting							-4.060.875	-4.060.875
Profit for the year after tax							5.718.866	5.718.866
Statutory reserve							-277.298	-277.298
Distribution of earnings to personnel							-400.000	-400.000
Board of Directors Remuneration							-24.000	-24.000
Distribution of earnings for the year 2006			277.298					277.298
Total equity 31/12/2006	34.361.250	33.469.247	3.865.728	7.698.930	28.336.753	47.818	9.108.929	116.888.655

TELETYPOS TELEVISION PROGRAMMES S.A.
"MEGA CHANNEL"
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
31st December, 2006

<u>COMPANY</u>	<u>Share</u>	<u>Share</u>	<u>Statutory</u>	<u>Other</u>	<u>Translation</u>	<u>Retained</u>	<u>Total</u>
	<u>Capital</u>	<u>Premium</u>	<u>Reserve</u>	<u>Reserves</u>	<u>difference</u>	<u>Earnings</u>	
Net position 2005							
Balance 31st December, 2004	31.237.500	35.031.122	3.351.531	7.565.168	1.489.534	5.354.042	84.028.897
Approval of 2004 dividend by Annual General Meeting						-3.748.500	-3.748.500
Profit for the year after tax						3.694.654	3.694.654
Statutory Reserve						-236.899	-236.899
Profit distributed to personnel						-350.000	-350.000
Board of Directors Remuneration						-24.000	-24.000
5% discount of payment upfront				12.461			12.461
Adjustment affecting directly Net Worth				193.643			193.643
Distribution of earnings 2005			236.899				236.899
Total equity 31/12/2005	31.237.500	35.031.122	3.588.430	7.771.272	1.489.534	4.689.297	83.807.155
Net Position 2006							
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.272	1.489.534	4.689.297	83.807.155
Share Capital Increase	3.123.750	-1.561.875		-72.341	-1.489.534		
Approval of 2005 dividend by Annual General Meeting						-4.060.875	-4.060.875
Profit for the year after tax						4.781.512	4.781.512
Statutory Reserve						-277.298	-277.298
Profit distributed to personnel						-400.000	-400.000
Board of Directors Remuneration						-24.000	-24.000
Distribution of earnings 2006							277.298
Total equity 31/12/2006	34.361.250	33.469.247	3.588.430	7.698.931	0	4.708.636	84.103.792

TELETYPOS TELEVISION PROGRAMMES S.A.
MEGA CHANNEL
CASH FLOW STATEMENT
FOR THE PERIOD, 01 JANUARY - 31 DECEMBER, 2006
(Expressed in Euro)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Cash flow from operating activities				
Profit before taxation	8.198.338	7.088.314	7.156.197	6.156.271
Plus / (Less) adjustments for:				
Depreciation and amortisation	80.165.379	68.934.077	80.165.379	68.934.077
Provisions	739.127	603.031	739.127	603.031
Foreign exchange differences	(133.526)	45.819	(133.219)	54.690
Income from investing activities	(442)	(38.039)	10.999	(21.778)
Interest and similar charges	4.762.541	4.826.181	4.755.963	4.812.837
Adjustments for items involved in operating activities				
(Increase)/ Decrease of inventories	(9.907)	19.963	(9.907)	19.963
Decrease in stock of programme rights	708.220	3.394.255	708.220	3.394.255
(Increase) / Decrease in debtors and other receivables	(2.081.490)	5.826.583	(2.153.822)	7.043.636
Decrease / (Increase) in long term payables	44.994	(18.612)	44.994	(18.612)
(Decrease) / Increase in short term payables (excluding banks)	(2.522.898)	8.745.603	(1.675.147)	8.077.859
Minus: Interest and similar charges	(4.549.558)	(4.835.579)	(4.542.980)	(4.822.235)
Income tax paid	<u>(2.458.534)</u>	<u>(3.616.399)</u>	<u>(2.342.256)</u>	<u>(3.504.712)</u>
Cash Flow from Operating Activities (a)	<u>82.862.244</u>	<u>90.975.197</u>	<u>82.723.548</u>	<u>90.729.282</u>
Cash Flow from investing activities				
Investments and participations	(600)	0	(600)	0
Purchase of tangible and intangible fixed assets	(88.995.177)	(84.540.557)	(88.995.177)	(84.540.557)
Income from the sale of fixed assets	59.651	26.550	59.651	26.550
Interest receivables	18.490	20.962	7.048	4.700
Dividends payables	4.891	3.913	4.891	3.913
Cash flow from Investing Activities (b)	<u>(88.912.745)</u>	<u>(84.489.132)</u>	<u>(88.924.187)</u>	<u>(84.505.394)</u>
Cash Flow from Financing Activities				
Proceeds from borrowings	671.039.326	587.037.078	671.039.326	587.037.078
Payments of borrowings	(658.363.507)	(589.977.663)	(658.363.507)	(589.977.663)
Dividends paid	<u>(4.194.512)</u>	<u>(3.773.678)</u>	<u>(4.194.512)</u>	<u>(3.773.678)</u>
Cash flow from Financing Activities c	<u>8.481.307</u>	<u>(6.714.263)</u>	<u>8.481.307</u>	<u>(6.714.263)</u>
Increase in net liquid funds (a)+(b)+(c)	<u>2.430.806</u>	<u>(228.198)</u>	<u>2.280.668</u>	<u>(490.375)</u>
Cash and Cash equivalents at beginning of the year	<u>2.442.620</u>	<u>2.670.819</u>	<u>1.910.298</u>	<u>2.400.673</u>
Cash and Cash equivalents at year end	<u>4.873.426</u>	<u>2.442.621</u>	<u>4.190.966</u>	<u>1.910.298</u>

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

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

Notes to the consolidated and separate financial statements in accordance with IFRS
31st December, 2006
(Expressed in Euro)

1. General Information

The parent company was established 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 based in Lefkosia (Cyprus), 8 Kennedi Street.

The company's main activities 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 13/2/2007. The composition of the Board of Directors is as follows:

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

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

**Notes to the consolidated and separate financial statements in accordance with IFRS
31st December, 2006
(Expressed in Euro)**

2. Adoption of new and revised International Financial Reporting Standards

The group adopted, in the current year, the new and revised International Financial Reporting Standards (IFRS) and the corresponding amendments that have been published from the International Accounting Standards Board (IASB) and from the International Financial Reporting Interpretation Committee (IFRIC) respectively, in the respect that these are related with the group's activity and are effective with the accounting periods beginning on 1st of January 2006.

a. New and revised standards and interpretations effective from the 1st of January 2006

The compliance with the new and revised standards and interpretations which are effective from the 1st of January 2006 either do not relate with the activities of the group or do not impose changes on the accounting policies with cause material effect on the reported financial data for the current year and for the previous year.

b. New and revised standards not yet in effect

It is estimated that the new and revised standards and interpretations that are not yet in effect either do not relate with the activities of the group or will not have material effect in the financial data.

3. Significant Accounting Policies

3.1. Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their respective interpretations.

3.2. Historical cost 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 revaluation increase was capitalised. Group's management decided that the valuation of land and buildings on current value is not necessary.

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3. Significant Accounting Policies (cont.)

3.3. Historical cost convention (cont.)

The consolidated financial statements include the financial statements of the parent company and its subsidiary, which is controlled directly by 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. Investments in associates

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 realised gains or losses that are due to changes in appropriate value are included 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 which is the functional currency of the company. The consolidated accounts are presented in euros which is the parent's company functional currency.

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3. Significant Accounting Policies (cont.)

3.4. Foreign currency transactions and balances (cont.)

b. Transactions and company's accounts

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date monetary items denominated in foreign currencies are translated at the rates prevailing at each balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in items of historical cost in a foreign currency are not translated.

Exchange differences are recognised in income statement in the period in which they except for:

- Exchange differences which relate to assets under construction to be used in future production and that are included in the production cost.
- Exchange differences on monetary items receivables from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operations, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

3.5. Borrowing Cost

Borrowing costs directly attributable to the acquisition, constructions or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Investment income on the temporary investment of specific borrowing is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 (Greek series, game shows, sports, talk shows, music/dance shows and variety shows) is capitalised as intangible fixed assets (Programme rights) and is amortised as described in note 3.7.

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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 and not yet settled.
 - under prepayments the invoiced amount of not yet transmitted programmes.
 - 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. Significant Accounting Policies (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. According to the relevant law, the time of capitalisation of reserves should take place within two years. Thus, the revised surplus of 2004 has been capitalized in 2006.

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

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. Significant Accounting Policies (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.

Income tax of subsidiary company is calculated with a 10% tax rate on net profit and no further tax are charged as stipulated by legislation in the country of subsidiaries' incorporation.

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 recognised 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 utilised 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. This 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.

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3. Significant Accounting Policies (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 recognised 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 realised 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 an impairment loss. At 31.12.2006, 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 income statement.

For doubtful customers a provision that is accounted in the income statement in the year that the customers have been characterized as such.

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3. Significant Accounting Policies (cont.)

3.14. Investments

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

The securities that the company intends and is able to hold up to their maturity date ‘held to maturity’ 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 income statement.

Other non-investment securities are characterised as tradeable or intended for resale and are valued at their appropriate value. Profit or loss incurred by valuation of tradeable or intended for reselling securities is transferred directly to income statement 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 case 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 recognised 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. Significant Accounting Policies (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

This liability is specified in at the balance sheet date with the method 'Projected unit credit method'. According to this method, the liabilities that correspond to the services obtained at the balance sheet date are accounted separately from the liability that correspond to future services.

The most important assumption taken into account are:

Date of estimation	Interest rate	Increase in wages	Inflation rate
31/12/2006	4,20%	4,00%	2,50%
31/12/2005	4,00%	4,00%	2,50%

The liability (provision) that is reported in the balance sheet is the present value of the estimated liability revised according to the actuarial study. Any liabilities that occur increase or decrease the provision and any difference are accounted in the year that are paid.

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

TELETYPOS TELEVISION PROGRAMMES S.A.**“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31st December, 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 Segment

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 Shareholder's General Assembly meeting.

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8. Turnover	<u>GROUP</u>				<u>COMPANY</u>			
	<u>31/12/2006</u>	<u>%</u>	<u>31/12/2005</u>	<u>%</u>	<u>31/12/2006</u>	<u>%</u>	<u>31/12/2005</u>	<u>%</u>
Advertising	142.410.621	98,16	133.974.849	97,36	142.410.621	99,37	133.974.849	98,35
Income from T.V. rights	900.505	0,62	2.246.877	1,63	900.505	0,63	2.246.877	1,65
Income from T.V. rights (sub. company)	<u>1.773.487</u>	<u>1,22</u>	<u>1.385.490</u>	<u>1,01</u>	<u>0</u>	<u>0,00</u>	<u>0</u>	<u>0,00</u>
	<u>145.084.613</u>	<u>100,00</u>	<u>137.607.216</u>	<u>100,00</u>	<u>143.311.126</u>	<u>100,00</u>	<u>136.221.726</u>	<u>100,00</u>

9. Operating Expenses

	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Staff wages and expenses	31.846.390	30.116.164	31.846.390	30.116.164
Third parties fees and expenses	21.228.565	21.114.379	20.614.555	20.985.989
Utilities	6.214.626	5.886.210	6.214.626	5.886.210
Taxes and duties	3.475.718	1.990.018	3.475.718	1.990.018
Sundry expenses	7.387.754	6.273.290	7.272.129	6.056.929
Financial expenses	4.762.541	4.826.181	4.755.963	4.812.837
Consumables-spare parts	280.349	393.063	280.349	393.063
Depreciation/Amortisation	80.165.379	68.934.077	80.165.379	68.934.077
Less: Cost of origination of own productio	<u>(4.868.283)</u>	<u>(4.958.516)</u>	<u>(4.868.283)</u>	<u>(4.958.516)</u>
	<u>150.493.039</u>	<u>134.574.866</u>	<u>149.756.826</u>	<u>134.216.771</u>

The above amounts have been allocated as follows:

	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Cost of sales	134.092.402	118.667.066	133.478.392	118.538.676
Administrative expenses	7.220.811	7.182.078	7.105.186	6.965.717
Distribution expenses	4.417.285	3.899.541	4.417.285	3.899.541
Financial expenses	<u>4.762.541</u>	<u>4.826.181</u>	<u>4.755.963</u>	<u>4.812.837</u>
	<u>150.493.039</u>	<u>134.574.866</u>	<u>149.756.826</u>	<u>134.216.771</u>

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	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
10. Other operating income				
Government grants	13.284	43.266	13.284	43.266
Computer and technical support to clients	13.415.553	4.820.603	13.415.553	4.820.603
Income earned from co-operation with third parties	1.168.589	1.309.995	1.168.589	1.309.995
Income from rentals	40.097	29.224	40.097	29.224
	<u>14.637.523</u>	<u>6.203.088</u>	<u>14.637.523</u>	<u>6.203.088</u>
11. Prior year's income				
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
OTE discounts	79.380	0	79.380	0
Sundry income	<u>22.451</u>	<u>23.661</u>	<u>22.451</u>	<u>23.661</u>
	<u>101.831</u>	<u>23.661</u>	<u>101.831</u>	<u>23.661</u>
12. Other Income				
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Foreign exchange differences (income)	313.074	71.205	313.074	71.205
Sundry income	14	4.779	14	4.779
	<u>313.088</u>	<u>75.984</u>	<u>313.088</u>	<u>75.984</u>
13. Prior years' expenses				
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Technical support servises	186.633	263.785	186.633	263.785
"DIONYSOS" Royalties	0	160.822	0	160.822
Compensations	100.307	70.565	100.307	70.565
Sundry expenses	84.710	228.140	84.710	228.140
	<u>371.650</u>	<u>723.312</u>	<u>371.650</u>	<u>723.312</u>
14. Other expenses				
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Foreign exchange differences (expenses)	21.363	1.043.700	21.363	932.085
Sundry expenses	24.421	1.376	17.848	1.376
	<u>45.784</u>	<u>1.045.076</u>	<u>39.211</u>	<u>933.461</u>

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15. 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. Dividends for the subsidiary company are added to the taxable income of the parent company. The corresponding dividend's tax paid in foreign country is counterbalanced.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Provision for income tax	(2.637.544)	(2.492.035)	(2.532.756)	(2.387.332)
Other non-incorporated in operating cost taxes	(3.877)	(3.286)	(3.877)	(3.286)
Deferred taxes (note 21)	161.948	178.226	161.948	178.226
Total tax for the year	<u><u>(2.479.473)</u></u>	<u><u>(2.317.095)</u></u>	<u><u>(2.374.685)</u></u>	<u><u>(2.212.392)</u></u>

Total tax for the year consists of:

	<u>31/12/2006</u>	TAX	<u>31/12/2005</u>	TAX	<u>31/12/2006</u>	TAX	<u>31/12/2005</u>	TAX
		RATE		RATE		RATE		RATE
Profit for the year before taxes (parent)	7.156.197		6.156.271		7.156.197		6.156.271	
Profit for the year before taxes (subsidiary)	1.042.141		932.043		0		0	
Plus accounting differences	1.573.298		1.301.402		1.573.298		1.301.402	
Taxable profit	<u><u>9.771.636</u></u>		<u><u>8.389.716</u></u>		<u><u>8.729.495</u></u>		<u><u>7.457.673</u></u>	
Income tax (parent)	(2.531.554)	29%	(2.386.456)	32%	(2.531.554)	29%	(2.386.455)	32%
Income tax (subsidiary)	(104.214)	10%	(93.204)	10%	0		0	
Prepayment of income tax (subsidiary)	(573)		(11.498)		0		0	
Additional 3% tax on the income from property (parent)	(1.203)		(877)		(1.203)		(877)	
Total tax for the period	<u><u>(2.637.544)</u></u>		<u><u>(2.492.035)</u></u>		<u><u>(2.532.757)</u></u>		<u><u>(2.387.332)</u></u>	

Deferred taxes

Intangible assets. Formation expenses	(841)	(43.303)	(841)	(43.303)
Provision for contingencies-expenses	184.782	150.758	184.782	150.758
Foreing exchange difference (income)	(21.993)	70.771	(21.993)	70.771
Total tax	<u><u>161.948</u></u>	<u><u>178.226</u></u>	<u><u>161.948</u></u>	<u><u>178.226</u></u>
Other non-incorporated in operating cost taxes	(3.877)	(3.286)	(3.877)	(3.286)
Total tax for the period	<u><u>(2.479.473)</u></u>	<u><u>(2.317.095)</u></u>	<u><u>(2.374.686)</u></u>	<u><u>(2.212.392)</u></u>

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16. Intangible assets - Programme rights

GROUP / COMPANY

	Programme and film rights	Formation Expenses	Share Capital's Increase Expenses	License Trademark	Total
<u>Cost</u>					
2005					
1.1.2005	495.767.485	0	0	379.491	496.146.976
Purchases	77.104.193	0	0	5.400	77.109.593
Disposals	0	0	0	0	0
In House Production under way	4.561.300	0	0	0	4.561.300
31.12.2005	<u>577.432.978</u>	<u>0</u>	<u>0</u>	<u>384.891</u>	<u>577.817.869</u>
<u>Amortization</u>					
1.1.2005	375.333.578	0	0	300.846	375.634.424
Charge for the period	66.239.060	0	0	(32.101)	66.206.959
Disposals	0	0	0	0	0
31.12.2005	<u>441.572.638</u>	<u>0</u>	<u>0</u>	<u>268.745</u>	<u>441.841.383</u>
Net Book Value 31.12.2005	<u>135.860.340</u>	<u>0</u>	<u>0</u>	<u>116.146</u>	<u>135.976.486</u>
<u>Cost</u>					
2006					
1.1.2006	577.432.978	0	0	384.891	577.817.869
Purchases	81.934.112	15.619	3.124	0	81.952.855
Disposals	0	0	0	(115.009)	(115.009)
In House Production under way	4.270.051	0	0	0	4.270.051
31.12.2006	<u>663.637.141</u>	<u>15.619</u>	<u>3.124</u>	<u>269.882</u>	<u>663.925.766</u>
<u>Amortization</u>					
1.1.2006	441.572.638	0	0	268.745	441.841.383
Charge for the period	77.853.670	15.619	3.124	53.835	77.926.248
Disposals	0	0	0	(115.008)	(115.008)
31.12.2006	<u>519.426.308</u>	<u>15.619</u>	<u>3.124</u>	<u>207.572</u>	<u>519.652.623</u>
Net Book Value 31.12.2006	<u>144.210.833</u>	<u>0</u>	<u>0</u>	<u>62.310</u>	<u>144.273.143</u>

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17. Fixed assets – Tangible assets

GROUP/COMPANY

	<u>Land</u>	<u>Buildings</u>	<u>Plant and</u>	<u>Transportation</u>	<u>Furniture</u>	<u>Total</u>
2005	<u>(1)</u>		<u>machinery</u>	<u>means</u>	<u>and</u>	
					<u>equipment</u>	
<u>Cost</u>						
I.1.05	4.799.610	2.531.878	16.043.482	707.710	12.294.850	36.377.530
Purchases	0	0	1.354.528	264.636	1.250.500	2.869.664
Sales	0	0	0	0	0	0
Disposals	0	0	(145.630)	(55.288)	(440.591)	(641.509)
31.12.2005	<u>4.799.610</u>	<u>2.531.878</u>	<u>17.252.380</u>	<u>917.058</u>	<u>13.104.759</u>	<u>38.605.685</u>
<u>Depreciation</u>						
I.1.05	0	1.285.604	12.693.589	551.944	10.611.134	25.142.271
Additions	0	266.315	974.249	72.913	1.413.641	2.727.118
Disposals	0	0	(139.499)	(48.611)	(440.013)	(628.123)
31.12.2005	<u>0</u>	<u>1.551.919</u>	<u>13.528.339</u>	<u>576.246</u>	<u>11.584.762</u>	<u>27.241.266</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>
2006						
<u>Cost</u>						
I.1.06	4.799.610	2.531.878	17.252.380	917.058	13.104.759	38.605.685
Purchases	0	65.200	1.864.603	37.906	804.563	2.772.272
Sales	0	0	(1.850)	(12.801)	(45.000)	(59.651)
Disposals	0	0	(13.902)	(164.971)	(638.123)	(816.996)
31.12.2006	<u>4.799.610</u>	<u>2.597.078</u>	<u>19.101.231</u>	<u>777.192</u>	<u>13.226.199</u>	<u>40.501.310</u>
<u>Depreciation</u>						
I.1.06	0	1.551.919	13.528.339	576.246	11.584.762	27.241.266
Additions	0	269.678	984.334	88.413	896.706	2.239.131
Disposals	0	0	(14.568)	(176.837)	(602.654)	(794.059)
31.12.2006	<u>0</u>	<u>1.821.597</u>	<u>14.498.105</u>	<u>487.822</u>	<u>11.878.814</u>	<u>28.686.338</u>
N.B.V.						
31.12.2006	<u>4.799.610</u>	<u>775.481</u>	<u>4.603.126</u>	<u>289.370</u>	<u>1.347.385</u>	<u>11.814.972</u>

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17 Fixed assets (cont.)
GROUP-COMPANY

(1) Land

Acquisition cost	<u>1.333.457</u>
Revaluation (according to Greek Legislation (see note 3.7)	
- 1992 192.293	
- 1996 838.590	
- 2001 945.736	
- 2004 1.489.534	<u>3.466.153</u>
Revaluated balance as at 31.12.2006	<u><u>4.799.610</u></u>

18 Investments – Shares in associated companies

Investments are stated at cost as follows:

GROUP

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

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

Main activities:

NETMED N.V.: Production of, and trading in, television programmes. Investments that represented participation of 35% in Multichoice Hellas have been sold for 19.225.725 pounds (33.260.500 euro). The income was invested at a 12.5% participation in 'NetMed N.V. The difference in value of the new participation is included in the reserves. The BoD has decided that there is no need for the revaluation of the investments.

Logos (Cyprus) : Logos is a TV and Radio broadcasting company based on Cyprus. The participation of the parent company (25%) is restricted only in the TV activity since the day of its participation 26/4/2002. Thus, the participation is not identical with the participation in the net position of Logos.

Television Royalties S.A.: Management and protection of third parties' royalties.

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18 Investments – Shares in associated companies (cont.)

Investments are stated at cost as follows:

COMPANY

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

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19. Other financial assets	GROUP		COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Guarantee given:				
Rent	344.770	330.963	344.770	330.963
Unitel (telecommunications)	0	56.420	0	56.420
Hertz (car rental)	29.330	32.212	29.330	32.212
Electricity Power	15.876	15.875	15.876	15.875
EBU (4 lines)	6.000	6.000	6.000	6.000
Associated Press	1.388	1.388	1.388	1.388
Attiki Road	1.500	1.000	1.500	1.000
Other financial assets	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
	<u>398.923</u>	<u>443.917</u>	<u>398.923</u>	<u>443.917</u>
	GROUP		COMPANY	
20. Trade and other receivables	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Clients (1)	34.732.957	33.620.744	32.886.987	31.596.673
Post dated cheques	1.819.904	1.159.038	1.849.904	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	1.843.259	1.778.808	1.843.259	1.778.808
Shares of listed company (2)	4.691	29.146	4.691	29.146
Doubtful debtors	283.028	283.028	283.028	283.028
V.A.T.	1.857.793	1.776.280	1.857.793	1.776.280
Advances on account	22.150	24.165	22.150	24.165
Other debtors	<u>459.562</u>	<u>296.504</u>	<u>353.793</u>	<u>296.504</u>
	<u>42.680.768</u>	<u>40.625.137</u>	<u>40.759.029</u>	<u>38.601.066</u>

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20. Trade and other receivables (cont.)

- (1) Bank letters of guarantee of € 1.132.374 (31/12/2006) were received as a security against receivables.
- (2) a) Cost of shares (19.564 shares) of a company listed in the Greek stock exchange under the name of “GREEK STOCK EXCHANGE S.A.” which is valued at the remaining value after the decrease of capital mentioned in b and c. The Stock Exchange market price as at 29.12.2006 was Euro 13,94 per share.
- b) By means of a decision of the Annual General Meeting of the company’s shareholders that was held on the 25th of April 2005, the share capital of the company “GREEK STOCK EXCHANGE S.A.” was reduced by 145.730.754,65 euro with cash payback to shareholders (2,05 per share) and the distribution of 0,2 euro per share dividends to the shareholders.
- The share capital decrease was followed by a corresponding decrease of the company’s par value to 3 euro from 5,05 euro per share.
- c) By means of a decision of the Annual General Meeting of the company’s shareholders that was held on the 23rd of May 2006, the share capital of the company “GREEK STOCK EXCHANGE S.A.” was reduced by 87.788.078,75 euro . The share capital decrease was followed by a corresponding decrease of the company’s par value to 1,75 euro from 3 euro and a cash payback to shareholders of 1,25 euro per share.

21. Claims against associate companies

COMPANY

	<u>31/12/2006</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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22. Deffered taxes**GROUP/COMPANY**

	<u>31/12/2006</u>	<u>31/12/2005</u>
Deferred tax liabilities	(275.103)	(220.349)
Receivable from deferred taxes	1.792.699	1.575.996
Closing balance	<u>1.517.596</u>	<u>1.355.647</u>
Deffered tax analysis:		
	<u>31/12/2006</u>	<u>31/12/2005</u>
At 1 st January	1.355.647	1.177.422
Differed tax for the period	161.949	178.225
Balance as of 31st December	<u>1.517.596</u>	<u>1.355.647</u>

Deferred taxation assets/liabilities are connected to:

<u>Group/Company</u>	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Total
Balance at 1st January , 2005	50.407	1.214.426	(87.411)	1.177.422
Plus: Charge to income statement for the year	(43.303)	150.758	70.770	178.225
Balance 31st December, 2005	<u>7.104</u>	<u>1.365.184</u>	<u>(16.641)</u>	<u>1.355.647</u>
Plus: Charge to income statement for the year	(841)	184.782	(21.992)	161.949
Balance 31st December, 2006	<u>6.263</u>	<u>1.549.966</u>	<u>(38.633)</u>	<u>1.517.596</u>

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23. Prepayments of programme rights

GROUP / COMPANY

	<u>31/12/2006</u>	<u>31/12/2005</u>
Film rights	35.240.835	35.746.378
Sundry expenses	<u>141.232</u>	<u>344.208</u>
	<u>35.382.067</u>	<u>36.090.586</u>

24. Cash and cash equivalent

	GROUP		COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Cash in hand	65.567	27.180	65.567	27.180
Cash in bank	<u>4.807.859</u>	<u>2.415.441</u>	<u>4.125.399</u>	<u>1.883.118</u>
	<u>4.873.426</u>	<u>2.442.621</u>	<u>4.190.966</u>	<u>1.910.298</u>

25. Share capital

GROUP/COMPANY

	<u>000' Drs.</u>	<u>Euro</u>
Authorised share capital		
Issued and fully paid € 31,237,500,00 nominal ordinary shares of G.Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium (a)	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	<u>681,273</u>	

Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each

	<u>10,644,178</u>	<u>31.237.500</u>
Increase of share capital through capitalisation:		
- Difference from issuance of shares	1.561.875	
- Revaluation reserves	1.489.534	
- Taxable reserves	<u>72.341</u>	

Total share capital at 31/12/2006 34,361,250 nominal ordinary shares of

Euro 1 each 34.361.250

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25. Share capital (cont.)

25(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.

25(b) The G.M. of the 23rd of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization **a)** amount 1.489.534,26 euro through a revaluation of assets according to law 2065/1992 **b)** amount 1.561.875,00 euro through existent reserves that occurred from previous share capital increases and **c)** amount 72.340,74 through taxable reserves according to article 8 of the law 2579/1998 with the issuance of three million one hundred twenty three thousands seven hundred and fifty (3.123.750) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held.

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

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

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26. Reserves

GROUP

	Statutory* reserves	Revenue reserve	Revaluation reserve	Total
Balance at 1 January, 2005	3.351.532	7.565.167	29.826.286	40.742.985
Change in year	0	206.104	0	206.104
Distribution of profits on 2005	236.899	0	0	236.899
Balance at 31 December, 2005	3.588.431	7.771.271	29.826.286	41.185.988
Change in year (note 25b-26a)	277.298	(72.341)	(1.489.534)	(1.284.577)
Balance at 31 December, 2006	3.865.729	7.698.930	29.826.286	39.901.411

COMPANY

	Statutory* reserves	Revenue reserve	Revaluation reserve	Total
Balance at 1 January, 2005	3.351.531	7.565.168	1.489.534	12.406.233
Change in year	0	206.104	0	206.104
Distribution of profits on 2005	236.899	0	0	236.899
Balance at 31 December, 2005	3.588.430	7.771.272	1.489.534	12.849.236
Change in year (note 25b-26a)	277.298	(72.341)	(1.489.534)	(1.284.577)
Balance at 31 December, 2006	3.865.728	7.698.931	0	11.564.659

26a. 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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27. Long term liabilities

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Debenture loan (27.1)	52.500.000	31.500.000	52.500.000	31.500.000
Bank loans (27.1)	46.491	10.002.385	46.491	10.002.385
Guarantees	8.633	4.402	8.633	4.402
	<u>52.555.124</u>	<u>41.506.787</u>	<u>52.555.124</u>	<u>41.506.787</u>
Provision for retirement benefits (27.2)	6.199.862	5.460.735	6.199.862	5.460.735
	<u>6.199.862</u>	<u>5.460.735</u>	<u>6.199.862</u>	<u>5.460.735</u>
Total long term liabilities	<u>58.754.986</u>	<u>46.967.522</u>	<u>58.754.986</u>	<u>46.967.522</u>

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27. Long term liabilities (cont.)

27.1 Debenture loans

- a) Represent debenture loan of Euro 45.000.000 that was obtained by the company under a loan agreement dated 25.05.2004. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,55% per annum above 3 months Euribor. The remaining amount is payable in three instalments as follows: Euro 9,0 mil. in 06.06.2007, Euro 9,0 mil. in 06.06.08 and Euro 13,5 mil. in 06.06.09 and
- b) Debenture loan of Euro 15.000.000 that was obtained by the company under a loan agreement dated 27.09.2006. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,50% per annum above 3 months Euribor. The amount is payable at 29.09.2009.
- c) Debenture loan of Euro 15.000.000 that was obtained by the company under a loan agreement dated 7.12.2006. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,50% per annum above 3 months Euribor. The amount is payable at 7.12.2010.

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

	<u>Total</u>	<u>Payments</u>	<u>Short Term Portion</u>	<u>Long Term Portion</u>
Alpha Bank	11.900.000	3.575.000	2.380.000	5.945.000
Piraeus Bank	10.000.000	3.000.000	2.000.000	5.000.000
Commercial Bank	7.000.000	2.100.000	1.400.000	3.500.000
National Bank	3.000.000	900.000	600.000	1.500.000
Egnatia Bank	3.000.000	900.000	600.000	1.500.000
General Bank	2.300.000	687.500	460.000	1.152.500
Aspis Bank	2.000.000	600.000	400.000	1.000.000
Laiki Bank	2.000.000	600.000	400.000	1.000.000
EFG Telesis Finance	2.000.000	600.000	400.000	1.000.000
Bank of Attica	<u>1.800.000</u>	<u>537.500</u>	<u>360.000</u>	<u>902.500</u>
(a) Debenture Loan	<u>45.000.000</u>	<u>13.500.000</u>	<u>9.000.000</u>	<u>22.500.000</u>
(b) The component bank and the administrative bank of the b) debenture loan is Alpha Bank				<u>15.000.000</u>
(c) The component bank and the administrative bank of the c) debenture loan is Piraeus Bank				<u>15.000.000</u>
Total of (a)+(b)+(c) debenture Loan				<u>52.500.000</u>
Loan from Alpha Bank				46.491
Total	<u>45.000.000</u>	<u>13.500.000</u>	<u>9.000.000</u>	<u>52.546.491</u>

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27. Long term liabilities (cont.)

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

Retirement indemnities have been calculated by the actuarial company ‘Hewitt Associates’. For the third quarter 2006 retirement indemnities account for € 739,127 while for 2005 account for €603.031.

2005

Opening provisions 31/12/2004	€ 4,857,704
Payments during 2005	€ (574,502)
Adjustment of liabilities 31/12/2005	<u>€ 1.177.533</u>
Forecast retirement indemnities 31/12/2005	<u>€5.460.735</u>

2006

Opening provisions 31/12/2005	€ 5,460,735
Payments during 2006	€ (487.330)
Adjustment of liabilities 31/12/2006	<u>€ 1.226.457</u>
Forecast retirement indemnities 31/12/2006	<u>€6,199,862</u>

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	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
28. Trade and other payable				
Payables trade	73.206.962	74.074.296	74.864.145	75.020.466
Dividends payable	28.1 375.652	509.289	375.652	509.289
Advances by customer	266.468	546.126	266.468	546.126
Taxes and duties	28.2 7.079.363	7.433.740	7.079.363	7.286.478
Social security funds	1.038.414	989.873	1.038.414	989.873
Other creditors	28.3 2.073.916	2.788.705	2.073.916	2.787.737
Accruals	28.4 1.790.946	1.496.369	1.790.946	1.496.369
Balance as per books at 31st December	<u>85.831.721</u>	<u>87.838.398</u>	<u>87.488.904</u>	<u>88.636.338</u>
28.1. Dividends payable				
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Balance at 1 January	509.289	534.466	509.289	534.466
Plus: Approved dividends for 2005-2004	4.060.875	3.748.500	4.060.875	3.748.500
Less: Dividends paid during the year	(4.194.512)	(3.773.677)	(4.194.512)	(3.773.677)
Dividends payable 31st of December (1)	<u>375.652</u>	<u>509.289</u>	<u>375.652</u>	<u>509.289</u>

(1) The BOD proposes €0,13 per share for the year 2006. The total amount for dividends for the fiscal year 2006 (which will be paid during 2007) amounts to 4.466.962,50 euro.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
28.2. Taxes and Duties				
Broadcasting licence fees	2.959.233	3.778.285	2.959.233	3.778.285
Income tax (note 3. 8)	2.550.079	2.342.255	2.550.079	2.342.255
Income tax (Subsidiary)		147.263		
Taxes and Duties related to full time employees	1.123.513	707.312	1.123.513	707.313
Other withholding taxes	189.664	174.409	189.664	174.409
Prior years' taxes and duties	254.725	283.028	254.725	283.028
Settlement Stamp Duty L.2328/95	2.149	1.188	2.149	1.188
Balance as per books at 31st December	<u>7.079.363</u>	<u>7.433.740</u>	<u>7.079.363</u>	<u>7.286.478</u>

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28. Trade and other payable (cont.)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
28.3. Other creditors				
Staff wages	17.283	40.772	17.283	40.772
Third parties fees	382.870	242.737	382.870	242.737
Suppliers' checks outstanding	881.877	1.870.012	881.877	1.870.012
Sundry creditors	387.753	283.051	387.753	282.083
Distribution of earnings to personnel	404.133	352.133	404.133	352.133
Balance as per books at 31st December	<u>2.073.916</u>	<u>2.788.705</u>	<u>2.073.916</u>	<u>2.787.737</u>

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
28.4. Accruals				
Interest and similar charges	319.150	106.167	319.150	106.167
Broadcasting license fees & other third party rights	443.885	398.781	443.885	398.781
Third party fees	654.011	894.626	654.011	894.626
Sundry expenses	168	487	168	487
Programme cost	305.000	20.000	305.000	20.000
Film rights	68.732	76.308	68.732	76.308
Balance as per books at 31st December	<u>1.790.946</u>	<u>1.496.369</u>	<u>1.790.946</u>	<u>1.496.369</u>

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29. Short term borrowings
Bank overdrafts

GROUP/COMPANY

	Credit limit	Amount withdrawn
ALPHA BANK	17.000.000	1.065.633
NATIONAL BANK OF GREECE	12.000.000	776
COMMERCIAL BANK	12.000.000	1.082.496
PIRAEUS BANK	10.000.000	311.896
EFG EUROBANK-ERGASIAS	10.000.000	0
PANELLINIA BANK	10.000.000	0
EGNATIA BANK	3.000.000	1.001.580
BANK OF ATTICA	4.000.000	0
ASPIS BANK.	3.000.000	0
MILLENIUM BANK	4.500.000	1.014.281
BANK OF CYPRUS	5.000.000	21.347
	<u>90.500.000</u>	<u>4.498.009</u>

The interest rate of the long term loans ranges from 4,50% to 5,00%.

30. Shares that have been issued

<u>COMPANY</u>	<u>Number of shares</u>	<u>Period</u>	<u>Adjusted number of shares</u>
<u>2005</u>			
1 st January - 31.12.2005			
Adjusted number of Shares	31,237,500	12/12	<u>31,237,500</u>
<u>2006</u>			
1 ⁿ January - 31.12.2006			
Issuance of shares (note25b)	3.123.750	7/12	1.822.187
Adjusted number of shares	<u>34,361,250</u>		<u>33,059,687</u>

GROUP

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

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31. Earnings per Share

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

	GROUP		COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Profit for the year after taxes	5.718.865	4.521.994	4.781.512	3.694.654
Weighted average shares outstanding	<u>33.059.687</u>	<u>31.237.500</u>	<u>33.059.687</u>	<u>31.237.500</u>
Earnings per share in Euro	<u>0,173</u>	<u>0,145</u>	<u>0,145</u>	<u>0,118</u>
Proposed dividend per share in €	<u>0,13</u>	<u>0,13</u>	<u>0,13</u>	<u>0,13</u>

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32. Contingencies

- 32.1** 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).
- 32.2** Letters of guarantee issued by banks amounting to USD 4,300,000 for meeting of liabilities of foreign programme, of Euro 1.275.250 for meeting liabilities on behalf of the Greek Football Association (EPIO) and 400.000 euro for meeting liabilities on behalf of TELESTARE and 362.490 euro for Gkakou family based on decision of the court of appeal.
- 32.3** Payment of compensation to third parties amounting to 17,4 million euros approximately claimed in the above suits.

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

33. Financial Commitments

- 33.1** Commitments under agreements of approximately 44,02 million euro for the production of Greek programmes.
- 33.2** Commitments under agreements of approximately 6,29 million euro for foreign programmes.

34. Compensation to executives and management

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

	01/01-31/12/2006	01/01-31/12/2005
Salaries	2.616.159	2.495.813
BoD Remuneration	24.000	24.000

35. Related parties transactions

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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35. Related parties transactions (cont.)

Transactions with related parties are as follows:

	SALE	SALE	PURCHASE	PURCHASE
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
DOL	507.384	613.716	6.424	8.288
PEGASOS	573.228	1.090.317	12.398	39.761
ANOSI S.A.	0	0	9.467.800	11.664.060
ATA S.A.	0	0	15.407.022	6.111.436
O LOGOS	0	27.039	0	0
TELETYPOS CYPRUS	0	0	1.130.950	2.795.000
TOTAL	1.080.612	1.731.072	26.024.594	20.618.545

	CLAIMS		LIABILITIES	
	01/01-31/12/06	01/01-31/12/05	01/01-31/12/06	01/01-31/12/05
DOL	76.704	86.149	-7.365	-18.234
PEGASOS	374.639	960.349	-6.248	-32.723
ANOSI S.A.	0	0	-4.676.207	-5.119.098
ATA S.A.	0	0	-9.319.998	-4.226.730
O LOGOS	0	23.436	0	0
TELETYPOS CYPRUS	3.758.700	3.758.700	-3.575.950	-3.060.900
TOTAL	4.210.043	4.828.634	-17.585.768	-12.457.685

Transactions with related parties are in accordance with the usual transaction and pricing policy of the company. The existing claims / liabilities are not secured with any guarantee. They are settled according to the company's credit policy. There was no need to create a provision for contingency claims.

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36. 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.

37. Approval of financial statements

The financial statements have been approved by the BoD.

Athens, 13 February 2007

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
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