

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

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31<sup>ST</sup> December 2007**

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

## CONTENTS

### Pages

DECLARATION OF THE BOARD OF DIRECTORS in accordance with Article 4 § 1.2 Law 3556/2007	
BOARD OF DIRECTOR'S REPORT	
INDEPENDENT AUDITOR'S REPORT	
INCOME STATEMENT	1-2
BALANCE SHEET	3
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	4-5
CASH FLOW STATEMENT	6
1. GENERAL INFORMATION	7
2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS	8
3. SIGNIFICANT ACCOUNTING POLICIES	9
3.1. Statement of compliance	9
3.2. Historical cost convention	9
3.3. Investments in associates	9
3.4. Foreign currency transactions and balances	9-10
3.5. Borrowing Costs	10
3.6. Programme and film rights	10
3.6.1. Self-owned television programmes	10
3.6.2. Licensed third parties' TV programmes	11
3.7. Depreciation and Amortization	11-12
3.8. Taxation	13
3.9. Inventories	14
3.10. Provisions	14
3.11. Revenues recognition	14
3.12. Impairment of assets	14
3.13. Trade receivables	14
3.14. Investments	15
3.15. Cash and cash equivalents	15
3.16. Bank Loans	15
3.17. Trade creditors	15
3.18. Patents and trademarks	16
3.19. Retirements benefits	16
4. SEGMENT INFORMATION	17
5. FINANCIAL ASSETS	17-19
6. CRITICAL ACCOUNTING JUDGEMENTS AND MANAGERMENTS'S ESTIMATION	19
7. DIVIDENDS	19
8. REVENUE	20
9. OPERATING EXPENSES	20
10. OTHER OPERATING INCOME	21
11. OTHER INCOME	21

## CONTENTS (cont.)

	<u>Pages</u>
12. OTHER EXPENSES	21
13. TAXATION	22
14. INTANGIBLE ASSETS - PROGRAMME RIGHTS	23
15. TANGIBLE ASSETS	24-25
16. INVESTMENTS - SHARES IN ASSOCIATED AND SUBSIDIARY COMPANIES	25-27
17. OTHER FINANCIAL ASSETS	28
18. TRADE AND OTHER RECEIVABLES	29
19. RECEIVABLES - ASSOCIATED COMPANIES	29
20. DEFERRED TAXES	30
21. PREPAID PROGRAMME RIGHTS	31
22. CASH AND CASH EQUIVALENT	31
23. SHARE CAPITAL	31-32
24. RESERVES	33
25. LONG TERM LIABILITIES	34
25.1. Debenture Loans	35
25.2. Retirement indemnities	36
26. TRADE AND OTHER PAYABLE	37
26.1. Dividends payable	37
26.2. Taxes and duties	37
26.3. Other creditors	38
26.4. Accrual expenses	38
27. SHORT TERM BORROWING	39
28. ISSUED SHARES	39
29. EARNINGS PER SHARE	40
30. FINANCIAL INSTRUMENTS	40-42
31. CONTINGENT LIABILITIES	42
32. FINANCIAL COMMITMENTS	42
33. REMUNARATION TO EXECUTIVES AND MANAGEMENT	42
34. RELATED PARTIES TRANSACTIONS	43
35. EVENTS AFTER THE BALANCE SHEET DATE	44
36. APPROVAL OF FINANCIAL STATEMENTS	44

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

**BOARD OF DIRECTORS**

**DECLARATION**

**in accordance with Article 4 § 1.2 Law 3556 on the company’s financial statements and  
Board of Directors Report**

According with provisions of article 1,2 Law 3556/2007 § 4 we, declare that:

- a. the consolidated and separate financial statements of the year 2007, which were prepared in accordance with the accepted Accounting Standards, fairly present assets and Liabilities , the net worth and the income statements of the company and entities which are included in the consolidated financial statements, as a whole.
- b. the Board of Directors Report, on the consolidated and separate financial statements fairly present the development, the performance and the financial position of the company, and entities which are included in the consolidated financial statements as a whole, including the information about the Group’s major risks and the element of uncertainty that they are facing.

Athens, 12 February, 2008

Christos D. Lambrakis  
President of the Board of Directors

Elias E. Tsigas  
The Managing Director

Georgios Chr. Aidinis  
Member of the Board of Directors

# **Board of Director's Management Report for the 18<sup>th</sup> Company Year for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2007**

Dear Shareholders,

The Board of Directors of "TELETYPOS TELEVISION PROGRAMMES S.A." has the honor to submit for your approval the Financial Statements of the 18<sup>th</sup> fiscal year, for January 1<sup>st</sup> to December 31<sup>st</sup> 2007 in accordance with the provisions of International Financial reporting Standards, as well as the relevant notes to the financial statements.

## **Review of the financial statements of the company for the year 2007 in accordance with the International Accounting Standards.**

### **Balance Sheet**

The total current asset of the company at the end of 2007 amounted to 92 million euro from 84 million euro in 2006. The 35% of the current assets refer to inventory for program rights and the 52 % of them refer to trade receivables balances. Equity amounted to 91 million euro from 84 million euros in 2006.

Short-term liabilities amounted to 105 million euros, 87% of which refer to suppliers and 3% to short-term loans. Short-term loans include 9 million euros referring to long-term liabilities payable within the next year.

Investments in television programs, tangible assets and participations in associates for 2007 amounted to 88.5 million euros from 89 million euros in 2006.

### **Income Statement**

The financial results for 2007 reflect the upward trend of the company. Specifically, in 2007 the turnover of the parent company increased by 21 % reaching 173.5 million euros from 143.3 million euros in 2006, as a result of the general increase in the advertising market by 19%.

The attempt to control the cost of sales and operating cost in 2007 resulted in a modest increase of the total cost. Specifically, the cost of sales increased by 10% to 146.6 million euros in 2007 from 133.5 million euros in 2006. As a result, the gross profit of the company increased by 55% compared to 2006 reaching 37.9 million euros in 2007.

Regarding the operating cost, the administration expenses increased by 11% in 7.9 million euros while the distribution expenses increased by 17% in 5.2 million euros.

Earnings before tax increased by 125% in 2007 and reached 16.1 million euros.

Finally, earnings after tax increased by 137% to reach 11.3 million euros.

## **Review of the consolidated financial statements of the company for the financial year 2007 according to International Accounting Standards.**

### **Balance Sheet**

According to the 6th consolidated balance sheet with the 100% subsidiary Teletypos Cyprus LTD on 31.12.2007, the total current assets amounted to 89.8 million euros from 83.3 million euros in 2006. Equity reached 124.7 million euros from 116.9 million euros in 2006, an increase of 7% . Short-term

liabilities amounted 101.8 million euros, 69% of which refer to suppliers and 13% to short-term loans. Short-term loans include 9 million euros that refer to long-term liabilities payable within the next year.

## Income Statement

Consolidated turnover increased by 21% reaching 174.8 million euros from 145.1 million euros in 2006. Teletypos' Cyprus LTD turnover is exclusively derived from the selling of rights, in local television channels.

Consolidated earnings before tax amounted to 16.8 million euros an increased of 105% compared to 2006. Therefore, consolidated earnings before tax for the year 2007 increased by 110% and amounted to 12 million euros.

## Financial Ratios

The following table presents the main financial indexes of the Company for the fiscal years 2006 and 2007.

### a. Profitability ratios

	31.12.2007		31.12.2006	
	Parent	Consolidated	Parent	Consolidated
Return on equity	12,4%	9,6%	5,7%	4,9%

### b. Liquidity ratios

	31.12.2007		31.12.2006	
	Parent	Consolidated	Parent	Consolidated
Current ratio	0,87	0,88	0,84	0,84

### c. Financial leverage ratios

	31.12.2007		31.12.2006	
	Parent	Consolidated	Parent	Consolidated
Debt to equity ratios	1,71	1,22	1,90	1,35
Total debt to EBIDTA	1,36	1,32	1,73	1,70
EBIDTA to interest charges	21,19	21,27	19,36	19,55

## Financial instruments

### Significant accounting policies

Accounting policies adopted in reference with the financial instruments including the criteria for the recognition the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument, are disclosed in not 5 to the financial statements.

Categories of financial instruments	Group		Company	
	31.12.07	31.12.06	31.12.07	31.12.06
<b>Financial Assets</b>				
Receivables (including cash and cash equivalents)	59,986,648	47,549,503	59,097,066	48,674,004
Available-for-sale financial assets	469,536	4,691	469,538	4,691
<b>Financial Liabilities</b>				
Carrying amounts of payables (including loans)	152,544,369	158,084,716	155,830,192	159,741,898

## **Fair value of financial instruments**

The management of the company considers that the carrying amount of the financial liabilities recognised in financial statements do not materially differ from fair values.

Investments in shares of listed company in stock exchange market are measured at fair value at the closing date rate in 31/12/2007.

## **Financial risk management objectives**

The management considers this risk managed and not necessary the existence special function for this monitor. This risk included market risk (including currency risk, fair value interest rate risk, and price risk, credit risk, liquidity risk.

## **Market**

The company activates mainly in the domestic market. The variations between currency exchange rate have effect only at the acquisition (foreign programme) which is expressed in currency other than euro. The company does not enter into any derivative financial instrument to manage its exposure since it considers that the risk is immaterial.

## **Interest rate risk management**

The company is exposed to a limited interest rate risk as it borrows long-term funds at floating interest rate. The risk is managed by the group by the use of an interest rate swap contract, which minimises such risk . Since the variations at the interest rate contract are immaterial, no disclosure has been made in the financial statement.

## **Credit risk management**

Credit risk refers to the profitability of uncollectability of assets as trade receivables. The risk is considerably mitigated with the adoption of the following policies by the company:

- on going credit evaluation of the customers
- partial guarantee provided by the customers
- partial credit guarantee insurance cover receivables

The credit risk exposure is limited, since trade receivables consist of a large number of customers and there is no dependence on a significant level.

## **Liquidity risk management**

The company manages liquidity risk by matching the maturity profits of financial assets and liabilities and by maintaining adequate reserves (cash in hand and banking facilities) and reserve borrowing facilities) in special purposes. The company manages liquidity risk by continuously monitoring forecast and actual cash flows.

## **Proposed dividend and distribution of profits**

The Management proposes to the General Shareholders meeting the following:

- The distribution of 0.25 euros per share dividend. The total dividend for 2007 increased by 92% from 2006, to 8.6 million euros.
- The distribution of profit of 900 thousand euros to the employees of the company.

## **Entrepreneurship Outlook**

In 2007 Teletypos S.A. held a leading position in advertising market offering high advertising return. Specifically, the television market share of MEGA increased to 30% in 2007, while the total advertising expenditure for the television increased by 19%. Along with the preference in advertising market, MEGA

is also competitive in television broadcasting ratings. In 2007 the daily average television broadcasting ratings of MEGA increased to 21% from 20.7% in 2006. In prime time zone (21:00 – 24:00) and in the commercial audience, the broadcasting ratings of MEGA reached 26.1% from 25.7% in 2006.

The goal of the company for 2008 is the strengthening of its position in the television market. This goal may be achieved :

- By providing to its audience consistent and reliable information news bulletins as well as current affair programmes.
- By investing in Greek productions so that it can maintain the range of its audience.
- By showing first run foreign movies and by enriching even further, the station's movie library.
- By showing important sports games.
- By retaining the consistency and reliability of its commercial policy.
- By retaining its competent associates.
- By remaining technologically complitent.
- By retaining its financial position and by increasing its advertising income.
- Prerequisite for the increase in advertising income is the robustness of the advertising market.

**EXPLANATORY REPORT TO THE ANNUAL ORDINARY GENERAL ASSEMBLY OF THE  
SHAREHOLDERS**

**Pursuant to L.3371/2005, Art. 11a (restated by Art. 30 of L.3461/2006)**

**a. Share Capital Structure.**

The share capital of the company amounts to 34,361,250 € divided as 34,361,250 common shares of nominal value 1 € each. All the shares carry voting rights and are listed for trading in the Athens Stock Exchange.

The owner of each share has all the rights that are defined by the Law 2190/1920.

As follows:

- Dividend right which is suggested on occasion by the Board of Directors and determined from the General Meeting. The distributed dividend can not be smaller than 35% of the annual revenue.

The dividend is being paid within 2 months after the final decision of the General Meeting.

- Right of return of the contribution in the case of the liquidation of the company.
- Right of preference when the Share Capital is increased.
- Right of participation in the General Meeting, under the condition of the observance of the procedure.

**b. Limits on transfer of Company's shares.**

The Company's shares may be transferred as provided by the Law, and the Articles of Association provide no restrictions.

**c. Significant direct or indirect participations in the as defined by the Presidential Decree 51/1992.**

According to the shareholders' book of 31/12/2007, the shareholders that held more than 5% of the total voting rights are:

Pegasos Ekdotiki S.A. 24.89%  
Labrakis Reporting Organization S.A. 22.11%

**d. Shareholders with special control rights.**

There are no such shares that carry any special control rights.

**e. Limitation on voting rights.**

There are no such limitations.

**f. Agreements among shareholders entailing limitations on the transfer of shares or voting rights.**

The company is not aware of any such agreements.

**g. Regulations regarding the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20.**

There are no such regulations that differentiate from those provided for in Codified Law 2190/20.

**h. Authority of the Board of Directors to issue new shares or to purchase their own shares of the Company, pursuant to article 16 of Codified Law 2190/20.**

1. Following the decision taken by the General Meeting of the shareholders – with a 2/3 majority of votes of its total members –, the Board of Directors has the right to increase the Share Capital within 5 years, by the issue of new shares. The percentage of that increase may not exceed the amount of the Share Capital, that was existing at the date that this decision was taken.

The authority of the Board of Directors, mentioned above, may be renewed from the General Meeting of the shareholders for a period that can not exceed 5 years, for each renewal.

2. Acquisition is possible with an authorisation of the General Meeting of the shareholders and can not, according to Law, exceed 10% of the existing shares.

**i. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.**

Such agreements do not exist.

**j. Compensation agreements with members of the Board of Directors or employees of the Company in the case of resignation or dismissal without good reasons, termination of their services, or their occupation due to the public offer.**

Such agreements do not exist.

Athens, 12<sup>th</sup> February 2008  
For the Board of Directors

Elias E. Tsigas  
The Managing Director

93 Akti Miaouli  
185 38 Piraeus - Greece  
PO BOX 80 132

Tel: (+30)10 42 90 620  
Fax: (+30)10 42 90 375  
E-mail: [inno@moorestephens.gr](mailto:inno@moorestephens.gr)  
[www.moorestephens.gr](http://www.moorestephens.gr)

**TRANSLATION FORM 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 comprise the balance sheet as at 31 December, 2007, 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 based on International Standards of 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, 2007 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 31.1 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, 2008

THE CERTIFIED PUBLIC ACCOUNTANT

STYLIANOS KOURTELLAS  
REG. NO. 11031  
**MOORE STEPHENS**  
**CHARTERED ACCOUNTANTS**

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**INCOME STATEMENT**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2007**  
**(Expressed in Euro)**

**GROUP**

	<u>Notes</u>	<u>01.01/ 31.12.07</u>	<u>01.07/ 31.12.06</u>
Revenues	8	174.826.855	145.084.613
Cost of Sales	9	(146.932.550)	(134.092.402)
<b>Gross Profit</b>		<b><u>27.894.305</u></b>	<b><u>10.992.211</u></b>
Other operating income	10	<u>10.996.358</u>	<u>14.637.523</u>
		<b><u>38.890.663</u></b>	<b><u>25.629.734</u></b>
Distribution expenses	9	(5.187.969)	(4.417.285)
Administration expenses	9	(8.110.148)	(7.220.811)
<b>Operating profit</b>		<b><u>25.592.546</u></b>	<b><u>13.991.638</u></b>
<b>Non operating income</b>			
Interest received and receivable		40.923	18.489
Profit on disposal of fixed assets		11.849	58.066
Income from securities		9.782	4.891
Other income	11	<u>257.692</u>	<u>414.919</u>
		<b><u>320.246</u></b>	<b><u>496.365</u></b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(5.416.679)	(4.762.541)
Provisions		(3.092.127)	(1.028.686)
Losses from disposal of fixed assets		(7.648)	(81.004)
Other expenses	12	<u>(563.671)</u>	<u>(417.434)</u>
		<b><u>(9.080.125)</u></b>	<b><u>(6.289.665)</u></b>
<b>Profit for the period before tax</b>		<b><u>16.832.667</u></b>	<b><u>8.198.338</u></b>
Income tax	13	(4.848.432)	(2.479.473)
<b>Profit for the period after tax</b>		<b><u>11.984.235</u></b>	<b><u>5.718.865</u></b>
Earnings per share € (note 29)		<b><u>0,349</u></b>	<b><u>0,173</u></b>
Proposed dividend € (note 26.1.)		<b><u>0,25</u></b>	<b><u>0,13</u></b>

Notes forming an integral part of the financial statements on pages 7 to 44.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**INCOME STATEMENT**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2007**  
**(Expressed in Euro)**

**COMPANY**

	<u>Notes</u>	<u>01.01/ 30.09.07</u>	<u>01.07/ 30.09.07</u>
Revenues	8	173.537.842	143.311.126
Cost of Sales	9	<u>(146.570.629)</u>	<u>(133.478.392)</u>
<b>Gross Profit</b>		<b><u>26.967.213</u></b>	<b><u>9.832.734</u></b>
Other operating income	10	<u>10.996.358</u>	<u>14.637.523</u>
		<b><u>37.963.571</u></b>	<b><u>24.470.257</u></b>
Distribution expenses	9	(5.187.969)	(4.417.285)
Administration expenses	9	<u>(7.915.039)</u>	<u>(7.105.186)</u>
<b>Operating profit</b>		<b><u>24.860.563</u></b>	<b><u>12.947.786</u></b>
<b>Non operating income</b>			
Interest received and receivable		14.863	7.048
Profit on disposal of fixed assets		11.849	58.066
Income from securities		9.782	4.891
Other income	11	<u>257.692</u>	<u>414.919</u>
		<b><u>294.186</u></b>	<b><u>484.924</u></b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(5.401.143)	(4.755.963)
Provisions		(3.092.127)	(1.028.686)
Losses on disposal of fixed assets		(7.648)	(81.004)
Other expenses	12	<u>(549.006)</u>	<u>(410.861)</u>
		<b><u>(9.049.924)</u></b>	<b><u>(6.276.514)</u></b>
<b>Profit for the period before tax</b>		<b><u>16.104.825</u></b>	<b><u>7.156.196</u></b>
Income tax	13	(4.773.472)	(2.374.685)
<b>Profit for the period after tax</b>		<b><u>11.331.353</u></b>	<b><u>4.781.511</u></b>
Earnings per share € (note 29)		<b><u>0,33</u></b>	<b><u>0,14</u></b>
Proposed dividends € (note 26.1.)		<b><u>0,25</u></b>	<b><u>0,13</u></b>

Notes forming an integral part of the financial statements on pages 7 to 44.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**BALANCE SHEET**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2007**  
**(Expressed in Euro)**

		<b><u>GROUP</u></b>		<b><u>COMPANY</u></b>	
	Note:	<b><u>31.12.2007</u></b>	<b><u>31.12.2006</u></b>	<b><u>31.12.2007</u></b>	<b><u>31.12.2006</u></b>
<b>FIXED ASSETS</b>					
Intangible assets – Programme rights	14	139.966.434	144.273.143	139.966.434	144.273.143
Tangible assets	15	11.713.696	11.814.972	11.713.696	11.814.972
Investments in associates	16	33.699.696	33.699.696	1.447.514	1.447.514
Deferred taxation	20	1.645.638	1.517.596	1.645.638	1.517.596
Other financial assets	17	<u>452.716</u>	<u>398.923</u>	<u>452.716</u>	<u>398.923</u>
<b>Total fixed assets</b>		<b><u>187.478.180</u></b>	<b><u>191.704.330</u></b>	<b><u>155.225.998</u></b>	<b><u>159.452.148</u></b>
<b>CURRENT ASSETS</b>					
Inventories		411.714	332.480	411.714	332.480
Trade and other receivables	18	49.084.328	42.680.768	48.173.057	40.729.029
Claims against associated companies	19	0	0	3.758.700	3.758.700
Prepayments of programme rights & other expenses	21	31.946.212	35.382.367	31.946.212	35.382.367
Cash and cash equivalents	22	<u>8.372.856</u>	<u>4.873.426</u>	<u>7.634.845</u>	<u>4.190.966</u>
		<b><u>89.815.110</u></b>	<b><u>83.269.041</u></b>	<b><u>91.924.528</u></b>	<b><u>84.393.542</u></b>
<b>Total assets</b>		<b><u>277.293.290</u></b>	<b><u>274.973.371</u></b>	<b><u>247.150.526</u></b>	<b><u>243.845.690</u></b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	23	34.361.250	34.361.250	34.361.250	34.361.250
Share premium	23	33.469.247	33.469.247	33.469.247	33.469.247
Reserves	24	40.253.563	39.901.411	11.916.810	11.564.658
Retained earnings		16.626.201	9.108.929	11.573.027	4.708.637
Translation difference		<u>38.660</u>	<u>47.818</u>	<u>0</u>	<u>0</u>
<b>Long term liabilities</b>		<b><u>124.748.921</u></b>	<b><u>116.888.655</u></b>	<b><u>91.320.334</u></b>	<b><u>84.103.792</u></b>
<b>CURRENT LIABILITIES</b>	25	<b><u>50.691.618</u></b>	<b><u>58.754.986</u></b>	<b><u>50.691.618</u></b>	<b><u>58.754.986</u></b>
<b>SHORT TERM LIABILITIES</b>					
Trade and other payables	26	88.857.718	85.831.721	92.143.541	87.488.903
Short term borrowings	27	3.995.033	4.498.009	3.995.033	4.498.009
Long term liabilities payable next period	25.1	<u>9.000.000</u>	<u>9.000.000</u>	<u>9.000.000</u>	<u>9.000.000</u>
<b>Total Short Term Liabilities</b>		<b><u>101.852.751</u></b>	<b><u>99.329.730</u></b>	<b><u>105.138.574</u></b>	<b><u>100.986.912</u></b>
<b>Total equity and liabilities</b>		<b><u>277.293.290</u></b>	<b><u>274.973.371</u></b>	<b><u>247.150.526</u></b>	<b><u>243.845.690</u></b>

Notes forming an integral part of the financial statements on pages 7 to 44.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2007**  
**(Expressed in Euro)**

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Statutory Reserve</u>	<u>Other Reserves</u>	<u>Revaluation Reserves</u>	<u>Translation Differences</u>	<u>Valuation reserve on listed securities</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>GROUP</b>									
<b>Net position 2006</b>									
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.271	29.826.287	48.125	0	8.152.236	115.654.971
Translation difference 2005-2006						-307			-307
Statutory reserve								-277.298	-277.298
Distribution of earnings to personnel								-400.000	-400.000
Board of Directors Remuneration								-24.000	-24.000
Approval of 2005 dividend by G.A.								-4.060.875	-4.060.875
Share capital increase	3.123.750	-1.561.875		-72.341	-1.489.534				0
Διάθεση κερδών χρήσεως 2006			277.298						277.298
Profit for the period after tax								5.718.866	5.718.866
<b>Net position 31/12/2006</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.865.728</b>	<b>7.698.930</b>	<b>28.336.753</b>	<b>47.818</b>	<b>0</b>	<b>9.108.929</b>	<b>116.888.655</b>
<b>Net position 2007</b>									
Balance as of 31st December 2006	34.361.250	33.469.247	3.865.728	7.698.930	28.336.753	47.818	0	9.108.929	116.888.655
Translation difference 2006-2007						-9.158			-9.158
Unrealized gains of valuation of listed securities							352.152		352.152
Approval of 2006 dividend by G.A.								-4.466.963	-4.466.963
Profit for the year after tax								11.984.235	11.984.235
<b>Net position 31/12/2007</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.865.728</b>	<b>7.698.930</b>	<b>28.336.753</b>	<b>38.660</b>	<b>352.152</b>	<b>16.626.201</b>	<b>124.748.920</b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY**  
**1<sup>st</sup> January – 31<sup>st</sup> December, 2007**  
**(Expressed in Euro)**

**COMPANY**

**Net position 2006**

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Statutory Reserve</u>	<u>Other Reserves</u>	<u>Revaluation Reserves</u>	<u>Valuation reserve on listed securities</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance 31st December, 2005	31.237.500	35.031.122	3.588.430	7.771.272	1.489.534	0	4.689.297	83.807.155
Statutory reserve							-277.298	-277.298
Distribution of earnings to personnel							-400.000	-400.000
Board of Directors Remuneration							-24.000	-24.000
Approval of 2005 dividend by G.A.							-4.060.875	-4.060.875
Share capital increase	3.123.750	-1.561.875		-72.341	-1.489.534			0
Διάθεση κερδών χρήσεως 2006			277.298					277.298
Profit for the period after tax							4.781.512	4.781.512
<b>Net position 31/12/2006</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.865.728</b>	<b>7.698.931</b>	<b>0</b>	<b>0</b>	<b>4.708.636</b>	<b>84.103.793</b>

**Net position 2007**

Balance as of 31st December 2006	34.361.250	33.469.247	3.865.728	7.698.931	0	0	4.708.636	84.103.793
Unrealized gains of valuation of listed securities						352.152		352.152
Approval of 2006 dividend by G.A.							-4.466.963	-4.466.963
Profit for the year after tax							11.331.353	11.331.353
<b>Net position 31/12/2007</b>	<b>34.361.250</b>	<b>33.469.247</b>	<b>3.865.728</b>	<b>7.698.931</b>	<b>0</b>	<b>352.152</b>	<b>11.573.026</b>	<b>91.320.335</b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL”**  
**CASH FLOW STATEMENT**  
**1<sup>st</sup> January – 31<sup>st</sup> December , 2007**  
**(Expressed in Euro)**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.07</u>	<u>31.12.06</u>	<u>31.12.07</u>	<u>31.12.06</u>
<b>Cash flow from operating activities</b>				
Profit before taxation	16.832.667	8.198.338	16.104.825	7.156.196
<b>Adjustments for items not involving the movement of cash</b>				
Depreciation and amortisation	92.948.923	80.165.379	92.948.923	80.165.379
Provisions	3.184.215	739.127	3.184.215	739.127
Translation differences	(159.806)	(133.526)	(150.648)	(133.219)
Profit on disposal of fixed assets	(54.906)	(442)	(28.846)	10.999
<b>Interest and similar charges</b>	5.416.679	4.762.541	5.401.143	4.755.964
(Increase) in stock of spares and consumables	(79.234)	(9.907)	(79.234)	(9.907)
Decrease in stock of programme rights	3.436.154	708.220	3.436.154	708.220
Decrease in debtors and others	(8.141.140)	(2.081.490)	(9.181.610)	(2.153.822)
(Increase)/Decrease in payables	(53.794)	44.994	(53.794)	44.994
Repayments of borrowings	922.882	(2.522.898)	2.507.540	(1.675.147)
Minus: Interest and similar charges	(5.343.582)	(4.549.558)	(5.328.045)	(4.542.980)
Income tax paid	(2.669.023)	(2.458.534)	(2.550.079)	(2.342.256)
<b>Total Cash Flow from Operating Activities (a)</b>	<b>106.240.035</b>	<b>82.862.244</b>	<b>106.210.544</b>	<b>82.723.548</b>
<b>Cash Flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	0	(600)	0	(600)
(Increase)/ in long term receivables	(88.549.086)	(88.995.177)	(88.549.086)	(88.995.177)
(Increase) of investments and participations	12.349	59.651	12.349	59.651
Interest	40.924	18.490	14.864	7.048
Dividends received	9.782	4.891	9.782	4.891
<b>Net Cash Flow from Investing Activities (b)</b>	<b>(88.486.031)</b>	<b>(88.912.745)</b>	<b>(88.512.091)</b>	<b>(88.924.187)</b>
<b>Cash Flow from Financing Activities</b>				
(Decrease) in long term borrowings	0	30.519.418	0	30.513.418
Repayments of bowwings	(9.577.282)	(17.837.599)	(9.577.282)	(17.837.599)
Dividends paid	(4.677.292)	(4.194.512)	(4.677.292)	(4.194.513)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>(14.254.574)</b>	<b>8.487.307</b>	<b>(14.254.574)</b>	<b>8.481.307</b>
<b>Increase in net liquid funds (a)+(b)+(c)</b>	<b>3.499.430</b>	<b>2.436.806</b>	<b>3.443.879</b>	<b>2.280.668</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>4.873.426</b>	<b>2.442.620</b>	<b>4.190.966</b>	<b>1.910.298</b>
<b>Cash and cash equivalents at end of period</b>	<b>8.372.856</b>	<b>4.879.426</b>	<b>7.634.845</b>	<b>4.190.966</b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE” AND ITS SUBSIDIARY**  
**Notes to the consolidated and parent financial statements in accordance with IFRS**  
**31<sup>st</sup> December, 2007**  
**(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 incorporated in 2000 Teletypos Cyprus Ltd. Its investment is stated at 100% of shareholding. The company's main objective is the trading of television programmes in Cyprus and in the area of Middle East.

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

The company's main objectives are:

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

The financial statements have been approved by the company's Board of Directors at 12/02/2008. The composition of the Board of Directors is as follows:

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

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(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 1<sup>st</sup> of January 2007.

**a. New and revised International Financial Reporting Standards effective with the accounting periods beginning on 1<sup>st</sup> of January 2007.**

In the current year, the company has adopted IFRS 7 - Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 - Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in the financial statements regarding the company's financial instruments and management of capital.

Four Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are:

IFRIC 7 - Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies;  
IFRIC 8 - Scope of IFRS 2;  
IFRIC 9 - Reassessment of Embedded Derivatives; and  
IFRIC 10 - Interim Financial Reporting and Impairment

The adoption of these Interpretations has not led to any changes in the company's accounting policies.

**b. New and revised International Financial Reporting Standards not effective yet**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IAS 1 - (Revised) Presentation of Financial Statements (effective 1 January 2009);  
IAS 23 - (Revised) Borrowing Costs (effective 1 January 2009);  
IFRS 8 - Operating Segments (effective 1 January 2009);  
IFRIC 11 - IFRS 2: Group and Treasury Share Transactions (effective 1 March 2007);  
IFRIC 12 - Service Concession Arrangements (effective 1 January 2008);  
IFRIC 13 - Customer Loyalty Programmes (effective 1 July 2008) and  
IFRIC 14 - IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008).

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31st<sup>th</sup> December 2007**  
**(Expressed in Euro)**

**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.

**Basis of consolidation**

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.

Since the parent company holds 100% of the participation on the subsidiary's share capital no minority interest is effected.

**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.

**TELETYPOS TELEVISION PROGRAMMES S.A.****“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31<sup>st</sup> December, 2007****(Expressed in Euro)****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 for future productive use, which are included in the cost of these assets.
- Exchange differences on monetary items received from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment of a foreign operation.
- For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in the parent company's reporting currency, using the exchange rates at the balance date. Income and expense are translated at the average exchange rate of the period. Exchange differences arising are recognized as foreign currency reserve in equity.

Such exchange differences are recognized in profit and loss in the period in which the foreign operation is disposed of.

**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.

**TELETYPOS TELEVISION PROGRAMMES S.A.**

**“MEGA CHANNEL - GREECE”**

**Notes to the consolidated and separate financial statements in accordance with IFRS**

**31<sup>st</sup> December, 2007**

**(Expressed in Euro)**

**3. Significant Accounting Policies (cont.)**

**3.6. Programme and film rights (cont.)**

**3.6.2. License third parties' T.V. programmes**

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**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 first measurement at 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 capitalization 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.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**3. Significant Accounting Policies (cont.)**

**3.8. Taxation**

Income tax is calculated on taxable profits and according to the rate which is in force (25% for the year 2007 and 29% for the year 2006). Taxable profit differs from company's profit as reported in the financial 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 temporary 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 probable 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.

**TELETYPOS TELEVISION PROGRAMMES S.A.****“MEGA CHANNEL - GREECE”****Notes to the consolidated and separate financial statements in accordance with IFRS****31<sup>st</sup> December 2007****(Expressed in Euro)****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 31.12.2007, 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.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**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 tradable or intended for resale and are valued at their appropriate value. Profit or loss incurred by valuation of tradable 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 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 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 recognised 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 fair value using the real discount rate method, if there is significant difference from the nominal value.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

### 3. Significant Accounting Policies (cont.)

#### 3.18 Patents and trademarks

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

#### 3.19 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 assumptions taken into account are:

Date of assumption	Interest rate	Increase in remuneration	Inflation rate
31/12/2007	4,80%	4,00%	2,50%
31/12/2006	4,20%	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 2007**  
**(Expressed in Euro)**

#### **4. Segment Information**

A total of financial assets and activities that are occupied in the production and offer of services, under the conditions of business risk and investment revenue possibilities, which differ from other business sectors, is described as a business segment.

A particular geographical financial environment, where services and products are provided, under the conditions of business risk and investment revenue possibilities, that is different from any other financial environment, is described as a geographical segment.

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. Financial assets**

Financial assets are classified into the following four categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Available-for-sale financial assets
- Loans and receivables

##### **5.1. Financial assets at fair value through profit or loss**

The entity does not recognise such financial assets

##### **5.2. Held-to-maturity investments**

The entity does not recognise such investments

##### **5.3. Available-for-sale financial assets**

Investments in shares traded in the Athens Stock Exchange are valued at fair cost. Gain or losses resulting from changes of fair value are recognised directly in equity as “Valuation reserve of investments” with the exception of impairment loss which is recognised in profit and loss. On the sale of an investment, the valuation reserve is recognised in previous years and is included in equity is recognised in the profit and loss account on the year in which the sale is effected.

Dividends on available-for-sale financial assets are recognised in the profit and loss account when the right of collection is effected.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31st December 2007**  
**(Expressed in Euro)**

**5. Financial assets (cont.)**

**5.4. Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost and for short-term receivables the recognition of interest by applying the effective interest rate would be immaterial.

**5.5. Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of an event that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Financial assets as trade receivables are assessed for impairment on a collective basis. Objective evidence of impairment of receivables could include the past experience of collecting payments, an increase if the number of delayed payments as well as observable changes in national or local economic conditions.

The entity assesses partially the trade receivables and creates provision of doubtful debtors when there is objective evidence of uncollectability. These provisions are recognised in the profit and loss account on the year that trade receivables are considered uncollectible.

**5.6. Financial liabilities and equity instruments issued by the Group**

**5.6.1. Equity instrument**

An equity instrument in any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs. The company has not issued any equity instruments.

**5.6.2. Financial liabilities**

Financial liabilities are classified as either “Financial liabilities at fair value through profit and loss” or other “Financial liabilities”.

**5.6.2.1. Financial liabilities at fair value through profit and loss**

The entity does not recognize such financial liabilities

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

**Notes to the consolidated and separate financial statements in accordance with IFRS  
31st December 2007  
(Expressed in Euro)**

**5. Financial assets (cont.)**

**5.6. Financial liabilities and equity instruments issued by the Group (cont.)**

**5.6.2. Financial liabilities (cont.)**

**5.6.2.2. Other financial liabilities**

Other financial liabilities including borrowing are initially measured at fair value, net of transaction costs.

Other financial liabilities (loans) are subsequently measured at amortised cost using the effective interest method at balance sheet date at present value by applying the effective interest rate, when the loan interest is materially different.

Considering the short-dated life of financial liabilities the estimated future cash payments do not materially differ from the initial measure of the liability.

**6. Critical accounting judgements and Management’s estimation.**

In the adoption and application of the Company’s accounting policies the Management considers that there is no particular issue which would require further information.

**7. Dividends**

Dividends to shareholders are recognized as payables and appear as liabilities in the financial statement in the year in which dividends have been approved by the Shareholder’s General Assembly meeting.

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31st December 2007**  
**(Expressed in Euro)**

<b>8. Revenue</b>	<b><u>Group</u></b>				<b><u>Company</u></b>			
	<b><u>31/12/2007</u></b>	<b>%</b>	<b><u>31/12/2006</u></b>	<b>%</b>	<b><u>31/12/2007</u></b>	<b>%</b>	<b><u>31/12/2006</u></b>	<b>%</b>
Advertising	172.542.120	98,69	142.410.621	98,16	172.542.121	99,43	142.410.621	99,37
Income from	966.921	0,55	882.505	0,61	966.921	0,56	882.505	0,62
Income from TV rights	28.800	0,02	18.000	0,01	28.800	0,02	18.000	0,01
Income from TV rights (Sub. Company)	<u>1.289.014</u>	<u>0,73</u>	<u>1.773.487</u>	<u>1,22</u>	<u>0</u>	<u>0,00</u>	<u>0</u>	<u>0,00</u>
	<b><u>174.826.855</u></b>	<b>100,00</b>	<b><u>145.084.613</u></b>	<b>100,00</b>	<b><u>173.537.842</u></b>	<b>100,00</b>	<b><u>143.311.126</u></b>	<b>100,00</b>

<b>9. Operating expenses</b>	<b><u>31/12/2007</u></b>	<b><u>31/12/2006</u></b>	<b><u>31/12/2007</u></b>	<b><u>31/12/2006</u></b>
Staff wages and expenses	34.077.032	31.846.390	34.077.032	31.846.390
Third parties fees and expenses	20.842.615	21.228.565	20.480.694	20.614.555
Utilities	6.017.510	6.214.626	6.017.510	6.214.626
Taxes and duties	2.080.942	3.475.718	2.080.942	3.475.718
Sundry expenses	8.538.616	7.387.754	8.343.507	7.272.129
Financial expenses	5.416.679	4.762.541	5.401.143	4.755.963
Consumables-spare parts	286.946	280.349	286.946	280.349
Depreciation/Amortization	92.948.923	80.165.379	92.948.923	80.165.379
Less: Cost or origination of own production	<u>(4.561.917)</u>	<u>(4.868.283)</u>	<u>(4.561.917)</u>	<u>(4.868.283)</u>
	<b><u>165.647.346</u></b>	<b><u>150.493.039</u></b>	<b><u>165.074.780</u></b>	<b><u>149.756.826</u></b>

The above amounts have been allocated as follows:

	<b><u>31/12/2007</u></b>	<b><u>31/12/2006</u></b>	<b><u>31/12/2007</u></b>	<b><u>31/12/2006</u></b>
<b>Cost of sales</b>	146.932.550	134.092.402	146.570.629	133.478.392
<b>Administrative expenses</b>	8.110.148	7.220.811	7.915.039	7.105.186
<b>Selling expenses</b>	5.187.969	4.417.285	5.187.969	4.417.285
<b>Financial expenses</b>	<u>5.416.679</u>	<u>4.762.541</u>	<u>5.401.143</u>	<u>4.755.963</u>
	<b><u>165.647.346</u></b>	<b><u>150.493.039</u></b>	<b><u>165.074.780</u></b>	<b><u>149.756.826</u></b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31st December 2007**  
**(Expressed in Euro)**

	<u><b>GROUP</b></u>		<u><b>COMPANY</b></u>	
	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>
<b>10. Other operating income</b>				
Subsidies for educational programmes	0	13.284	0	13.284
Computer and technical support to clients	9.164.013	13.415.553	9.164.013	13.415.553
Income earned from co-operation with third parties	1.797.679	1.168.589	1.797.679	1.168.589
Income from rentals	34.666	40.097	34.666	40.097
	<u><b>10.996.358</b></u>	<u><b>14.637.523</b></u>	<u><b>10.996.358</b></u>	<u><b>14.637.523</b></u>
<b>11. Other income</b>				
	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>
Foreign exchange valuation differences	187.176	313.074	187.176	313.074
Other discounts	62.217	79.380	62.217	79.380
Sundry income	8.299	22.465	8.299	22.465
	<u><b>257.692</b></u>	<u><b>414.919</b></u>	<u><b>257.692</b></u>	<u><b>414.919</b></u>
<b>12. Other expenses</b>				
	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>	<u><b>31/12/2007</b></u>	<u><b>31/12/2006</b></u>
Foreign exchange valuation differences	155.223	21.363	155.223	21.363
Technical support and services	132.893	186.633	132.893	186.633
Compensations	73.969	100.307	73.969	100.307
Other expenses	201.586	109.131	186.921	102.558
	<u><b>563.671</b></u>	<u><b>417.434</b></u>	<u><b>549.006</b></u>	<u><b>410.861</b></u>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31st December 2007**  
**(Expressed in Euro)**

### 13. Taxation

The company's profits are taxed at the rate of 25% for the year 2007 and 29% for the year 2006 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>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>				
Current income tax	(5.089.981)	(2.637.544)	(5.015.021)	(2.532.756)				
Other non-incorporated in operating cost taxes	(3.877)	(3.877)	(3.877)	(3.877)				
Deferred taxes (note 22)	245.426	161.948	245.426	161.948				
<b>Total tax for the period</b>	<b><u>(4.848.432)</u></b>	<b><u>(2.479.473)</u></b>	<b><u>(4.773.472)</u></b>	<b><u>(2.374.685)</u></b>				
Total tax for the year consists of:								
	<u>31/12/2007</u>	TAX	<u>31/12/2006</u>	TAX	<u>31/12/2007</u>	TAX	<u>31/12/2006</u>	TAX
		RATE		RATE		RATE		RATE
Profit for the period before taxes (parent)	16.104.825		7.156.196		16.104.825		7.156.196	
Profit for the period before taxes (subsidiary)	727.842		1.042.141		0		0	
Accounting differences	3.951.097		1.573.299		3.951.097		1.573.299	
<b>Taxable profit</b>	<b><u>20.783.764</u></b>		<b><u>9.771.636</u></b>		<b><u>20.055.922</u></b>		<b><u>8.729.495</u></b>	
Income tax (parent)	(5.013.981)	25%	(2.531.554)	35%	(5.013.981)	25%	(2.531.554)	35%
Income tax (subsidiary)	(72.784)	10%	(104.214)	10%	0		0	
Prepayment of income tax (subsidiary)	(2.176)		(573)		0		0	
Additional 3% tax on the income from property (parent)	(1.040)		(1.203)		(1.040)		(1.203)	
<b>Total tax for the period</b>	<b><u>(5.089.981)</u></b>		<b><u>(2.637.544)</u></b>		<b><u>(5.015.021)</u></b>		<b><u>(2.532.756)</u></b>	
<b>Deferred taxes</b>								
Intangible assets. Formation expenses	(725)		(841)		(725)		(841)	
Provision for contingencies - expenses	245.731		184.782		245.731		184.782	
Foreign exchange difference (income)	420		(21.993)		420		(21.993)	
<b>Total tax</b>	<b><u>245.426</u></b>		<b><u>161.948</u></b>		<b><u>245.426</u></b>		<b><u>161.948</u></b>	
Other non-incorporated in operating cost taxes	(3.877)		(3.877)		(3.877)		(3.877)	
<b>Total tax for the period</b>	<b><u>(4.848.432)</u></b>		<b><u>(2.479.473)</u></b>		<b><u>(4.773.472)</u></b>		<b><u>(2.374.685)</u></b>	

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

Notes to the consolidated and separate financial statements in accordance with IFRS  
31<sup>st</sup> December 2007  
(Expressed in Euro)

**14. Intangible assets- Programme rights**

**GROUP/COMPANY**

	Programme and film rights	Formation expenses	Share Capital's Increase Expenses	License Trademark	Total
<b>2006</b>					
<b><u>Cost</u></b>					
1.1.2006	577.432.978	0	0	384.892	<b>577.817.870</b>
Purchases	81.934.112	15.619	3.124	0	<b>81.952.855</b>
Disposals	0	0	0	(115.009)	<b>(115.009)</b>
In House production under way	4.270.051	0	0	0	<b>4.270.051</b>
31.12.2006	<b><u>663.637.141</u></b>	<b><u>15.619</u></b>	<b><u>3.124</u></b>	<b><u>269.883</u></b>	<b><u>663.925.767</u></b>
<b><u>Amorization</u></b>					
1.1.2006	441.572.639	0	0	268.745	<b>441.841.384</b>
Charge for the period	77.853.670	15.619	3.124	53.835	<b>77.926.248</b>
Disposals	0	0	0	(115.008)	<b>(115.008)</b>
31.12.2006	<b><u>519.426.309</u></b>	<b><u>15.619</u></b>	<b><u>3.124</u></b>	<b><u>207.572</u></b>	<b><u>519.652.624</u></b>
<b>Net Book Value 31.12.2006</b>	<b><u>144.210.832</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>62.311</u></b>	<b><u>144.273.143</u></b>
<b>2007</b>					
<b><u>Cost</u></b>					
1.1.2007	663.637.141	15.619	3.124	269.883	<b>663.925.767</b>
Purchases	83.478.847	0	0	0	<b>83.478.847</b>
Disposals	0	(15.619)	(3.124)	(8.479)	<b>(27.222)</b>
In House production under way	2.696.316	0	0	0	<b>2.696.316</b>
31.12.1007	<b><u>749.812.304</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>261.404</u></b>	<b><u>750.073.708</u></b>
<b><u>Amortization</u></b>					
1.1.2007	519.426.309	15.619	3.124	207.572	<b>519.652.624</b>
Charge for the period	90.429.591	0	0	52.281	<b>90.481.872</b>
Disposals	0	(15.619)	(3.124)	(8.479)	<b>(27.222)</b>
31.12.1007	<b><u>609.855.900</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>251.374</u></b>	<b><u>610.107.274</u></b>
<b>Net Book Value 31.12.2007</b>	<b><u>139.956.404</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>10.030</u></b>	<b><u>139.966.434</u></b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**15. Tangible assets**  
**GROUP-COMPANY**

<b>2006</b>	<b><u>Land</u></b>	<b><u>Buildings</u></b>	<b><u>Plant and</u></b>	<b><u>Transportation</u></b>	<b><u>Furnitures</u></b>	<b><u>Total</u></b>
	<b><u>1</u></b>		<b><u>machinery</u></b>	<b><u>means</u></b>	<b><u>and</u></b>	
					<b><u>equipment</u></b>	
<b><u>Cost</u></b>						
1.1.2006	4.799.610	2.531.878	17.252.380	917.058	13.104.759	<b>38.605.685</b>
Purchases	0	65.200	1.864.603	37.906	804.563	<b>2.772.272</b>
Sales	0	0	(1.850)	(12.801)	(45.000)	<b>(59.651)</b>
Disposals	0	0	(13.902)	(164.971)	(638.123)	<b>(816.996)</b>
<b>31.12.2006</b>	<b><u>4.799.610</u></b>	<b><u>2.597.078</u></b>	<b><u>19.101.231</u></b>	<b><u>777.192</u></b>	<b><u>13.226.199</u></b>	<b><u>40.501.310</u></b>
<b><u>Depreciation</u></b>						
1.1.2006	0	1.551.919	13.528.339	576.246	11.584.762	<b>27.241.266</b>
For the period	0	269.678	984.334	88.413	896.706	<b>2.239.131</b>
Disposals	0	0	(14.568)	(176.837)	(602.654)	<b>(794.059)</b>
<b>31.12.2006</b>	<b><u>0</u></b>	<b><u>1.821.597</u></b>	<b><u>14.498.105</u></b>	<b><u>487.822</u></b>	<b><u>11.878.814</u></b>	<b><u>28.686.338</u></b>
<b>N.B.V.</b>						
<b>31.12.2006</b>	<b><u>4.799.610</u></b>	<b><u>775.481</u></b>	<b><u>4.603.126</u></b>	<b><u>289.370</u></b>	<b><u>1.347.385</u></b>	<b><u>11.814.972</u></b>
<b>2007</b>						
<b><u>Cost</u></b>						
1.1.2007	4.799.610	2.597.078	19.101.231	777.192	13.226.199	<b>40.501.310</b>
Purchases	0	58.040	1.310.702	25.349	979.832	<b>2.373.923</b>
Sales	0	0	(10.061)	(1.680)	(607)	<b>(12.348)</b>
Disposals	0	0	(429.620)	(14.911)	(798.611)	<b>(1.243.142)</b>
<b>31.12.2007</b>	<b><u>4.799.610</u></b>	<b><u>2.655.118</u></b>	<b><u>19.972.252</u></b>	<b><u>785.950</u></b>	<b><u>13.406.813</u></b>	<b><u>41.619.743</u></b>
<b><u>Depreciation</u></b>						
1.1.2007	0	1.821.597	14.498.105	487.822	11.878.814	<b>28.686.338</b>
for the period	0	287.648	1.067.713	93.616	1.018.073	<b>2.467.050</b>
Sales	0	0	(439.498)	(16.591)	(791.252)	<b>(1.247.341)</b>
<b>31.12.2007</b>	<b><u>0</u></b>	<b><u>2.109.245</u></b>	<b><u>15.126.320</u></b>	<b><u>564.847</u></b>	<b><u>12.105.635</u></b>	<b><u>29.906.047</u></b>
<b>N.B.V.</b>						
<b>31.12.2007</b>	<b><u>4.799.610</u></b>	<b><u>545.873</u></b>	<b><u>4.845.932</u></b>	<b><u>221.103</u></b>	<b><u>1.301.178</u></b>	<b><u>11.713.696</u></b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

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

Acquisition cost	1.333.457
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>
<b>Revaluated balance as at 31.12.2007</b>	<u><b>4.799.610</b></u>

**16. Investments – Shares in associated and subsidiary companies**

Investments are stated at cost as follows:

**GROUP**

	<b>31/12/2007</b>	<b>%</b>	<b>31/12/2006</b>	<b>%</b>
		<b>Shareholding</b>		<b>Shareholding</b>
NETMED N.V. (via subsidiary)	33.260.500	12,5	33.260.500	12,5
Logos (Cyprus)	<b>b.</b> 438.596	25	438.596	25
Television Royalties S.A.	<b>c.</b> 600	1	600	1
	<b>33.699.696</b>		<b>33.699.696</b>	
	<b>31/12/2007</b>		<b>31/12/2006</b>	
	<b>%</b>		<b>%</b>	
	<b>Voting Rights</b>		<b>Voting Rights</b>	
NETMED N.V. (via subsidiary)	<b>a.</b> 12,5		12,5	
Logos (Cyprus)	25		25	
Television Royalties S.A.	1		1	

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**16. Investments – Shares in associated and subsidiary companies (cont.)**

**Main activities:**

**a. 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.

**b. 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.

The following have been taken under consideration for the valuation of the investment in associated companies:

- a. The size of the investment.
- b. The Net position of Logos at the time of the acquisition which was at zero level.
- c. The Revenues and Costs of Logos only for the TV station
- d. The financial results of Logos (TV station only)

The management foreseeing the positive prospects as well as the size of the investment maintained the policy of valuating Logos at acquisition cost.

**c. TELEVISION ROYALTIES S.A. :** Management and protection of third parties royalties

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**16. Investments – Shares in associated companies and subsidiary companies (cont.)**

**COMPANY**

	<u>31/12/2007</u>	%	<u>31/12/2006</u>	%
		<b>Shareholding</b>		<b>Shareholding</b>
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>600</u>	1
	<u>1.447.514</u>		<u>1.447.514</u>	

	<u>31/12/2007</u>	<u>31/12/2006</u>
	<b>% Voting Rights</b>	<b>% Voting Rights</b>
Teletypos Cyprus Ltd	100	100
Logos (Cyprus)	25	25
Television Royalties S.A.	1	1

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**17. Other financial assets**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
<b>Guarantee given:</b>				
Rent	392.019	344.770	392.019	344.770
Hertz (car rental)	35.875	29.330	35.875	29.330
Electricity Power	15.875	15.876	15.875	15.876
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	1.500	1.500	1.500
Other financial assets	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
	<u><b>452.715</b></u>	<u><b>398.923</b></u>	<u><b>452.715</b></u>	<u><b>398.923</b></u>

**18. Trade and other receivables**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Clients (1)	31.128.891	35.177.494	30.270.205	33.331.524
Post dated cheques	12.067.720	1.819.904	12.067.720	1.819.904
Deliquent cheques	556.041	8.000	556.041	8.000
Income tax 2003	0	1.657.424	0	1.657.424
Provision for prepayment of income tax and other receivables from Greek Government	3.486.492	1.843.259	3.486.492	1.843.259
Shares of listed company (2)	469.536	4.691	469.536	4.691
Doubtful debtors	283.028	283.028	283.028	283.028
V.A.T.	2.868.841	1.857.793	2.868.841	1.857.793
Advances on account	15.939	22.150	15.939	22.150
<b>Minus:</b> Provision for doubtful customers and overdue postdated cheques	(2.201.291)	(452.537)	(2.201.291)	(452.537)
Other debtors	<u>409.131</u>	<u>459.562</u>	<u>356.546</u>	<u>353.793</u>
	<u><b>49.084.328</b></u>	<u><b>42.680.768</b></u>	<u><b>48.173.057</b></u>	<u><b>40.729.029</b></u>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

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

- (1) Bank letters of guarantee of € 1.320.989 (31/12/2007) were received as a security against receivables.
- (2) 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 31.12.2007 was Euro 24 per share.

**19. Receivables - Associated companies**

**COMPANY**

	<b><u>31/12/2007</u></b>	<b><u>31/12/2006</u></b>
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.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**20. Deferred taxes****GROUP/COMPANY**

	<u>31/12/2007</u>	<u>31/12/2006</u>
Deferred tax liabilities	(431.426)	(275.103)
Receivable from deferred taxes	2.077.064	1.792.699
<b>Closing balance</b>	<b><u>1.645.638</u></b>	<b><u>1.517.596</u></b>
Deferred tax analysis:		
	<u>31/12/2007</u>	<u>31/12/2006</u>
At 1st January	1.517.596	1.355.647
Deferred tax for the period:	245.426	161.949
	(117.384)	0
<b>Balance as of 31st December 2007</b>	<b><u>1.645.638</u></b>	<b><u>1.517.596</u></b>

Deferred taxation assets/liabilities are connected to:

<u>Group/Company</u>	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Valuation reserves on listed securities	Total
Balance as 1st January, 2006	7.104	1.365.184	(16.641)	0	<b>1.355.647</b>
Plus: Charge to income statement for the year	(841)	184.782	(21.992)	0	<b>161.949</b>
<b>Balance as 31st December 2006</b>	<b><u>6.263</u></b>	<b><u>1.549.966</u></b>	<b><u>(38.633)</u></b>	<b><u>0</u></b>	<b><u>1.517.596</u></b>
Plus: Charge to income statement for the year	(725)	245.731	420	0	<b>245.426</b>
Recognized directly in equity	0	0	0	(117.384)	<b>(117.384)</b>
<b>Balance 31st December, 2007</b>	<b><u>5.538</u></b>	<b><u>1.795.697</u></b>	<b><u>(38.213)</u></b>	<b><u>(117.384)</u></b>	<b><u>1.645.638</u></b>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**21. Prepaid programme rights and sundry expenses****GROUP/COMPANY**

	<u>31/12/2007</u>	<u>31/12/2006</u>
Film rights	31.805.114	35.240.835
Sundry expenses	<u>141.098</u>	<u>141.532</u>
	<u><b>31.946.212</b></u>	<u><b>35.382.367</b></u>

**22. Cash and cash equivalent**

	<b>Group</b>		<b>Company</b>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Cash	17.835	65.567	17.835	65.567
Cash in bank	<u>8.355.021</u>	<u>4.807.859</u>	<u>7.617.010</u>	<u>4.125.399</u>
	<u><b>8.372.856</b></u>	<u><b>4.873.426</b></u>	<u><b>7.634.845</b></u>	<u><b>4.190.966</b></u>

**23. Share capital****GROUP/COMPANY**

	<u>000' Drs.</u>	<u>Euro</u>
Authorised share capital		
Issued and fully paid € 31,237,500,00 nominal ordinary shares of G.Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium (a)	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	<u>681,273</u>	
<b>Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each</b>		<u>10,644,178</u> <u>31.237.500</u>
Increase of share capital through capitalisation:		
- Difference from issuance of shares		1.561.875
- Revaluation reserves		1.489.534
- Taxable reserves		<u>72.341</u>
<b>Total</b>		3.123.750
<b>Total share capital at 31/12/2007 34,361,250 nominal ordinary shares of Euro 1 each</b>		<u><b>34.361.250</b></u>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**23. Share capital (cont.)**

**23(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.

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

After the above mentioned share capital increase the company's share capital will amount to thirty four million three thousand sixty one and two hundred and fifty euros (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.

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

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**24. Reserves**

<u>Group</u>	*Statutory Reserves	Revenue reserve	Revaluation reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2006	3.588.430	7.771.271	29.826.286	0	41.185.987
Change in year (note 23b-24a)	277.298	(72.341)	(1.489.534)	0	(1.284.576)
<b>Balance at 31 December, 2006</b>	<b>3.865.728</b>	<b>7.698.930</b>	<b>28.336.752</b>	<b>0</b>	<b>39.901.411</b>
Change in year (note 24b)	0	0	0	352.152	352.152
<b>Balance at 31 December, 2007</b>	<b>3.865.728</b>	<b>7.698.930</b>	<b>28.336.752</b>	<b>352.152</b>	<b>40.253.563</b>

Company

	*Statutory Reserves	Revenue reserve	Revaluation reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2006	3.588.430	7.771.272	1.489.534	0	12.849.236
Change in year (note 23b-24a)	277.298	(72.341)	(1.489.534)	0	(1.284.578)
<b>Balance at 31 December, 2006</b>	<b>3.865.728</b>	<b>7.698.931</b>	<b>0</b>	<b>0</b>	<b>11.564.658</b>
Change in year (note 24b)	0	0	0	352.152	352.152
<b>Balance at 31 December, 2007</b>	<b>3.865.728</b>	<b>7.698.931</b>	<b>(0)</b>	<b>352.152</b>	<b>11.916.810</b>

**24a.** 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.

**24b.** Valuation of 19.564 shares of ‘GREEK STOCK EXCHANGE S.A.’ at 31/12/2007 is at 24,00 euro reduced by taxation (deferred taxes) of 25%.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**25. Long term liabilities**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Debenture loan (25.1)	43.500.000	52.500.000	43.500.000	52.500.000
Bank loans	0	46.491	0	46.491
Guarantees	8.832	8.633	8.832	8.633
	<u><b>43.508.832</b></u>	<u><b>52.555.124</b></u>	<u><b>43.508.832</b></u>	<u><b>52.555.124</b></u>
Provision for retirement benefits (25.2)	<u>7.182.786</u>	<u>6.199.862</u>	<u>7.182.786</u>	<u>6.199.862</u>
	<u><b>7.182.786</b></u>	<u><b>6.199.862</b></u>	<u><b>7.182.786</b></u>	<u><b>6.199.862</b></u>
<b>Total long term liabilities</b>	<u><b>50.691.618</b></u>	<u><b>58.754.986</b></u>	<u><b>50.691.618</b></u>	<u><b>58.754.986</b></u>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

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

**25.1 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 06.06.08 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 6 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 6 months Euribor. The debenture loan is payable in three installments of 5,000,000 euro each, the first of which is payable 36 months after the date of the issuance of the debenture loan while the others are payable the same date after the expiration of a six month period. The last installment 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	5.950.000	2.375.000	3.575.000
Piraeus Bank	10.000.000	5.000.000	2.000.000	3.000.000
Commercial Bank	7.000.000	3.500.000	1.400.000	2.100.000
National Bank	3.000.000	1.500.000	600.000	900.000
Egnatia Bank	3.000.000	1.500.000	600.000	900.000
General Bank	2.300.000	1.150.000	462.500	687.500
Aspis Bank	2.000.000	1.000.000	400.000	600.000
Laiki Bank	2.000.000	1.000.000	400.000	600.000
EFG Telesis Finance	2.000.000	1.000.000	400.000	600.000
Bank of Attica	<u>1.800.000</u>	<u>900.000</u>	<u>362.500</u>	<u>537.500</u>
<b>(a) Debenture Loan</b>	<b><u>45.000.000</u></b>	<b><u>22.500.000</u></b>	<b><u>9.000.000</u></b>	<b><u>13.500.000</u></b>
<b>(b) The component bank and the administrative bank of the b) debenture loan is Alpha Bank</b>				<b><u>15.000.000</u></b>
<b>(c) The component bank and the administrative bank of the c) debenture loan is Piraeus Bank</b>				<b><u>15.000.000</u></b>
<b>Total of (a)+(b)+(c) debenture Loan</b>				<b><u>43.500.000</u></b>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

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

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

Retirement indemnities have been calculated by the actuarial company ‘Hewitt Associates’. For the period 1/1-31/12/2007 retirement indemnities account for € 1.279.914 while for 2006 account for € 1.226.457.

		<u><b>2006</b></u>
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><b>6.199.862</b></u>
		<u><b>2007</b></u>
Opening provisions	31/12/2006	6.199.862
Payments during	2007	(296.990)
Adjustment of liabilities (provision)	31/12/2007	<u>1.279.914</u>
Forecast retirement indemnities	31/12/2007	<u><b>7.182.786</b></u>

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
<b>26. Trade and other payable</b>				
Payables trade	70.543.732	73.206.962	73.892.434	74.864.145
Dividends payable	26.1 165.322	375.652	165.322	375.652
Advances by customer	452.292	266.468	452.292	266.468
Taxes and duties	26.2 13.241.008	7.079.363	13.178.129	7.079.363
Social security funds	1.096.353	1.038.414	1.096.353	1.038.413
Other creditors	26.3 1.691.059	2.073.916	1.691.059	2.073.916
Accruals	26.4 1.667.952	1.790.946	1.667.952	1.790.946
<b>Balance as per books at 31st December</b>	<b><u>88.857.718</u></b>	<b><u>85.831.721</u></b>	<b><u>92.143.541</u></b>	<b><u>87.488.903</u></b>
<b>26.1. Dividends payable</b>				
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Balance at 1 January	375.652	509.289	375.652	509.289
Plus: Approved dividends for the year 2006	4.466.963	0	4.466.963	0
Plus: Approved dividends for the year 2005	0	4.060.875	0	4.060.875
Less: Dividends paid during the period	(4.677.293)	(4.194.512)	(4.677.293)	(4.194.512)
<b>Dividends payable 31st December (1)</b>	<b><u>165.322</u></b>	<b><u>375.652</u></b>	<b><u>165.322</u></b>	<b><u>375.652</u></b>

(1) The BOD proposes 0,25 per share for the year 2007. The total amount for dividends for the fiscal year 2007 (which will be paid during 2008) amounts to 8.590.312,50 euro.

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
<b>26.2. Taxes and duties</b>				
Broadcasting licence fees	4.809.588	2.959.233	4.809.588	2.959.233
Income tax (note 3. 8)	6.640.691	2.550.079	6.640.691	2.550.079
Taxes and Duties related to full time employees	1.206.840	1.123.513	1.206.840	1.123.513
Other withholding taxes	325.024	189.664	262.145	189.664
Prior years' taxes and duties	254.725	254.725	254.725	254.725
Settlement Stamp Duty L. 2328/95	4.140	2.149	4.140	2.149
<b>Balance as per books at 31st December</b>	<b><u>13.241.008</u></b>	<b><u>7.079.363</u></b>	<b><u>13.178.129</u></b>	<b><u>7.079.363</u></b>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**26. Trade and other payable (cont.)**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
<b>26.3. Other creditors</b>				
Staff wages	7.159	17.283	7.159	17.283
Third parties fees	389.258	382.870	389.258	382.870
Suppliers' checks outstanding	766.728	881.877	766.728	881.877
Sundry creditors	523.781	387.753	523.781	387.753
Distribution of earnings to personnel	4.133	404.133	4.133	404.133
<b>Balance as per books at 31st December</b>	<b><u>1.691.059</u></b>	<b><u>2.073.916</u></b>	<b><u>1.691.059</u></b>	<b><u>2.073.916</u></b>

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
<b>26.4. Accrual expenses</b>				
Interest and similar charges	392.248	319.150	392.248	319.150
Third party royalties	1.114.440	1.041.404	1.114.440	443.885
Third parties fees	22.198	56.492	22.198	654.011
Sundry expenses	236	168	236	168
Programme cost	77.000	305.000	77.000	305.000
Film rights	61.830	68.732	61.830	68.732
<b>Balance as per books at 31st December</b>	<b><u>1.667.952</u></b>	<b><u>1.790.946</u></b>	<b><u>1.667.952</u></b>	<b><u>1.790.946</u></b>

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**27. Short-term borrowings**

**Bank overdrafts**

<u>GROUP/COMPANY</u>	<u>31/12/2007</u>		<u>31/12/2006</u>	
	<b>Credit limit</b>	<b>Amount withdraw</b>	<b>Credit limit</b>	<b>Amount withdraw</b>
NATIONAL BANK OF GREECE	12.000.000	882	12.000.000	776
COMMERCIAL BANK	12.000.000	8.055	12.000.000	1.082.496
ALPHA BANK	15.000.000	2.013.985	17.000.000	1.065.633
PIRAEUS BANK	10.000.000	1.972.111	10.000.000	311.896
EGNATIA BANK	3.000.000	0	3.000.000	1.001.580
BANK OF ATTICA	4.000.000	0	4.000.000	0
ASPIS BANK.	3.000.000	0	3.000.000	0
MILLENNIOUM BANK	6.000.000	0	4.500.000	1.014.281
BANK OF CYPRUS	6.000.000	0	5.000.000	21.347
H S B C	3.000.000	0	0	0
EFG EUROBANK - ERGASIAS	10.000.000	0	10.000.000	0
PANELINIA BANK	10.000.000	0	10.000.000	0
HELLENIC BANK	5.000.000	0	0	0
	<b><u>99.000.000</u></b>	<b><u>3.995.033</u></b>	<b><u>90.500.000</u></b>	<b><u>4.498.009</u></b>

Interest rate of short term bank loans for the period fluctuated from 4,50% to 5,00%.

**28. Issued Shares**

<u>COMPANY</u>	<u>Number of shares</u>	<u>Period</u>	<u>Adjusted number of shares</u>
<b><u>2006</u></b>			
1 <sup>st</sup> January - 31.12.2005	31.237.500	12/12	31.237.500
Issuance of shares 23/5/2006 (note23b)	<u>3.123.750</u>	7/12	<u>1.822.187</u>
Adjusted number of Shares	<u>34,361,250</u>		<u>33,059,687</u>
<b><u>2007</u></b>			
1 <sup>n</sup> January – 31.12.2007			
Adjusted number of shares	<u>34,361,250</u>	12/12	<u>34,361,250</u>

**GROUP**

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

**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**“MEGA CHANNEL - GREECE”**  
**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**29. 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:

	<u>GROUP</u>		<u>COMPANY</u>	
	12/31/2007	12/31/2006	12/31/2007	12/31/2006
Profit for the year after taxes	11,984,235	5,718,865	11,331,353	4,781,512
Weighted average shares outstanding	34,361,250	33,059,687	34,361,250	33,059,687
Earnings per share in Euro	<u><u>0.349</u></u>	<u><u>0.173</u></u>	<u><u>0.330</u></u>	<u><u>0.145</u></u>
Proposed dividend per share in euro	<u>0.25</u>	<u>0.13</u>	<u>0.25</u>	<u>0.13</u>

**30. Financial instruments****30.1. Significant accounting policies**

Accounting policies adopted relating to financial instruments, including the criteria for the recognition of the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liabilities and equity instruments, are disclosed in note 5 of the financial statements.

<b>Categories of financial instruments</b>	<b>Group</b>		<b>Company</b>	
	<b>31.12.07</b>	<b>31.12.06</b>	<b>31.12.07</b>	<b>31.12.06</b>
<b>Financial Assets</b>				
Receivables (including cash and cash equivalents)	59,986,648	47,549,503	59,097,066	48,674,004
Available-for-sale financial assets	469,536	4,691	469,538	4,691
<b>Financial Liabilities</b>				
Carrying amounts of payables (including loans)	152,544,369	158,084,716	155,830,192	159,741,898

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**30.2. Fair value of financial instruments**

The management of the company considers that the carrying amount of the financial liabilities recognised in financial statements do not materially differ from the fair values.

Exceptionally investments in shares of listed companies in the Stock Exchange Market are measured at fair value at the closing date rate in 31/12/2007.

**30.3. Financial risk management objectives**

The management considers this risk managed and the existence of a special function for its monitor is not considered necessary. This risk includes “market risk (including currency risk, fair value interest rate risk, and price risk), credit risk, liquidity risk”.

**30.4. Market**

The company’s activities are localised mainly in the domestic market. The fluctuations of the currency exchange rates have an effect only at the degree that the acquisitions (foreign programme) are expressed in a currency other than euro. The exposure to this risk is small and the company doesn’t consider the adoption of a special management policy as necessary.

**30.5. Interest rate risk management**

The company is exposed to a limited interest rate risk as it borrows long-term funds at floating interest rate. The risk is managed by the group by the use of an interest rate swap contract, which minimises such risk . Since the variations at the interest rate contract are immaterial, no disclosure has been made in the financial statement.

**30.6. Credit risk management**

Credit risk refers to the probability of uncollectability of assets as trade receivables. The risk is considerably mitigated with the adoption of the following policies by the company:

- on going credit evaluation of the customers
- partial guarantee provided by the customers
- partial credit guarantee insurance cover of receivables

The credit risk exposure is limited, since trade receivables consist of a large number of customers and there is no dependence on a significant client.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**30.7. Liquidity risk management**

The company manages liquidity risk by matching the maturity profiles of financial assets and liabilities and by maintaining adequate reserves (cash in hand and banking facilities) and reserve borrowing facilities special purposes. The company manages liquidity risk by continuously monitoring forecast and actual cash flows.

**31. Contingent liabilities**

- 31.1 Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2000 to 2007 (note 13).
- 31.2 Letters of guarantee issued by banks amounting to Euro 803,250 for meeting liabilities on behalf of the Greek Football Association (ΕΠΟ) and 400.000 euro for meeting liabilities on behalf of TELESTARE 2.775.000 euro and 362.490 euro for Gkakou family based on decision of the court of appeal.
- 31.3 Payment of compensation to third parties amounting to 23,1 million euros approximately claimed in the above suits.

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

**32. Financial Commitments**

- 32.1 Commitments under agreements of approximately 43,7 million euro for the production of Greek programmes.
- 32.2 Commitments under agreements of approximately 5,05 million euro for foreign programmes.

**33. Remuneration to executives and management**

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

	<u>01/01-31/12//2007</u>	<u>01/01-31/12/2006</u>
Salaries	2.983.626	2.616.159
BOD remuneration	24.000	24.000

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**34. Related parties transactions**

Related parties, besides the company TELETYPOS CYPRUS Ltd. (100%) and the company Logos Cyprus (25%), are companies that their presentation in the BOD of the parent company are from people who exercise significant control in these companies (Transactions with affiliated companies have been cleared in the balance sheet due to consolidation).

**34. Related parties transactions (cont.)**

Transactions with related parties are as follows:

	SALE	SALE	PURCHASE	PURCHASE
	01/01-31/12/2007	01/01-31/12/2007	01/01-31/12/2007	01/01-31/12/2007
DOL	607.970	507.384	9.675	6.424
PHGASOS	1.209.565	573.228	15.133	12.398
ANOSI S.A	0	0	11.950.894	9.455.800
ATA S.A.	0	0	15.164.252	15.394.197
O LOGOS	550	0	0	0
TELETYPOS CYPRUS	0	0	1.300.000	1.130.950
<b>TOTAL</b>	<b>1.818.085</b>	<b>1.080.612</b>	<b>28.439.954</b>	<b>25.999.769</b>

	CLAIMS		LIABILITIES	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
DOL	305.746	76.704	-160	-7.365
PHGASOS	723.729	374.639	-23.840	-6.248
ANOSI S.A.	0	0	-2.299.219	-4.676.207
ATA S.A.	0	0	-6.860.874	-9.319.998
O LOGOS	550	0	0	0
TELETYPOS CYPRUS	3.758.700	3.758.700	-4.875.950	-3.575.950
<b>TOTAL</b>	<b>4.788.725</b>	<b>4.210.043</b>	<b>-14.060.043</b>	<b>-17.585.768</b>

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.

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

**Notes to the consolidated and separate financial statements in accordance with IFRS**  
**31<sup>st</sup> December 2007**  
**(Expressed in Euro)**

**35. Events after the balance sheet date**

The new legislation (3592 FEK 161/2007) “Concentration and license of Media Companies” foresees that : The continuance of the operation of the existing legally operating private TV channels, assumes their participation in the competition for the granting of permit. Until the issuance of the permit, it is assumed that the TV channels operate legally in the geographical territory in which they broadcast.

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.

**36. Approval of financial statements**

The financial statements have been approved by the BoD at the 12<sup>th</sup> of February 2008.

Athens 12 February 2008

President of Board of Directors

Christos D. Lambrakis  
M 154944

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  
X 575439