

**FORTHNETGROUP**



forthnet



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**INTERIM CONDENSED  
FINANCIAL STATEMENTS  
(PARENT COMPANY AND CONSOLIDATED)**

**FOR THE PERIOD  
JANUARY 1 – SEPTEMBER 30, 2011**

**OF**

**HELLENIC COMPANY FOR  
TELECOMMUNICATIONS AND TELEMATIC  
APPLICATIONS S.A. (Forthnet S.A.)**

In accordance with the International Financial Reporting  
Standards as adopted by the European Union

**Forthnet S.A.**

Registration No S.A. 34461/06/B/95/94  
Scientific Technological Park of Crete  
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**INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	Notes	The Group				The Company			
		01.01-30.09.2011	01.01-30.09.2010	01.07-30.09.2011	01.07-30.09.2010	01.01-30.09.2011	01.01-30.09.2010	01.07-30.09.2011	01.07-30.09.2010
Revenues	4	307,469,200	299,087,242	101,204,733	100,326,918	172,186,743	157,557,767	58,684,862	54,489,248
Telecommunications costs		(77,684,364)	(73,354,757)	(24,374,156)	(23,840,119)	(77,684,364)	(73,240,669)	(24,374,156)	(23,808,997)
Royalties and licenses		(77,183,017)	(70,796,216)	(26,268,467)	(24,265,770)	-	-	-	-
Cost of sales of inventory and consumables		(4,400,233)	(12,070,616)	(2,863,601)	(4,778,469)	(3,428,697)	(3,502,502)	(1,767,283)	(1,593,015)
Advertising and promotion costs		(11,135,405)	(15,221,983)	(3,661,171)	(5,902,202)	(3,937,313)	(10,090,244)	(1,170,390)	(3,296,007)
Payroll and related costs	6	(34,921,795)	(34,994,672)	(10,360,074)	(10,860,933)	(19,614,608)	(19,706,821)	(5,688,856)	(6,126,510)
Sundry expenses	8	(43,984,200)	(44,007,066)	(13,668,453)	(14,557,675)	(23,486,976)	(24,499,566)	(7,811,812)	(8,300,018)
Impairment of goodwill	10	(38,223,606)	-	-	-	-	-	-	-
Impairment of investments in subsidiaries	10	-	-	-	-	(95,371,438)	-	-	-
Other income		3,267,917	4,143,093	1,074,859	1,526,282	3,201,963	3,777,915	1,060,055	1,234,308
Depreciation and amortisation		(84,024,420)	(76,568,302)	(27,866,261)	(26,737,648)	(45,476,662)	(40,462,879)	(14,741,695)	(14,669,118)
Financial income	7	563,099	2,010,120	(1,095,517)	1,616,634	142,295	170,044	42,985	29,719
Financial expenses	7	(19,933,993)	(21,948,123)	(8,607,618)	(6,269,486)	(3,653,000)	(3,376,057)	(1,486,953)	(1,297,165)
Share of profits of associates accounted for under the equity method		-	(30,705)	-	(12,393)	-	-	-	-
<b>Profit / (Loss) before income taxes</b>		<b>(80,190,817)</b>	<b>(43,751,985)</b>	<b>(16,485,725)</b>	<b>(13,754,861)</b>	<b>(97,122,057)</b>	<b>(13,373,012)</b>	<b>2,746,757</b>	<b>(3,337,554)</b>
Income taxes	9	5,646,776	(1,696,375)	1,840,632	770,509	1,045,720	(3,915,029)	161,535	(384,090)
<b>Profit / (Loss) after tax (A)</b>		<b>(74,544,041)</b>	<b>(45,448,360)</b>	<b>(14,645,093)</b>	<b>(12,984,352)</b>	<b>(96,076,337)</b>	<b>(17,288,041)</b>	<b>2,908,292</b>	<b>(3,721,644)</b>
<b>Other total comprehensive income after tax (B)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive losses after tax (A)+(B)</b>		<b>(74,544,041)</b>	<b>(45,448,360)</b>	<b>(14,645,093)</b>	<b>(12,984,352)</b>	<b>(96,076,337)</b>	<b>(17,288,041)</b>	<b>2,908,292</b>	<b>(3,721,644)</b>
<b>Profit/ (Loss) for the period attributable to:</b>									
Shareholders of the Parent Company		(76,440,263)	(44,210,015)	(14,631,993)	(12,473,388)	(96,076,337)	(17,288,041)	2,908,292	(3,721,644)
Non-controlling interests		1,896,222	(1,238,345)	(13,101)	(510,964)	-	-	-	-
		<b>(74,544,041)</b>	<b>(45,448,360)</b>	<b>(14,645,093)</b>	<b>(12,984,352)</b>	<b>(96,076,337)</b>	<b>(17,288,041)</b>	<b>2,908,292</b>	<b>(3,721,644)</b>
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Shareholders of the Parent Company		(76,440,263)	(44,210,015)	(14,631,993)	(12,473,388)	(96,076,337)	(17,288,041)	2,908,292	(3,721,644)
Non-controlling interests		1,896,222	(1,238,345)	(13,101)	(510,964)	-	-	-	-
		<b>(74,544,041)</b>	<b>(45,448,360)</b>	<b>(14,645,093)</b>	<b>(12,984,352)</b>	<b>(96,076,337)</b>	<b>(17,288,041)</b>	<b>2,908,292</b>	<b>(3,721,644)</b>
<b>Loss per share (Basic and diluted)</b>		<b>(0.4918)</b>	<b>(0.2844)</b>	<b>(0.0941)</b>	<b>(0.0803)</b>				
Weighted Average Number of Shares (Basic)		155,431,324	155,431,324	155,431,324	155,431,324				
Weighted Average Number of Shares (Diluted)		155,431,324	155,431,324	155,431,324	155,431,324				

**INTERIM STATEMENT OF FINANCIAL POSITION**

	Notes	The Group		The Company	
		30.09.2011	31.12.2010	30.09.2011	31.12.2010
<b>ASSETS</b>					
<b>Non current assets</b>					
Property, plant and equipment	11	287,786,046	311,814,651	156,618,517	170,553,382
Intangible assets	12	188,212,966	215,789,271	15,500,716	19,794,317
Goodwill	10	229,799,089	268,022,695	512,569	512,569
Investments in subsidiaries	10	-	-	194,650,733	289,889,228
Investments in associates accounted under the equity method		-	22,049	-	44,500
Other non-current assets		6,796,891	7,270,459	5,321,209	5,608,127
Available for sale financial assets	24	462,414	402,395	340,064	340,064
Deferred tax assets	9	26,750,823	25,292,663	15,890,169	14,844,448
<b>Total non current assets</b>		<b>739,808,229</b>	<b>828,614,183</b>	<b>388,833,977</b>	<b>501,586,635</b>
<b>Current assets</b>					
Inventories	14	7,617,073	6,708,194	2,446,156	2,254,877
Programme and film rights	13	60,676,947	47,129,081	-	-
Trade receivables	15	70,755,371	71,314,880	43,935,424	41,064,974
Prepayments and other receivables	16	18,410,782	27,457,343	8,307,390	9,227,596
Due from related companies	25	45,107	26,693	36,693,068	44,288,644
Financial assets at fair value through profit or loss		-	40,188	-	-
Forward exchange contract Asset		-	25,820	-	-
Cash and cash equivalents	17	19,847,298	36,418,891	9,184,743	18,329,631
Restricted Cash	17	1,214,500	1,964,500	1,214,500	1,964,500
<b>Total Current Assets</b>		<b>178,567,078</b>	<b>191,085,590</b>	<b>101,781,281</b>	<b>117,130,222</b>
<b>TOTAL ASSETS</b>		<b>918,375,307</b>	<b>1,019,699,773</b>	<b>490,615,258</b>	<b>618,716,857</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
Share capital	18	183,408,963	183,408,963	183,408,963	183,408,963
Share premium		300,981,286	300,981,286	300,981,286	300,981,286
Other reserves		14,395,946	14,385,588	13,735,754	13,735,754
Accumulated deficit		(314,922,844)	(238,472,223)	(264,077,647)	(168,001,310)
<b>Total</b>		<b>183,863,351</b>	<b>260,303,614</b>	<b>234,048,356</b>	<b>330,124,693</b>
Non-controlling interests		4,384,871	2,497,831	-	-
<b>Total equity</b>		<b>188,248,222</b>	<b>262,801,445</b>	<b>234,048,356</b>	<b>330,124,693</b>
<b>Non current liabilities</b>					
Long-term liabilities	19, 24	89,342,671	286,494,821	39,655,000	89,473,548
Long-term transponder leases	20	121,078,305	129,204,080	-	-
Other long-term leases		2,129,784	1,758,393	2,129,784	1,758,393
Other long-term obligations	4	5,315,214	5,562,263	5,315,214	5,562,262
Long-term obligations of programmes and film rights	21	910,664	817,971	-	-
Reserve for staff retirement indemnities		3,024,752	4,017,099	1,538,167	1,955,921
Government grants		16,181,157	19,193,338	16,070,230	18,603,337
Deferred tax liability		34,617,349	39,277,595	-	-
<b>Total Non-Current Liabilities</b>		<b>272,599,896</b>	<b>486,325,560</b>	<b>64,708,395</b>	<b>117,353,461</b>
<b>Current Liabilities</b>					
Trade accounts payable	22	87,129,648	103,343,010	38,806,363	56,619,661
Intergroup balances payable	25	527,036	1,899,112	39,237,352	51,777,712
Short-term borrowings		1,418,000	1,419,258	-	-
Current portion of long-term borrowings	19, 24	242,056,133	45,144,000	69,566,451	20,000,000
Deferred income	4	38,738,832	40,564,124	19,888,837	18,554,874
Current portion of transponder leases	20	10,747,752	10,237,713	-	-
Short-term portion of other obligations		417,796	182,241	417,796	159,774
Current portion of programmes and film rights obligations	21	25,297,778	12,114,042	-	-
Income tax payable		3,482,033	6,403,655	200,000	200,000
Accrued and other current liabilities	23, 24	47,712,181	49,265,613	23,741,708	23,926,682
<b>Total Current Liabilities</b>		<b>457,527,189</b>	<b>270,572,768</b>	<b>191,858,507</b>	<b>171,238,703</b>
<b>Total Liabilities</b>		<b>730,127,085</b>	<b>756,898,328</b>	<b>256,566,902</b>	<b>288,592,164</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>918,375,307</b>	<b>1,019,699,773</b>	<b>490,615,258</b>	<b>618,716,857</b>

The accompanying notes are an integral part of the Interim Condensed Financial Statements

**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**

The Group	Attributable to equity holders of the parent company					Non-controlling interests	Total Equity
	Share capital	Share premium	Other reserves	Accumulated deficit	Total		
<b>Total Equity beginning at the period January 1, 2010</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,651,442</b>	<b>(153,470,168)</b>	<b>344,571,523</b>	<b>3,886,038</b>	<b>348,457,561</b>
Total comprehensive loss after income taxes of the period (continuing and discontinuing operations)	-	-	-	(44,210,015)	(44,210,015)	(1,238,345)	(45,448,360)
Statutory reserve	-	-	64,335	(64,335)	-	-	-
Subsidiary's share capital increase	-	-	-	-	-	4,003	4,003
<b>Total Equity at September 30, 2010</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,715,777</b>	<b>(197,744,518)</b>	<b>300,361,508</b>	<b>2,651,696</b>	<b>303,013,204</b>
<b>Total Equity beginning at the period January 1, 2011</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>14,385,588</b>	<b>(238,472,223)</b>	<b>260,303,614</b>	<b>2,497,831</b>	<b>262,801,445</b>
Total comprehensive loss after income taxes of the period (continuing and discontinuing operations)	-	-	-	(76,440,263)	(76,440,263)	1,896,222	(74,544,041)
Minority share of increase in share capital	-	-	-	-	-	(9,182)	(9,182)
Transfer to non distributable reserve (Statutory Reserve)	-	-	10,358	(10,358)	-	-	-
<b>Total Equity at September 30, 2011</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>14,395,946</b>	<b>(314,922,844)</b>	<b>183,863,351</b>	<b>4,384,871</b>	<b>188,248,222</b>
The Company	Share capital	Share premium	Other reserves	Accumulated deficit	Total		
<b>Total Equity beginning at the period January 1, 2010</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,028,772</b>	<b>(138,011,876)</b>	<b>359,407,145</b>		
Total comprehensive loss after income taxes of the period (continuing and discontinuing operations)	-	-	-	(17,288,041)	(17,288,041)		
<b>Total Equity at September 30, 2010</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,028,772</b>	<b>(155,299,917)</b>	<b>342,119,104</b>		
<b>Total Equity beginning at the period January 1, 2011</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,735,754</b>	<b>(168,001,310)</b>	<b>330,124,693</b>		
Total comprehensive loss after income taxes of the period (continuing and discontinuing operations)	-	-	-	(96,076,337)	(96,076,337)		
<b>Total Equity at September 30, 2011</b>	<b>183,408,963</b>	<b>300,981,286</b>	<b>13,735,754</b>	<b>(264,077,647)</b>	<b>234,048,356</b>		

The accompanying notes are an integral part of the Interim Condensed Financial Statements

### INTERIM CASH FLOW STATEMENT

	Notes	The Group		The Company	
		01.01- 30.09.2011	01.01- 30.09.2010	01.01- 30.09.2011	01.01- 30.09.2010
<b>Cash flows from Operating Activities</b>					
Loss before income taxes		(80,190,817)	(43,751,985)	(97,122,057)	(13,373,012)
Adjustments for:					
Depreciation and amortisation		84,024,420	76,568,303	45,476,662	40,462,879
Amortisation of subsidies		(2,582,181)	(2,442,571)	(2,533,107)	(2,391,312)
Gains on disposal of tangible and intangible assets		24,139	(11,008)	41,019	(6,142)
Financial (income)/expenses		19,370,894	19,938,003	3,510,705	3,206,013
Impairment of goodwill	7	38,223,606	-	-	-
Impairment of investment in subsidiary	10	-	-	95,371,438	-
Share of profits of associates accounted for under the equity method		-	30,705	-	-
Allowance for doubtful accounts receivable	15	2,826,438	2,710,134	3,018,379	2,668,166
Provision for staff retirement indemnities	6	226,681	467,047	104,812	229,025
Other provisions		(709,236)	27,534	(191,677)	-
<b>Operating profit before working capital changes</b>		<b>61,213,944</b>	<b>53,536,162</b>	<b>47,676,175</b>	<b>30,795,617</b>
<b>(Increase)/Decrease in:</b>					
Inventories		(199,643)	1,684,747	398	(261,683)
Trade accounts receivable & amounts due from related companies		(2,285,343)	(16,055,342)	1,706,748	(47,013,986)
Programme and film rights		(13,547,866)	(10,476,237)	-	-
Prepayments and other receivables		9,046,561	(2,352,588)	575,205	1,301,825
<b>Increase/(Decrease) in:</b>					
Trade accounts payable and amounts due from related companies		13,205,187	(10,251,106)	(22,599,522)	16,238,572
Deferred income		(1,825,292)	1,255,609	1,333,963	1,488,366
Accrued and other current liabilities		(5,862,829)	14,754,802	(887,020)	14,044,271
Interest paid		(15,871,400)	(16,474,801)	(2,946,575)	(3,351,150)
Income taxes paid		(3,045,864)	(4,420,651)	-	-
Payment of staff retirement indemnities		(1,219,028)	(883,828)	(522,566)	(164,101)
Increase in other non-current assets		479,557	(52,364)	286,917	(32,735)
Increase in other long-term liabilities		(154,356)	83,255	(247,048)	90,100
<b>Net cash from Operating Activities</b>		<b>39,933,628</b>	<b>10,347,658</b>	<b>24,376,674</b>	<b>13,135,096</b>
<b>Cash flow from Investing activities</b>					
Capital expenditure for property, plant and equipment and intangible assets		(41,027,573)	(28,864,781)	(35,072,432)	(27,023,938)
Disposals of property, plant and equipment and intangible assets		12,282	80,067	29,162	50,974
Increase in participation in subsidiaries		-	-	-	(575,996)
Increase in investments in associates and other financial assets		5,989	(12,804)	-	(9,915)
Government grants received		-	4,500,000	-	4,500,000
Interest and related income received		262,871	496,042	142,295	170,044
Restricted Cash	17	750,000	-	750,000	-
<b>Net cash used in Investing Activities</b>		<b>(39,996,431)</b>	<b>(23,801,476)</b>	<b>(34,150,975)</b>	<b>(22,888,831)</b>
<b>Cash flows from Financing Activities</b>					
Net proceeds from the issuance of share capital in subsidiary		-	4,003	-	-
Net change in long-term borrowings		-	(15,130,000)	-	(10,000,000)
Net change in short-term borrowings		-	494,062	-	-
Net change in leases		(16,508,790)	(6,365,510)	629,413	(111,655)
<b>Net cash (used in)/from Financing Activities</b>		<b>(16,508,790)</b>	<b>(20,997,445)</b>	<b>629,413</b>	<b>(10,111,655)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(16,571,593)</b>	<b>(34,451,263)</b>	<b>(9,144,888)</b>	<b>(19,865,390)</b>
Cash and cash equivalents at the beginning of period	17	36,418,891	79,549,226	18,329,631	40,621,678
Cash and cash equivalents of the end of period	17	<u>19,847,298</u>	<u>45,097,963</u>	<u>9,184,743</u>	<u>20,756,288</u>

The accompanying notes are an integral part of the Interim Condensed Financial Statements

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION:

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (hereinafter referred to as the "Company" or "Forthnet"), was incorporated in Greece in November 1995 (Government Gazette 6718/27.11.1995) as a société anonyme by the Technology and Research Foundation and "Minoan Lines S.A."

The Company's registered office is in Vassilika Vouton, Iraklion, Crete, while its administrative headquarters are in Pallini, Attica at Manis Street, 153 51 Kantza. The life of the Company, according to its Articles of Incorporation, has been determined to be 40 years from the date of its incorporation with a possible extension permitted following a decision of the General Meeting of the Company's Shareholders.

Effective October 2000, Forthnet's shares were listed on the Athens Exchange.

The Company's principal activities, in accordance with article 3 of its Articles of Incorporation, are the provision of telecommunications services and electronic information systems, the development and use of any telecommunications and network technique and infrastructure in Greece and overseas and the development of any other associated activity.

The Company is licensed under a regime of general licenses, by the National Telecommunications and Post Commission (EETT), by virtue of the "General Licenses Regulation" (No. 390/3/13.6.2006 EETT Resolution) for the operation of a fixed public telephone network, a fixed network of wireless access, a fixed network of electronic communications consisting of cordless micro-links, a fiber optics network and for the provision of services regarding Broadband Access, Data Transfer, Value Added Data, Telematics/Telemetry-radiolocation, audiotex, voice and data integration for intrabusiness networks and closed user groups, telephone services as well as Voice services through IP Protocol and via the internet.

Forgendo Ltd. participates in Forthnet's share capital. As at September 30, 2011, the participation percentage amounted to 41.27% (December 31, 2010: 40.95%). Cyrte Investments GP I BV also participates in Forthnet's share capital. As at September 30, 2011, the participation percentage amounted to 25.73% (December 31, 2010: 25.41%). The ultimate parent company of Forgendo Ltd. is the Emirates International Telecommunications.

The accompanying interim condensed financial statements for the nine months period ended September 30, 2011 and for the year ended December 31, 2010, include the financial statements of Forthnet and its subsidiaries, Forth CRS S.A. Telemedicine Technologies S.A., Forthnet Media Holdings S.A., Shipping Clearance S.A. (under liquidation), NetMed N.V., Intervision (Services) B.V., Dikomo Investment Sarl (Luxembourg) (under liquidation), Tiledrasi S.A. (Luxembourg) (under liquidation), Multichoice Holdings (Cyprus) Ltd, Multichoice (Cyprus) Public Company Ltd (under liquidation), Multichoice Hellas S.A. and NetMed S.A.

Forth CRS S.A.'s principle activities are to provide integrated tourism services through the research, development, use and sale of modern, high convergent technological electronic products and services for the distribution and management of tourism material, such as reservations, ticketing and other related material, produced by entities such as shipping companies, airlines and other transportation enterprises, hotel enterprises, promotion and entertainment enterprises, enterprises relating to sports, hospitals and all other electronic reservation organizations.

Shipping Clearance S.A. (under liquidation) was incorporated in Greece in November 2007, Shipping Clearance S.A.'s principle activities are the provision of integrated calculation, settlement and payment of accounts and other services for all types of shipping and other transportation tickets. Upon decision of the General Assembly of its Shareholders dated June 30, 2010, Shipping Clearance S.A., resolved to proceed with its dissolution and liquidation according to the provisions of the Corporate Law 2190/1920 and its articles of association.

Telemedicine Technologies S.A.'s principle activities are to create, implement and sell services and products associated with the acquisition, transmission and dissemination of information, particularly electronically, in the health sector. The company aims to implement and sell services in the health sector, with emphasis on business-to-business medical services.

Forthnet Media Holdings S.A. is a holding company and was incorporated in April 2008 and its principle activities are the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors, provides digital satellite transmission and operates the NOVACINEMA and NOVASPORTS channels. Additionally other activities of the company including the following:

The acquisition, administration and exploitation of holdings in enterprises of any nature, which are activated in the field of the electronic communications and the media, the provision of administrative, supportive and other services to these enterprises, as well as to other members of the Company's group, the provision of satellite services to any natural or legal person of private or public law, for the transfer of radio and television signals and data or of any combination or texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs.

Forthnet Media Holdings S.A. and its subsidiaries which are consolidated are analysed as follows:

Entity name	Date of incorporation	Country of incorporation	Operating activities
NetMed N.V.	January 12, 1996	Netherlands	Holding company
MultiChoice Hellas S.A.	September 14, 1994	Greece	The Company compiles and operates the Nova bouquet, distributes decoders, manages the analogue and digital subscriber base and markets and sells NetMed Group's digital and analogue Pay-TV services in Greece.
NetMed S.A.	February 14, 1996	Greece	The Company provides customer services (including telephone helpdesk, technical support, information regarding TV programmes and management of subscription services contracts) to Pay-TV subscribers on behalf of MultiChoice Hellas S.A.
MultiChoice Holdings (Cyprus) Limited	December 20, 1999	Cyprus	Holding company
MultiChoice (Cyprus) Public Company Limited (under liquidation)	November 13, 1993	Cyprus	The Company acts as an agent for MultiChoice Hellas S.A. in Cyprus by entering into subscriber agreements, collecting subscriptions and providing SMS to subscribers to a digital Nova Cyprus bouquet on behalf of MultiChoice Hellas S.A.
Dikomo Investment Sarl (under liquidation)	June 18, 2003	Luxembourg	Holding company
Tiledrasi S.A. (under liquidation)	June 18, 2003	Luxembourg	Holding company
Intervision (Services) B.V.	January 1996	Netherlands	Content acquisition services

The subsidiary and listed in the Cyprus Stock Exchange company, MultiChoice (Cyprus) Public Company Ltd, which together with the Forthnet Group holds a contractual relationship with regard to the management of Multichoice Hellas S.A.'s subscribers in Cyprus, resolved, on June 9, 2011, at the Extraordinary General Meeting of its shareholders, the voluntary liquidation by its creditors pursuant to the provisions of the Cypriot Companies Law, The management of the subscribers as well as the further development of the Forthnet Groups activities in Cyprus will be continued by Multichoice Hellas S.A.

The Group's number of employees at September 30, 2011, amounted to 1,392, while that of the Company to 798. At September 30, 2010, the respective number of employees was 1,535 for the Group and 855 for the Company.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

### (a) Basis of Preparation of Financial Statements:

The interim condensed financial statements as of and for the nine months ended on September 30, 2011, have been prepared in accordance with the International Accounting Standard IAS 34 "Interim Financial Reporting".

The accompanying separate and consolidated interim condensed financial statements do not include all the information required in the annual financial statements and, therefore, should be examined in conjunction with the published annual financial statements for the year ended December 31, 2010, which are available on the internet at the address [www.forthnet.gr](http://www.forthnet.gr).

These financial statements have been prepared under the historical cost convention except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), at fair value.

The preparation of financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Certain line items of the previous year's/period's financial statements were reclassified in order to conform to the current period's presentation.

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2010, except for the listed below, adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2011, which did not have any impact to the financial position of the Group and the Company:

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)**
- **IAS 32 Classification on Rights Issues (Amended)**
- **IAS 24 Related Party Disclosures (Revised)**
- **In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording**

#### **Standards issued but not yet effective and not early adopted**

- **IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off-balance sheet activities (Amended)**

The amendment is effective for annual periods beginning on or after July 1, 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the European Union ("EU"). The Group and the Company do not expect that this amendment will have an impact on its financial position or performance, however additional disclosures may be required.

- **IFRS 9 Financial Instruments – Phase 1, classification and measurement**

The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS addresses classification and measurement of financial instruments. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.
- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)**

The amendment is effective for annual periods beginning on or after January 1, 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendment will have an impact on their financial position or performance.
- **IFRS 10 Consolidated Financial Statements**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent. Examples of areas of significant judgment include evaluating de facto control, potential voting rights or whether a decision maker is acting as a principal or agent. IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements and replaces SIC 12 Consolidation — Special Purpose Entities. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position or performance.
- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today's accounting. That is, the entity will continue to recognize its relative share of assets, liabilities, revenues and expenses. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.
- **IFRS 12 Disclosures of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures also will be required such as disclosing the judgments made to determine control over another entity. IFRS 12 replaces the requirements previously included in IAS 27, IAS 31, and IAS 28 Investments in Associates. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 13 Fair Value Measurement**

The new standard is effective for annual periods beginning on or after January 1, 2013. The main reason of issuance of IFRS 13 is to reduce complexity and improve consistency in application when measuring fair value. It does not change when an entity is required to use fair value but, rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. IFRS 13 consolidates and clarifies the guidance on how to measure fair value and also to increase convergence with USGAAP which has also been amended by FAASB. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IAS 27 Separate Financial Statements (amended)**

This amendment is effective for annual periods beginning on or after January 1, 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 Separate Financial Statements requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Company is in the process of assessing the impact of this amendment on its financial position or performance.

- **IAS 28 Investments in Associates and Joint Ventures (amended)**

The Standard is effective for annual periods beginning on or after January 1, 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to prescribe the accounting for investments in associates and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IAS 19 Employee Benefits (amended)**

The amendment is effective for annual periods beginning on or after January 1, 2013. The amended IAS 19 proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the "corridor approach"). The result is greater balance sheet volatility for those entities currently applying the corridor approach. These amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. In addition, the revised standard requires immediate recognition of past service costs as a result of plan amendments (in the income statement) and requires termination benefits to be recognised only when the offer becomes legally binding and cannot be withdrawn. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IAS 1 Presentation of Financial Statements (amended)**

The amendment is effective for annual periods beginning on or after July 1, 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**

The amendment is effective for annual periods beginning on or after 1 January 2013. This interpretation considers when and how to account for separately (i) the usable ore that can be used to produce inventory and, (ii) the improved access to further quantities of material that will be mined in future periods that arise from the stripping activity, as well as how to measure these benefits both initially and subsequently. IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. This interpretation is not applicable to the Group and the Company.

**(b) Approval of Financial Statements:**

The Board of Directors of Forthnet approved the separate and consolidated condensed financial statements for the nine months period ended September 30, 2011, on November 17, 2011.

**(c) Significant Accounting Judgements and Estimates:**

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2010, except for the change in the presentation of the statement of comprehensive income. The Group has changed the presentation of expenses from the function of expense method to the nature of expense method in order to provide more reliable and relevant information. The comparative figures have been reclassified to conform to the current period's presentation.

### 3. GOING CONCERN:

In July 2011 Forthnet S.A. and Forthnet Media Holdings S.A. concluded two long-term, secured bond facilities ("NBL") under Law 3156/2003 for €40 million (maturing December 31, 2014) and €50 million (maturing June 30, 2017), respectively. The NBL have been issued and subscribed in full by the Group's existing banking syndicates. The proceeds have been applied towards the payment of the Group's entire principal repayment obligations for the period January 1, 2011 to December 31, 2012 under the Existing Bond Loans ("EBL") of Forthnet S.A. and Forthnet Media Holdings S.A. totaling €90 million.

The conclusion of the Group's debt renegotiation process (through the contractual alignment of the EBL to the legal terms and financial covenants of the NBL) is under way but, to date, remains pending and as such, its outcome is not formally assured. Consequently, as at September 30, 2011, the Group remains non-compliant with certain of its financial covenants on its EBL and, accordingly, retains the outstanding balance of its EBL classified as "current liabilities".

In addition to the debt renegotiation process, the Board of Directors of Forthnet SA has called an Extraordinary General Assembly for the purpose of raising a minimum of €30 million with a view to strengthening the Company's capital and – consequently – working capital base. The Extraordinary General Assembly is currently scheduled for December 15, 2011.

In the light of the above, the separate and consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Accordingly, the accompanying financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company be unable to continue as a going concern.

#### 4. REVENUES:

Revenues in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>January 1-September 30</b>		<b>January 1-September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>				
Direct Retail Services	259,185,902	247,858,680	125,316,265	109,689,057
Telecommunication Services	125,312,201	109,689,057	125,316,265	109,689,057
Pay-TV Revenues	133,873,701	138,169,623	-	-
Indirect Retail Services	3,800,413	6,557,268	3,800,740	6,557,268
Direct Business Services	29,041,041	27,166,177	29,402,046	27,688,751
E-business	2,183,146	2,442,732	2,739,325	2,786,553
Pay-TV Advertising Revenue	3,692,597	5,780,837	-	-
Forth CRS	2,970,061	4,071,747	-	-
Equipment	4,083,047	4,796,906	2,760,722	2,603,591
Other services	2,512,993	412,895	8,167,645	8,232,547
<b>Total Operating Revenues</b>	<b>307,469,200</b>	<b>299,087,242</b>	<b>172,186,743</b>	<b>157,557,767</b>

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company at September 30, 2011, amounted to € 43,759,883, and € 24,909,888, respectively, of which the amount of € 5,021,051 relates to the long-term portion which has been included in to other long term liabilities while the short-term portion is included in deferred revenue (at December 31, 2010: € 45,869,386 and € 23,860,136 for the Group and the Company, respectively of which € 5,305,262 relates to long-term portion).

Unbilled revenues for the Group and the Company at September 30, 2011, amounted to € 6,905,259 and € 5,958,554, respectively (at December 31, 2010, amounted to € 4,526,225 and € 4,213,844, for the Group and the Company)(Note 15).

**5. GROUP SEGMENT INFORMATION:**

The Group mainly provides telecommunication services and pay-tv services and operates in Greece. The Group presents the required segment information using as a criteria the services provided. The operating segment are organised and managed separately according to the nature of the services provided with each segment representing a strategic business unit that offers different services.

Transactions between business segments are at arm's length basis in a manner similar to transactions with third parties.

The segment information for the period ended September 30, 2011, is analysed as follows:

<u>September 30, 2011</u>	<u>Telecommunications</u>	<u>Pay-TV</u>	<u>Eliminations</u>	<u>Total</u>
Revenues	168,585,660	138,883,540	-	307,469,200
Intersegment revenue	7,669,687	2,121,455	(9,791,142)	-
<b>Total Revenue</b>	<b>176,255,347</b>	<b>141,004,995</b>	<b>(9,791,142)</b>	<b>307,469,200</b>
Depreciation and amortisation	45,905,362	38,119,058	-	84,024,420
Amortisation of subsidies	(2,533,107)	(49,074)	-	(2,582,181)
Profit before interest, taxes and depreciation	45,269,048	(24,646,732)	-	20,622,316
Profit/(loss) before interest and taxes	1,896,793	(62,716,716)	-	(60,819,923)
Loss before taxes	(1,620,163)	(78,570,654)	-	(80,190,817)
Less: income tax	1,045,720	4,601,056	-	5,646,776
Loss after taxes	(574,443)	(73,969,598)	-	(74,544,041)
Total assets	386,606,958	606,858,548	(75,090,199)	918,375,307
Capital expenditure	27,318,378	5,230,853	-	32,549,231
Liabilities	259,998,487	544,996,545	(74,867,947)	730,127,085
Goodwill	83,359,167	146,439,922	-	229,799,089
Impairment of goodwill for the period	-	(38,223,606)	-	(38,223,606)

The segment information for the period ended September 30, 2010, is analysed as follows:

<u>September 30, 2010</u>	<u>Telecommunications</u>	<u>Pay-TV</u>	<u>Eliminations</u>	<u>Total</u>
Revenues	153,184,682	145,902,560	-	299,087,242
Intersegment revenue	8,726,803	2,418,114	(11,144,917)	-
<b>Total Revenue</b>	<b>161,911,485</b>	<b>148,320,674</b>	<b>(11,144,917)</b>	<b>299,087,242</b>
Depreciation and amortisation	41,110,390	35,457,913	-	76,568,303
Amortisation of subsidies	(2,391,312)	(51,259)	-	(2,442,571)
Profit before interest, taxes and depreciation	21,599,032	28,743,423	-	50,342,455
Profit/(loss) before interest and taxes	(17,120,046)	(6,693,936)	-	(23,813,982)
Loss before taxes	(20,412,297)	(23,339,688)	-	(43,751,985)
Less: income tax	(3,774,475)	2,078,100	-	(1,696,375)
Loss after taxes	(24,186,772)	(21,261,588)	-	(45,448,360)
Total assets	415,972,459	716,805,748	(75,350,211)	1,057,427,996
Capital expenditure	36,029,243	30,824,633	-	66,853,876
Liabilities	276,708,392	552,668,311	(74,961,911)	754,414,792

## 6. PAYROLL COST:

Payroll cost in the accompanying interim condensed financial statements is analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>January 1-September 30</b>		<b>January 1- September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Wages and salaries	29,442,590	29,070,528	17,052,804	16,861,998
Social security costs	6,365,603	6,434,753	3,705,016	3,801,120
Staff retirement indemnities	226,681	467,047	104,812	229,025
Other staff costs	831,749	1,058,858	550,558	851,192
<b>Total</b>	<b>36,866,623</b>	<b>37,031,186</b>	<b>21,413,190</b>	<b>21,743,335</b>
Less: Amounts capitalised	(1,944,828)	(2,036,514)	(1,798,582)	(2,036,514)
<b>Payroll Cos</b>	<b>34,921,795</b>	<b>34,994,672</b>	<b>19,614,608</b>	<b>19,706,821</b>

Wages and salaries for the Company and the Group includes € 1,195,218 of termination indemnity relating to the former Chief Executive Officer.

## 7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>January 1-September 30</b>		<b>January 1- September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Interest on long-term borrowings (Note 19)	(9,895,448)	(8,756,981)	(3,423,672)	(2,911,096)
Interest on short-term borrowings	(46,900)	(30,990)	-	-
Finance charges paid under finance leases	(6,727,326)	(6,724,019)	(91,925)	(95,457)
Bond expenses	(576,312)	(561,312)	(92,903)	(92,903)
Other financial (Note 23)	(2,688,007)	(5,874,821)	(44,500)	(276,601)
<b>Total financial expenses</b>	<b>(19,933,993)</b>	<b>(21,948,123)</b>	<b>(3,653,000)</b>	<b>(3,376,057)</b>
Interest earned on cash at banks and on time deposits (Note 17)	262,871	496,042	142,295	170,044
Other financial income (Note 23)	300,228	1,514,078	-	-
<b>Total financial income</b>	<b>563,099</b>	<b>2,010,120</b>	<b>142,295</b>	<b>170,044</b>
<b>Total financial income/(expenses), net</b>	<b>(19,370,894)</b>	<b>(19,938,003)</b>	<b>(3,510,705)</b>	<b>(3,206,013)</b>

## 8. ANALYSIS OF EXPENSES:

Expenses (selling, general, administrative, research and development) in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	January 1- September 30		January 1-June 30	
	2011	2010	2011	2010
Third party fees and services	19,263,247	20,931,910	7,803,257	8,084,237
Taxes and duties	538,273	947,361	306,197	838,546
Sundry expenses	10,017,771	10,223,096	6,967,945	6,525,922
Allowance for doubtful accounts receivable (Note 15)	3,036,755	2,710,134	3,018,379	2,668,166
Provision for legal cases (Note 27)	2,200,000	-	-	-
Repairs and maintenance	4,305,068	4,098,028	3,217,796	3,530,052
Rentals	2,727,544	3,185,828	941,119	1,643,923
Building functional costs	1,895,542	1,910,709	1,232,283	1,208,720
<b>Total expenses</b>	<b>43,984,200</b>	<b>44,007,066</b>	<b>23,486,976</b>	<b>24,999,566</b>

## 9. INCOME TAXES:

In accordance with the tax laws, the corporate tax rate which was effective to Greek corporations through to December 31, 2010, was 24%. Moreover, the corporate tax rate was to be gradually reduced and, more specifically, the tax rate was reduced to 23% for the fiscal year 2011, 22% for the fiscal year 2012, 21% for the fiscal year 2013 and 20% for the fiscal year 2014 and thereafter. According to the new law L. 3943/2011, the corporate tax rate is 20% for fiscal year 2011 and thereafter.

Income taxes reflected in the accompanying interim condensed statements of comprehensive income are analysed as follows:

	The Group		The Company	
	January 1-September 30		January 1- September 30	
	2011	2010	2011	2010
Current income taxes	471,630	4,838,439	-	-
Deferred income taxes	(6,118,406)	(3,142,064)	(1,045,720)	3,915,029
<b>Total income taxes (credit) / debit reflected in the statements of comprehensive income</b>	<b>(5,646,776)</b>	<b>1,696,375</b>	<b>(1,045,720)</b>	<b>3,915,029</b>

Forthnet has not been audited for the fiscal years 2007 through to 2010. Forthnet's subsidiaries have not been subject to a tax audit for the following fiscal years:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media Holdings S.A.	23/04/2008-31/12/2010
Forth-Crs S.A.	01/01/2010-31/12/2010
NetMed S.A.	01/01/2010-31/12/2010
Syned S.A.	01/04/2008 – 30/09/2010
Ad Value S.A.	01/04/2008 – 31/12/2009
NetMed Hellas S.A.	01/04/2004 – 30/07/2010
Multichoice Hellas S.A.	01/04/2007 – 31/12/2010
RPO S.A.	16/01/2006 – 31/12/2008

The subsidiaries which are located abroad have no unaudited tax periods.

In a future tax audit of the unaudited tax fiscal years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 2.55 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

Deferred Income tax is provided using the balance sheet liability method on temporary differences arising between the tax losses of assets and liabilities and their carrying amounts in the financial statements and are calculated using the tax rates that have been enacted in the financial position date.

The major part of the deferred tax assets relates to deferred tax calculated on tax losses which can be offset with taxable income of the five following years after the year they relate to. The Management believes that the Company will have future taxable income to offset such losses.

## 10. PARENT'S COMPANY SUBSIDIARIES- GOODWILL:

Forthnet's subsidiaries which are included in the accompanying interim condensed consolidated financial statements are as follows:

Subsidiary	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				30.09.2011	31.12.2010	30.09.2011	31.12.2010
Forth CRS S.A.	P. Faliro, Attica, Greece	Full	Direct	99.31%	99.31%	4,314,749	4,314,749
Telemedicine Technologies S.A.	Paris, France	Full	Direct	68.19%	67.44%	647,422	514,479
Forthnet Media Holdings S.A.	Kallithea, Attica, Greece	Full	Direct	100.00%	100.00%	189,688,562	285,060,000
						<b>194,650,733</b>	<b>289,889,228</b>

In the current period the subsidiary Telemedicine Technologies S.A. increased its share capital by an amount of € 177,974 with the issuance of 15,303 shares of a nominal value € 5.60 each at an issuance price of € 11.63 each. The Company participated in this share capital increase by an amount of € 132,942 (11,431 shares).

### Impairment test of investments

The Company proceeded with impairment testing exercise of its investments in subsidiaries presented in the separate interim condensed financial statements, due to impairment indicators as of June 30, 2011.

As a result of this impairment test management recognised an impairment charge against the carrying value of its investment in Forthnet Media Holdings S.A. of € 95,371,438.

**Goodwill**

Goodwill in the accompanying interim condensed consolidated financial statements arose from various business combinations as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	190,355	190,355	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
NetMed N.V. Group and Intervision B.V. impairment of goodwill	(56,893,606)	(18,670,000)	-	-
<b>Total</b>	<b>229,799,089</b>	<b>268,022,695</b>	<b>512,569</b>	<b>512,569</b>

Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to two cash-generating units (CGUs), which are the two operating segments, the Telecommunications segment and the PayTV segment.

For the PayTV segment, on June 30, 2011 management recognised an impairment charge of €38,223,606 against goodwill previously recognised for this CGU, which was charged to the current period's results.

**11. PROPERTY, PLANT AND EQUIPMENT:**

During the period January 1, 2011 to September 30, 2011, the Group's investments in tangible assets amounted to € 12,453,242 and those of the Company to € 11,518,474 and relate mainly to the expansion of Forthnet's private network (at September 30, 2010, the additions of tangible assets amounted to € 19,116,600 and € 17,698,568 for the Group and the Company, respectively).

There is no property, plant and equipment that has been pledged as security. The title of the capitalised leased assets has been retained by the lessor. The net book value of the Company's capitalised leased assets at September 30, 2011 and at December 31, 2010, amounted to € 3,472,757 and € 2,442,332, respectively. For the Group the related amounts are € 127,447,199 and € 136,702,484 at September 30, 2011 and at December 31, 2010, respectively.

During the period January 1, 2011 to September 30, 2011, the Group's investments in leased tangible assets amounted to € 1,097,882 (at September 30, 2010 € 29,339,224).

**12. INTANGIBLE ASSETS:**

During the period January 1, 2011 to September 30, 2011, the Group's investment in intangible assets amounted to € 18,998,107 and those of the Company's to € 14,702,022 and relate mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at September 30, 2010, these amounted to € 18,398,052 and € 18,033,385 for the Group and the Company, respectively).

### 13. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>	
	<b>30.09.2011</b>	<b>30.12.2010</b>
Sports rights	105,089,469	101,750,990
Licensed film rights	7,872,577	9,659,616
<b>Sports and Film Rights</b>	<b>112,962,046</b>	<b>111,410,606</b>
Sports rights	(49,813,983)	(60,466,909)
Licensed film rights	(2,471,116)	(3,814,616)
<b>Sports and Film Rights Amortisation</b>	<b>(52,285,099)</b>	<b>(64,281,525)</b>
Sports rights	55,275,486	41,284,081
Licensed film rights	5,401,461	5,845,000
<b>Sports and Film Rights, net</b>	<b>60,676,947</b>	<b>47,129,081</b>
Less: Programme and film rights short-term	60,676,947	47,129,081
<b>Programme and film rights, long-term</b>	<b>-</b>	<b>-</b>

### 14. INVENTORIES:

Inventories in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>	<b>30.09.2011</b>	<b>31.12.2010</b>
Merchandise	8,324,710	8,264,472	2,729,166	2,729,564
Consumables	117,356	-	-	-
Obsolete & slow moving provision	(824,993)	(1,556,278)	(283,010)	(474,687)
<b>Total</b>	<b>7,617,073</b>	<b>6,708,194</b>	<b>2,446,156</b>	<b>2,254,877</b>

The movement in the obsolete inventories is analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>	<b>30.09.2011</b>	<b>31.12.2010</b>
<b>Beginning balance</b>	<b>1,556,278</b>	<b>2,228,289</b>	<b>474,687</b>	-
Provision for the period	-	508,464	-	474,687
Less: Utilisation	(731,285)	(1,180,475)	(191,677)	-
<b>Ending balance</b>	<b>824,993</b>	<b>1,556,278</b>	<b>283,010</b>	<b>474,687</b>

## 15. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Domestic customers	91,976,970	90,938,156	58,232,084	55,387,697
Foreign customers	3,827,738	2,397,735	2,523,745	1,403,337
Receivables from Greek State	3,054,823	2,447,707	1,915,898	1,874,762
Cheques and notes receivable	3,240,362	3,428,400	1,887,830	1,749,642
Unbilled revenue (Note 4)	6,905,259	7,526,225	5,958,554	4,213,844
	<b>109,005,152</b>	<b>106,738,223</b>	<b>70,518,111</b>	<b>64,629,282</b>
Less: Allowance for doubtful accounts receivable	(38,249,781)	(35,423,343)	(26,582,687)	(23,564,308)
<b>Balance of trade accounts receivable</b>	<b>70,755,371</b>	<b>71,314,880</b>	<b>43,935,424</b>	<b>41,064,974</b>

The movement in the allowance for doubtful accounts receivable is analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
<b>Beginning balance</b>	<b>35,423,343</b>	<b>29,805,297</b>	<b>23,564,308</b>	<b>18,680,118</b>
Provision (Note 8)	3,036,755	5,980,043	3,018,379	4,884,190
Less: Utilisation	(210,317)	(361,997)	-	-
<b>Ending period balance</b>	<b>38,249,781</b>	<b>35,423,343</b>	<b>26,582,687</b>	<b>23,564,308</b>

## 16. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Receivables due from the Greek State	6,662,459	10,705,847	2,237,412	4,846,967
Prepaid expenses	1,658,720	2,027,284	1,655,056	1,392,974
Value Added Tax	710,163	2,358,297	-	991,407
Advances to suppliers	5,488,213	8,558,413	2,080,299	163,614
Other debtors	3,891,227	3,807,502	2,334,623	1,832,634
<b>Total balance of other receivables and prepayments</b>	<b>18,410,782</b>	<b>27,457,343</b>	<b>8,307,390</b>	<b>9,227,596</b>

## 17. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>	<b>30.09.2011</b>	<b>31.12.2010</b>
Cash in hand	255,729	95,059	25,938	73,477
Cash at banks	12,691,569	22,201,952	4,658,805	8,556,154
Time deposits	6,900,000	14,121,880	4,500,000	9,700,000
<b>Total</b>	<b>19,847,298</b>	<b>36,418,891</b>	<b>9,184,743</b>	<b>18,329,631</b>
Restricted time deposits	1,214,500	1,964,500	1,214,500	1,964,500
<b>Total</b>	<b>21,061,798</b>	<b>38,383,391</b>	<b>10,399,243</b>	<b>20,294,131</b>

Cash at banks earns interest at floating rates based on monthly bank deposit rates, Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended September 30, 2011, amounted to € 262,871 and € 142,295 for the Group and the Company, respectively (for the period ended September 30, 2010, € 496,042 and € 170,044 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 7).

On September 30, 2011, the restricted time deposits related to one pledge deposit contract of € 1,214,500 for the issuance of letters of guarantee to third parties of a total amount of € 2,708,096 (U.S \$ 3.8 million). On December 31, 2010, the restricted time deposits related to two pledge deposit contracts of € 1,214,500 and € 750,000, for the issuance of letters of guarantee to third parties of a total amount of € 6,409,779.

## 18. SHARE CAPITAL:

On September 30, 2011 and December 31, 2010 the Company's share capital amounted to € 183,408,963 divided by 155,431,324 common registered shares with nominal value € 1.18 each.

On October 24, 2011 the Company's Board of Directors' has raised for approval to the General Assembly Meeting the following subjects:

- The increase of the nominal value of each common registered with voting right share of the Company from € 1.18 to € 4.72 with simultaneous consolidation and decrease of the total number of the common shares (reverse split) at a ratio of 4 existing shares for every 1 new share, i.e. from 155,431,324 to 38,857,831 common registered shares.
- The decrease of the share capital of the Company by € 171,751,613 by decreasing the nominal value of the shares from € 4.72 (after the reverse split) to € 0.30 per share, in order to create a special reverse of an equal amount, pursuant to article 4 paragraph 4a of codified law 2190/1920, as applicable. The as above share capital decrease shall not affect the entirety of the Company's shareholders equity, nor shall it entail any readjustment to the price of the common share in the Athens Stock Exchange.
- The increase of the share capital of the Company in cash, by the amount of € 11,657,349.30, with preemption right in favor of the Company's existing shareholders and the issuance of 38,857,831 new common registered shares, at a ratio of one New Share for every old share, each having a nominal value of € 0.30, with a view to raising at least € 30 million.

On October 26, 2011 Company announced that the General Assembly Meeting will take place on December 15, 2011, instead of October 27, 2011 which was initially programmed.

**19. LONG-TERM BORROWINGS:**

Long-term loans for the Group and the Company at September 30, 2011 and at December 31, 2010, are analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Bond loans	330,952,191	331,350,821	109,221,451	109,473,548
Other long term loans	446,613	288,000	-	-
<b>Total</b>	<b>331,398,804</b>	<b>331,638,821</b>	<b>109,221,451</b>	<b>109,473,548</b>
<b>Less current portion:</b>				
- Bond loans	241,912,133	45,000,000	69,566,451	20,000,000
- Other	144,000	144,000	-	-
<b>Total</b>	<b>242,056,133</b>	<b>45,144,000</b>	<b>69,566,451</b>	<b>20,000,000</b>
<b>Long-term portion</b>	<b>89,342,671</b>	<b>286,494,821</b>	<b>39,655,000</b>	<b>89,473,548</b>

**Forthnet - Bond Loan 2007:**

On June 29, 2007, Forthnet entered into a bond loan agreement with a syndicate of banks for a principle amount up to € 150,000,000 which bears interest at three-month Euribor plus a margin ranging from 1.15% to 1.75% depending on the financial targets stated in the Agreement. The purpose of the bond loan was the financing of its investment plan for the years 2006-2009. The bond issuance of up to € 120,000,000 was divided in three tranches to be drawn from the signing of the Agreement through March 31, 2010.

The repayment of the bond is in 10 semi-annual instalments. The first 9 instalments are equal and amount to 75% of the total amount. The final instalment will be made on the bond's maturity and is equal to the 25% of the facility. First instalment of € 10 million was paid on September 30, 2010.

In accordance with the bond loan agreement certain undertakings are made including but not limited to: (i) Forthnet is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognised insurance company on its assets at their current commercial value and shall not assign to third parties its claims arising out of the insurance contracts, (ii) within 3 months from the period ended, Forthnet is obliged to submit to the Paying Agent the annual and the semi-annual consolidated financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet is obliged to maintain throughout the term of the Bond facility financial covenants based on the annual and semi-annual consolidated financial statements audited by certified auditors accountants throughout the term of the bond facility.

On December 21, 2007, the first series of the bond was drawn amounting to € 50,000,000, whereas on July 1, 2008, the second tranche of the bond was drawn-down amounting to € 35,000,000. On May 4, 2009, the third series of the bond was drawn down amounting to € 35,000,000.

At August 6, 2009, the Company reached an agreement to amend the financial covenants by accepting the increase in interest margin to 2.5%. The agreed set of financial covenants is as follows:

1. EBITDA / Net interest expenses greater or equal to 2.5 to 3.5 for the fiscal years 2009-2013 and thereafter.
2. Total net bank borrowing / EBITDA less or equal to 7 to 4 for the fiscal years 2009-2013 and thereafter.
3. Total net bank borrowing / Total equity less or equal to 1.15 to 1 for the fiscal years 2009-2013 and thereafter.
4. Cash Flow/Debt Service greater or equal to 1.02 for the fiscal years 2009-2013 and thereafter.

As at June 30, 2011, the Group was not in compliance with its financial covenants 2 and 3 described above and, accordingly, the outstanding balance of the bond loan was classified as current. As at September 30, 2011, the Group remained technically non-compliant and the same classification has been maintained.

Management has already initiated the process of contractual alignment of the existing bond loan to the financial covenants of the new bond loan referred to below.

**Forthnet - Bond Loan 2011:**

On July 22, 2011, Forthnet entered into a secured bond loan agreement with a syndicate of banks for a principle amount up to € 40,000,000 which bears a floating interest rate equal to Euribor for the applicable interest period plus a margin of seven per cent (7%). The purpose of the bond loan is to finance the investing and other business activities of the Company.

The bond loan was subscribed in full by the banking syndicates, as in bond loan 2007, and part of the proceeds of the above loan were applied towards the pre-payment of the contractual principal obligations of the 2007 bond loan as at July 31, 2011.

The repayment of the bond is in 5 quarterly variable instalments from December 31, 2013 through December 31, 2014. The first, third and last instalments are each equal to 30% of the total amount.

The bond loan is secured by (i) a second ranking pledge over the shares held by the Company in Forthnet Media Holdings S.A. ("FMH"), (ii) a second ranking pledge over the shares held by FMH and Netmed N.V. in Multichoice Hellas S.A., (iii) a third ranking pledge over the shares held by FMH in Intervision B.V. and Netmed N.V., (iv) a floating charge over the Company's business receivables, (v) an assignment of claims arising from the Company's insurance agreements and, (vi) a bank account pledge over a Company's bank account.

In accordance with the bond loan agreement the Company has made certain undertakings including but not limited to the maintenance of an all-risks-insurance contract on its assets, the submission of the semi-annual and annual audited or reviewed consolidated financial statements along with the Certificate of Compliance, the proposal to the General Assembly of a share capital increase of € 30 m to be completed no later than January 31, 2012, the trading of the Company's shares on the Athens Exchange cannot be terminated or suspended, to maintain the number of its active LLU subscribers between the range applicable for each of the fiscal years 2011-2014 and the maintenance throughout the term of the bond facility financial covenants based on the annual and semi-annual consolidated financial statements.

The agreed set of financial covenants is as follows:

1. EBITDA / Net interest expenses greater or equal to 3.0 to 4.0 for the fiscal years 2011-2014.
2. Total net bank borrowing / EBITDA less or equal to 5.5 to 4.0 for the fiscal years 2011-2014.
3. Total net bank borrowing / Total equity less or equal to 1.65 to 1.2 for the fiscal years 2011-2014.
4. Cash Flow / Debt Service greater or equal to 1.02 for the fiscal years 2011-2014.

**Other Group Bond Loans**

**Forthnet Media Holdings S.A. - Bond Loan 2008:**

On May 14, 2008, Forthnet's wholly owned subsidiary, "Forthnet Media Holdings S.A.", entered into the agreements for the issuance of a secured common bond loan of a principal amount of up to € 245 million, which was subscribed by a consortium of banks.

The term of the bond loan will be for up to 9 years and the funds were utilised in order to, among other purposes, partially finance the acquisition of the total share capital of each of NetMed N.V. and Intervision (Services) B.V., of which the former is the ultimate parent company of, among others, NetMed Hellas S.A., Multichoice Hellas S.A. and Multichoice (Cyprus) Public Company Ltd. which provide Pay-TV services in Greece and Cyprus.

Forthnet has guaranteed the obligations of Forthnet Media Holdings S.A. under the bond loan and provided a pledge over the total share capital of Forthnet Media Holdings S.A. owned.

On August 25, 2008, the amount of € 200,000,000 was drawn, while on October 14, 2008, the remaining amount of € 45,000,000 was drawn.

In accordance with the bond loan agreement certain undertakings for the Group's subsidiary Forthnet Media Holdings S.A. are made including but not limited to: (i) it is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognised insurance company on its assets at their current commercial value, (ii) within 120 days from the period ended, Forthnet Media Holdings S.A. is obliged to submit the annual and the semi-annual financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet Media Holdings S.A. is obliged to maintain throughout the term of the Bond facility the financial covenants based on the annual and semi-annual financial statements audited by certified auditors accountants throughout the term of the bond facility.

The financial covenants are the same with the ones described in the previous paragraphs for the Company's bond loan issued on June 29, 2007.

As at June 30, 2011, the Group was not in compliance with its financial covenants 2 and 3 described above and, accordingly, the outstanding balance of the bond loan was classified as current. As at September 30, 2011, the Group remained technically non-compliant and the same classification has been maintained. Management has already initiated the process of contractual alignment of the existing bond loan to the financial covenants of the new bond loan referred to below.

#### **Forthnet Media Holdings S.A - Bond Loan 2011:**

On July 22, 2011, Forthnet Media Holdings S.A. entered into a long-term secured bond loan agreement with a syndicate of banks for a principle amount up to € 50,000,000 which bears floating interest rate equal to Euribor for the applicable interest period plus a margin of seven per cent (7%). The purpose of the bond loan is to finance the investing and other business activities of the company.

Forthnet has guaranteed the obligations of Forthnet Media Holdings S.A. under the bond loan and provided a pledge over the total share capital of Forthnet Media Holdings S.A.

The bond loan was subscribed in full by the banking syndicates, as in bond loan 2008, and part of the proceeds of the above loan were applied towards the pre-payment of the contractual principal obligations of the 2008 bond loan as at July 31, 2011. The repayment of the bond is in 8 quarterly variable instalments from December 31, 2013 through to June 30, 2017. The last 2 instalments are equal to 40% of the total amount.

The bond loan is secured by (i) a first ranking pledge over the shares held by Forthnet Media Holdings S.A. ("FMH") and Netmed N.V. in Multichoice S.A., (ii) a second ranking pledge over the shares held by FMH in Intervision B.V. and Netmed N.V., (iii) a floating charge over the FMH's business receivables, (iv) an assignment of claims arising from several FMH's cooperation agreements with Multichoice Hellas S.A., (v) an assignment of claims arising from the FMH's insurance agreements and, (vi) pledge over FMH's bank accounts.

In accordance with the bond loan agreement the company has made certain undertakings including but not limited to the maintenance throughout the term of the bond facility of an all-risks-insurance contract on its assets, the submission of the semi-annual and annual audited or reviewed consolidated financial statements, by certified auditors accountants along with the Certificate of Compliance, the proposal of Guarantor, Forthnet, to the General Assembly of a share capital increase of € 30 m to be completed no later than January 31, 2012, the trading of the Guarantor (Forthnet)'s shares on the Athens Exchange cannot be terminated or suspended, the maintenance of the number of its active PAY TV subscribers between the range applicable for each of the fiscal years 2011-2017, and the maintenance throughout the term of the bond facility financial covenants based on the annual and semi-annual consolidated financial statements.

The agreed set of financial covenants is as follows:

1. EBITDA / Net interest expenses greater or equal to 3.0 to 4.5 for the fiscal years 2011-2017.
2. Total net bank borrowing / EBITDA less or equal to 5.5 to 3.0 for the fiscal years 2011-2017.
3. Total net bank borrowing / Total equity less or equal to 1.65 to 1.0 for the fiscal years 2011-2017.
4. Cash Flow / Debt Service greater or equal to 1.02 for the fiscal years 2011-2017.

Total interest expenses on long-term loans for the periods ended September 30, 2011 and 2010, amounted to € 9,895,448 and € 8,756,981, respectively for the Group and € 3,423,672 and € 2,911,096, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

## 20. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Group leases transmission equipment of a total value of € 153,079,114, with duration of twelve years, repayable in equal monthly instalments bearing interest at 6.5% to 9.57%.

The finance lease transponders obligations are analysed as follows:

	<b>The Group</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>
Obligation under finance lease	131,826,057	139,441,793
Less: Current portion	(10,747,752)	(10,237,713)
<b>Long-term portion</b>	<b>121,078,305</b>	<b>129,204,080</b>

## 21. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities in the accompanying interim condensed financial statements are analysed as follows:

	<b>The Group</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>
Programmes and Rights	26,208,442	12,932,013
Less: Current portion	(25,297,778)	(12,114,042)
<b>Long-term portion</b>	<b>910,664</b>	<b>817,971</b>

**22. TRADE ACCOUNTS PAYABLE:**

Trade accounts payables in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Domestic suppliers	71,365,435	78,280,207	33,870,673	50,843,574
Foreign suppliers	15,317,158	19,709,899	4,643,806	2,529,845
Post dated cheques payable	447,055	5,352,904	291,884	3,246,242
	<b>87,129,648</b>	<b>103,343,010</b>	<b>38,806,363</b>	<b>56,619,661</b>

**23. ACCRUED AND OTHER CURRENT LIABILITIES:**

Accrued and other current liabilities in the accompanying interim condensed financial statements are analysed as follows:

	The Group		The Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Social security payable	1,925,978	2,090,473	584,762	1,206,337
Value added tax	3,639,268	781,988	1,590,229	-
Other taxes and duties	597,293	1,436,744	200,024	397,451
Customer advances	85,453	80,844	-	-
Other current liabilities	35,395,717	40,707,117	21,366,693	22,322,894
Interest rates swaps	6,068,472	4,168,447	-	-
	<b>47,712,181</b>	<b>49,265,613</b>	<b>23,741,708</b>	<b>23,926,682</b>

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 120 million (2010: € 60 million).

The fair values of the interest rate swaps are based on market valuations (mark to market).

Loss from the valuation of the fair values of the swaps for the period ended September 30, 2011, were € 1,900 thousand (at December 31, 2010: losses € 3,671 thousand) and are included in financial income (Note 7), in the accompanying interim condensed financial statements.

The losses from the interest rate swap transactions during the period ended September 30, 2011, were € 761 thousands and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

**24. FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY:**

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted market prices

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observable)

During the nine-month period ended September 30, 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at September 30, 2011, the Group and the Company held the following financial instruments measured at fair value:

	<b>The Group</b>			
	<b>Fair value –30.09.2011</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Available for sale financial assets	-	-	462.414	<b>462.414</b>
<b>Financial liabilities</b>				
Interest bearing loans and borrowings (including short term portion) (Note 19)	-	331.398.804	-	<b>331.398.804</b>
Interest rate swaps (Note 23)	-	6.068.472	-	<b>6.068.472</b>
	<b>The Company</b>			
	<b>Fair value –30.09.2011</b>			
	<b>Level 2</b>	<b>Level 2</b>	<b>Level 2</b>	<b>Σύνολο</b>
<b>Financial assets</b>				
Available for sale financial assets	-	-	340.064	<b>340.064</b>
<b>Financial liabilities</b>				
Interest bearing loans and borrowings (including short term portion)	-	109.221.451	-	<b>109.221.451</b>

## 25. RELATED PARTIES:

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Company's transactions and account balances with related companies are as follows:

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Go Plc	Shareholder	30.09.2010	-	8,442
		30.09.2011	-	8,343
Technology and Research Foundation	Shareholder	30.09.2010	76,036	56,934
		30.09.2011	63,731	52,369
Forth CRS S.A.	Subsidiary	30.09.2010	64,908	1,190
		30.09.2011	50,140	30
Athlonet S.A.	Associated	30.09.2010	8,018	22,654
		30.09.2011	7,466	23,890
MultiChoice Hellas S.A.	Subsidiary	30.09.2010	5,437,655	2,419,453
		30.09.2011	2,902,995	2,121,166
NETMED S.A.	Subsidiary	30.09.2010	128,229	-
		30.09.2011	128,789	-
NETMED Hellas S.A.	Subsidiary	30.09.2010	2,260,766	20
		30.09.2011	-	-
Forthnet Media Holdings S.A.	Subsidiary	30.09.2010	823,449	8,748
		30.09.2011	3,313,681	291
	<b>Total</b>	<b>30.09.2010</b>	<b>8,799,061</b>	<b>2,517,441</b>
	<b>Total</b>	<b>30.09.2011</b>	<b>6,466,802</b>	<b>2,206,089</b>

**HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.**

Interim Condensed Financial Statements for the period ended September 30, 2011

(amounts in Euro, unless stated otherwise)

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Year/Period ending at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Go Plc	Shareholder	31.12.2010	-	8,442
		30.09.2011	-	16,785
Emirates International Telecommunications	Shareholder	31.12.2010	-	-
		30.09.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		30.09.2011	33,605	29,180
Forth CRS S.A.	Subsidiary	31.12.2010	391,159	40,190
		30.09.2011	452,831	40,227
Telemedicine Technologies S.A.	Subsidiary	31.12.2010	136,677	-
		30.09.2011	3,734	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		30.09.2011	11,502	17,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2010	2,871,018	49,439,245
		30.09.2011	1,412,830	36,989,795
Forthnet Media Holdings S.A.	Subsidiary	31.12.2010	40,750,917	2,254,579
		30.09.2011	34,672,860	1,686,756
NetMed S.A.	Subsidiary	31.12.2010	112,180	-
		30.09.2011	105,706	-
	<b>Total</b>	<b>31.12.2010</b>	<b>44,288,644</b>	<b>51,777,712</b>
	<b>Total</b>	<b>30.09.2011</b>	<b>36,693,068</b>	<b>39,237,352</b>

The Group's transactions and account balances with related companies are as follows:

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ending at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Go Plc	Shareholder	30.09.2010	-	8,442
		30.09.2011	-	8,343
Technology and Research Foundation	Shareholder	30.09.2010	76,036	56,934
		30.09.2011	63,731	52,369
Lumiere Productions S.A.	Shareholder	30.09.2010	-	2,877,379
		30.09.2011	-	-
Lumiere Television Ltd	Shareholder	30.09.2010	-	1,853,400
		30.09.2011	-	1,323,074
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	30.09.2010	-	122,364
		30.09.2011	-	-
Gambritsos Georgios	Members of the B.O.D. – Executive members	30.09.2010	-	235,539
		30.09.2011	-	-
Athlonet S.A.	Associated	30.09.2010	8,018	22,654
		30.09.2011	7,466	23,890
	<b>Total</b>	<b>30.09.2010</b>	<b>84,054</b>	<b>5,176,712</b>
	<b>Total</b>	<b>30.09.2011</b>	<b>71,197</b>	<b>1,407,675</b>

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Year/Period ending at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Go Plc	Shareholder	31.12.2010	-	8,442
		30.09.2011	-	16,785
Emirates International Telecommunications	Shareholder	31.12.2010	-	-
		30.09.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		30.09.2011	33,605	29,180
Lumiere Productions S.A.	Shareholder	31.12.2010	-	1,193,709
		30.09.2011	-	6,378
Lumiere Television Ltd	Shareholder	31.12.2010	-	661,500
		30.09.2011	-	74
Lumiere Cosmos Communications	Shareholder	31.12.2010	-	10
		30.09.2011	-	10
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2010	-	195
		30.09.2011	-	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		30.09.2011	11,502	17,060
	<b>Total</b>	<b>31.12.2010</b>	<b>26,693</b>	<b>1,899,112</b>
	<b>Total</b>	<b>30.09.2011</b>	<b>45,107</b>	<b>527,036</b>

Salaries and fees for the members the Board of Directors and the General Managers of the Group for period ended September 30, 2011 and September 30, 2010, are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>January 1-September 30</u>		<u>January 1-September 30</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Salaries and fees for executive members of the BoD	1,422,820	365,335	1,422,820	225,380
Salaries and fees for non executive members of the BoD	104,400	112,878	104,400	112,878
Salaries and fees for Senior Managers	1,664,902	3,099,452	1,004,317	1,497,915
<b>Total</b>	<b>3,192,122</b>	<b>3,577,665</b>	<b>2,531,537</b>	<b>1,836,173</b>

## 26. COMMITMENTS AND CONTINGENCIES:

**Litigation and Claims:** The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (Refer to Note 27).

**Compensation of Senior Executives:** According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation at the end of their employment term which liability has been included in the provision for staff retirement indemnities. In addition, in case of early termination of their contracts by the Company without grounds or in case of forced resignation, the Company shall pay to them an additional compensation. The amount of the additional compensation amounted to approximately € 0.9 million at September 30, 2011 (approximately € 1.65 million at December 31, 2010), which has not been accounted for as it is not considered a present obligation at this point in time.

**License Terms and Obligations:** The Fixed Wireless Access Telecommunications infrastructure license granted to one of the absorbed subsidiaries. Mediterranean Broadband Access S.A. is subject to a number of commercial and technical conditions which require that Mediterranean Broadband Access S.A. meet certain coverage and technical criteria and attain population coverage of 20% within two years from the date of the grant. By the end of 2002, MBA's network covered in excess of 20% of the Greek population. A letter of guarantee of € 146,735 has been provided for the compliance of the obligations of the above license.

**Development Law 3299/2004:** According to decision no 28757/YPE/4/00447/L,3299/E/ 22.12.2006 of the Minister and Deputy-Minister of Finance and Economics (GG 358/15.03.2007), the Company's business plan relating to the establishment of an integrated, high-speed broadband network applying a cutting-edge technology for the provision of new data, voice and content services in the regions of Attica and Thessaloniki, in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounts to approximately €30 million. The percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 9 million. Up to December 31, 2009, the Company had completed its investment and a related amount of approximately € 9 million has been included in Government grants.

In addition, according to decision no 12487/P01/4/00004/E/L.3299/E/27.09.2006 of the General Secretary of the Attica Region (GG 1437/29.09.2006), NetMed Hellas S.A.'s business plan relating to the multimedia content for advanced services in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounted to approximately € 1,880,000 and the percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 564,000. The company completed its investment at a cost of € 1,892,337 and, after the publication in the Government Gazette 1561/06.08.2008, on October 10, 2008; the company collected the amount of € 567,701 which was included in "Government Grants" in the accompanying statements of financial position.

Furthermore, according to decision no 32454/YPE/4/00525/E/I, 3299/2004/29,12,2006 (GG 341/13,03,2007) of the Minister and Deputy-Minister of Finance and Economics, the Company's subsidiary, Forth CRS S.A.'s, business plan relating to the provision of innovative, large-scale electronic and broadband services in the sectors of tourism, transportation and culture in the region of Attica was approved in accordance with the provisions of Development Law 3299/2004. The amount of investment approved equals to approximately €1.8 million and the percentage of subsidy equals to 30% of the investment, i.e. € 540 thousand. At September 30, 2011, the company's investment amounted to € 1.4 million has completed and a related amount of € 430 thousand has been collected from State.

**Agreements with Information Society S.A.:** On March 12, 2007, the Company signed two agreements with Information Society S.A., which are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts the overall budget for the 2 sub-projects amounts to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation is expected to be completed for the Milestone I by July 31, 2009 and for the

Milestone II by October 31, 2009. Up to December 31, 2009, the Company had completed its investment and recognised a Government grant of € 19.5 million.

**Rent:** The Group has entered into commercial operating lease agreements for the lease of a building, office space and offices used as points of presentation for dealers. These lease agreements have an average life of 5 to 10 years with renewal terms included in certain contracts. Future minimum rentals payable under non-cancellable operating leases as at September 30, 2011 and at December 31, 2010, are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>	<b>30.09.2011</b>	<b>31.12.2010</b>
Within one year	4,154,526	4,246,950	1,860,614	1,941,768
1-5 years	16,407,931	14,961,252	6,747,329	5,376,882
Over 5 years	11,241,793	13,762,108	2,465,494	3,103,272
<b>Total</b>	<b>31,804,250</b>	<b>32,970,310</b>	<b>11,073,437</b>	<b>10,421,922</b>

**Guarantees:** Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at September 30, 2011 and at December 31, 2010, are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.09.2011</b>	<b>31.12.2010</b>	<b>30.09.2011</b>	<b>31.12.2010</b>
Good execution of agreements	9,093,308	13,315,766	1,954,587	6,169,837
Participation in bids	41,926	21,751	41,926	21,751
Guarantee for advance payments received	21,596,785	42,348,951	21,596,785	40,925,151
<b>Total</b>	<b>30,732,019</b>	<b>55,686,468</b>	<b>23,593,298</b>	<b>47,116,739</b>

**Contractual Commitments:** The outstanding balance of the contractual commitments for the Group amounted to approximately €42.5 million and for the Company amounted to approximately € 6.7 million at September 30, 2011 (December 31, 2010: € 30.5 million and € 7.2 million respectively). In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), amounted to approximately € 5.9 million (December 31, 2010: € 6.4 million).

## 27. LITIGATION – ARBITRATION:

### A. FORTHNET S.A.

I. Forthnet's outstanding judicial claims against third parties amount to approximately € 47.87 million.

1. Approximately € 26.7 million of this amount concern a claim against OTE by virtue of the law suit filed on December 31, 2002, with regard to the positive damages claimed to have been suffered by the Company in the case of EPAK (preferential treatment by OTE to its subsidiary, OTEnet), approximately € 293 thousand consisting of a claim against OTE for moral damages that the Company has suffered for the same cause.

In addition, there is a pending claim of approximately € 4.1 million against OTE with regard to the positive and indirect damages claimed to have been suffered from OTE's unlawful practices of customer winback.

There are outstanding opposing applications before the Council of State for the annulment of EETT decisions that concern: (a) volume discounts by OTE, (b) low margin between retail and wholesale prices of leased lines, (c) the level of interconnection fees and, (d) the fees for leased lines. The Company's position has basis though, the significance of the cases and the circumstances make it difficult for the prediction of any positive outcome of the above cases in the sense of the denial of the applications filed by OTE and the acceptance of the applications filed by the Company. It is impossible to predict the impact (positive) on the Company's financial results as, it is estimated that even if any or all of the applications were to be accepted, the case will be brought to the Management which will have to evaluate again the critical fees. There are still outstanding appeals, in the Court of Appeal of Athens, against the decision of EETT for the new regulation of pre-selection.

In addition, there are outstanding decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE's denial to recognise wholesale volume discounts and the second one to the return of amounts unduly paid. Furthermore, there are outstanding decisions relating to the Company's accusations associated to violations relating to the purchases of wholesale broadband access as well as with leased lines.

For the above mentioned judicial claims no related provision of income has been made by the Company in its financial statements.

2. The remaining (apart from the above claims concerning regulatory and telecommunication law matters) judicial claims of the Company against third parties amount to approximately € 11.9 millions.
3. Furthermore, there is a Claim against the Greek State for the project of the Ministry of Internal Affairs "National Network of Public Government - SYZEYXIS", which amounts approximately to € 1.9 million plus VAT for the fiscal year 2010. For this amount, the Company has already filled respective motions before the Legal Council of the State for the acknowledgment of the aforementioned debt for the first half of fiscal year 2010 amounting to € 1 million, for the 3<sup>rd</sup> quarter of 2010 amounting to approximately € 469 thousands and for the 4<sup>th</sup> quarter of 2010 amounting approximately to € 471 thousands respectively, plus the respective VAT.

Already in respect to the Application of Acknowledgment of the Company's Claim against the Greek State for the first half of fiscal year 2010, the Company's motion has been partially granted. According to the Letter of the State Legal Council with prot. no. F.3422/1262 dated 25-05-2011 a copy of the Consultation Minutes (no. 454) of the Meeting of the Second Ordinary Full-Session of the State Legal Council dated 03-02-2011, duly approved and signed by the Minister of Finance was served to the Finance Directorship of the General Secretariat of Public Administration and Electronic Governance, based on which the said Directorship is called upon to proceed with the execution of said Decision and in particular to the payment to the Company of the amount of € 686,257, not including VAT for the provision of services to the Greek State within the framework of the "SYZEYXIS" project during the first half of 2010. The payment of the aforementioned amount to the Company is currently in progress.

Moreover, the Company has already filled an additional motion before the Legal Council of the State for the acknowledgment of debt for the A' Half period of year 2011 amounting to € 940,379, not including VAT

For the above mentioned judicial claims a related provision of income has been made by the company in its financial statements for an amount of € 2.1 million.

4. During an audit, the Company discovered the abuse of a significant amount of money by an employee of its accounting department together with her spouse of approximately € 2.37 million. Consequently, the Company filed charges against the above persons for the criminal acts of counterfeiting and fraud while at the same time took the necessary legal actions before the civil courts for compensation for the damages suffered. In any case, the Company recorded the necessary provisions in its financial statements.

## II. Judicial claims of third parties against Forthnet

1. € 350 thousands concern a private lawsuit filed against Forthnet as restitution for the moral damages that he incurred due to the alleged violation of the plaintiff's right to personality due to the Company's unlawful behaviour concerning its contractual obligations for the provision to the plaintiff of internet services. With its decision no. 4968/2011 dated 21-09-2011, the Multi-member Court of First Instance of Athens dismissed the aforementioned civil action of the plaintiff.
2. Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of the Code of Ethics on the Provision of Telecommunications Activities (article 11 par. 3), articles 57-59C.C. regarding the protection of personality, as well as the provisions of Law 146/1914 regarding prohibited and unfair advertising. The said violation is based on the unauthorized use of OTE's corporate name in the Company's advertising campaign. With its legal action, OTE claims amongst other the payment of compensation amounting to € 5million due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action (namely from August 21, 2009) and until payment thereof.
3. Complaint filed by OTE before the National Competition Authority concerning alleged breach, on the part of Multichoice Hellas S.A., of provisions of articles 1 and 2 of L. 703/77 on competition, with relation to the agreements of audiovisual content executed between Multichoice Hellas S.A. and Greek Free-To-Air Stations. The case is still pending and its financial impact cannot, for the time be, be assessed.

For the above judicial claims the Management believes that the Group will not have a significant impact on its financial statements and, therefore, no related provision has been made.

- B. (a)** The outstanding judicial claims of third parties against the subsidiary Forthnet Media Holdings S.A. (hereinafter FMH, which merged and absorbed NetMed Hellas S.A. and SYNED S.A.) amount to € 16.86 million approximately, plus interest and legal expenses. From the abovementioned amount:
- i) € 4.7 million approximately, plus interest of €3.5 million approximately and moral damages, concerns an action filed by the heirs of a company's CEO claiming payment of lost cheques, plus interest. Although the case was heard without FMH being present (since FMH was never officially called for the hearing), there has been reached a partial judicial compromise between the plaintiffs and the rest co-defendants (GEAR FORUM, ΕΛΛΑΣ SA and LUMIERE PRODUCTIONS SA), the plaintiffs are still entitled to continue the litigation against FMH. The parties are negotiating the extrajudicial settlement of their dispute, however it is unlikely that the case will be settled.
  - ii) € 6.5 million approximately plus interest, concern claims of PAE (Football Clubs), for the restitution of the alleged damage they incurred due to the claimed unlawful termination –on the part of FMH (ex NetMed Hellas S.A.) of the agreements for the TV/radio broadcasting of their football games.

- iii) The Cypriot based company Lumiere TV Public Company Limited is claiming the amount of approximately € 0,81 million, plus interest and legal expenses, for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 828 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds .

For the above mentioned judicial claims a related provision has been recorded by the Group in the accompanying financial statements of € 2.2 million. The management of the Group believes that the provision is adequate.

- (b) The outstanding judicial claims of the subsidiary FMH (ex NetMed Hellas S.A.) against third parties amount to € 135 million approximately, plus interest and expenses. The abovementioned amount is mainly related to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damage incurred by FMH (ex NetMed Hellas S.A.) due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. We note that most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation.
- C. (a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 15.32 million approximately, plus interest and legal expenses. From the abovementioned amount:
- i) € 7.7 million approximately (as it stood on March 9, 2006) plus interest concerns a claim of the Greek State relating to differences resulting from tax audits. Multichoice Hellas S.A. has filed appeals against the above actions before the Administrative Court of Athens. The trial date has not yet been set.
  - ii) € 810 thousand approximately, plus interest, concern a lawsuit by MSG Media Services S.A. as compensation (lost profits and moral damages) for the alleged abusive, on the part of Multichoice Hellas S.A., rescission of their cooperation agreement regarding the purchase of technical equipment and the provision of technical services. The judgement issued by the first instance court, rejected the request of the plaintiff for compensation, yet accepting the invalidity of the rescission. The trial before the Court of Appeals accepted the appeal of Multichoice Hellas S.A. and rejected the lawsuit of the litigant party. The case is considered pending on the reasoning that the litigant party is entitled to file an appeal.
  - iii) € 1.8 million approximately concerns a lawsuit by Unitek S.A, an agent of Multichoice Hellas S.A, by which it demands the amount to be paid to it, for disputes arising from their agreement. Unitek S.A. resigned from the claim, but it has not waived its rights and, consequently, it may come back with another claim.
  - iv) € 0,46 million approximately concerns a lawsuit by Unitek S.A., an agent of Multichoice Hellas S.A. by which it demands the amount to be paid as a restitution for the loss of its clientele, by virtue of Presidential Decree 219/1991, due to the termination of contract made by Multichoice Hellas S.A. The First Instance court judgment accepted Unitek S.A.'s lawsuit. Multichoice Hellas S.A. is to file an appeal.
  - v) € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which she demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial dispute between FMH (ex Netmed Hellas S.A.)/Multichoice Hellas S.A. and the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit, but the lawyer-plaintiff filed an appeal.

For the above judicial claims the Management believes that the Group will not have significant impact on its financial statements and, therefore, no related provision has been made.

- (b) The outstanding judicial claims of the subsidiary Multichoice Hellas S.A. against third parties amount to € 125 million approximately, plus interest and legal expenses. The abovementioned amount is mainly related to the company's claims against several PAE for the restitution of (pecuniary and moral) damage incurred by Multichoice Hellas S.A. due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. We note that most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation).

From the abovementioned amount, the amount of € 326 thousands relates to Multichoice Hellas S.A.'s claim against the companies Passpoint S.A. (as the main liable party) and Lannet Communications S.A. (as a guarantor) for non payment to Multichoice Hellas S.A. the amounts of subscriptions received by Passpoint S.A. We note that LANNET Communications S.A. is under bankruptcy proceedings (during which Multichoice Hellas S.A. has notified its claims to the creditors' team and its claim has been approved. PASSPOINT S.A. remains inactive without evident assets.

For the above mentioned judicial claims no related provision of income has been made by the Company in its financial statements.

- D.** The outstanding judicial claims of third parties against the subsidiary Netmed NV amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development BV (before merging by Netmed NV) of the 3,528 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.
- E.** The outstanding judicial claims of third parties against the subsidiary Dikomo Investment Sarl amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Dikomo Investment Sarl of the 1,272 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.
- F.** The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 2,872 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

The results of the above judicial claims are not expected to effect the Group's financial statements.

It is noted that there are no other judicial claims which may have a significant impact on the financial position or performance of the Group.

## 28. SUBSEQUENT EVENTS:

1. On October 3, 2011 UEFA, the organizing authority of Champions League and Europa League, announced that it awarded to Forthnet Group the exclusive broadcast rights of
  - 128 live matches of the teams that participate in CHAMPIONS LEAGUE in total, inclusive of the first pick of Tuesday (UCL 2nd-16th pick incl. Tuesday First Pick Match)
  - 190 live matches of the teams that participate in EUROPA LEAGUE in total, and specifically of the 2nd up to 24th pick (Picks 2-24) every Thursday

for the three football seasons 2012-2013, 2013-2014 and 2014-2015.

2. The Company announced on October 26, 2011 the cancellation of the convened for 27.10.2011 EGM and the convocation of a new one on 15.12.2011.

According to the announcement "The BoD made such resolution having taken into due consideration the interest of the shareholders and the Company. Taking into account the adverse developments in the Greek macroeconomic environment and the volatility generated by the uncertainty surrounding the decisions in the Euro zone, the members of the BoD judged that some breathing space would allow for improved visibility and better take up potential for the share capital increase. The timing of the convocation of the EGM was unfortunate in that it coincided with a particularly turbulent period for Greece – a fact which could not leave the BoD's posture unaffected given that the success of the capital increase is part of its institutional responsibilities. The BoD judged that a safe distance from the recent events and the anticipation that developments subsequent to the critical decisions of last week will relieve the overall level of financial tension, should allow a rescheduled EGM to achieve its purpose.

This necessary rescheduling of the EGM may result in a digression from certain contractual obligations under the company's Bond Loans, which is not anticipated to affect the company's ability to generate value for its shareholders and contribute to the development of the Greek economy."

Athens, November 17, 2011

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Vice President of the Board of Directors and  
Chief Executive Officer

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