FORTHNETGROUP

ANNUAL

FINANCIAL REPORT

for the year

ended December 31. 2011

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
Scientific Technological Park of Crete
Vassilika Vouton, Iraklion Crete 71003
http://www.forthnetgroup.gr

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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors
(in accordance with article 4 par. 2 of L. 3556/2007)

The following statements, which are effected in accordance with article 4 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. Deepak Srinivas Padmanabhan of Velaidam, resident of Dubai, UAE, President of the Board of Directors
2. Panos Papadopoulos of George, resident of Glyfada Attica, Vice-President of the Board of Directors and CEO and
3. Mohsin Majid of Khawaja Abdul, resident of Dubai, UAE, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, and in particular the third as specifically appointed by the Board of Directors of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” (hereinafter referred to as “Company” or as “Forthnet”), we state and we assert that to the best of our knowledge:

(a) the financial statements of the Company and the Group of the societe anonyme company under the name of “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2011 to December 31, 2011, which were compiled according to the applicable International Financial Reporting Standards, as adopted by the European Union provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the annual Report of the Board of Directors of the Company provide a true and fair view of the evolution, the achievements and the financial position of the Company, as well as the companies’ which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraph 6 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklion, March 8, 2012

Deepak Srinivas Padmanabhan	Panos Papadopoulos	Mohsin Majid
President of the Board of Directors	Vice-President of the Board of Directors and Chief Executive Officer	Member of the Board of Directors

BOARD OF DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS

of
«Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.»
(according to the regulations of par. 6 of article 5 of L. 3556/2007)

Regarding the consolidated and separate Financial Statements
for the year ended December 31, 2011

1. PERFORMANCE AND KEY FINANCIAL DATA

Market Data
In the context of deteriorating macroeconomic conditions in 2011, the Group preserved and increased the revenue base (particularly in terms of core retail services to Greek households - broadband & digital payTV), increased operational profitability through operational streamlining and cost-cutting and improved cash generation. At the same time, Management continued the functional integration of the telco and payTV businesses and increased the number of households that take bundled payTV and broadband services

Thus, at the end of 2011 the Group reported:

- 134.5 thousands Households that have chosen bundles of telecom and payTV services
- 785.0 thousands unique households in Greece
- 528.0 thousands broadband subscribers
- 391.0 thousands active PayTV subscribers in Greece with a 22.9 thousands Y-o-Y increase in digital subscribers
- Group Revenues of €415.6 million vs €409.8 million in 2010
- EBITDA excluding impairment cost €79.2 million vs. € 67.6 million in 2010
- Cash flow from Operating activities € 83.2 million vs. € 59.6 million in, 2010
- Cash and Cash equivalents (including restricted cash) at the end of period € 36.0 million. (December 31, 2010: € 38.4 million)

Bundled Services
In 2011 the Group continued to attract customers that bundle telecom and payTV services. At the end of December 2011, the Group served 785.0 thousands unique households in Greece, of which, 134.5 thousands have chosen bundled services.

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Households with Bundled Services	134,505	126,488	121,582	111,613	99,932
Households in Greece with Bundled Services as % of Total	**17.1%**	**16.7%**	**16.7%**	**14.6%**	**13.1%**
New Households with Bundled Services	8,017	4,906	9,969	11,681	23,235

The majority of the customers that chose bundled services in 2010 already had a billing relationship with the Group. In 2011 the majority of the new bundled customers were newcomers to the Group.

Telecom Services
Forthnet continues to extend its telecom customer base. The number of Broadband subscribers at the end of December 2011 stood at 528.4 thousands, with 45.2 thousands net additions in 2011. ULL is the key growth driver, while demand for these services is expected to remain strong.

Broadband Customers	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Broadband subscribers[1]	**528,350**	**510,643**	**501,705**	**496,304**	**483,163**
Quarterly net additions	17,707	8,938	5,401	13,141	21,820
Active LLU customers	**500,275**	**477,566**	**472,142**	**459,626**	**445,343**
Unbundling Ratio	95%	94%	94%	93%	92%
New LLU customers	22,709	5,424	12,516	14,283	29,681
Market share in new LLU customers	20.0%	11.7%	18.0%	18.5%	30.4%
LLU market share	30.0%	30.6%	31.3%	31.9%	32.6%

Forthnet is the leading unbundler in Greece with an estimated market share of 30.0% at the end of December with 54.9 thousands net additions in 2011. It is estimated that Forthnet's market share in ULL net additions in 2011 was 18%.

PayTV Services
Satellite PayTV subscribers in Greece reached 386,616 at the end of December 2011, an all times Q4 high. The analogue subscriber base in Greece declined.

PayTV Customers in Greece	2011	2010	Δ
Digital Platform	386,616	363,679	22,937
Analogue Platform	4,636	16,362	-11,726
Total	**391,252**	**380,041**	**11,211**

By the end of December 2011, payTV subscribers in Greece reached 391,252 customers, a y-o-y increase of 11,211.

Revenue Analysis
The Group reported total revenues of €415.6M, an increase of 1.4% compared with 2010. Revenue from ULL services grew by 11.81% driven by an increase in subscribers. The decrease in payTV revenue is attributed mostly to Analogue Service revenue, Advertising revenue and revenue from Operations in Cyprus.

Revenue Analysis (in €'000)	2011	2010	Δ
Residential LLU services	168,326	150,553	11.8%
Residential Wholesale Services	4,836	8,209	-41.1%
Business Services and Applications	46,365	43,510	6.6%
PayTV Revenue	182,527	192,696	-5.3%
Equipment and Other	13,530	14,884	-9.1%
Total Revenue (incl. other income)	**415,584**	**409,852**	**1.4%**

[1] Active & pending activation wholesale ADSL and 2Play customers, plus active & pending activation unbundled Customers.

Consolidated 2011 financial results

The result of operational integration, streamlining and cost-cutting initiatives throughout 2011 boosted EBITDA excluding impairment cost by €11,5 million, up 17,06% on a y-o-y basis. The EBITDA excluding impairment cost margin for the year stood at 19.05%, an increase of 2.55pp over 2010. Reported EBITDA was impacted by a €128.5M write-off in the consolidated goodwill of the payTV business. This non-cash charge was driven by a y-o-y increase in the discount rates from 12.06% to 14.8% - a result (direct as well as indirect) of the deterioration in the credit rating of the Greek sovereign debt.

(in € '000 except for losses per share)	**2011**	**2010**	**Δ**
Revenue (including other income)	415,584	409,852	1.40%
Reported EBITDA	(52,774)	45,662	N/A
EBITDA excluding impairment cost	79,182	67,640	17.06%
EBITDA excluding impairment cost margin	*19.05%*	*16.50%*	*+2.55pp*
Losses before interest and taxes	(169,667)	(56,389)	200.9%
Losses before taxes	(198,023)	(80,165)	147.00%
Losses after taxes	(198,515)	(86,828)	128.60%
Operating Cash Flow	83,179	59,573	39.60%

Liquidity and debt

As of December 31, 2011, Forthnet's consolidated cash position (including restricted cash) was €36.0 million, compared to €38.4 million at December 31, 2010. Total net bank debt for the Group at the end of December 31, 2011 stood at €296.5 million vs. €294.7 million at the end of December 2010.

2. MAJOR EVENTS FOR THE YEAR 2011

Cost-cutting

Extensive cost cutting initiatives addressing operations on a Group-wide scale have been deployed during 2011. Focusing on recurring, long-term cost savings, these initiatives seek to improve operational efficiencies and extract maximum value out of existing tangible and intangible assets. The benefits of these initiatives have already brought visible bottom line results in Q2, while the trend is projected to continue.

Content Rights

Forthnet Group has renewed its cooperation with SuperLeague (the organizing authority of the Greek 1st Division Professional Football Championship), until the end of the 2014/15 football season for total consideration of €177.4 M. The Group now holds the broadcasting rights for TV, internet, mobile and radio transmission, covering the territory of Greece, Cyprus and Albania, and roping in all sixteen SuperLeague teams (including the home games of current champion Olympiakos). The previous SuperLeague arrangement was priced at €176M and covered fourteen teams - excluding Olympiakos – without broadcasting rights for Albania and radio broadcasting in Greece.

Also, Forthnet Group was awarded to the exclusive broadcast rights of 128 live matches of the teams that participate in the 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.

Furthermore, Forthnet Group enhanced the cinema offers, reorganizing the profile of premium channels and integrating the new channel, novacinema 4. It completed a number of other content contracts ensuring the most popular programs while achieving significant cost reductions with international channels as Discovery channel, Animal Planet, History channel, Mad music etc.

Investments
During 2011, Forthnet expanded with collocations in 6 urban centers of OTE, providing coverage to a total of 487 urban centers with corresponding coverage of total fixed lines in 73% of the country, covering 51 prefectures capitals and the vast majority of cities and villages in the Central-Eastern Macedonia, Thrace, NE Aegean Islands and the Dodecanese.

At the same time in 2011, Forthnet implemented the installation of private network routes in the routes: a) Patras - Agrinio - Arta - Ioannina - Grevena - Kozani - Ptolemais, Giannitsa and Thessaloniki, b) Chania - Rethymno, with a total length of 690km, covering all collocations along these paths backward with owned transmission infrastructure. Furthermore through the (a) above, a DWDM ring of high capacity and availability was created, thus exponentially increasing capacity and availability of Forthnet services in North & West Greece. Totally, in December of 2011 the optical network had a total length of 4.918 klm, all over Greece.

Moreover, in 2011, Forthnet completed the downsizing of the dial-up network to only 7 nodes (from 52 total previously) thus enabling the elimination of 19 nodes (PoPs) all over Greece. Also, Forthent completed the protection of specific backbone routes resulting in termination of leased backup capacity and also the upgrade of SDH transmission circuits into Metro Ethernet circuits, with a significant reduction in operating costs.

During 2011, Forthnet moved in addition to major upgrades of international connections to the Internet and in particular with international peering center (Internet exchnage), DE-CIX, in Frankfurt. So, at the end of 2011, the international connection to the Internet had a total capacity of 65Gbps.

During 2011, NOVA began the switchover from analogue to digital terrestrial network initially in the cities of Athens and Thessaloniki. The four operating digital transmission centers in the two cities cover approximately 55% of the population. At the beginning of 2012 analogue transmission was switched off.

New Services
Forthnet Group has signed a regional agreement, covering Greece and Cyprus, with Eutelsat for the provision of broadband services over satellite. Hence, Forthnet becomes the first pan-european provider of triple play services using a single satellite dish providing virtually 100% geographical coverage.

Also, "Nova in a Box" service was launched achieving increased penetration in specific market segments.

Pay TV platform keeps enriching the HD offering that is currently enjoyed by the 15% of its subscriber base. In 2011 new HD channels were added bringing total the number of HD channels to seven. Also, in November 2011 the group offered the first pilot 3D broadcasting in Greece.

Finally, for the first time, Live Streaming services were offered to the broadband subscribers of the Group providing exclusive access to important live sport events especially through novasports.gr.

Forthnet Shops
The Forthnet shops chain continued to expand during 2011 in major commercial areas with high demand for broadband & pay tv services. Thus, by the end of December 2011, the total Forthnet shops stood at 137, during 2011, 6 new shops & points have been added in the chain.

Partnerships
In December 2011 Forthnet came to a commercial agreement with CYTA for content wholesale in Cyprus. As a result the CYTA IPTV subscribers in Cyprus have access to 10 of the Group’s Sport and Movies channels.

3. CORPORATE GOVERNANCE DECLARATION On the basis of article 43a, par. 3 section d' of c.l. 2190/1920

A) CORPORATE GOVERNANCE CODE

The Company has resolved on its own will to apply a Corporate Governance Code, which is available at the main offices of the Company, at the extension of Manis street, location of Kantza, Pallini, P.C. 15351.

B) CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY IN ADDITION TO THE PROVISIONS OF THE LAW

The Company applies certain corporate governance practices in addition to the provisions of the Law, which concern the operation of the Purchasing Committee and the Strategy Committee, as they are specifically provided for in the Corporate Governance Code, as well as in the General Security Policy and its individual sub-policies.

C) COMPANY'S INTERNAL CONTROL SYSTEM REGARDING THE PREPARATION OF FINANCIAL STATEMENTS

The Internal Control System (ICS) of the Company refers to the auditing mechanisms and procedures in place to ensure the completeness and reliability of the data and information required for the exact and timely preparation of the financial statements.

The basic elements of the internal control system are, inter alia, the following:

- the specific detailed procedure describing the preparation of the annual and interim financial statements,
- the specific organizational structure of the finance department that ensures the separation of operations between the accounting department and the department of reporting, which is responsible for the preparation of the financial statements,
- the internal audit department, which reviews and evaluates the Company's internal control system by following the annual Internal audit plan as being approved by the Audit Committee.

Finally the framework of the ICS includes the appropriate communication and cooperation among the legal department, the finance department and the internal audit department, ensuring the effective supervision and constant compliance with the legal obligations concerning the preparation and presentation of the financial statements of the Company.

D) INFORMATIVE DATA OF THE DIRECTIVE 2004/25/EC (art. 10) REGARDING THE TAKE OVER BIDS.

The Company does not fall into the field of implementation of the directive 2004/25/EC, however the informative data required according to article 10 par. 1, under c), d), f), h) and i) of it, is provided for as information in the Explanatory Report of the B.o.D, according to article 4, par, 7 of Law 3556/2007.

E) INFORMATIVE DATA FOR THE OPERATION OF THE GENERAL ASSEMBLY OF THE SHAREHOLDERS AND THE BASIC AUTHORITIES, AS WELL AS DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND OF THE MODE OF THEIR EXERCISE.

I. Operation of the General Assembly

Preamble

According to Article 9 of the Company's Articles of Association, the General Assembly of Shareholders is the Company's supreme body and is entitled to decide on any issue concerning the Company. It is composed and operates in accordance with the law and its' articles of association, and its decisions are equally binding for all shareholders, even those who are absent or disagree.

Convening the General Assembly

- The General Assembly of shareholders, when convened by the Board of Directors, shall meet regularly at the Company's registered seat or in the region of another municipality within the prefecture of the seat or another municipality neighboring to the seat or in the region of the municipality where the Stock Exchange is located once a year, in the first semester after closure of each financial year. The Board of Directors may convene extraordinary General Assemblies as often is it judges necessary.
- General Assemblies, except repeat and other similar assemblies, shall be noticed at least twenty (20) calendar days prior to the assembly date.

Notice to the General Assembly

- The notice to shareholders for the General Assembly shall state the date, time and venue of the assembly and the items on the agenda clearly, the shareholders entitled to participate, as well as clear instructions concerning the way in which shareholders can participate the assembly and exercise their rights in person or by proxy. This invitation, with the exception of repeat General Assemblies and other similar meetings, shall be published ten (10) days before the Assembly date in the Government Gazette, and twenty (20) days before the assembly date, in a daily political, financial and local newspaper while at all events it shall be posted in a visible location at the Company's offices.
- Furthermore, the invitation to the General Assembly may be published in the press in the form of a summary with specific information mentioning the webpage of the Company, where the full text of the invitation is available. In addition, the invitation is published at the discretion of the B.o.D in national and Pan-European wide electronic media.

Participation in the General Assembly

Each shareholder is entitled to participate and vote in the General Assembly of the Company. The exercise of the said rights presupposes neither the binding of the rightsholder's shares nor the observance of any other corresponding procedure that limits the ability of their sale and transfer during the time period that lapses between the Record Date as it is defined below, and the relevant General Assembly. The shareholder participates in the General Assembly and votes either in person or by proxy.

Anyone who appears as a shareholder in the registry of Dematerialized Securities System (managed by the Helenic Exchanges S.A.), in which the shares of the Company are kept, is entitled to participate in the General Assembly. The proof of the shareholder's capacity is effected with the producing of a relevant written certification of the aforementioned entity, or alternatively, with a direct on-line connection of the Company with the records of the latter.

The shareholder's capacity should exist upon commencement of the fifth day prior to the day of the General Assembly's meeting (Record Date) and the relevant written certificate or electronic authentication regarding the shareholder's capacity should come to the Company the latest on the third day prior to the meeting of the General Assembly. Shareholders under the same formal preconditions may participate in the repeat General Assembly. The shareholder's capacity should exist upon commencement of the fourth day prior to the day of the repeat General Assembly (Record Date of repeat general assemblies), while the relevant written certificate or the electronic authentication regarding the shareholder's capacity should come to the company the latest on the third day prior to the meeting of the General Assembly.

The list of shareholders entitled to vote at the General Assembly shall be posted in a visible location at the Company's offices twenty four (24) hours prior to the General Assembly

The shareholders that do not comply with the provisions may participate in the General Assembly only upon a relevant license of the members that attend the General Assembly.

Regular quorum and General Assembly majority

1. The General Assembly shall be considered to have a quorum when at least twenty percent (20%) of the paid-up share capital is represented therein.
2. If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held, and which shall be considered to have a quorum and convene legally on the items of the initial agenda, irrespective of the percentage of paid-up share capital that is represented in the General Assembly.
3. Decisions in the General Assembly shall be made with an absolute majority of the votes represented at the Assembly.

Extraordinary quorum and General Assembly majority

In exceptional circumstances, the General Assembly shall be considered to have a quorum and convene legally on the items on the agenda when two thirds (2/3) of the paid-up share capital are attending or represented therein, regarding decisions that belong to the exceptional competency of the General Assembly and which are mentioned below and in any other case defined by the law. Furthermore, the relevant decisions of the General Assembly shall be made with a majority of two thirds (2/3) of votes represented in the Assembly.

Chairman-Secretary of the General Assembly

1. The Chairman of the Board of Directors or his/her substitute when the former is not in the position, shall chair the General Assembly temporarily.
2. After the list of shareholders with voting rights has been approved, the assembly shall appoint its Chairman and a Secretary, who shall also act as teller.

Matters discussed – Minutes of the General Assembly

1. The discussions and decisions of the General Assembly shall be limited to the items set forth in the agenda published
2. With particular regard to decision-making by the General Assembly on financial statements approved by the Board of Directors, such statements must be signed by the Chairman of the Board of Directors or his/her substitute, by the Chief Executive Officer and by the Chief Financial Officer.
3. Minutes shall be kept for all discussions and decisions in the General Assembly, and signed by the Chairman and the Secretary.
4. Following a request from a shareholder, the Chairman of the General Assembly shall ensure that that shareholder's opinion is included in the minutes in detail. The list of shareholders attending the General Assembly in person or by proxy shall also be entered in the book of minutes.

II. Basic competencies of the General Assembly

The General Assembly is the only competent instrument to decide for: a) Merger, with the exception of the absorption of a 100% subsidiary according to article 78 of the C.L. 2190/1920 as valid, split, conversion, revival, extension of the term or dissolution of the company, provision or renewal of power to the Board of Directors for the increase of the share capital or the issuance of a bond loan with transferable bonds and subject to par. 2 of article 5 of the articles of association, b) the issuance of a bond loan with transferable bonds according to article 15 of Law 3156/2003 which amended article 3[a] of the C.L. 2190/1920 subject to par.2 of article 5 of the Articles of Association and the issuance of a bond loan with a right of participation in the profits, c) Amendment of the articles of association with the exception of the cases of its amendment by the Board of Directors according to article 11, par. 5, article 13 par. 13, article 13 [a] par. 2 and article 17b par.4 of the C.L. 2190/1920, as valid d) Increase-decrease of the share capital, subject to par. 2 article 5 of the articles of association, par. 1 and 14 of article 13 of the C.L. 2190/1920, as well as the increases imposed by provisions of other laws e) Appointment of members of the Board of Directors according to the provisions of articles 19 and 22 of the Articles of Association, f) Appointment of auditors, g) Appointment of liquidators, h) Disposal of the net annual returns, with the exception of the distribution of returns or

voluntary reserves in the current fiscal year upon resolution of the board of directors, provided that a relevant authorization of the regular general assembly exists, i) Approval of the balance sheet, j) release of the members of the Board of Directors and the auditors from any responsibility, k) approval of the appointments from the Board of Directors according to article 22 of the articles of association, of temporary Members in replacement of the ones that have resigned, deceased or disqualified in any manner from holding their office.

Exceptional competency of the General Assembly

- The General Assembly shall be considered to have a quorum and convene legally for the items of the agenda, when two thirds (2/3) of the paid-up share capital are attending or represented therein and in the last case, the relevant decision shall be made with a majority of two thirds (2/3) of the share capital present, in exceptional cases, when it is about decisions that concern:

  a) Extension of the term, merger, split, conversion, revival or dissolution of the Company;
  b) changes to the company's nationality;
  c) changes to the scope of the company;
  d) increases of the share capital with reserve to the provisions of paragraphs 2 and 3, article 5 of the Articles of Association, and par. 1 and 2, article 13, C.L. 2190/1920, as valid, unless imposed by law or implemented with a capitalization of reserves;
  e) share capital reductions, unless made in accordance with par. 6, article 16, C.L. 2190/1920, as valid;
  f) provision or renewal of powers to the Board of Directors for share capital increases in accordance with par. 1, article 13, C.L. 2190/1920, as valid;
  g) alterations to the profit appropriation method;
  h) increase of the shareholders' obligations;
  i) any other case determined by the law and these articles of association;
  j) amendment of paragraph 24, article 20 concerning the competences of the Chief Executive Officer.

- If the necessary quorum is not achieved in the first meeting, a repeat assembly shall be held within twenty (20) days, to be announced at least ten (10) days in advance. The first repeat assembly shall be considered to have a quorum and convene legally for the items of the initial agenda, when at least the fifty one per cent (51%) of the paid up share capital is represented therein.

- When the necessary quorum is not achieved again, a second repeat assembly shall be held within twenty (20) days, to be announced at least ten (10) days in advance and which shall be considered to have a quorum and convene legally for the items of the initial agenda, when one fifth (1/5) of the paid up share capital is represented therein.

- In case of non achieving the quorum provided for in par. 1 and 2, no subsequent notice is required, if the venue and the date of the repeat assemblies that are provided for by law are defined.

- Regarding the amendment of article 32 of the Articles of Association for the taking of a decision, the majority of the three fourths (3/4) of the paid up share capital is required.

III. Description of the rights of the shareholders and the mode of their exercise

1. The Company has adapted its articles of association to the provisions of Law 3884/2010, which amended the C.L. 2190/1920 regarding Societes Anonymes and applies them.
2. The articles of association of the Company provide that the shareholder's capacity implies legal, ipso jure and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on societes anonymes, the provisions of these articles of association, the decisions of the General Assembly of shareholders and the decisions of the Board of Directors. In particular: a) Shareholders shall exercise their rights as regards company's management only through the General Assembly; b) Each share shall provide the right to one (1) vote at the

General Assembly; c) Each shareholder, irrespective of place of residence, shall be subject to Greek Legislation and shall be deemed to reside permanently at company headquarters where the shareholder shall appoint an attorney and shall inform the company of such appointment.

Minority rights
According to C.L. 2190/1920 as valid, the minority rights are the following ones:

1. The Board of Directors shall, following a request from shareholders representing at least one twentieth (1/20) of the paid-up share capital, call an extraordinary General Assembly of shareholders and appoint a meeting date, within no more than forty-five (45) days from the date the request in question was submitted to the Chairman of the Board of Directors. The request shall state the exact item of the agenda. If the Board of Directors does not convene a General Assembly within twenty (20) days of service of the relevant application, convocation shall be carried out by the applicant shareholders at the company's expense, by decision of the court of first instance of the company's seat, issued during the provisions measures session. The decision shall specify the venue and date of the meeting, as well as the agenda.
2. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the general assembly. Any such additional matters shall be published or announced, at the Board of Directors' responsibility, at least seven (7) days prior to the General Assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the general assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders.

   2a. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.
   2b. The Board of Directors is not obliged to proceed to the entry of items on the agenda or their publication or notification along with a justification and draft decisions submitted by the shareholders according to the aforementioned paragraphs 2 and 2a respectively, if their content is obviously opposed to the law and the moral ethics.

3. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the chairman of the General Assembly shall be obliged to postpone decision-making in an ordinary or extraordinary General Assembly for once, for all or specific items on the agenda, and shall determine, as the date of continuation of the meeting for decision-making, the date determined in the shareholders' request, which shall be within thirty (30) days of the postponement date.
4. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers.

Furthermore, following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to disclose to the General Assembly of shareholders, provided that it is regular, all amounts paid by company in the last two years to each member of the Board of Directors or the managers of the company, as well as any other benefit extended to these parties for any reason or any other contract made between them and the company.

5. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes. Following a request from shareholders representing one fifth (1/5) of the paid-up share capital, submitted to the company within the deadline of the previous paragraph, the Board of Directors shall provide the General Assembly with information about the progress of corporate matters and the company's assets.
6. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, decision-making on any item on the agenda of the General Assembly may be implemented by nominal ballot.
7. In all of the above cases, the applicant shareholders shall prove that they are shareholders and the number of shares they hold when exercising the relevant right.
8. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital may ask the competent court to perform an audit of the company if non compliance with the decisions of the General Assembly of the shareholders or breach of the law and the Articles of Association of the Company are ascertained.
9. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital may ask the competent court to audit the company if the progress of company affairs gives rise to suspicions that the company is not being managed prudently.
10. The Board of Directors of the Company is obliged, ten (10) days prior to the Regular General Assembly to provide each shareholder that requests so, with a copy of the balance sheet with itemization of the profit and loss account, as well as a with a copy of the report of the Board of Directors and the auditors on the balance sheet.

IV. COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AND ANY OTHER BODIES/COMMITTEES OF THE COMPANY

i. Composition of the Board of Directors

The Board of Directors of the Company, according to its articles of association, consists of five (5) up to (9) members. The one third of the Board of Directors of the Company shall at least be non executive members and includes at least two (2) independent non executive members.

As soon as it is appointed, the Board of Directors shall be incorporated into a Body and appoint the Chairman and Vice-chairman and Chief Executive Officer. The current Members of the Board of Directors of the Company, the tenure of office of which ends on 28.06.2016, and is extended until the date of the convocation of the Regular General Meeting of 2016, are the following:

1. Deepak Srinivas Padmanabhan, Chairman (non executive member)
2. Panagiotis Papadopoulos, Vice Chairman and Chief Executive Officer (executive member)
3. Vasilios Dougalis , non executive member
4. David Kay, non executive member
5. Erwin Kooij, non executive member
6. Edwin Lloyd, independent non executive member
7. Mohsin Majid, non executive member
8. Bhavneet Sigh, independent non executive member
9. Michael Warrington, non executive member

ii. Operation of the Board of Directors

The Chairman of the Board of Directors shall chair the meetings of the Board of Directors and manage its activities. When the Chairman is absent or prevented from attending, he/she shall be replaced, for the entire scope of his/her competences, by the Vice-chairman, who in turn shall be replaced by the Chief Executive Officer.

The executive member of the Board of Directors should deal with the daily management of the Company. Any other member is considered non executive member. The capacity of a member as an executive or non executive, shall be defined by the Board of Directors and validated by the General Assembly of the shareholders.

The independent members are non executive members of the B.o.D that meet at least the independency criteria defined by law and are appointed by the General Assembly of the shareholders according to law 3016/2002.

iii. Replacement of a member of the Board of Directors

In the event of departure of a board member prior to expiry of his/her term, due to death, resignation or loss of his/her capacity in any other manner, the remaining members, who may be no less than three, may appoint a temporary Board Member to replace the departing member for the remainder of their term.

The appointment decision shall be submitted to the publicity formalities of article 7b, L. 2190/1920 as valid, and announced by the Board of Directors at the next general assembly, which may replace the appointed parties, even if the relevant item has not been included on the agenda. However, the actions of the temporary Member, which are implemented as of their appointment and any non-approval thereof by the General Assembly, shall be considered valid.

iv. Convening the Board of Directors

1. The Board of Directors shall be convened by the Chairman or his/her substitute, each time that this required by the law, the articles of association of the company’s needs. The Board of Directors shall convene at the Company's seat, but may also meet validly outside the company's seat, in any Municipality of the Region of Attica.
2. The meeting is announced by the Chairman or his/her substitute, through an invitation notified to the members at least two (2) working days prior to the meeting, on a date, venue and time established by the Chairman. The invitation shall clearly state the items on the agenda, otherwise decision-making shall be permitted only if all members of the Board of Directors are present or represented, and no member objects.
3. Following a request from at least two Members, which shall, on pain of rejection, mention the issues to be discussed by the Board of Directors, the Chairman of the Board or his/her substitute shall be obliged to : a) include the issues mentioned by the request on the agenda of the first meeting of the Board of Directors after submission of the request; b) call a meeting of the Board of Directors, and set the date of the Meeting, no more than seven (7) days after submission of the request.
4. In the latter case, if the Chairman or his/her substitute refuses to call the Board of Directors, or calls it at a later date than required, the members requesting the meeting can convoke the Board of Directors themselves within five days from expiry of the seven-day deadline, notifying the relevant invitation to the other members of the Board of Directors.
5. The Board of Directors may also convene by teleconference. In this case, invitations to the members of the board of directors shall include all necessary information for participation thereof in the meeting.

v. Board of Directors quorum and decision-making

1. Any member who is absent or prevented from attending may appoint another member to represent them at the Board of Directors. Any member attending the meeting may represent only one other member. The Board of Directors shall be considered to have a quorum and meet legally if at least half plus one of the members are present or represented, with at least three (3) Members attending in person.
2. Each Member has one vote. No Member can be represented in the Board of Directors by a person who is not a member thereof. Each member may validly represent only one other Member of the Board.
3. Decisions of the Board of Directors are made with an absolute majority of the members who are present or represented.

vi. Minutes of the Board of Directors

Minutes of the discussions and decisions of the Board of Directors shall be kept in a special book, which is signed by the Chairman or his/her substitute. The Secretary of the Board of Directors shall be selected among persons who need not be members of the Board of Directors. Summary minutes of the discussions and decisions of the Board of directors shall be kept in a special book.

vii. Committees for the support of the Board of Directors

The work of the Board of Directors is supported by three Sub-Committees, the Audit Committee, the Strategy Committee and the Purchasing Committee.

- **Audit Commitee**
  - **Composition of the Audit Committee**

    The Audit Committee is composed of at least two (2) non executive members and one non executive - independent member of the Board of Directors. The members of the Audit Committee are appointed by the General Assembly of Company's shareholders.

    The Board shall review the composition of the Committee at least after the lapse of three years and recommend to the General Assembly on possible changes.

  - **Audit Committee's meetings**
    1. The Audit Committee shall meet at least four (4) times annually or more frequently, upon the invitation of the Chairman of the Committee. In addition, the Board of Directors may also ask the Committee to convene further meetings with a view to discuss, review and report on any matters which the Board may consider necessary to deal with.
    2. A quorum is attained when two (2) members are present. Decisions will be taken by majority vote.
    3. The Audit Committee may convene through teleconference. The Head of Internal Audit department participates in the meetings of the Audit Committee. The Audit Committee may request any other officer of the Company to attend its meetings to assist it with its discussions and considerations on any particular matter.
    4. A member of the Legal Department shall be the Secretary of the Audit Committee, responsible to keep records of the respective minutes. The minutes of the Audit Committee will be shared with the Board.

- **Audit Committee's Duties and Responsibilities**

  The Audit Committee serves as an independent and objective party responsible to review and appraise the auditing practices and performance of internal and external auditors. Its primary duty is to assist the Board of Directors in performing its duties by reviewing the Company's internal control system, as well as the financial reporting processes. The responsibilities of the Audit Committee, according to Articles of Association are, inter alia, the following:
  - Oversee the financial reporting process
  - Oversee hiring, performance and independence of external auditors. It shall monitor the Company's internal control process
  - Oversee performance of Internal Audit
  - monitor the statutory audit of the annual and consolidated accounts and Corporation's financial reporting processes.
  - Review risk management system of the Company

- **The Strategy Committee (SC)**

  The Strategy Committee shall have the following competencies:
  1. To provide oversight and guidance to the Company within the guidelines and framework set by the Board of Directors;
  2. To act instead of the Board in between regularly scheduled meetings of the Board, when authority in this regard is expressly delegated to it by the Board;
  3. To recommend executive management appointments;
  4. To monitor, review and make recommendations on the strategic, business and financial direction and performance of the Company;
  5. To make recommendations on and monitor investments, acquisitions and disposals and business development activities of the Company;
  6. To review and make recommendations on the Company's financial reporting processes;
  7. To review and make recommendations on all contracts proposed to be entered into by the Company, which contracts will be referred to it by the Purchasing Committee from time to time, and which contracts would further imply a financial commitment up to and including certain thresholds as defined by the Financial Authority Matrix approved by the Board of Directors
  8. To forward to the Board of Directors proposed contracts and which imply financial implications exceeding the Strategy Committee's competence in terms of the approved Financial Authority Matrix.
  9. To inspect and monitor the materialization of all TV rights agreements, and the agreements that are relevant to the telecommunications services provision the Company concludes, as well as any other agreement that the Board of Directors considers each time appropriate.
  10. To evaluate the performance of key executives of the Company in the light of predefined goals and objectives and to recommend or approve compensation, as applicable, on the basis of such evaluation; and
  11. To recommend remuneration policy guidelines.

  - **Strategic Committee Membership**

    The Board of Directors shall appoint three (3) Members to sit on the Strategy Committee: two (2) non-executive members of the Board and the Chief Executive Officer. A non-voting Coordinator/Secretary shall further be appointed. The SC Members may, in their discretion, request additional persons to attend any particular SC meeting.

  - **Strategic Committee Meetings**

    The SC shall meet at least once a month and may further meet on an ad hoc basis as necessary if a critical operational issue arises. A quorum shall be achieved with the presence of one non-executive director and the Chief Executive Officer. The SC shall keep minutes of all its meetings, which minutes shall be approved at the subsequent SC meeting.

- **The Purchasing Committee (PC)**
  - **PC Role and Responsibilities**

    The PC shall have the following functions:
    1. To review and approve every purchase and procurement transaction made by the Company, according to the Financial Authority Matrix, approved by the B.o.D
    2. To review existing purchasing and procurement policies and procedures of the Company and ensure consistency in their application;
    3. To approve major purchasing/partnership decisions in such a way as to ensure a link with the Company's strategic partners and to encourage the creation of synergies in the purchasing decision-making process;
    4. To review key risks and business implications of key contracts that are subject to its competency;
    5. To ensure optimisation of capital and operational expenditure;
    6. To participate in the annual evaluation procedure of all suppliers, to suspend, reinstate and exclude the cooperation with suppliers for performance-related reasons when necessary;
    7. To serve as the first reference point to which all contract proposals are to be referred and approved, provided that the financial implication in respect thereof is more than €30,000 excluding VAT;
    8. To review the contract proposals referred to it in terms of the preceding paragraph 7 and to make recommendations in regard to the same, as well as to refer to the Strategy Committee regarding agreements, the value of which exceeds the limit of its competency.
    9. To ensure the suitable materialization of all expenses approved according to the approved Financial Authority Matrix.
    10. To approve the initial formation, as well as any change in the formation of the list of the preferable suppliers.
  - **PC Membership**

    The Board of Directors shall appoint not less than three (3) Members and not more than four (4) Members to sit on the Purchasing Committee, as well as a non-voting expert advisor. A non-voting Secretary shall further be appointed. The PC Members may, at their discretion, request additional persons to attend any particular PC meeting and assist the PC in the accomplishment of its obligations.
  - **PC Meetings**

    The PC shall meet at least once a month and may further meet on an ad hoc basis according to the needs or if it is considered necessary by the members. A quorum shall be achieved with the presence of three members of the P.C.

    All PC approvals and recommendations made at each PC meeting shall be duly minuted by the PC Secretary at each such meeting.

4. RISKS FOR 2011

Credit Risk: The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at December 31, 2011, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the statements of financial position.

The Group has no significant concentrations of credit risk with any single counter party.

Foreign Currency Risk: The Group is active internationally and is exposed to variations in foreign currency exchange rate which arise mainly from US Dollar. This kind of risk arises mainly from trade transactions in foreign currency. The financial assets and liabilities in foreign currency translated into euros using the exchange rate at the financial position date and analysed for the Group and the Company as follows:

	The Group		**The Company**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Nominal amounts in US$				
Financial Assets	268,288	265,265	-	-
Financial liabilities	(13,226,431)	(18,114,208)	-	-
Short term exposure	(12,958,143)	(17,848,943)	-	-

The following table presents the sensitivity of the result for the year in regards to the financial assets and financial liabilities and the US- Dollar / Euro exchange rate. It assumes a 5% (2010: 5%) increase of the Euro/US-Dollar exchange rate for the year ended December 31, 2011. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each financial position date.

If the Euro had increased against the US Dollar by a percentage of 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2011	**31.12.2010**
Result for the year	476,895	679,742

If the Euro had decreased against the US Dollar by a percentage of 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2011	**31.12.2010**
Result for the year	(527,094)	(751,294)

The above effect on the results before tax, is based on the average foreign exchange rates for the related year.

The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. Although the analysis above is considered to be representative of the Company's currency risk exposure.

Interest Rate Risk: With respect to long-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks.

The following table demonstrates the sensitivity of the Group' profit before tax (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant.

The sensitivity analysis of the Group's borrowings due to interest rate changes is as follows:

	The Group		The Group	
	December 31, 2011		December 31, 2010	
	Interest Rate Variation	Effect on income	Interest Rate Variation	Effect on income
EURO	1,0%	(3,064,253)	1,0%	(3,135,721)
	-1,0%	3,574,365	-1,0%	3,814,279

Note: Table above excludes the positive impact of interest received from deposits.

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 135 million.

The fair values of the interest rate swaps are based to mark to market evaluation.

Losses from the evaluation of the fair values of the swaps for the year ended December 31, 2011, were € 3,021 thousand (at December 31, 2010: € 3,671 thousand).

Liquidity Risk: The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn committed and uncommitted borrowing facilities that can be utilized to fund any potential shortfall in cash resources.

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

Risks Relating to Forthnet's Business

- Forthnet's growth prospects depend on the evolution of demand for demand for broadband services, its ability to attract an increasing number of LLU customers and the overall macro environment of Greece.
- The telecom sector in Greece is highly competitive leading to pricing and churn pressures.
- Forthnet's sales and distribution network is dependent on the continued success of its franchisees.

Risks Relating to Nova's Business which may affect the Group

- Nova business may suffer if it cannot acquire or retain a sufficiently attractive content for its services.
- The macro environment could have a negative impact on Nova's profitability and revenues as a result of price reduction, unsatisfactory subscriber base growth, high rate of disconnections or a combination of the above.

5. 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:

Related Party	Relation with Forthnet	Year ended	Sales to related parties	Purchases from related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	17,112
Technology and Research Foundation	Shareholder	31.12.2010	105,890	74,901
		31.12.2011	90,363	66,878
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	-
Forth CRS S.A.	Subsidiary	31.12.2010	88,162	8,545
		31.12.2011	89,057	114
Athlonet S.A.	Associated	31.12.2010	15,504	-
		31.12.2011	7,466	23,890
MultiChoice Hellas S.A.	Subsidiary	31.12.2010	6,950,390	3,262,559
		31.12.2011	5,905,439	3,310,442
NETMED S.A.	Subsidiary	31.12.2010	176,690	-
		31.12.2011	146,560	-
NetMed Hellas S.A.	Subsidiary	31.12.2010	1,967,432	20
		31.12.2011	-	-
Forthnet Media Holdings S.A.	Subsidiary	31.12.2010	2,302,820	12,279
		31.12.2011	3,951,961	9,926
	Total	**31.12.2010**	**11,606,888**	**3,845,116**
	Total	**31.12.2011**	**10,190,846**	**3,428,362**

Related Party	Relation with Forthnet	Year ended	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	16,040
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		31.12.2011	38,646	14,982
Forth CRS S.A.	Subsidiary	31.12.2010	391,159	40,190
		31.12.2011	460,322	42
Telemedicine Technologies S.A.	Subsidiary	31.12.2010	136,677	-
		31.12.2011	3,734	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		31.12.2011	11,502	12,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2010	2,871,018	49,439,245
		31.12.2011	526,558	40,847,055
Forthnet Media Holdings S.A.	Subsidiary	31.12.2010	40,750,917	2,254,579
		31.12.2011	33,161,889	1,238,606
NetMed S.A.	Subsidiary	31.12.2010	112,180	-
		31.12.2011	27,565	-
	Total	**31.12.2010**	**44,288,644**	**52,256,082**
	Total	**31.12.2011**	**34,230,216**	**42,586,334**

The intergroup revenue from Multichoice Hellas S.A. relates to the recharge of Multichoice Hellas' share in joint sell advertising as well as telecommunications services (telephony, broadband, etc.).

The intergroup costs from Multichoice Hellas S.A. refer mainly to the purchases of decoders for resale in the Forthnet stores.

The intergroup revenue and claim from Forthnet Media Holdings S.A. arises mainly from the re-sale of the Superleague football rights.

The Company's commitment towards Multichoice Hellas S.A. relates to cash collected by its stores on behalf of Multichoice Hellas S.A.

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

Related Party	Relation with Group	Period ending at	Sales to related parties	Purchases from related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	17,112
Technology and Research Foundation	Shareholder	31.12.2010	105,890	74,901
		31.12.2011	90,363	66,878
Lumiere Productions S.A.	Shareholder	31.12.2010	-	1,680,705
		31.12.2011	-	-
Lumiere Television Ltd	Shareholder	31.12.2010	-	3,053,701
		31.12.2011	-	1,323,073
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	-
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2010	-	149,556
		31.12.2011	-	-
Gambritsos Georgios	Members of the B.O.D. – Executive members	31.12.2010	-	235,539
		31.12.2011	-	-
Athlonet S.A.	Associated	31.12.2010	15,504	-
		31.12.2011	7,466	23,890
	Total	**31.12.2010**	**121,394**	**5,681,214**
	Total	**31.12.2011**	**97,829**	**1,430,953**

Related Party	Relation with Group	Year ended	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	16,040
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		31.12.2011	38,646	14,982
Lumiere Productions S.A.	Shareholder	31.12.2010	-	1,193,709
		31.12.2011	-	6,378
Lumiere Television Ltd	Shareholder	31.12.2010	-	661,500
		31.12.2011	-	-
Lumiere Cosmos Communications	Shareholder	31.12.2010	-	10
		31.12.2011	-	10
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2010	-	195
		31.12.2011	-	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		31.12.2011	11,502	12,060
	Total	**31.12.2010**	**26,693**	**2,377,482**
	Total	**31.12.2011**	**50,148**	**507,019**

Lumiere Productions S.A. is handling the Group's broadcasting of football matches productions.

The Emirates International Telecommunications LLC (EIT), an associated company - shareholder which provides management services.

Lumiere Television Ltd. has granted until the middle of the year ended December 31, 2011 the Group the license to include LTV Channel in the Pay-TV bouquet NOVA CYRPUS.

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

	The Group		**The Company**	
	December 31		**December 31**	
	2011	**2010**	**2011**	**2010**
Salaries and fees for executive members of the BoD	1,507,895	320,557	1,507,895	320,557
Salaries and fees for non executive members of the BoD	139,200	147,678	139,200	147,678
Salaries and fees for Senior Managers	2,488,936	3,409,035	1,501,376	1,957,041
Total	**4,136,031**	**3,877,270**	**3,148,471**	**2,425,276**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 304,453 for both the Group and the Company (December 31, 2010 € 537,390), whereas benefits relating to leaving indemnities amounted to € 484,179 and € 158,700 respectively (December 31, 2010 € 500,806 and € 44,179, respectively).

6. 2011 PROSPECTS AND INVESTMENTS

During 2012 Forthnet Group will focus its interest in the growth of its subscribing base, through "targeting" of higher value customers, following strategy with accent in the value of services despite the decreased or aggressive price policy.

Towards this direction, Forthnet Group will enrich the successful offering of bundled services with internet access, telephony and premium content.

Hereinafter, the strategy targeting all activity domains within 2012 is analyzed:

Regarding Residential Services the Group for the year 2012 will focus its interest in the retention of its existing customer base through actions that will aim in the targeted needs of each customer.

At the same time the growth of the subscription base will continue by allocating qualitative services adapted in the needs of Greek family for communication and in home entertainment. More specifically:

- with the 3play services launch the benefit of the bundled commercial propositions will be communicated with the same intensity
- the digital terrestrial television will give the possibility to even more families to acquire access in premium Pay TV content, with bigger flexibility and without any extra installation costs
- the Group will further develop value added services through the exploitation of the know-how in the development of high definition services growth (HD) & 3-D and of the new technological possibilities

For the year 2012 Forthnet stores will constitute the basic distribution network through which retail services will be offered to the customers.

Regarding the Business and SME services the emphasis during 2012 will be given on the greatest exploitation of the private infrastructure by migrating our customers from wholesale circuits to our private network, in order to further improve the profit margin.

Main focus will be given on approaching SMEs and Wholesale market. In parallel, the Group will focus on cross-selling to existing customers in order to be their sole telecom provider.

Investments:

The investments planned for 2012 aim at extending the backbone of the Group to further improve the already high quality of the services and maximizing reliability. More specifically:

- Expansion of optical fiber for connecting to private network collocations, total length 90km.
- Construction / Expansion collocations: During 2012 we will construct and put into service selected new collocations. At the end of 2012, the total number of collocations is expected to reach 493.
- Construction of Data Centers: We will complete the construction of a new data center in Heraklion, Crete, and start building a new data center in Thessaloniki, to better support the operations of the Group
- Platform WebTV: An online platform will be put into production (DRM based) to support content services via Web (Over The Top platform)

Moreover, Forthnet Group during 2012 will aim to complete the legislative plan for the digital transition, targeting a presence in 20 broadcasting centers with population coverage over 80%.

Finally, during 2012 Forthnet Group will continue cost savings initiatives seeking improving operational efficiencies and extract maximum value out of existing tangible and intangible assets.

Athens, March 8, 2012

Deepak Srinivas Padmanabhan
President of the
Board of Directors

BOARD OF DIRECTORS' EXPLANATORY REPORT

(according to article 4 pars. 7 & 8 of L. 3556/2007)

The present Explanatory Report of the Board of Directors to the Ordinary General Assembly of its Shareholders includes additional detailed information in accordance with paragraphs 7 & 8 of Article 4, L. 3556/2007 and constitutes a unified and integral part of the Annual Board of Directors' Report.

(a) Structure of the Company's Share Capital

The Company's share capital amounts to one hundred and eighty three million four hundred and eight thousand nine hundred and sixty two euros and thirty two eurocents (€ 183,408,962.32) and is divided into one hundred and fifty five million four hundred and thirty one thousand three hundred and twenty four (155,431,324) common nominal shares with a nominal value of one euro and eighteen cents (€1.18) each.

The Company's shares are dematerialised, common nominal with voting rights, freely negotiable and transferable and listed for trading on the Athens Exchange and more specifically from November 25th, 2011 in the "Under Surveillance Segment" as, according to the financial statement of 31.12.2010, the loss was larger than 30% of the net worth of the Company whereas there was no provision for the completion of a share capital increase within the term for which the Company was bound.

The quality of shareholder implies the legal, automatic and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on limited companies, the provisions of the Company's Articles of Association, the decisions of the General Assembly of Shareholders and the decisions of the Board of Directors. Shareholders shall exercise their rights as regards to the management of the Company only through the General Assembly and each share shall the right to one (1) vote at the General Assembly.

Moreover, each share shall provide:

- a right to dividend from the Company's annual profits, in accordance with the stipulations of legislation and the articles of association.
- the right to withdraw the contribution after the end of liquidation and the balance of the product of liquidation of company property, in accordance with their participation in the paid-up share capital;
- preference rights to any increase in the Company's share capital in cash and the undertaking of new shares;
- the right to obtain a copy of the financial statements and the reports issued by the auditors and the Company's Board of Directors;
- the right to participate at the General Assembly, which includes the following rights: legalisation, presence, participation at discussions, submission of proposals on issues on the agenda, recording of views in the minutes and voting

The General Assembly of Company shareholders shall reserve all its rights during liquidation.

In addition, any shareholder or shareholders representing 1/20 or 1/5 of the paid-up share capital shall have minority rights, as provided by the Company's Articles of Association and the relevant legislation.

(b) Limitations on the transfer of Company shares

The transfer of Company shares takes place as stipulated by Law and there are no limitations on their transfer, given that these are dematerialised shares listed on the Athens Exchange.

(c) Important direct or indirect holdings in the sense of L. 3556/2007 (articles 9 to 11)

Shareholders (natural or legal persons) who on 31/12/2011 directly or indirectly held more than 5% of the total number of shares are presented in the following table:

CORPORATE NAME	SHARES	PERCENTAGE
FORGENDO LIMITED*	64,151,262	41.273%
CYRTE INVESTMENTS GP 1 B.V.**	39,996,887	25.733%

* Controlled by Emirates International Telecommunications LLC
** Controlled by 100% by DELTA Lloyd N.V.

On 02/03/2012, the following shareholders held more than 5% participation in the share capital:

CORPORATE NAME	SHARES	PERCENTAGE
FORGENDO LIMITED*	64,151,262	41.273%
CYRTE INVESTMENTS GP 1 B.V.**	39,996,887	25.733%

* Controlled by Emirates International Telecommunications LLC
** Controlled by 100% by DELTA Lloyd N.V.

(d) Shares providing special control rights

There are no Company shares providing special control rights to their holders.

(e) Limitations on voting rights

The Company's Articles of Association do not foresee any limitations on voting rights arising from its shares.

(f) Company shareholders' agreements

Within the framework of the Company's share capital increase which was decided by the Extraordinary General dated 14.05.2008 and in order to facilitate the participation and exercise of the respective pre-emptive rights by the Company's Management Executives and personnel, Agreements for the Pledging of Shares were concluded on the 31st July 2008 between the Company's Shareholder, Forgendo Ltd on one hand and on the other, the Managing Director, certain Higher Management Executives and certain employees of the Company, who already participated in the Company's share capital, and had, according to the Decision of the Extraordinary General Assembly dated 14.05.2008, a pre-emptive right in the share capital increase. In particular, in the aforementioned Agreements it is foreseen the pledging of shares acquired by the aforementioned persons during the dated 14.05.2008 share capital increase of the Company, which were concluded as guarantee for the loans received by the aforementioned management executives and personnel of the Company for the exercise of the respective pre-emptive right for the acquisition of company shares. In the said Agreements are foreseen limitations in the right to transfer the as above pledged shares.

(g) Rules applicable to the appointment and replacement of members of the BoD and amendment of the Articles of Association

The rules set out in the Company's articles of association as regards the appointment and the replacement of members of the Board of Directors and amendments to the provisions of its articles of association do not differ from those stipulated by C. L. 2190/1920, as amended by L. 3604/2007, other than those referred to below:

1. In **Article 15 par. 6** of the Company's Articles of Asssociation, regarding the amendment of Article 32 of the Articles of Association, it is exceptionally provided that for the taking of a decision by the General Assembly, a ¾ majority of the paid-up share capital is required, while in article 31 par. 2 of the C.L. 2190/1920 it is provided that such a decision is taken with a 2/3 majority of the votes represented in the Assembly. It is noted that the increased majority of Article 15 par. 6 of the Articles of Association is legally provided since article 29 par. 6 in combination with article 31 par. 3 of C.L. 2190/1920 allow for the provision by the Articles of Association of increased percentages of quorum and majority for certain issues. Article 32 of the Articles of Association concerns the power of the Board of Directors to subsidize the Institute of Information of FORTH in the development of the telecommunications market and the creation of the Company.

2. In **Article 15 par.1 case k)** of the Company's Articles of Association it is provided that among the Decisions that are taken with an increased quorum and majority are included decisions concerning the amendment of Article 20 par. 24 of the Company's Articles of Association, where the powers of the Managing Director are foreseen.
3. In **Article 15 par. 2 subpar. b** of the Company's Articles of Association it is provided that "The first repeat assembly shall be considered to have a quorum and convene legally on the items of the agenda, when at least fifty-one percent (51%) of the paid-up share capital is represented therein." According to Article 29 par. 4 of the C.L. 2190/1920 "The first repeat assembly shall be considered to have a quorum and convene legally on the items of the agenda, when at least ½ of the paid-up share capital is represented therein." It is noted that the increased majority of Article 15 par. 2 subpar. b of the Articles of Association is legally provided since article 29 par. 6 in combination with art. 31 par. 3 of the C.L. 2190/1920 allow for the provision by the Articles of Association of increased percentages of quorum and majority for all or certain issues.

(h) Responsibilities of the BoD or certain members of the BoD as regards the issuance of new shares or the purchase of own shares in accordance with article 16 of the C.L. 2190/1920.

a. In accordance with the provisions of **article 13, par. 1 points (b) and (c), C.L. 2190/1920** combined with the provisions of article 5 of its articles of association, the Company's Board of Directors, following a relevant decision of the General Assembly that is subject to the publication formalities of article 7b, C.L. 2190/1920, shall be entitled to increase the Company's share capital in whole or in part, through the issuance of new shares or to issue bond loans with convertible bonds, by a decision taken by a majority of at least two thirds (2/3) of its total number of members. In such case, the share capital may be increased up to the amount of the capital that has been paid-up on the date when the said power was granted by the General Assembly to the Board of Directors. The above power of the Board of Directors may be renewed by the General Assembly for a period that shall not exceed five years for each renewal and its validity starts after the termination of each five-year period. Such decision of the General Assembnly is subject to the publication formalities of article 7b, C.L. 2190/1920.

   Within the framework of the above legislative provisions, the Ordinary General Assembly of shareholders dated 28.06.2011 approved the renewal of the power of the Board of Directors, for a five-year period, to decide, with a two-third (2/3) majority of the total number of its members, on

   (i) increases of the company's share capital, partially or totally, through the issuance of new shares, for an amount that shall not exceed the paid-up Company share capital on the date of the General Assembly, in accordance with the provisions of the articles of association and the law, and
   (ii) to issue, in accordance with article 3a, C.L. 2190/1920 and the articles of association, bond loans, with a right to convert the bonds into shares for an amount that shall not exceed the company's share capital on the date of the General Assembly, in accordance with the provisions of the articles of association and the law.

b. In accordance with the provisions of **article 13, par. 9, C.L. 2190/1920**, prior to its amendment by L. 3604/2007, a share placement plan for members of the Board of Directors and the staff may be established by decision of the General Assembly; this plan shall have the form of an option to purchase shares in accordance with the special terms of the decision. In accordance with article 13 par. 9, C.L. 2190/1920, prior to its amendment by L. 3604/2007, the said decision of the General Assembly had to define, in particular, the highest number of shares to be issued, which according to the law could not exceed 1/10 of existing shares, if the beneficiaries exercise the right to purchase shares, the price and the terms for providing shares to beneficiaries. In addition, and in accordance to prior form of article 13 par. 9, C.L. 2190/1920, the Board of Directors could decide on any other relevant detail, which was not settled by the General Assembly, issued option certificates and in December of each year it issued shares to any beneficiaries exercising their right, by increasing the share capital accordingly and certifying the relevant increase.

Within the framework of the above legislative provisions, as applicable at the time, the General Assembly of shareholders dated 30.06.2006 established a placement plan for 2,800,000 shares, to be implemented during the years 2007-2011, defining the objectives, at the price of € 5.36 and in accordance with the particular provisions of the various decisions of the BoD. On the basis of the authorization received from the General Assembly, the BoD implemented in 2007, a stock option plan, according to which 317,149 options to purchase shares were exercised by the beneficiaries, at the price of € 5.36, while the total capital raised amounted to € 1,699,918.64. On 21/12/2007, the BoD increased the share capital accordingly and certified payment of the share capital

During the Ordinary General Assembly of Shareholders dated 30.06.2006 and the Extraordinary General Assembly of Shareholders dated 10.08.2007, which amended the Decision dated 30.06.2006, as well as the relevant Article of the Regulation for the operation and participation in the Stock Option Plan, the Company's Shareholders decided that in case of a change in control in the Company based on the provisions of article 4 of L.703/1977, the stock option rights granted to the beneficiaries of the stock option plan decided by the General Assembly dated 30.06.2006 mature, so that the beneficiaries (among which are members of Company's BoD and its affiliated companies, General Directors, Directors, Heads of Services and Departments as well as other company executives) have the right to exercise their rights at an earlier date than the prescribed and agreed dates of exercise, as these are defined at any given time by the BoD.

Such a change in control took place on the 14th February 2008, as a result of the acquisition by Forgendo of 8.158.912 shares with equal voting rights (amounting to 20,997% of the share capital of the Company at that date). With its relevant decision dated 22.04.2008 the Board of Directors asserted the maturity of the total stock option plan of 2,800,000 shares, and the right of its beneficiary to prematurely exercise the total of their rights. In accordance with the relevant decision, the exercise of the said rights by the beneficiaries may be realised every three months, and until the date of termination of the program (i.e. from 1.06.2008 till 20.12.2012). With its decision dated 04.08.2008, and as a result of the share capital increase decided by the Extraordinary General Assembly of Shareholders dated 14.05.2008, the Board of
Directors asserted the readjustment of the strike price as well as of the number of options to purchase shares granted to the beneficiaries within the framework of the stock option plan decided by the Ordinary General Assembly of Shareholders dated 30.06.2006, valid as amended by the Extraordinary General Assembly of Shareholders dated 10.08.2007. In particular, the BoD asserted that the strike price was readjusted from 5.32 euros to 3.89 euros, while the number of option shares entitled by each beneficiary is a multiple factor of 1.3663535. Due to the lack of interest until today by the beneficiaries of the above plan to exercise their rights, there was no need for the Board to follow the procedure of share capital increase.

c. In accordance with the provisions of **article 13 par. 14, C.L.2190/1920**, as amended by L. 3604/2007, the General Assembly can decide, in accordance with the provisions of par. 3 and 4 of article 29 and of par. 2 of article 31 and subject to the publication formalities of article 7b, to authorize the Board of Directors to establish a stock option plan in accordance with par. 13 of article 13 of C.L.2190/1920, by increasing if needed the share capital and by taking all relevant decisions. Such authorization is valid for five (5) years, unless the General Assembly defines a shorter time of validity and is independent of the powers of the Board of Directors of par. 1 of article 13. The decision of the Board of Directors is taken under the terms of par. 1 and with the limitations of par. 13 of article 13.

Within the framework of the above legislative provisions, the Extraordinary General Assembly dated 14.05.2008 approved the assignment for a five-year-period from the date of the General Assembly to the Board of Directors of the right, with its decision taken with a 2/3 majority of the total of its members, to establish a stock option plan for the personnel and for the Board of Directors of the Company and the companies of the Group, the nominal value of which (shares) should not exceed the 1/10 of the paid-up capital at the date of the Decision of the Board of Directors, in accordance with the provisions of article 13 pars. 13 and 14, C.L. 2190/1920, as amended.

Further to the 14.05.2008 resolution of the Extraordinary General Assembly of the shareholders, which assigned to the Board of Directors, the right to institute a plan for the disposal of shares to the staff and the Boards of Directors of the Group's companies, the Board of Directors, by it's 07.04.2009 resolution, created a stock option plan for the disposal of shares of Forthnet S.A to the staff and the members of the company's Board of Director.

The said stock option plan is divided in two parts, according to the following:

A. SHORT-TERM STOCK OPTION PLAN

Due to, on the one hand the very high exercise price of the former plan in relation to the current market value of the Company's share and on the other hand the increased number of options that arose by the adjustment due to the increase of the capital share, the plan established by the 30.06.2006 General Meeting, resulted to be unattractive and ineffective according to its purposes. Therefore, the Board of Directors unanimously resolved that the following alternatives should be provided to the beneficiaries of the plan:

1a. The Board of Directors proceeded to the Creation of 2,194,812 Stock Options of Forthnet S.A., with exercise price €1.18. Further, these options were disposed pro rata, for the replacement of the 2,992,703 options with exercise price €3.89, that the beneficiaries of the plan 2006-2012 had at their disposal for exercising, on the basis of the 04.08.2008 readjustment in the number of the options and in the exercise price, that was effected as a consequence of the increase of the Share Capital of the Company, on condition of a voluntary waiver of the options held by the beneficiaries from the existing plan.

1b. The Board of Directors defines that the 30% of the above options, proportionately for each beneficiary, will ipso jure mature on 15.10.2009, while the remaining 70% proportionately for each beneficiary, will ipso jure mature on 15.10.2010. The beneficiaries could exercise these options at their discretion, per calendar quarter, with the commencement date of the exercise, the maturity date and the termination date on December 2011. The capacity of the beneficiary is lost in case of termination of the relation that connects him with the Company, as it is detailed in article 8 of the Stock Option Operation Regulation.

2a. The Board of Directors resolved the granting to the beneficiaries of the Plan 2006-2012, alternatively to 1a and 1b, of the choice to voluntarily waive their options and in consideration to receive a Fee that equals to the number of each beneficiary's options, times the value of €0.60 per option.

Finally all the above beneficiaries of the above stock options, decided to waive their rights to the options grants and instead receive the Fee.

B. LONG TERM STOCK OPTION PLAN

The Board of Directors, within the bounds of the guidelines and objectives of the General Assembly of the Shareholders and its resolutions for the creation of motives, in order the targets of the business plan of the Company to be achieved resolved on the following:

I. It proceeded on the 07.04.2009 with the Creation of 5,440,096 Options that correspond to 5,440,096 shares in favour of the Beneficiaries, with an exercise price €1,18 as it is set forth and is defined:

i. For the 2,331,470 Options

1) It defined the year 2011, as the vesting year of 2,331,470 Options, on condition that the criteria-targets for the year 2010 will have been achieved, according to the BoD resolutions for the definition of the criteria-targets. The exercise of these options may be realized during the periods that Law defines until 31.12.2014.

ii. For the 3,108,626 Options

1) It defined the year 2012, as the vesting year of 3,108,626 Options, on condition that the criteria-targets for the year 2011 will have been achieved, according to the BoD resolutions for the definition of the criteria-targets. The exercise of these options may be realized during the periods that Law defines until 31.12.2014.

The beneficiaries may be included in one of the categories below, according to the of the BoD resolutions:

1. The category that includes the members of the Boards of Directors of the Company and the affiliated companies according to the above and General Managers, Managers.

2. The category that includes other executives of the Company, the contribution, duties, critical post and the responsibility of the post of whom, are considered a key factor for the achievement of the Company's objectives, and their stay in its resources is necessary.

II. The BoD reserved its right to grant 3,552,454 Options for the term of the Plan 2009-2016, as well as of the remaining options that will arise by a voluntary waiver of the beneficiaries of the plan 2006-2012 and any options that will not be disposed from the as above short-term Plan on the basis of the criteria and targets, defined each time by the Board of Directors. The Creation of the Options will be effected through individual resolutions of its and their exercise will be possible, only if the as above targets will have been materialized. The exercise of the Options will be effected according to the provisions in force.

d. The General Assembly of shareholders of 13/06/2008, on the basis of **par. 5 et seq., Article 16, C.L.** 2190/1920, as amended by L. 3604/2007, decided and approved the possibility of purchasing up to 3,885,783 own shares, amounting to 10% of the paid-up share capital, at a minimum price of €0.30 and a maximum of €15; the General Assembly also defined the total time period for purchasing the above own shares at twenty four (24) months from the date of the General Assembly. In addition, the General Assembly dated 13.06.2008 authorized the Board of Directors to decide on the various time periods for purchasing own shares and the respective number of shares, and also to undertake any other acts in accordance with the law and within the framework of the above mandate.

The Board of Directors has not yet exercised this power.

(i) Important agreements coming into force, are being amended or terminate in the case of changes in control following a public offer.

There are no agreements, coming into force, being amended or terminating in the case of a change in the control of the Company, following a public offer.

(j) Agreements with members of the Board of Directors or Company staff

There are no agreements between the Company and the members of the Board of Directors of the Company or its staff, foreseeing payment of compensation especially in the case of resignation or dismissal without justified reasons or termination of their term or employment, due to a public offer.

It is noted, however, that within the contracts of the Chief Executive Officer and certain higher management executives, payment of additional compensation is foreseen upon contract termination, in the case of contract termination for which the aforementioned persons are not liable or in case of forced resignation. The relevant obligation has been included in the provisions for staff compensation.

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (Forthnet)

Report on the Financial Statements
We have audited the accompanying separate and consolidated financial statements of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") and its subsidiaries (the "Group") which comprise of the separate and consolidated statement of financial position as at December 31, 2011 and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2011 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 4 to the separate and consolidated financial statements which indicates that, at December 31, 2011, (a) the Group was not in compliance with certain financial covenants and undertakings under its bond loan agreements, (b) its long-term borrowings were all classified as current and, (c) the Group's and Company's current liabilities exceeded their current assets and, accordingly, they may not be able to meet part of their contractual obligations. As further discussed in Note 4, the Group is in the process of aligning the financial covenants of the existing bond loans to those of the new bond loans and will seek a waiver for the non compliance of a financial covenant of the new bond loan agreements. Furthermore, Management has engaged in formal discussions with its lending banks with a view to obtaining an appropriate and mutually acceptable waiver regarding its undertaking under its new bond loan agreements for a share capital increase. The successful completion of the alignment process and the positive outcome of the discussions with the lending syndicates which will lead to waivers being obtained cannot be assured and, accordingly, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

(a) The Director's Report includes the statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.
(b) We confirm that the information given in the Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of C. L. 2190/1920.

Athens, March 8, 2012

The Certified Auditors Accountants

CHRISTODOULOS SEFERIS
R.N. ICA (GR) 23431

STAVROS SALOUSTROS
R.N. ICA (GR) 14611

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
SOEL REG. No: 107

ERNST & YOUNG

SOL S.A.
CERTIFIED AUDITORS
SOEL REG No: 125

ANNUAL

FINANCIAL STATEMENTS

for the year ended

December 31, 2011

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	The Group		The Company	
		01.01-31.12.2011	01.01-31.12.2010	01.01-31.12.2011	01.01-31.12.2010
Revenues	5	410,888,898	404,945,314	231,369,927	215,681,234
Telecommunications costs		(103,938,915)	(101,312,138)	(103,938,915)	(101,134,749)
Royalties and licenses		(101,894,730)	(94,185,310)	-	-
Cost of sales of inventory and consumables		(6,505,199)	(10,568,337)	(4,566,492)	(4,660,790)
Advertising and promotion costs		(14,415,174)	(21,135,591)	(5,542,874)	(10,919,772)
Payroll and related costs	7	(48,303,913)	(47,041,243)	(27,347,178)	(26,217,665)
Sundry expenses	10	(61,343,981)	(67,970,273)	(33,176,457)	(36,344,052)
Impairment of goodwill	12	(128,540,606)	(18,670,000)	-	-
Impairment of investments in subsidiaries	12	-	-	(206,171,438)	-
Other income		4,694,658	4,907,133	4,432,751	4,135,129
Depreciation and amortisation	8	(120,308,851)	(105,358,142)	(60,276,002)	(55,849,523)
Financial income	9	431,099	2,118,153	222,518	207,150
Financial expenses	9	(28,786,252)	(25,848,105)	(5,374,964)	(4,161,207)
Share of profits of associates accounted for under the equity method	12	-	(46,246)	-	-
Loss before income taxes		**(198,022,966)**	**(80,164,785)**	**(210,369,124)**	**(19,264,245)**
Income taxes	11	(492,615)	(6,663,648)	1,547,917	(10,725,189)
		-	-	-	-
Loss after tax (A)		**(198,515,581)**	**(86,828,433)**	**(208,821,207)**	**(29,989,434)**
Other total comprehensive income after tax (B)		**-**	**-**	**-**	**-**
Total comprehensive losses after tax (A)+(B)		**(198,515,581)**	**(86,828,433)**	**(208,821,207)**	**(29,989,434)**
Loss for the period attributable to:					
Shareholders of the Parent Company		(199,146,287)	(85,098,182)	(208,821,207)	(29,989,434)
Non-controlling interests		630,706	(1,730,251)	-	-
		(198,515,581)	**(86,828,433)**	**(208,821,207)**	**(29,989,434)**
Total comprehensive income for the period attributable to:					
Shareholders of the Parent Company		(199,146,287)	(85,098,182)	(208,821,207)	(29,989,434)
Non-controlling interests		630,706	(1,730,251)	-	-
		(198,515,581)	**(86,828,433)**	**(208,821,207)**	**(29,989,434)**
Loss per share (Basic and diluted)	32	(1.2812)	(0.5475)		
Weighted Average Number of Shares (Basic)	32	155,431,324	155,431,324		
Weighted Average Number of Shares (Diluted)	32	155,431,324	155,431,324		

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011

	Notes	The Group		The Company	
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
ASSETS					
Non current assets					
Property, plant and equipment	13	281,829,878	311,814,651	154,102,782	170,553,382
Intangible assets	14	172,554,880	215,789,271	15,837,876	19,794,317
Goodwill	12	139,482,089	268,022,695	512,569	512,569
Investments in subsidiaries	12	-	-	83,850,733	289,889,228
Investments in associates accounted under the equity method	12	-	22,049	-	44,500
Other non-current assets		9,526,395	7,270,459	8,050,714	5,608,127
Available for sale financial assets	15,36	402,395	402,395	340,064	340,064
Deferred tax assets	11	17,080,816	25,292,663	16,392,365	14,844,448
Total non current assets		**620,876,453**	**828,614,183**	**279,087,103**	**501,586,635**
Current assets					
Inventories	17	6,696,679	6,708,194	2,197,398	2,254,877
Programme and film rights	16	47,988,239	47,129,081	-	-
Trade receivables	18	75,208,837	71,314,880	46,343,492	41,064,974
Prepayments and other receivables	19	19,522,993	27,457,343	11,775,821	9,227,596
Due from related companies	34	50,148	26,693	34,230,216	44,288,644
Financial assets at fair value through profit or loss		-	40,188	-	-
Forward exchange contract asset		-	25,820	-	-
Cash and cash equivalents	20	27,781,179	36,418,891	17,144,169	18,329,631
Restricted cash	20	8,214,500	1,964,500	8,214,500	1,964,500
Total Current Assets		**185,462,575**	**191,085,590**	**119,905,596**	**117,130,222**
TOTAL ASSETS		**806,339,028**	**1,019,699,773**	**398,992,699**	**618,716,857**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	21	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	22	14,907,004	14,385,588	14,246,812	13,735,754
Accumulated deficit		(437,628,868)	(238,472,223)	(376,822,517)	(168,001,310)
Total		**61,668,385**	**260,303,614**	**121,814,544**	**330,124,693**
Non-controlling interests		3,119,355	2,497,831	-	-
Total equity		**64,787,740**	**262,801,445**	**121,814,544**	**330,124,693**
Non current liabilities					
Long-term borrowings	24	219,039	286,494,821	-	89,473,548
Long-term transponder leases	26	118,280,729	129,204,080	-	-
Other long-term leases	25	2,021,389	1,758,393	2,021,389	1,758,393
Other long-term obligations		8,999,519	5,562,263	8,056,557	5,562,262
Long-term obligations of programmes and film rights	27	859,605	817,971	-	-
Reserve for staff retirement indemnities	31	3,886,199	4,017,099	1,938,734	1,955,921
Government grants	30	15,348,007	19,193,338	15,251,639	18,603,337
Deferred tax liability	11	30,323,710	39,277,595	-	-
Total Non-Current Liabilities		**179,938,197**	**486,325,560**	**27,268,319**	**117,353,461**
Current Liabilities					
Trade accounts payable	28	102,834,915	101,275,336	54,809,254	56,141,291
Due to related companies	34	507,019	2,377,482	42,586,334	52,256,082
Short-term borrowings	24	1,418,000	1,419,258	-	-
Current portion of long-term borrowings	24	330,842,715	45,144,000	109,246,011	20,000,000
Deferred income	2.3	41,586,117	40,564,124	22,106,548	18,554,874
Current portion of transponder leases	26	10,923,351	10,237,713	-	-
Short-term portion of other obligations	25	424,062	182,241	424,062	159,774
Current portion of programmes and film rights obligations	27	32,777,564	33,798,727	13,974,684	21,684,685
Income tax payable		2,528,335	6,403,655	200,000	200,000
Accrued and other current liabilities	29	37,771,013	29,170,232	6,562,943	2,241,997
Total Current Liabilities		**561,613,091**	**270,572,768**	**249,909,836**	**171,238,703**
Total Liabilities		**741,551,288**	**756,898,328**	**277,178,155**	**288,592,164**
TOTAL LIABILITIES AND EQUITY		**806,339,028**	**1,019,699,773**	**398,992,699**	**618,716,857**

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Attridutable to equity holders of the parent company					Non-controlling interests	Total Equity
The Group	**Share capital**	**Share premium**	**Other reserves**	**Accumulated deficit**	**Total**		
Total Equity beginning at the period January 1, 2010	**183,408,963**	**300,981,286**	**13,651,442**	**(153,470,168)**	**344,571,523**	**3,886,038**	**348,457,561**
Total comprehensive loss after income taxes of year (continuing and discontinuing operations)	-	-	-	(85,098,182)	(85,098,182)	(1,730,251)	(86,828,433)
Stock option plan	-	-	706,982	-	706,982	-	706,982
Transfer to non distributable reserve	-	-	27,164	(27,164)	-	-	-
Non-controlling interest on share capital increase of subsidiary	-	-	-	123,291	123,291	342,044	465,335
Total Equity at December 31, 2010	**183,408,963**	**300,981,286**	**14,385,588**	**(238,472,223)**	**260,303,614**	**2,497,831**	**262,801,445**
Total Equity beginning at the period January 1, 2011	**183,408,963**	**300,981,286**	**14,385,588**	**(238,472,223)**	**260,303,614**	**2,497,831**	**262,801,445**
Total comprehensive loss after income taxes of the year(continuing and discontinuing operations)	-	-	-	(199,146,287)	(199,146,287)	630,706	(198,515,581)
Stock option plan	-	-	511,058	-	511,058	-	511,058
Non-controlling interest on share capital increase of subsidiary	-	-	-	-	-	(9,182)	(9,182)
Transfer to non distributable reserve	-	-	10,358	(10,358)	-	-	-
Total Equity at December 31, 2011	**183,408,963**	**300,981,286**	**14,907,004**	**(437,628,868)**	**61,668,385**	**3,119,355**	**64,787,740**

The Company	**Share capital**	**Share premium**	**Other reserves**	**Accumulated deficit**	**Total**
Total Equity beginning at the period January 1, 2010	**183,408,963**	**300,981,286**	**13,028,772**	**(138,011,876)**	**359,407,145**
Total comprehensive loss after income taxes of the year (continuing and discontinuing operations)	-	-	-	(29,989,434)	(29,989,434)
Stock option plan	-	-	706,982	-	706,982
Total Equity at December 31, 2010	**183,408,963**	**300,981,286**	**13,735,754**	**(168,001,310)**	**330,124,693**
Total Equity beginning at the period January 1, 2011	**183,408,963**	**300,981,286**	**13,735,754**	**(168,001,310)**	**330,124,693**
Total comprehensive loss after income taxes of the year (continuing and discontinuing operations)	-	-	-	(208,821,207)	(208,821,207)
Stock option plan	-	-	511,058	-	511,058
Total Equity at December 31, 2011	**183,408,963**	**300,981,286**	**14,246,812**	**(376,822,517)**	**121,814,544**

The accompanying notes are an integral part of the Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

		The Group		The Company	
	Notes	01.01-31.12.2011	01.01-31.12.2010	01.01-31.12.2011	01.01-31.12.2010
Cash flows from Operating Activities					
Loss before income taxes		(198,022,966)	(80,164,785)	(210,369,124)	(19,264,245)
Adjustments for:					
Depreciation and amortisation	8	120,308,851	105,358,142	60,276,002	55,849,523
Amortisation of subsidies		(3,415,331)	(3,307,199)	(3,351,698)	(3,247,269)
Gains on disposal of tangible and intangible assets		38,343	(30,442)	38,343	(9,076)
Financial (income)/expenses	9	28,355,153	23,729,952	5,152,446	3,954,057
Impairment of goodwill	12	128,540,606	18,670,000	-	-
Impairment of investment in subsidiary	12	-	-	206,171,438	-
Share of profits of associates accounted for under the equity method		-	46,246	-	-
Allowance for doubtful accounts receivable	10	4,715,160	5,980,043	3,854,060	4,884,190
Provision for staff retirement indemnities	7	1,243,864	1,342,454	602,108	444,067
Other provisions		570,200	1,209,204	570,200	1,181,669
Operating profit before working capital changes		**82,333,880**	**72,833,615**	**62,943,775**	**43,792,916**
(Increase)/Decrease in:					
Inventories		(70,661)	(1,678,767)	(1,667)	(459,621)
Trade accounts receivable & amounts due from related companies		(8,632,572)	(19,748,442)	925,850	(59,103,757)
Programme and film rights		(859,158)	(3,501,180)	-	-
Prepayments and other receivables		6,417,013	(2,590,417)	(2,548,225)	4,130,477
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		4,954,804	(2,040,599)	9,260,344	49,415,374
Deferred income		1,021,993	2,997,699	3,551,674	2,714,357
Accrued and other current liabilities		2,065,916	19,808,742	(17,913,206)	3,497,239
Income taxes paid		(3,900,802)	(5,542,994)	-	-
Payment of staff retirement indemnities		(1,374,764)	(1,014,917)	(619,294)	(199,598)
Increase in other non-current assets		(2,255,936)	(5,357,033)	(2,442,586)	(5,343,386)
Increase in other long-term liabilities		3,478,890	5,407,362	2,494,295	5,407,362
Net cash from Operating Activities		**83,178,602**	**59,573,069**	**55,650,960**	**43,851,363**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(53,501,555)	(57,344,940)	(46,405,845)	(53,660,603)
Disposals of property, plant and equipment and intangible assets		86,674	94,824	86,674	65,731
Increase in participation in subsidiaries		-	-	-	(575,996)
Absorbtion of entity by subsidiary		-	465,335	-	-
Increase in investments in associates and other financial assets		-	(34,679)	-	(9,000)
Government grants received		-	4,500,000	-	4,500,000
Interest and related income received		319,484	628,668	165,118	207,150
Restricted cash	20	(6,250,000)	(1,964,500)	(6,250,000)	(1,964,500)
Net cash used in Investing Activities		**(59,345,397)**	**(53,655,292)**	**(52,404,053)**	**(51,437,218)**
Cash flows from Financing Activities					
Net change in long -term borrowings		-	(20,144,000)	-	(10,000,000)
Net change in short -term borrowings		-	307,131	-	-
Interest paid		(21,955,522)	(21,925,404)	(4,614,653)	(4,556,135)
Other financial expenses		(782,500)	-	(345,000)	-
Net change in leases		(9,732,896)	(7,285,839)	527,284	(150,057)
Net cash used in Financing Activities		**(32,470,918)**	**(49,048,112)**	**(4,432,369)**	**(14,706,192)**
Net decrease in cash and cash equivalents		**(8,637,712)**	**(43,130,335)**	**(1,185,462)**	**(22,292,047)**
Cash and cash equivalents at the beginning of year	20	**36,418,891**	**79,549,226**	**18,329,631**	**40,621,678**
Cash and cash equivalents of the end of year	20	**27,781,179**	**36,418,891**	**17,144,169**	**18,329,631**

The accompanying notes are an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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 December 31, 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 December, 31 2011, the participation percentage amounted to 25.73% (December 31, 2010: 25.41%). The ultimate parent company of Forgento Ltd. is the Emirates International Telecommunications.

The accompanying financial statements for the year ended December, 2011 and 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 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. Multichoice (Cyprus) Public Company Ltd was delisted from the Cyprus Stock Exchange company on June 28, 2011. 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 December 31, 2011, amounted to 1,390, while that of the Company to 795. At December 31, 2010, the respective number of employees was 1,545 for the Group and 862 for the Company.

On November 24, 2011 the Board of Directors of the Athens Exchange decided to place the Company's shares under close monitoring based on the fact that the fiscal year 2010 losses were greater than 30% of its equity and the planned share capital increase was not successfully completed.

The Board of Directors of Forthnet approved the separate and consolidated financial statements for the period ended at December 31, 2011, on March 8, 2012. The abovementioned financial statements are subject to the final approval of the General Assembly of the Shareholders.

2.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.).

These financial statements have been prepared on a historical cost basis 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.

Certain line items of the previous year financial statements were reclassified in order to conform to the current year's presentation. These reclassifications are as follows:

- In 2010 an amount € 3,000,000 for the Group was reclassified from prepayments and other receivables to trade receivables.
- In 2010 an amount of € 4,750,000 for the Group was reclassified from current portion of transponder leases to trade accounts payable.
- In 2010 an amount of € 1,589,304 for the Group was reclassified from trade accounts payable to accrued and other current liabilities.
- In 2010 an amount of € 486,812 for the Group and the Company was reclassified from trade accounts payable to intergroup balances payable.
- In 2010 an amount of € 21,684,685 for the Group and the Company was reclassified from accrued and other current liabilities to current portion of programmes and film rights obligations.
- In 2010 an amount of € 1,234,346 for the Group was reclassified from income tax payable to prepayments and other receivables
- In 2010 an amount of € 604,298 for the Group and € 518,799 for the Company was reclassified from financial expense to sundry expenses.

2.2 BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Losses of subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Business Combinations and Goodwill: Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (previously minority interests) in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit and loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Investments in Associates: The Group's investments in other entities in which it exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognised at cost and subsequently increased or decreased to recognize the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment.

(c) Foreign Currency Translation: The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position date, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

Gains or losses of the period ended resulting from foreign currency re-measurements are reflected in the accompanying statement of comprehensive income. Gains or losses resulting from transactions are also reflected in the accompanying statement of comprehensive income.

(d) Property, Plant and Equipment: Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalised to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of comprehensive income.

Profit and losses arising from the write-off of assets are included in the statement of comprehensive income this asset is written-off.

(e) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximate average useful lives. The rates used are as follows:

Classification	Annual Rates
Buildings	2.50%
Installations on buildings	7.50%-11.11%
Network equipment (Internet and Fixed Telephony)	15%
Network support equipment (LMDS)	10%
Network equipment LLU	20%
Fibre-optic network	6.67%
Transportation assets	10%
Computer hardware	10%-30%
Transmission equipment	8.33%
Furniture and other equipment	7.50%-12.50%

(f) Intangible Assets: Intangible assets include costs of purchased and internally generated software and various licences. Purchased intangible assets acquired separately are capitalised at cost while those acquired from a business combination are capitalised at fair value at the date of acquisition. Such acquired intangible assets are patents, brand names, trademarks, title rights, concession rights, software and other similar intangible assets. Internally generated software includes costs such as payroll, materials and services used and any other expenditure directly incurred in developing computer software which meets the capitalisation criteria and brings the software into its intended use. No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the statement of comprehensive income in the period in which they are incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. The Company's intangible assets include the cost of a license for the provision of Fixed Wireless Access Telecommunications of the absorbed company, Mediterranean Broadband Access S.A. The license was awarded in accordance with the decision No. 203/ 10.01.2001 of EETT for a term of fifteen (15) years at a cost of approximately € 8.5 million. The license is being amortised over a period of thirteen (13) years, representing the remaining period of use from the year that the network was operational up to the completion of 15 years.

In addition, the Group capitalises the subscriber acquisition costs for which the subscribers have been committed with a contract for 12 months. In case the contract is terminated before the lapse of the 12 months, then the net book value of the customer acquisition costs is recognised as an expense in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses. Such intangible assets are adjusted for impairment when the carrying amount exceeds the recoverable amount. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Classification of Intangible asset	Years
Software	3.3
Fixed wireless access license	13
Subscriber acquisition cost	1
Reputation and customer base	2-5
Brand name	15
Customer Relationships	15
Beneficial Greek Superleague Contractual Rights	3
FTA channels carrying agreement	4.3
Intellectual property rights and patents	15

In 2011 the Group proceeded with the reassessment of the useful life of the FTA channels carrying agreement from 7 years to 4.3 years. The accelerated depreciation of the said change in UL amounted to € 8.4 million and is included in amortization of other intangible assets identified from PPA exercise (Note 8) in the accompanying financial statements.

(g) Programme and Film Rights: Purchased programme and film rights are stated at acquisition costs less the amounts recognised in the statements of comprehensive income (current asset). The Group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IAS 39, measured at amortised cost using the effective interest method. Licenses are recorded as assets and liabilities for rights acquired, and obligations incurred under license agreements when the license period begins and the cost of each programme is known or reasonably determinable.

Rights for single sporting events are recognised on initial broadcasting of the event whereas sports rights acquired for an entire sporting season are amortised on a straight line basis over the duration of the season.

Rights for general entertainment and films are amortised either on a straight-line basis over the duration of the license or based on broadcasts where the number of screenings are restricted.

The expenses of programme and film rights are included in the cost of providing services and sale of goods. The costs of in-house programmes are expensed as incurred.

(h) Research and Development Costs: Research costs are expensed as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the requirements of IAS 38 “Intangible Assets” are met. Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.

(i) Impairment of Non-Current Assets: With the exception of goodwill and other intangible assets with indefinite useful life which are tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost to less is the amount for which the asset could be exchanged in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed.

(j) Financial Assets: Financial assets which fall within the scope of IAS 39 are classified based on their nature and characteristics in the following four categories:

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

Financial assets are initially recognised at acquisition cost which represents the fair value and, in certain circumstances, plus directly attributable transaction costs. The purchase and sale of investments is recognised on the date of the transaction which is the date on which the Group commits to purchase or sell the related financial asset.

The classification of the above mentioned financial assets is determined at initial recognition and, where allowed the designation is re-assessed periodically.

(i) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss, include financial assets held for trading if they are acquired for the purpose of selling in the near term and financial assets designated upon initial recognition at fair value through profit or loss. Gains or losses on investments held for trading are recognised in profit and loss.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Trade accounts receivable, which generally have 30-120 day payment terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Accounts receivable for pay-tv are collected at the beginning of each month. An estimate for doubtful debts is made when collection is no longer probable. The provision for doubtful debts is charged to the statement of comprehensive income. Bad debts are written-off against the established reserve when identified.

(iii) Available-for-sale financial assets:

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the two preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. The available for sale financial assets for which their fair value cannot be measured reliably, are carried at cost less any impairment in accordance to IAS 39.

(iv) Held-to-maturity investments:

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment.

(k) Financial Liabilities: Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income either through the amortisation process or where the liabilities are written-off.

(l) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired.

- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement. The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the

amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) **Financial liabilities:** A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(m) **Inventories:** Inventories are valued at the lower of cost or net realisable value. Cost is determined based on a first-in, first-out method and the monthly weighted average price for a specific category (ADSL in a box). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A reserve is established when such items are determined to be obsolete or slow moving.

(n) **Cash and Cash Equivalents:** The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(o) **Borrowing Costs:** All borrowing costs incurred during the construction period of a qualifying asset are capitalized as part of the cost of these assets. All other borrowing costs are recognised as an expense in the statement of comprehensive income when incurred.

(p) **Stock Option Plan:** The Group has established stock option plans for its employees. The cost of the respective transactions is measured at the fair value of the stock or stock options as of the date of the approval of the plans by the management which is considered the granting date. The fair value is measured through the application of the appropriate valuation models.

The cost of the stock option plans is recognised during the period the requirements are gradually fulfilled and which ends at the date the executives participating in the plan have vested their rights of exercise/purchase of stock (vesting date). For options that are not vested, no expense is recognised except for the options whose vesting depends on the fulfilment of specific external market parameters. Options are considered to be vested when all the performance requirements have been fulfilled independent of the fulfilment of the external market parameters.

In case of cancellation of any stock option plans, these are accounted for as if they were vested at the date of cancellation and the non-recognised expenses to date are immediately recognised to the statement of comprehensive income. In case a cancelled stock option plan is substituted by a new one, it is treated as an amendment of the cancelled plan.

(q) **Leases:** Finance leases, that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased item, or if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised equally as an expense during the lease agreement in the statement of comprehensive income.

(r) Government Grants*:* The Group obtains grants from the European Union (E.U.) in order to fund specific projects for the acquisition of tangible and intangible assets.

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to assets are recognised as deferred income and amortised in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(s) Provisions and Contingencies: Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(t) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

For transactions recognised directly in equity, any related tax effects are also recognised directly in equity and not in the statement of comprehensive income.

(u) **Derivatives:** The Group uses derivatives to reduce its exposure to variations in foreign currency exchange rates. The forward exchange contracts protect the Group from these variations. It is the Group's policy not to deal with derivatives for speculative purposes.

Derivatives are recognized on the statement of financial position at fair value.

Although the forward exchange contracts offer effective financial hedging according to the Group's policy regarding risk management, they do not meet with the accounting standards for effective hedging. Accordingly the changes in fair value are recognized in the statement of comprehensive income immediately.

(v) **Revenue Recognition:** Revenue is accounted for on an accrual basis and is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues mainly consist of fixed telephony usage charges, internet access services, internet data services and pay-tv services.

Unbilled revenues from the billing cycle dating to the end of each month are estimated based on airtime and are accrued at the end of the month.

Revenues from internet services (Internet Access, Internet Leased Lines, Data Connectivity Services, LMDS etc.) are recognised at the time such services are provided to subscribers – customers.

Revenues from pay-tv are carried out during the period the service is provided. Revenues from subscription come from the monthly charge of the subscribers of the pay-tv services provided by the Group. Revenue is recognised according to the month that the service is provided. Any other revenue from subscription services received in advance before the service is provided is registered as deferred revenue and it is recognised when the service is provided.

Revenues from advertisement come from advertisement transmission from pay-tv platforms. Revenues from advertisement from pay-tv are recognized with the transmission.

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company at December 31, 2011, amounted to € 49,336,012, and € 29,856,443, respectively, of which, amount of € 7,749,895 for both the Group and the Company 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, amounted to € 45,869,386 and € 23,860,136 for the Group and the Company, respectively of which € 5,305,262 for both the Group and the Company relates to the long-term portion).

Unbilled revenues for the Group and the Company at December 31, 2011, amounted to € 4,910,455 and € 4,803,249, respectively (at December 31, 2010, amounted to € 4,526,225 and 4,213,844, for the Group and the Company).

(w) Earnings/(Loss) per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year, excluding the average number of shares purchased as treasury shares.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding each year as adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

(x) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying statement of comprehensive income and consist of the present value of benefits earned in the period, interest cost on the benefit obligation, prior service cost, actuarial gains or losses and the cost of additional pension charges. Past service costs are recognised on a straight-line basis over the average period until the benefits under the plan become vested. Actuarial gains or losses are recognised based on the corridor approach over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year it exceeds 10% of the projected benefit obligation. The retirement benefit obligations are not funded.

(y) Operating Segment Reporting: 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 segments 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.

The telecommunication services segment provides mainly fixed telephony and internet services.

The pay-tv segment includes the provision of premium sports, movie and entertainment channels through digital satellite and terrestrial analogue platforms.

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

(z) Dividend Distribution: Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the General Meeting of the Company’s Shareholders.

(aa) Share Capital: Share capital represents the value of the Parent company’s shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognised as the “Share premium” in shareholders’ equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

Changes in accounting policy

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2011. Their adoption has had no significant effect on the financial statements of the Group or the Company:

- **IFRIC 19** Extinguishing Financial Liabilities with Equity Instruments
- **IFRIC 14** Prepayments of a Minimum Funding Requirement (Amended)
- **IFRS 32** Classification on Rights Issues (Amended)
- **IAS 24** Related Party Disclosures (Amended)
- **Improvements to IFRSs (May 2010)**

In 2011 the Group changed the presentation of its cash flow statement by reclassifying the interest paid from cash flows from operating activities to cash flows from financing activities. The Group made this change as the interest paid relates to borrowings which were obtained to cover its investment requirements and not its operating activities.

Standards issued but not yet effective and not early adopted

- **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.

- **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.

- **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 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 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of “currently has a legally enforceable right to set-off” and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. 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.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
  The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognised assets. The amendment has only disclosure effects.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity’s financial position. The amendments to IFRS 7 are to be retrospectively applied. 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.

- **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.

- **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.

- **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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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 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 that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) ***Allowance for doubtful accounts receivables***: The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

(b) ***Provision for income taxes:*** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(c) ***Depreciation rates:*** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

(d) ***Impairment of property, plant and equipment***: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 2.3i).

(e) ***Impairment of goodwill and intangible assets***: The Group tests annually (or more frequently if there are indications of impairment) whether goodwill has been impaired and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment. In case of existence f such impairment indicators, the recoverable amount (which the higher of Fair Value and Value in Use) of the respective cash generating unit to which goodwill has been allocated, needs to be estimated. The Value in Use is assessed by using the discounted projected cash flows. The application of this methodology is based on the actual operating results, future business plans, as well as market data (statistic and non) which are estimated by the Group's management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is changed to the statement of comprehensive income.

The Group tests annually whether goodwill has been impaired (Note 12). The recoverable amounts of cash-generating units have been determined on the basis of value-in-use calculations, which require the use of estimates.

Moreover, other recognisable intangible assets of infinite useful lives not subject to amortisation are tested annually for any impairment by comparing the carrying amount with the recoverable amount. Intangible assets of finite useful lives are tested for impairment whenever an impairment indicator exists.

(f) ***Deferred tax assets:*** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

(g) ***Measurement of intangible assets of the purchase price allocation exercise*****:** The Company's Management recognize intangible assets based on the business plans of the acquired companies and takes into consideration the average cost of capital in combination with assumptions relating to the non-risk interest rate, the most optimal capital structure of the sector, the cost of capital, as well as the borrowing cost.

(h) ***Capitalization of subscriber acquisition costs*****:** The Group capitalises subscriber acquisition costs for which the related subscribers have been committed with a contract for 12 months. Management's judgement is required in order to conclude as to whether such costs meet the criteria of IAS 38 (i.e. the asset it is separable, it arises from a contractual or other legal right and the Group expects that future economic benefits will arise from the assets).

(i) ***Finance vs. Operating Leases*****:** Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently changed. To a certain extent, the classification depends on estimates based on conditions in the contract. In the judgement, a "substance over form" approach is used. The value of assets held under finance leases recognised in the statement of financial position is based on the discounted value of the contractual lease payments. No conditional lease payments are included and the value can therefore be determined with relative certainty.

(j) ***Presentation of the Statement of Comprehensive Income*****:** In 2011 the Group and the Company have changed the presentation of the statement of comprehensive income by changing the presentation of expenses from the function of expense method to the nature of expense method in order to be consistent with the Group's internal reporting and the telecommunications practice. The comparative figures have been reclassified to conform to the current year's presentation.

4. GOING CONCERN:

As at December 31, 2011, Forthnet S.A. and Forthnet Media Holdings S.A. have not met certain financial covenants under their respective bond loans (see Note 24). Specifically, the Group was not in compliance with its Net Debt to Total Equity and the Net Debt to Normalised EBITDA ratios for the existing bond loans ("EBL") and was not in compliance with its Net Debt to Total Equity ratio for the new bond loans ("NBL"). Accordingly, as at December 31, 2011, all outstanding balances of such bond loans amounting to €330.7 million and €109.2 million for the Group and Company, respectively, have been classified as current. The classification of the outstanding balances of the bond loans as current has, among others, led to the Group's and the Company's current liabilities exceeding their current assets by approximately €376.1 million and €130.0 million, respectively. With respect to the financial covenants in the EBL, Management has initiated the process of contractual alignment with the financial covenants of the NBL and has agreed to the documentation proposed by the lending banks. Such alignment will cure the Group's non compliance with the Net Debt/Normalised EBITDA ratio on the EBL. With respect to the non compliance of the Net Debt to Equity ratio referred to above, this is a direct consequence of the impairment of goodwill that the Group has had to provide in the current fiscal year – a non-cash adjustment to its consolidated net earnings and equity. Such goodwill write-down has been materially affected by the deterioration of the macroeconomic conditions and prospects of the Hellenic Republic and the Eurozone as a whole in the course of 2011, this deterioration has been reflected in the discount rates used in the impairment testing of the related goodwill (see Note 12). In this respect, Management will seek a waiver and a change in the calculation methodology to exclude the goodwill impairment impact on equity.

As at January 13, 2012, Forthnet S.A. (in its capacity as issuer of bond loans and guarantor of the bond loans of Forthnet Media Holdings S.A.) has not completed a share capital increase of €30 million. This happened despite Management's proposal to the General Assembly of Forthnet's shareholders for such a capital increase on the basis of an attractive structure and set of terms and conditions (see Note 21). Management has engaged in formal discussions with its lending banks with a view to obtaining an appropriate and mutually acceptable waiver regarding this undertaking.

Management believes that the above occurrences should not bear any consequences on the Group's trading prospects or ability, particularly inasmuch as they involve circumstances beyond Management's control. Management has assessed its ability to meet their obligations (being operating liabilities and interest payments), as they fall due over at least the next 12 months from the date of these financial statements and have concluded that they will be able to do so. This assessment was done on the basis of the projected cash flows and assumptions used in its goodwill impairment testing as disclosed in Note 12.

In the light of the above, the separate and consolidated financial statements have been prepared assuming that the Company and the Group 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 and the Group be unable to continue as a going concern.

This fact notwithstanding, the inability of the Company and the Group to successfully complete (i) the process of contractual alignment of the existing bond loans to the financial covenants of the new bond loans and, (ii) its discussions with its lending syndicates to address any actual or potential issues arising out of its formal covenants and undertakings indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group 's ability to continue as a going concern.

5. REVENUES:

Revenues in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Operating Revenues				
Direct Retail Services	**345,922,732**	**336,144,075**	**168,346,056**	**150,552,971**
Bundled services (2play)	117,434,072	106,069,117	117,437,344	106,069,117
Telephony	24,296,769	20,663,315	24,296,769	20,663,315
ADSL	22,653,253	21,206,082	22,668,869	21,206,082
Pay-TV Revenues	177,595,564	185,591,104	-	-
Other	3,943,074	2,614,457	3,943,074	2,614,457
Indirect Retail Services	**4,835,650**	**8,209,455**	**4,836,028**	**8,209,455**
Telephony	1,866,998	3,465,655	1,866,998	3,465,655
ADSL	2,465,382	4,090,619	2,465,760	4,090,619
Other	503,270	653,181	503,270	653,181
Direct Business Services	**39,686,689**	**36,409,748**	**40,161,997**	**37,241,184**
E-business	**3,044,598**	**3,409,963**	**3,881,875**	**3,836,621**
Pay-TV Advertising Revenue	**4,930,984**	**7,104,945**	-	-
Forth CRS services	**3,633,264**	**3,690,580**	-	-
Equipment	**5,525,212**	**6,981,164**	**3,746,244**	**3,793,389**
Other services	**3,309,769**	**2,995,384**	**10,397,727**	**12,047,614**
Total Operating Revenues	**410,888,898**	**404,945,314**	**231,369,927**	**215,681,234**

6. 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 segments 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 years ended December 31, 2011 and 2010, is analysed as follows:

2011	Telecommunications	Pay-TV	Eliminations	Total
Revenues	226,588,467	184,300,431	-	410,888,898
Intersegment revenue	10,003,960	3,320,367	(13,324,327)	-
Total Revenue	**236,592,427**	**187,620,798**	**(13,324,327)**	**410,888,898**
Depreciation and amortization	60,848,639	59,460,212	-	120,308,851
Amortisation of subsidies	(3,351,698)	(63,633)	-	(3,415,331)
Profit /(loss) before interest, taxes and depreciation	58,490,877	(111,265,171)	-	(52,774,294)
Profit/(loss) before interest and taxes	993,937	(170,661,750)	-	(169,667,813)
Loss before taxes	(4,193,697)	(193,829,269)	-	(198,022,966)
Less: income tax	1,522,438	(2,015,053)	-	(492,615)
Loss after taxes	(2,671,259)	(195,844,322)	-	(198,515,581)
Total assets	406,015,580	476,296,429	(75,972,981)	806,339,028
Capital expenditure	40,941,630	6,533,503	-	47,475,133
Liabilities	280,992,866	536,360,094	(75,801,672)	741,551,288
Goodwill	83,359,167	203,333,528	-	286,692,695
Impairment of goodwill	-	(147,210,606)	-	(147,210,606)

2010	Telecommunications	Pay-TV	Eliminations	Total
Revenues	209,487,323	195,457,991	-	404,945,314
Intersegment revenue	11,494,040	3,274,857	(14,768,897)	-
Total Revenue	**220,981,363**	**198,732,848**	**(14,768,897)**	**404,945,314**
Depreciation and amortization	56,528,715	48,829,427	-	105,358,142
Amortisation of subsidies	(3,247,269)	(59,930)	-	(3,307,199)
Profit before interest, taxes and depreciation	28,052,916	17,609,440	-	45,662,356
Profit/(loss) before interest and taxes	(25,228,530)	(31,160,057)	-	(56,388,587)
Loss before taxes	(29,310,008)	(50,854,777)	-	(80,164,785)
Less: income tax	(10,749,015)	4,085,367	-	(6,663,648)
Loss after taxes	(40,059,023)	(46,769,410)	-	(86,828,433)
Total assets	420,425,887	696,445,492	(97,171,606)	1,019,699,773
Capital expenditure	52,631,528	33,765,639	-	86,397,167
Liabilities	293,089,232	559,695,764	(95,886,668)	756,898,328
Goodwill	83,359,167	203,333,528	-	286,692,695
Impairment of goodwill	-	(18,670,000)	-	(18,670,000)

Financial income and expenses are not allocated to individual segments as they are managed on a Group basis.

7. PAYROLL COST:

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

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Wages and salaries	39,238,287	37,668,346	22,806,541	21,534,195
Social security costs (Note 31)	8,914,980	9,044,189	5,192,362	5,317,866
Staff retirement indemnities (Note 31)	1,243,864	1,342,454	602,108	444,067
Stock option plans	511,058	706,982	511,058	706,982
Other staff costs	1,100,366	1,297,899	735,912	991,377
Total	**51,008,555**	**50,059,870**	**29,847,981**	**28,994,487**
Less: Amounts capitalised	(2,704,642)	(3,018,627)	(2,500,803)	(2,776,822)
Payroll Cost	**48,303,913**	**47,041,243**	**27,347,178**	**26,217,665**

Wages and salaries for the Company and the Group for the year ended December 31, 2011 includes € 1,195,218 of termination indemnity relating to the former Chief Executive Officer.

8. DEPRECIATION AND AMORTISATION:

Depreciation and amortisation in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Depreciation on buildings	7,703,192	7,314,942	7,670,723	7,180,187
Depreciation on network equipment	39,869,597	37,955,050	25,757,976	23,828,153
Depreciation on transportation means	54,475	88,299	7,049	6,842
Depreciation on furniture and equipment	3,550,616	4,139,006	1,986,804	2,376,439
Depreciation on property, plant and equipment (Note 13)	**51,177,880**	**49,497,297**	**35,422,552**	**33,391,621**
Amortisation on fixed wireless access license	659,219	659,219	659,219	659,219
Amortisation on software and other intangible assets	28,966,071	24,133,318	24,194,231	21,798,683
Amortisation of other intangible assets identified from PPA exercise	39,505,681	31,068,308	-	-
Amortisation on intangible assets (Note 14)	**69,130,971**	**55,860,845**	**24,853,450**	**22,457,902**
Depreciation and amortisation	**120,308,851**	**105,358,142**	**60,276,002**	**55,849,523**

9. FINANCIAL INCOME / (EXPENSES):

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

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Interest on long-term borrowings (Note 24)	(14,441,314)	(11,726,077)	(5,048,585)	(3,861,251)
Interest on short-term borrowings (Note 24)	(67,612)	(74,156)	-	(2,683)
Finance charges paid under finance leases	(8,893,977)	(9,048,306)	(130,554)	(126,095)
Amortisation of bond loan costs	(790,870)	(748,417)	(151,325)	(123,871)
Other financial costs (Note 29)	(4,592,479)	(4,251,149)	(44,500)	(47,307)
Total financial expenses	**(28,786,252)**	**(25,848,105)**	**(5,374,964)**	**(4,161,207)**
Interest earned on cash at banks and on time deposits (Note 20)	376,884	628,483	222,518	207,150
Other financial income	54,215	1,489,670	-	-
Total financial income	**431,099**	**2,118,153**	**222,518**	**207,150**
Total financial income/(expenses), net	**(28,355,153)**	**(23,729,952)**	**(5,152,446)**	**(3,954,057)**

10. SUNDRY EXPENSES:

Sundry expenses in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Third party fees and services	26,317,607	29,877,049	10,977,166	11,596,738
Taxes and duties	1,694,040	1,852,997	1,360,695	1,604,366
Other sundry expenses	9,139,628	13,057,344	4,631,006	4,873,732
Allowance for doubtful accounts receivable (Note 18)	4,715,160	5,980,043	3,854,060	4,884,190
Expenses related to legal cases outcome (Note 37)	2,200,000	-	-	-
Repairs and maintenance	6,096,522	4,989,070	4,477,829	4,220,472
Rentals	3,613,881	3,289,933	1,214,938	1,233,468
Commissions	5,118,759	6,139,548	5,118,759	6,139,548
Office functional costs	2,448,384	2,784,289	1,542,004	1,791,538
Total sundry expenses	**61,343,981**	**67,970,273**	**33,176,457**	**36,344,052**

11. 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 to 20% from fiscal year 2014 onwards. 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 statements of comprehensive income are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2011	2010	2011	2010
Current income taxes	1,113,411	2,107,215	-	-
Income taxes from prior years	118,736	227,972	-	-
Special contribution	2,506	2,845,215	-	-
Deferred income taxes	(742,038)	1,483,246	(1,547,917)	10,725,189
Total income taxes debit/ (credit) reflected in the statements of income	**492,615**	**6,663,648**	**(1,547,917)**	**10,725,189**

On May 5, 2010, the Greek Government put in force a Law regarding the exceptional one-off income taxation (L. 3845/2010). According to article 5, an exceptional taxation was applied retrospectively to the net income of fiscal year 2009 and had an impact on the financial statements of the fiscal year 2010.

Based on the above regulations, the following amounts were settled, in prior year, per Group's subsidiary:

NetMed Hellas S.A	2,009,080
Multichoice Hellas S.A	572,721
SyNeD S.A	160,275
Forthnet Media Holdings S.A.	6,435
NetMed S.A	96,704
	2,845,215

The special contribution of € 2,506 in 2011 relates to Multichoice (Cyprus) Public Company Ltd.

The reconciliation of income taxes reflected in statements of comprehensive income and the amount of income taxes determined by the application of the Greek statutory tax rate to pre-tax income is summarized as follows:

	January 1 -December 31	
	2011	2010
The Group		
Loss before tax	**(198,022,966)**	**(80,164,785)**
Income tax calculated at the nominal applicable tax rate in effect 20% (2010: 24%)	(39,604,593)	(19,239,548)
Tax effect of non tax deductible expenses and non taxable income	6,590,114	5,732,618
Tax losses for which no deferred tax asset was recognized	1,807,278	-
Utilization of tax losses for which no deferred tax asset was recognized	(1,552,167)	-
Special contribution	2,506	2,845,215
Impairment of deferred tax asset	8,420,140	12,637,526
Income taxes from prior years	118,736	227,972
Tax effect of change in tax rates	(1,982,750)	(20,935)
Tax effect of non-tax deductible impairment of goodwill	25,708,121	4,480,800
Income tax reported in the statements of comprehensive income	**492,615**	**6,663,648**
The Company		
Loss before tax	**(210,369,124)**	**(19,264,245)**
Income tax calculated at the nominal applicable tax rate 20% (2010: 24%)	(42,073,825)	(4,623,419)
Tax effect of non tax deductible expenses and non taxable income	845,732	2,711,082
Utilization of tax losses for which no deferred tax asset was recognized	(1,552,167)	-
Tax effect of change in tax rates	(329,903)	-
Tax effect of non-tax deductible impairment of investments in subsidiaries	41.234.288	-
Impairment of deferred tax asset	327,958	12,637,526
Income tax reported in the statements of comprehensive income	**(1,547,917)**	**10,725,189**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

Tax Compliance certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the date of approval of the financial statements by the General Meeting of Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

Forthnet has not been audited for the fiscal years 2007 through to 2011. Forthnet's subsidiaries have not been audited for the following fiscal years:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media Holdings S.A.	01/01/2010 – 31/12/2011
Forth-Crs S.A.	01/01/2010 – 31/12/2011
NetMed S.A.	01/01/2010 – 31/12/2011
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 – 31/12/2011
RPO S.A.	16/01/2006 – 31/12/2008

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

The subsidiary company, Forthnet Media Holdings S.A., accepted the tax clearance (L. 3888/2010) concerning unaudited fiscal years from its incorporation (April 23, 2008) to December 31, 2009. According to the said tax audit, the total tax for the above fiscal years amounted to € 20,046.

The subsidiary company, Multichoice Hellas S.A., was imposed additional taxes of € 61,692 for the years 2004-2005 based on a special tax audit conducted for these years.

The subsidiaries which accepted the tax audit (L. 3888/2010) in the fiscal year 2010, concerning unaudited fiscal years are the following:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS	AMOUNT
Forth-Crs S.A.	2007-2008-2009	55,582
NetMed S.A.	2006-2007-2008-2009	162,486
Tiledrasi S.A.	2007-2008-2009	2,120
Ad Value S.A.	2005-2006-2007-2008	7,784
	Total	**227,972**

In a future tax audit of the unaudited tax 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 (€ 2.3 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.

For the Greek companies of the Group, the tax audit for the financial year 2011 is being performed by their statutory auditors. Upon completion of the tax audit, these companies management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

Deferred taxes are defined as timing differences that exist in assets and liabilities between the accounting records and tax records and are calculated by applying the official tax rates.

The movement of the deferred tax asset is as follows:

	December 31,	
	2011	**2010**
The Group		
Beginning balance	**(13,984,932)**	**(12,501,686)**
Income taxes [credit/(debit)]	742,038	(1,483,246)
Ending balance	**(13,242,894)**	**(13,984,932)**
For reporting purposes in the Balance Sheet the deferred tax is analysed as follows:		
Deferred tax asset	17,080,816	25,292,663
Deferred tax liability	(30,323,710)	(39,277,595)
	(13,242,894)	**(13,984,932)**
The Company		
Beginning balance	**14,844,448**	**25,569,637**
Income taxes [credit/(debit)]	1,547,917	(10,725,189)
Ending balance	**16,392,365**	**14,844,448**

The movement in deferred tax assets/liabilities as at December 31, 2011 and 2010, is as follows:

The Group	**January 1, 2011**	**Debit/ (Credit) to the statement of comprehensive income**	**December 31, 2011**
Deferred income tax asset:			
Deferred cost	4,939,615	(4,510,903)	428,712
Staff retirement indemnities	773,658	(10,605)	763,053
Property, plant and equipment/intangible assets	4,508	2,027,648	2,032,156
Deferred revenues	-	336,623	336,623
Tax losses carried forward	21,656,901	(5,754,214)	15,902,687
Other	146,798	401,184	547,982
Total	**27,521,480**	**(7,510,267)**	**20,011,213**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(40,261,454)	9,948,075	(30,313,379)
Deferred cost	(6,668)	(1,191,121)	(1,197,789)
Other	(1,238,290)	(504,649)	(1,742,939)
Total	**(41,506,412)**	**8,252,305**	**(33,254,107)**
Net deferred income tax asset/ (liability)	**(13,984,932)**	**742,038**	**(13,242,894)**

The Group	January 1, 2010	Debit/ (Credit) to the statement of comprehensive income	December 31, 2010
Deferred income tax asset:			
Deferred cost	1,849,678	3,089,937	4,939,615
Staff retirement indemnities	522,101	251,557	773,658
Property, plant and equipment/intangible assets	993,322	(988,814)	4,508
Deferred revenues	4,917,299	(4,917,299)	-
Tax losses carried forward	28,005,863	(6,348,962)	21,656,901
Other	-	146,798	146,798
Total	**36,288,263**	**(8,766,783)**	**27,521,480**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(47,536,333)	7,274,881	(40,261,452)
Deferred cost	(15,326)	8,656	(6,670)
Other	(1,238,290)	-	(1,238,290)
Total	**(48,789,949)**	**7,283,537**	**(41,506,412)**
Net deferred income tax asset/ (liability)	**(12,501,686)**	**(1,483,246)**	**(13,984,932)**

The Company	January 1, 2011	Debit/ (Credit) to the statement of comprehensive income	December 31, 2011
Deferred income tax asset:			
Deferred cost	882,096	(580,496)	301,600
Staff retirement indemnities	391,184	(3,437)	387,747
Deferred revenue	-	336,623	336,623
Property, plant and equipment/intangible assets	-	1,671,048	1,671,048
Tax losses carried forward	14,151,374	(327,958)	13,823,416
	-	547,985	547,985
Total	**15,424,654**	**1,643,765**	**17,068,419**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(572,334)	572,334	-
Other	(7,872)	(668,182)	(676,054)
Total	**(580,206)**	**(95,848)**	**(676,054)**
Net deferred income tax asset	**14,844,448**	**1,547,917**	**16,392,365**

The Company	January 1, 2010	Debit/ (Credit) to the statement of comprehensive income	December 31, 2010
Deferred income tax asset:			
Deferred cost	944,186	(62,090)	882,096
Staff retirement indemnities	342,290	48,894	391,184
Tax losses carried forward	23,875,397	(9,724,023)	14,151,374
Property, plant and equipment/intangible assets	987,970	(987,970)	-
Total	**26,149,843**	**(10,725,189)**	**15,424,654**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(572,334)	-	(572,334)
Other	(7,872)	-	(7,872)
Total	**(580,206)**	-	**(580,206)**
Net deferred income tax asset	**25,569,637**	**(10,725,189)**	**14,844,448**

As at December 31, 2010, the Company re-assessed its deferred tax assets that had been recognized and proceeded to decrease such asset by € 12,637,526 as the anticipated taxable income through December 31, 2012, would not be adequate to cover the related tax carry forward losses.

As at December 31, 2011, the Company and the Group re-assessed its potential deferred tax assets that have been recognized and proceeded to decrease such asset by € 327,961 and € 8,420,140, respectively, as the anticipated taxable income through December 31, 2015 would not be adequate to cover the related tax carry forward losses.

12. SUBSIDIARIES AND ASSOCIATES - GOODWILL:

a) Subsidiaries

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

Subsidiary	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				31.12.2011	31.12.2010	31.12.2011	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%	78,888,562	285,060,000
						83,850,733	**289,889,228**

In the current year, 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 on issuance price of € 11.63 each. The Company participated in this share capital increase by an amount of € 132,942 (11,431 shares).

Forth CRS S.A. has an interest in "Shipping Clearing S.A." which is included in the accompanying consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 31.12.2011	Equity Interest 31.12.2010
Shipping Clearance S.A.	Athens, Greece	Full	Indirect	51.00%	51.00%

Forthnet Media Holdings S.A. has an interest in the following companies which are included in the accompanying consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 31.12.2011	Equity Interest 31.12.2010
Intervision (Services) B.V.	Holland	Full	Direct	100.00%	100.00%
NetMed N.V.	Holland	Full	Direct	100.00%	100.00%
Multichoice Hellas S.A.	Greece	Full	Indirect	9.39%	9.39%

Forthnet Media Holdings S.A. consolidates NetMed N.V. which in turn consolidates the following companies, all of which are included in the accompanying consolidated financial statements:

Company	Registered Office	Consolidation Method	Participation Relationship	Percentage participation	Percentage participation
			31.12.2011	31.12.2011	31.12.2010
Dikomo Investment Sarl (Luxembourg) (under liquidation)	Luxembourg	Full	Indirect	100%	100%
Tiledrasi S.A. (Luxembourg) (under liquidation)	Luxembourg	Full	Indirect	100%	100%
Multichoice Holdings (Cyprus) LTD	Cyprus	Full	Indirect	69.02%	69.02%
Multichoice (Cyprus) Public Company LTD (under liquidation)	Cyprus	Full	Indirect	35.19%	35.19%
Multichoice Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	87%	87%
NetMed S.A.	Kantza, Attica, Greece	Full	Indirect	100%	100%

Multichoice Holdings (Cyprus) Ltd. exercises control over Multichoice (Cyprus) Public Company Ltd. with a participating interest of 50.98% and also has the majority of the members of the Board of Directors.

For the year ended December 31, 2010, Multichoice (Cyprus) Public Company Ltd., incurred losses and reflected negative equity. As a result, the General Assembly of Multichoice (Cyprus) Public Company Ltd. which was held on February 9, 2011, authorized the Board of Directors to proceed with negotiations for the sale of the company's assets. On June 9, 2011 MultiChoice (Cyprus) Public Company Ltd, was resolved, following the decision of the Extraordinary General Meeting of its shareholders. On June 28, 2011 the company was delisted from the Cyprus Stock Exchange company. 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.

On April 23, 2010, NetMed Hellas S.A.'s main shareholders, NetMed N.V. and Myriad Development B.V, transferred 100% of their shares to Forthnet Media Holdings S.A.

On April 29, 2010, the dissolution of Ad Value S.A. was completed.

On July 30, 2010, Forthnet Media Holdings S.A. absorbed its 100% owned subsidiary NetMed Hellas S.A. The absorption was completed in accordance with articles 78 and 69-77 of Corporate Law 2190/1920 combined with Law 1297/1972.

On September 30, 2010, Forthnet Media Holdings S.A. absorbed its 100% owned subsidiary, Synergistic Network Developments S.A. The absorption was completed in compliance with articles 78 and 69-77 of Corporate Law 2190/1920 combined with L. 1297/1972.

On August 26, 2010, the merger of NetMed N.V. and Myriad Development B.V. was approved with effect from December 31, 2009, by the absorption of the latter by NetMed N.V.

Impairment test of investments

As at June 30, 2011 the Company proceeded with an impairment testing exercise of its investments in subsidiaries, due to impairment indicators as of such date. This exercise resulted to an impairment charge against the carrying value of its investment in Forthnet Media Holdings S.A. of € 95,371,438.

As at December 31, 2011, the Company performed an additional impairment testing exercise due to the same impairment indicators that triggered the goodwill impairment. This exercise resulted to an additional impairment charge against the carrying value of its investment in Forthnet Media Holdings S.A. of € 110,800,000. The total amount of the impairment loss charged to the Company's current year's results against the carrying value of its investment in Forthnet Media Holdings S.A. amounted to € 206,171,438.

For the purposes of the impairment testing of investments the recoverable amount has been determined based on the value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.

The pre-tax discount rate used for the discounting of the projected cash flows is 14.8%, while growth rate to perpetuity (beyond the five-year period) is 1.0% after taking into account the long-term prospective of the Group.

b) Associates

Associates in which Forthnet has an interest therein are as follows:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest		Balance	
				31.12.2011	31.12.2010	31.12.2011	31.12.2010
Athlonet S.A.	Kallithea, Attica, Greece	Equity method	Direct	44.00%	44.00%	-	22,049

Participation relationship with Athlonet S.A. for the year ended December 31, 2010, is as follows:

Share of associate's balance sheet:	
Current assets	33,447
Non-current assets	4,754
Short-term liabilities	(16,152)
Net Assets	**22,049**
Share of associate's revenue and profit/(loss):	
Income	33,168
Profit / (Loss)	(46,246)
Investments in Associates	**22,049**

As at December 31, 2011, Athlonet S.A. is under liquidation and the Group has fully impaired its related participation.

c) Goodwill

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**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	-	-
Impairment of goodwill - NetMed N.V. Group and Intervision B.V.	(147,210,606)	(18,670,000)	-	-
Total	**139,482,089**	**268,022,695**	**512,569**	**512,569**

For the purpose of impairment testing, goodwill is allocated to the Group's two cash-generating units (CGUs), which are the two operating segments, the Telecommunications segment and the PayTV segment. These two operating segments represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Total goodwill was allocated on initial recognition based on the synergies that the Telecommunications CGU was expected to enjoy following the acquisition of the Pay – TV segment. Potential synergies were identified and reliably measured on both revenue and costs basis. More specifically, synergies on a revenue basis were measured by estimating the additional subscribers that the Telecommunications CGU is expected to acquire by cross-selling telecommunication with Pay – TV services. Synergies were also identified and reliably measured on costs level by quantifying the benefits (cost savings) that the Telecommunications CGU is expected to enjoy in terms of advertising, rentals and other administrative costs.

As at June 30, 2011 the Group proceeded with an impairment testing exercise of its goodwill, due to impairment indicators as of such date. This exercise resulted to an impairment loss for the PayTV segment of €38,223,606 against goodwill previously recognized for this CGU, which was charged to the current year's results.

As of December 31, 2011, the Group performed its annual impairment test. The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2011, the market capitalization of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of each operating segment. The recoverable amount of the two operating segments has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been calculated in such a way so as reflect the demand conditions of each segment. The pre-tax discount rate applied to cash flow projections is 14.7% (December 31, 2010: 12.02%) for the Telecommunications segment and 14.80% (December 31, 2010: 12.06%) for the PayTV segment, while growth rate to perpetuity (beyond the five-year period) is 1.0% (December 31, 2010: 1.0%) growth rate after taking into account the long-term prospective of the group for both segments.

The above rates were based on management estimates. In particular, management considers that the Telecommunication segment has demonstrated a consistent performance and has outperformed the market expectations. Additionally, management anticipates that Forthnet will remain a leading provider in terms of Local Loop Unbundling. As a result of this analysis of the Telecommunications segment, management did not identify any impairment for this CGU.

Regarding the PayTV segment, despite the fact that there is an expectation of growth in subscribers base and in future revenues, the increase in the pre-tax discount rate used for valuation purposes resulted to the impairment of goodwill allocated to the specific segment. As a result of this analysis, management has recognized during the second half of 2011 an additional impairment charge of € 90,317,000 against goodwill previously recognized for this CGU, which was charged to the current year's results. The total amount of the impairment loss charged in the current year's results for the PayTV segment amounted to € 128,540,606 (2010: 18,670,000).

The main reason for the increased impairment charge during 2011 is the increase in the pre-tax discount rate applied to cash flow projections, which was a result of the new round of downgrade of the credit ratings of the Greek sovereign debt during 2011.

The calculation of value-in-use for both segments is most sensitive to the following assumptions:
a) Margin of earnings before interest, taxes, depreciation and amortisation
b) Discount rates
c) Market share during the budget period
d) Growth rate to perpetuity

Margin of earnings before interest, taxes, depreciation and amortisation. Margins of earnings before interest, taxes, depreciation and amortisation are based on estimations during the five year budget period and are increased due to anticipated efficiency improvements.

Discount rates. Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted. The discount rate that was applied in the impairment test has been significantly increased to incorporate the deterioration in the credit standing and outlook of the Greek sovereign debt as well as that of the Eurozone as a whole. Such discount rate includes additional factors such as a company specific risk premium that was calculated based on a sensitivity analysis performed on key operational parameters (subscriber base, average revenue per subscriber, etc) of the projected cash flows.

Market share during the budget period. These assumptions are important as, except for using industry data for growth rates, management assesses how the units position, relative to its competitors, might change over the budget period. Management expects stability in the market where both segments operate, while it expects to strengthen its position relative to its competitors.

Growth rate to perpetuity. Rates are based on long-term prospective of the group for both segments.

Sensitivity to changes in assumptions
A sensitivity analysis was performed on positive or negative discount rate changes of 0.25%, on positive or negative growth rate to perpetuity changes of 0.50% for the Telecommunications segment. The carrying amount of the Telecommunication segment appears much lower than the estimated Value in Use and therefore, it is not probable that impairment issue will arise in case of a adverse change in the above assumptions. The estimated recoverable amount of the PayTV segment is equal to its carrying value and, consequently, any adverse change in a key assumption would result in a further impairment loss. If the discount rates used for impairment testing of goodwill had been 0.25% higher, the resulting impairment losses would have increased by € 5.2 million. If, by contrast, the discount rates had been 0.25% lower, the resulting impairment losses would have been € 5.4 million lower. If the growth rates used as a basis in the impairment tests had been 0.5% lower, the impairment losses would have been € 8.7 million higher. In turn, impairment losses would have been € 8.0 million lower if the growth rates had been 0.5% higher.

13. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment in the accompanying financial statements for the Group and the Company are analysed as follows:

The Group	Land	Buildings	Telecommunication Equipment	Transmission Equipment	Transportation Means	Furniture & Other Equipment	Construction in Progress (CIP)	Total
COST								
At January 1, 2010	**1,672,789**	**48,908,795**	**220,792,282**	**153,357,494**	**563,086**	**25,328,804**	**31,457,333**	**482,080,583**
Additions	-	4,072,385	19,188,370	29,100,437	70,633	2,452,752	1,179,338	56,063,915
Transfers from CIP	-	901,259	31,735,412	-	-	-	(32,636,671)	-
Disposals/ Write-offs	-	-	(305,706)	(21,146,451)	(24,312)	(413,428)	-	(21,889,897)
Other movements	-	(102,347)	2,582,245	(5,740)	5,689	(1,039,923)	-	1,439,924
At December 31, 2010	**1,672,789**	**53,780,092**	**273,992,603**	**161,305,740**	**615,096**	**26,328,205**	**-**	**517,694,525**
Additions	-	1,988,857	16,194,539	92,037	68,132	3,233,088	-	21,576,653
Disposals/ Write-offs	-	(54,877)	(542,745)	(280,671)	(112,461)	(279,189)	-	(1,269,943)
Impairment	-	-	-	-	-	(143,780)	-	(143,780)
Other movements	-	(66,664)	-	-	210,333	(341,371)	-	(197,702)
At December 31, 2011	**1,672,789**	**55,647,408**	**289,644,397**	**161,117,106**	**781,100**	**28,796,953**	**-**	**537,659,753**
DEPRECIATION								
At January 1, 2010	**-**	**(17,053,815)**	**(107,252,340)**	**(33,479,506)**	**(352,690)**	**(18,585,105)**	-	**(176,723,456)**
Depreciation expense	-	(7,314,942)	(24,082,738)	(13,872,312)	(88,299)	(4,139,006)	-	(49,497,297)
Disposals/Write-offs	-	-	257,279	21,146,453	15,195	406,588	-	21,825,515
Other movements	-	99,480	(3,701,464)	243,550	(42,700)	1,916,498	-	(1,484,636)
At December 31, 2010	**-**	**(24,269,277)**	**(134,779,263)**	**(25,961,815)**	**(468,494)**	**(20,401,025)**	**-**	**(205,879,874)**
Depreciation expense	-	(7,703,192)	(26,118,572)	(13,751,025)	(54,475)	(3,550,616)	-	(51,177,880)
Disposals/Write-offs	-	3,958	539,587	242,459	39,896	204,281	-	1,030,181
Other movements	-	66,664	-	-	(167,643)	298,677	-	197,698
At December 31, 2011	**-**	**(31,901,847)**	**(160,358,248)**	**(39,470,381)**	**(650,716)**	**(23,448,683)**	**-**	**(255,829,875)**
NET BOOK VALUE								
At January 1, 2010	**1,672,789**	**31,854,980**	**113,539,942**	**119,877,988**	**210,396**	**6,743,699**	**31,457,333**	**305,357,127**
At December 31, 2010	**1,672,789**	**29,510,815**	**139,213,340**	**135,343,925**	**146,602**	**5,927,180**	**-**	**311,814,651**
At December 31, 2011	**1,672,789**	**23,745,561**	**129,286,149**	**121,646,725**	**130,384**	**5,348,270**	**-**	**281,829,878**

The Company	Land	Buildings	Telecommunication Equipment	Transportation Means	Furniture & Other Equipment	Construction in Progress (CIP)	Total
COST							
At January 1, 2010	**1,672,789**	**46,785,315**	**197,463,977**	**68,049**	**13,560,230**	**31,457,334**	**291,007,694**
Additions	-	4,072,385	18,097,278	4,970	1,379,110	1,179,338	24,733,081
Transfers from CIP	-	901,259	31,735,413	-	-	(32,636,672)	-
Disposals/ Write-offs	-	-	(305,705)	-	(384,357)	-	(690,062)
Other movements	-	-	1,636,057	-	-	-	1,636,057
At December 31, 2010	**1,672,789**	**51,758,959**	**248,627,020**	**73,019**	**14,554,983**	**-**	**316,686,770**
Additions	-	1,988,857	15,839,555	68,132	1,199,209	-	19,095,753
Disposals/ Write-offs	-	(54,877)	(77,882)	(68,132)	(114,434)	-	(315,325)
At December 31, 2011	**1,672,789**	**53,692,939**	**264,388,693**	**73,019**	**15,639,758**	**-**	**335,467,198**
DEPRECIATION							
At January 1, 2010	**-**	**(15,229,778)**	**(89,200,809)**	**(25,959)**	**(7,282,569)**	**-**	**(111,739,115)**
Depreciation expense	-	(7,180,187)	(23,828,153)	(6,842)	(2,376,439)	-	(33,391,621)
Disposals/ Write-offs	-	-	256,074	-	377,333	-	633,407
Other movements	-	-	(1,678,153)	-	42,094	-	(1,636,059)
At December 31, 2010	**-**	**(22,409,965)**	**(114,451,041)**	**(32,801)**	**(9,239,581)**	**-**	**(146,133,388)**
Depreciation expense	-	(7,670,723)	(25,757,976)	(7,049)	(1,986,804)	-	(35,422,552)
Disposals/ Write-offs	-	3,959	75,646	-	111,919	-	191,524
At December 31, 2011	**-**	**(30,076,729)**	**(140,133,371)**	**(39,850)**	**(11,114,466)**	**-**	**(181,364,416)**
NET BOOK VALUE							
At January 1, 2010	**1,672,789**	**31,555,537**	**108,263,168**	**42,090**	**6,277,661**	**31,457,334**	**179,268,579**
At December 31, 2010	**1,672,789**	**29,348,994**	**134,175,979**	**40,218**	**5,315,402**	**-**	**170,553,382**
At December 31, 2011	**1,672,789**	**23,616,210**	**124,255,322**	**33,169**	**4,525,292**	**-**	**154,102,782**

There is no property, plant and equipment that have 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 December 31, 2011 and 2010, amounted to € 3,418,250 and € 2,442,332, respectively. For the Group the related amounts are € 123,977,243 and € 136,702,484 at December 31, 2011 and 2010, respectively. The net book value of property, plant and equipment held under finance leases are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Land	535,200	535,200	535,200	535,200
Buildings	1,853,786	1,907,132	1,853,786	1,907,132
Telecommunication and other equipment (transponders)	121,588,257	134,260,152	1,029,064	-
Total	**123,977,243**	**136,702,484**	**3,418,250**	**2,442,332**

14. INTANGIBLE ASSETS:

Intangible assets in the accompanying financial statements for the Group and the Company are analysed as follows:

The Group	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2010	**23,843,253**	**301,066,348**	**756,692**	**325,666,293**
Additions	3,300,826	26,745,221	287,205	30,333,252
Transfers from intangibles under development	538,500	-	(538,500)	-
Other movements	-	104,088	-	104,088
At December 31, 2010	**27,682,579**	**327,915,657**	**505,397**	**356,103,633**
Additions	2,514,493	23,134,648	249,339	25,898,480
Disposals/ write-offs	(1,887)	-	-	(1,887)
Transfers from intangibles under development	194,114	-	(194,114)	-
At December 31, 2011	**30,389,299**	**351,050,305**	**560,622**	**382,000,226**
AMORTIZATION				
At January 1, 2010	**(15,141,478)**	**(69,160,608)**	-	**(84,302,086)**
Amortization expense	(5,109,046)	(19,683,491)	-	(24,792,537)
Other movements	(34,599)	(116,832)	-	(151,431)
Purchased Price Allocation	-	(31,068,308)	-	(31,068,308)
At December 31, 2010	**(20,285,123)**	**(120,029,239)**	-	**(140,314,362)**
Amortization expense	(3,383,797)	(26,241,493)	-	(29,625,290)
Purchased Price Allocation	-	(39,505,681)	-	(39,505,681)
Disposals/Write-offs	(13)	-	-	(13)
Other movements	288	(288)	-	-
At December 31, 2011	**(23,668,645)**	**(185,776,701)**	-	**(209,445,346)**
NET BOOK VALUE				
At January 1, 2010	**8,701,775**	**231,905,740**	**756,692**	**241,364,207**
At December 31, 2010	**7,397,456**	**207,886,418**	**505,397**	**215,789,271**
At December 31, 2011	**6,720,654**	**165,273,604**	**560,622**	**172,554,880**

The Company	Software	Licenses & Other Intangibles	Intangibles under development	Total
COST				
At January 1, 2010	**14,803,003**	**33,942,170**	**-**	**48,745,173**
Additions	1,830,691	24,728,399	8,000	26,567,090
Transfers from intangibles under construction	8,000	-	(8,000)	-
Other movements	39,330	-	-	39,330
At December 31, 2010	**16,681,024**	**58,670,569**	**-**	**75,351,593**
Additions	1,739,435	19,157,574	-	20,897,009
At December 31, 2011	**18,420,459**	**77,828,143**	**-**	**96,248,602**
AMORTIZATION				
At January 1, 2010	**(9,512,659)**	**(23,586,715)**	**-**	**(33,099,374)**
Amortization expense	(2,514,434)	(19,943,468)	-	(22,457,902)
At December 31, 2010	**(12,027,093)**	**(43,530,183)**	**-**	**(55,557,276)**
Amortization expense	(2,226,244)	(22,627,206)	-	(24,853,450)
At December 31, 2011	**(14,253,337)**	**(66,157,389)**	**-**	**(80,410,726)**
NET BOOK VALUE				
At January 1, 2010	**5,290,344**	**10,355,455**	**-**	**15,645,799**
At December 31, 2010	**4,653,931**	**15,140,386**	**-**	**19,794,317**
At December 31, 2011	**4,167,122**	**11,670,754**	**-**	**15,837,876**

15. AVAILABLE FOR SALE FINANCIAL ASSETS:

Available for sale financial assets are analysed as follows:

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Shares – unlisted	402,395	402,395	340,064	340,064
Total	**402,395**	**402,395**	**340,064**	**340,064**

Available for sale financial assets consist of investments in ordinary unlisted shares and, therefore, have no fixed maturity or coupon rate.

The above shares are stated at cost as a the reliable valuation at fair value is not feasable.

16. PROGRAMME AND FILM RIGHTS:

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

	The Group	
	31.12.2011	**31.12.2010**
Purchased sports rights	109,425,682	101,750,990
Licensed film rights	8,251,481	9,659,616
Cost of Sports and Film Rights	**117,677,163**	**111,410,606**
Purchased sports rights	(66,494,996)	(60,466,909)
Licensed film rights	(3,193,928)	(3,814,616)
Sports and Film Rights Amortisation	**(69,688,924)**	**(64,281,525)**
Purchased sports rights	42,930,686	41,284,081
Licensed film rights	5,057,553	5,845,000
Sports and Film Rights, net value	**47,988,239**	**47,129,081**
Less: Programme and film rights short-term	47,988,239	47,129,081
Programme and sports film rights, long-term	-	-

17. INVENTORIES:

Inventories in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Merchandise	7,544,483	8,564,793	2,491,873	2,729,564
Consumables	161,994	-	-	-
Obsolete & slow moving provision	(1,009,798)	(1,856,599)	(294,475)	(474,687)
Total	**6,696,679**	**6,708,194**	**2,197,398**	**2,254,877**

The movement in the allowance for obsolete inventories is analysed as follows:

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Beginning balance	**1,856,599**	**2,528,610**	**474,687**	**-**
Provision for the year	59,146	508,464	59,146	474,687
Less: Utilisation	(905,947)	(1,180,475)	(239,358)	-
Ending balance	**1,009,798**	**1,856,599**	**294,475**	**474,687**

The provision for the year is included in cost of sales of inventory and consumables in the accompanying financial statements.

18. TRADE ACCOUNTS RECEIVABLE:

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Domestic customers	96,384,934	90,938,156	62,213,252	55,387,697
Foreign customers	6,136,088	2,397,735	2,651,593	1,403,337
Receivables from Greek State	2,620,346	2,447,707	1,939,595	1,874,762
Cheques and notes receivable	4,554,033	3,428,400	2,154,171	1,749,642
Unbilled revenue	4,910,455	7,526,225	4,803,249	4,213,844
	114,605,856	**106,738,223**	**73,761,860**	**64,629,282**
Less: Allowance for doubtful accounts receivable	(39,397,019)	(35,423,343)	(27,418,368)	(23,564,308)
Balance of trade accounts receivable	**75,208,837**	**71,314,880**	**46,343,492**	**41,064,974**

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Beginning balance	**35,423,343**	**29,805,297**	**23,564,308**	**18,680,118**
Provision for the year (Note 10)	4,715,160	5,980,043	3,854,060	4,884,190
Less: Utilisation/Reversal of unused provision	(741,484)	(361,997)	-	-
Ending balance	**39,397,019**	**35,423,343**	**27,418,368**	**23,564,308**

The ageing analysis of trade receivables is as follows:

	The Group		The Company	
	December 31,		**December 31,**	
	2011	**2010**	**2011**	**2010**
Neither past due nor impaired	55,159,604	52,130,398	35,483,778	33,394,404
Past due not impaired				
60-90 days	3,636,846	10,617,376	2,215,066	5,138,677
90-180 days	6,583,439	6,753,434	3,456,457	1,419,987
181-365 days	6,608,260	1,813,672	1,967,503	1,111,906
>365 days	3,220,688	-	3,220,688	-
Total	**75,208,837**	**71,314,880**	**46,343,492**	**41,064,974**

Trade receivables are non-interest bearing and are normally settled on Group and Company 0-180 days' terms.

The Company's and Group's trade accounts receivable are pledged as collateral for the related new bond loans for an amount equal to 50% of the outstanding balances of the related new bond loans (Note 24).

The amount of € 3,220,668, which is past due over 365 days, relates to balances due from Greek State and mainly the receivable of the project of the Ministry of Internal Affairs "National Network of Public Government – SYZEYXIS".

19. PREPAYMENTS AND OTHER RECEIVABLES:

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Receivables due from the Greek State	3,914,698	10,705,847	2,225,226	4,846,967
Prepaid expenses	9,147,156	10,228,260	5,492,263	1,392,974
Value Added Tax	757,645	2,358,297	-	991,407
Advances to suppliers	1,355,151	357,437	1,122,988	163,614
Other debtors	4,348,343	3,807,502	2,935,344	1,832,634
Total balance of other receivables and prepayments	**19,522,993**	**27,457,343**	**11,775,821**	**9,227,596**

The Company's and the Group's prepaid expenses include € 873,775 (December 31, 2010:€ 378,948), relating to billing from a provider under a mutual concession for the use of optical fiber infrastructure for a period of 15 years (from March 12, 2010 till December 31, 2026). An amount of € 7,749,895 (December 31, 2010:€ 5,305,262) which relates to the invoiced amount for the period from January 1, 2013 until December 31, 2026 is included in other non-current assets. Amounts billed by the Company to the other provider for the mutual concession for the use of its optical fibre infrastructure are reported as deferred income € 873,775 (December 31, 2010:€ 378,948) and other long-term liabilities € 7,749,895 (December 31, 2010:€ 5,305,262).

20. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the accompanying financial statements are analyzed as follows:

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Cash in hand	72,973	95,059	26,246	73,477
Cash at banks	15,258,206	22,201,952	7,517,923	8,556,154
Time deposits	12,450,000	14,121,880	9,600,000	9,700,000
Total	**27,781,179**	**36,418,891**	**17,144,169**	**18,329,631**
Restricted cash	8,214,500	1,964,500	8,214,500	1,964,500
Total	**35,995,679**	**38,383,391**	**25,358,669**	**20,294,131**

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 year ended December 31, 2011, amounted to € 376,884 and € 222,518 for the Group and the Company, respectively, (for the year ended December 31, 2010, € 628,483 and € 207,150 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 9).

The restricted cash relates to two pledge deposit contracts of € 7,000,000 and € 1,214,500, respectively, for the issuance of bank letters of guarantee to third parties of € 9,000,000 and USD 3,800,000, respectively (total amount in € 11,936,858).

21. SHARE CAPITAL:

On December 31, 2011 and 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.
- The decrease of the share capital of the Company by decreasing the nominal value of the shares.
- The increase of the share capital of the Company in cash with a view to raising at least € 30 million.

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

On December 8, 2011 the Company's Board of Directors considered necessary and proposed to the General Assembly an update of its October 24, 2011 Report and the above mentioned items for approval by the General Assembly went as follows:

- The increase of the nominal value of each common registered with voting right share of the Company from €1.18 to €10.62 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 17,270,147 common registered shares and the granting of authorization to the Board of Directors of the Company for the settlement of the fractional rights.
- The decrease of the share capital of the Company by € 178,227,918.22 by decreasing the nominal value of the shares from €10.62 (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 €15,543,132.30, with preemption right in favor of the Company's existing shareholders and the issuance of 51,810,441 new common registered shares, at a ratio of three New Shares for every old share, each having a nominal value of €0.30, with a view to raising at least €30 million.

On December 15, 2011, the General Assembly convened and decided to adjourn its session for January 13, 2012.

The General Assembly convened on January 13, 2012 and voted against the three issues proposed by the Board of Directors of the Company.

22. OTHER RESERVES:

Other reserves are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Legal reserve	144,793	146,104	94,031	94,031
Tax-free reserves	1,880,879	1,862,148	1,853,715	1,853,715
Special reserves	683,310	640,474	122,446	122,446
Reserve for employee stock option plan	12,176,620	11,665,562	12,176,620	11,665,562
Other	21,402	71,300	-	-
Total reserve	**14,907,004**	**14,385,588**	**14,246,812**	**13,735,754**

Legal Reserve: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

Tax Free Reserve: Tax-free and specially taxed reserves represent interest income which is either free of tax or a 15% tax has been withheld at source. This income is not taxable, assuming there are adequate profits from which respective tax-free reserves can be established. According to the Greek tax regulations, this reserve is exempt from income tax, provided it is not distributed to shareholders. The Group has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax that would be required in the event the reserve is distributed.

Special Reserve: Under Greek corporate law, corporations may establish a special reserve without a particular purpose after the decision of the shareholders at their Annual General Meeting or if required by its Articles of Association. The special reserve has been created from non-distributed prior year after tax profits.

23. DIVIDENDS:

Under Greek corporate law, companies are required each year to distribute in cash, to the shareholders at least 35% of net profit, after allowing for the legal reserve and certain profits from the sale of shares described under par. 1 of art. 3, of Law 148/1967. The above provisions do not apply, if the General Shareholders Meeting by a majority of at least 65% resolves not to distribute profits. In this case, the non distributed - profits are transferred to a "special reserves account". The Company is obliged within four years from the formation of reserves to capitalize these reserves by the issuance of new shares which it grants free to the beneficiaries (par. 2 art. 3 of the Law 148/1967). The above provisions of par. 1 and 2 do not apply, if approved by the General Shareholders Meeting by a majority of at least 70% of the paid up share capital. Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, which are as follows:

(a) No dividends can be distributed to the shareholders as long as a company's net equity, as reflected in its financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves.

(b) No dividends can be distributed to the shareholders as long as the unamortised balance of "pre-operating expenses", as reflected in its financial statements, exceeds the aggregate of distributable reserves plus retained earnings.

No dividends were paid or proposed during the years ended December 31, 2011 and 2010.

24. LONG-TERM AND SHORT-TERM BORROWINGS:

a) Long-term Loans:

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Bond loan	330,698,715	331,350,821	109,246,011	109,473,548
Other long term loans	363,039	288,000	-	-
Total	**331,061,754**	**331,638,821**	**109,246,011**	**109,473,548**
Less current portion:				
- Bond loan	330,698,715	45,000,000	109,246,011	20,000,000
- Other	144,000	144,000	-	-
Total	**330,842,715**	**45,144,000**	**109,246,011**	**20,000,000**
Long-term portion	**219,039**	**286,494,821**	**-**	**89,473,548**

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 (the “Existing Bond Loan” or “EBL”) which bore interest at three-month Euribor plus a margin ranging from 1.15% to 1.75%. 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 at December 31, 2011 and following the pre-payment of the contractual principal obligations for the fiscal years 2011 and 2012 (see below), is in five variable semi-annual installments from March 31, 2012 through March 31, 2015. This last installment is equal to 43% of the outstanding balance at December 31, 2011.

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.

At August 6, 2009, the Company reached an agreement to amend the financial covenants by accepting the increase in interest margin to 2.5%.

As at June 30, 2011, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity). Accordingly, the outstanding balance of the EBL of € 69,597,419, was classified as current. As at December 31, 2011, the Group remained technically non-compliant in these financial covenants and the same classification has been maintained. Management has initiated the process of contractual alignment of the EBL to the financial covenants of the new bond loan referred to below and has agreed to the documentation proposed by the lending banks.

Forthnet - Bond Loan 2011:

On July 22, 2011, Forthnet entered into a secured bond loan agreement (the "New Bond Loan" or "NBL") 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 NBL was to finance the investing and other activities of the Company.

The bond loan was subscribed in full by the banking syndicates, as in bond loan 2007 and 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 million 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.

As at December 31, 2011, the Group was not in compliance with the "Total net bank borrowing / Total equity" financial covenant under its NBL. Accordingly, the outstanding balance of the NBL of € 39,648,592 was classified as current.

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.", issued a secured common bond loan of a principal amount of up to € 245 million (the "Existing Bond Loan" or "EBL"). 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.

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.

The repayment of the bond at December 31, 2011 and following the pre-payment of the contractual principal obligations for fiscal years 2011 and 2012 (see below), is in eight variable instalments through June 30, 2017.

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.

As at June 30, 2011, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity). Accordingly, the outstanding balance of the EBL of € 172,501,819 was classified as current. As at December 31, 2011, the Group remained technically non-compliant in these financial covenants and the same classification has been maintained. Management has initiated the process of contractual alignment of the EBL to the financial covenants of the NBL and has agreed to the documentation proposed by the lending banks.

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 loan was to finance the investing and other 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 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 the Guarantor, Forthnet, to the General Assembly of a share capital increase of € 30 million 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.

As at December 31, 2011, the Group was not in compliance with the "Total net bank borrowing / Total equity" financial covenant under its NBL. Accordingly, the outstanding balance of the NBL of € 48,950,885 was classified as current.

The Group is in formal discussions with its lending syndicates with regards to the undertaking by Forthnet S.A. (in its capacity as issuer of the new bond loan and guarantor of Forthnet Media Holdings S.A. new bond loan) to propose to its General Assembly a share capital increase of € 30 million (see Note 21) which was to be completed no later than January 31, 2012. In this context:

a) The National Bank of Greece (in its capacity as agent and representative of the bondholders) has issued notices, seeking clarifications about the outcome of the recent General Assembly (see Note 21) and remedies to cure this event of default (and cross-default on the old bond loans).
b) Forthnet S.A. replied that it has done everything under its capacity to meet the said undertaking: it convened the General Assembly with a view to raise at least € 30 million, proposed a specific structure and terms of the rights issue, and made all necessary preparations (including the preparation of an information memorandum). However, for reasons beyond Management's control and notwithstanding the attractiveness of the terms of the rights issue, the majority of shareholders voted against the said capital increase. These facts notwithstanding, Forthnet will seek to obtain an appropriate and mutually acceptable waiver on this matter.

Total interest expenses on long-term loans for the year ended December 31, 2011 and 2010, amounted to € 14,441,314 and €11,726,077, respectively for the Group and € 5,048,585 and €3,861,251, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

b) Short-term borrowings:

Forth CRS and Telemedicine have short-term borrowings with annual variable interest rates of 5% to 6%. The table below presents the credit lines available to the Group and the Company as well as the utilised portion.

	The Group		**The Company**	
	December 31,		**December 31,**	
	2011	**2010**	**2011**	**2010**
Credit lines available	1,700,000	1,701,258	-	-
Unused portion	(282,000)	(282,000)	-	-
Used portion	**1,418,000**	**1,419,258**	**-**	**-**

The total interest expense for short-term borrowings for the years ended December 31, 2011 and 2010 amounted to € 67,612 and € 74,156, for the Group and € 0 and € 2,683 for the Company respectively and are included in the financial expenses (Note 9), in the accompanying financial statements.

25. FINANCE LEASE OBLIGATIONS:

The finance lease obligations relate to:

- Leasing of a building at Antigonis 58, Peristeri, Attica, with a value of € 2,669,054 (including expenses, taxes, etc,) and is repayable in a hundred and seventy five (175) monthly instalments (from August 10, 2005 through February 10, 2020) bearing interest at the three month Euribor plus a margin of 1.5%.

- Leasing of equipment studios, during 2006 and 2007 with a total starting value of € 1,681,000, with duration of three years, repayable in equal three-month instalments bearing interest at a three-month Euribor plus a margin of 1.5%.

- Leasing of equipment with a total starting value of € 1,097,882, with duration of three years, repayable in thirty six (36) monthly instalments (from August 11, 2011 through July 11, 2014) bearing interest at a three-month Euribor plus a margin of 5.16%.

The finance lease obligations are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Obligation under finance lease	2,445,451	1,940,634	2,445,451	1,918,167
Less: Current portion	(424,062)	(182,241)	(424,062)	(159,774)
Long-term portion	**2,021,389**	**1,758,393**	**2,021,389**	**1,758,393**

Future minimum lease payments under the finance lease in relation with the present value of the net minimum lease payments for the Group and the Company as at December 31, 2011 and 2010, are as follows:

	The Group		The Company	
	December 31, 2011		December 31, 2011	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	562,745	424,062	562,745	424,062
After one year but no more than five years	1,557,748	1,231,126	1,557,748	1,231,126
Over five years	873,654	790,263	873,654	790,263
Total minimum lease payments	**2,994,147**	**2,445,451**	**2,994,147**	**2,445,451**
Less: amounts representing finance charges	(548,696)	-	(548,696)	-
Present value of minimum lease payments	**2,445,451**	**2,445,451**	**2,445,451**	**2,445,451**

	The Group		The Company	
	December 31, 2010		December 31, 2010	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	299,493	182,241	275,891	159,774
After one year but no more than five years	1,103,563	749,477	1,103,563	749,477
Over five years	1,149,545	1,008,916	1,149,545	1,008,916
Total minimum lease payments	**2,552,601**	**1,940,634**	**2,528,999**	**1,918,167**
Less: amounts representing finance charges	(611,967)	-	(610,832)	-
Present value of minimum lease payments	**1,940,634**	**1,940,634**	**1,918,167**	**1,918,167**

26. 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:

	The Group	
	31.12.2011	31.12.2010
Obligation under finance lease of transponders	129,204,080	139,441,793
Less: Current portion	(10,923,351)	(10,237,713)
Long-term portion	**118,280,729**	**129,204,080**

Future minimum lease payments under the finance lease of transponders in relation with the present value of the net minimum lease payments for the Group as at December 31, 2011 and 2010, is as follows:

	The Group	
	December 31, 2011	
	Minimum payments	Present value of payments
Within one year	19,000,000	10,923,351
After one year but no more than five years	76,000,001	51,515,538
Over five years	76,000,001	66,765,191
Total minimum lease payments	**171,000,002**	**129,204,080**
Less: amounts representing finance charges	(41,795,922)	-
Present value of minimum lease payments	**129,204,080**	**129,204,080**

	The Group	
	December 31, 2010	
	Minimum payments	Present value of payments
Within one year	19,000,000	10,237,713
After one year but no more than five years	76,000,001	48,282,003
Over five years	95,000,001	80,922,077
Total minimum lease payments	**190,000,002**	**139,441,793**
Less: amounts representing finance charges	(50,558,209)	-
Present value of minimum lease payments	**139,441,793**	**139,441,793**

27. PROGRAMME AND FILM RIGHTS OBLIGATIONS:

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

	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Programmes and Rights	33,637,169	34,616,698	13,974,684	21,684,685
Less: Current portion	(32,777,564)	(33,798,727)	(13,974,684)	(21,684,685)
Long term portion	**859,605**	**817,971**	**-**	**-**

28. TRADE ACCOUNTS PAYABLE:

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

	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Domestic suppliers	84,211,208	79,751,786	46,632,656	50,843,574
Foreign suppliers	16,426,555	17,233,987	6,164,691	2,051,475
Post dated cheques payable	2,197,152	4,289,563	2,011,907	3,246,242
	102,834,915	**101,275,336**	**54,809,254**	**56,141,291**

Trade accounts payable include balances due to suppliers for the acquisition of property, plant and equipment. The related balances due for the acquisition of property, plant and equipment as at December 31, 2011 and 2010, for the Group amounted to € 10,269,920 and € 16,296,342 respectively and the Company amounted to € 7,817,823 and € 14,230,906, respectively.

29. ACCRUED AND OTHER CURRENT LIABILITIES:

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

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Social security payable	2,156,296	2,090,473	1,182,878	1,206,337
Value added tax	3,871,741	781,988	1,506,095	-
Other taxes and duties	954,574	1,436,744	384,890	397,451
Customer advances	82,095	80,844	-	-
Other current liabilities	23,516,825	20,611,736	3,489,080	638,209
Interest rates swaps	7,189,482	4,168,447	-	-
	37,771,013	**29,170,232**	**6,562,943**	**2,241,997**

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 135 million (2010: € 60 million).

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

Losses from the valuation of the fair values of the swaps for the year ended December 31, 2011 for the Group, were € 3,021 thousand (at December 31, 2010: losses € 3,671 thousand) and are included in other financial costs (Note 9), in the accompanying financial statements.

Realised losses from the interest rate swap transactions during the year ended December 31, 2011 for the Group were € 1,266 thousands and are included in other financial costs (Note 9), in the accompanying financial statements.

30. GOVERNMENT GRANTS:

Government grants in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Government grant N. 3299/2004 (Note 35)	9,567,701	9,997,701	9,000,000	9,000,000
Subprojects 6 & 7 of the Operational Programme “Information Society” (Note 35)	19,532,612	19,532,612	19,532,612	19,532,612
Accumulated amortization	(10,336,975)	(7,029,776)	(9,929,275)	(6,682,006)
Amortization for the period	(3,415,331)	(3,307,199)	(3,351,698)	(3,247,269)
Ending balance	**15,348,007**	**19,193,338**	**15,251,639**	**18,603,337**

Subsidies amortisation is included in other income in the accompanying statements of comprehensive income.

31. RESERVE FOR STAFF RETIREMENT INDEMNITIES:

a) **State Pension:** The Company’s employees are covered by one of several Greek State sponsored pension funds. Each employee is required to contribute a portion of their monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the pension funds for the years ended December 31, 2011 and 2010, amounted to € 8,914,980 and € 9,044,189, respectively for the Group and € 5,192,362 and € 5,317,866, respectively for the Company.

b) **Staff Retirement Indemnities:** Under Greek labor law, employees and workers are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's or worker's compensation, length of service and manner of termination (dismissed or retired). Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that pension plans are not funded. In accordance with this practice, the Company does not fund these plans. The Company charges income from continuing operations for benefits earned in each period with a corresponding increase in retirement indemnity liability. Benefits payments made each period to retirees are charged against this liability.

An international firm of independent actuaries evaluated the Group's liabilities arising from the obligation to pay retirement indemnities. The details and principal assumptions of the actuarial study as at December 31, 2011 and 2010, have as follows:

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Present value of unfunded obligations	2,260,984	2,178,981	985,531	940,456
Unrecognised actuarial gain	1,685,422	1,901,662	953,203	1,015,465
Unrecognised previous service costs	(60,207)	(63,544)	-	-
Net Liability in Balance Sheet	**3,886,199**	**4,017,099**	**1,938,734**	**1,955.921**
Components of net periodic pension cost				
Service cost	269,036	445,852	133,840	229,702
Interest cost	115,836	185,493	50,879	80,578
Amortisation of unrecognised net loss	(82,638)	16,791	(44,969)	(4,913)
Regular charge to operations	**302,234**	**648,136**	**139,750**	**305,367**
Additional cost of extra benefits	941,630	694,318	462,358	138,700
Total charge to operations (Note 7)	**1,243,864**	**1,342,454**	**602,108**	**444,067**
Reconciliation of benefit obligation				
Present value of liability at start of period	2,178,981	3,383,593	940,456	1,465,063
Service cost	269,036	445,852	133,840	229,702
Interest cost	115,836	185,493	50,879	80,578
Benefits paid	(1,374,764)	(1,014,917)	(619,294)	(199,598)
Extra payments or expenses	1,120,409	711,688	535,242	145,881
Service cost from previous periods	-	25,407	-	-
Actuarial gains/(loss)	(48,514)	(1,558,135)	(55,592)	(781,170)
Present value of liability at the end of year	**2,260,984**	**2,178,981**	**985,531**	**940,456**
Principal Assumptions:				
Discount Rate	5.5%	5.4%	5.5%	5.4%
Rate of compensation increase	0.0%	2.0%	0.0%	2.0%
Increase in consumer price index	2.0%	2.0%	2.0%	2.0%

The additional cost of extra benefits relates to benefits paid to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge. The additional pension charge for the years ended December 31, 2011 and 2010, amounted to € 1,120,409 and € 711,688, respectively for the Group and € 535,242 and € 145,881, respectively for the Company.

32. LOSS PER SHARE:

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

The following reflects the net loss and share data used in the basic and diluted earnings per share computations as at December 31, 2011 and 2010:

	The Group	
	December 31,	
	2011	2010
Net loss attributable to the shareholders of the parent	**(199,146,287)**	**(85,098,182)**
Total weighted average number of ordinary shares	**155,431,324**	**155,431,324**
Adjusted weighted average number of ordinary shares for diluted loss per share	**155,431,324**	**155,431,324**
Loss per share (basic and diluted)	**(1.2812)**	**(0.5475)**

33. EMPLOYEE STOCK OPTION PLAN:

The Group has two plans in relation to the employees' stock option – one short-term plan replacing an older long-term and one long-term which terminates at December 31, 2014. These plans are explained below:

1st Plan (short-term) replacing the existing long term plan:

On February 8, 2008, E.E.T.T. approved Forthnet's change of control in accordance with resolution No. 467/104/2008. The aforementioned change resulted in the early vesting of the Company's stock option plan in accordance with its terms.

The Board of Directors with its decision of April 7, 2009, proceeded in providing a short-term plan as follows:

2,194,812 stock-options were granted, replacing 2,992,703 adjusted existing options at a strike price of €3.89 of the old plan provided that the beneficiaries will give up the options they hold from the old plan. The adjustment to the number of options and the strike price was automatically effected as a result of the increase in the Company's share capital.

In order to use one of the two options the beneficiaries resigned to their rights relating to 2,992,703 options of the old long-term plan. In conclusion the beneficiaries of 2,992,703 options of the old plan replaced their rights in exchange for €0.60 per option and waived their rights to participate in the new plan described above.

2nd Plan (long-term)

The Board of Directors with its decision on April 7, 2009, proceeded in issuing a total amount of 5,440,096 new options at the exercise price of €1.18. The maturity of the above mentioned options is analysed as follows:

- 2,331,470 options vested in April 2011 (provided that according to the published financial results, the targets set for 2010 have been achieved). First exercise period was from June 1 to June 20, 2011 and can be exercised until December 2014.

- 3,108,626 options vested in April 2012 (provided that according to the published financial results, the targets set for 2011 have been achieved). First exercise period is from June 1 to June 20, 2012 and can be exercised until December 2014.

The fair value of the options as at April 7, 2009, was determined using the Black & Scholes model. The main assumptions affecting the model are the share price at the grant date, exercise price, dividend yield, discount rate and the volatility of the share price. The volatility is the actual historic volatility of the daily share price of Forthnet in the last 12 months.

34. 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:

Related Party	Relation with Forthnet	Year ended	Sales to related parties	Purchases from related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	17,112
Technology and Research Foundation	Shareholder	31.12.2010	105,890	74,901
		31.12.2011	90,363	66,878
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	-
Forth CRS S.A.	Subsidiary	31.12.2010	88,162	8,545
		31.12.2011	89,057	114
Athlonet S.A.	Associated	31.12.2010	15,504	-
		31.12.2011	7,466	23,890
MultiChoice Hellas S.A.	Subsidiary	31.12.2010	6,950,390	3,262,559
		31.12.2011	5,905,439	3,310,442
NETMED S.A.	Subsidiary	31.12.2010	176,690	-
		31.12.2011	146,560	-
NetMed Hellas S.A.	Subsidiary	31.12.2010	1,967,432	20
		31.12.2011	-	-
Forthnet Media Holdings S.A.	Subsidiary	31.12.2010	2,302,820	12,279
		31.12.2011	3,951,961	9,926
	Total	**31.12.2010**	**11,606,888**	**3,845,116**
	Total	**31.12.2011**	**10,190,846**	**3,428,362**

Related Party	Relation with Forthnet	Year ended	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	16,040
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		31.12.2011	38,646	14,982
Forth CRS S.A.	Subsidiary	31.12.2010	391,159	40,190
		31.12.2011	460,322	42
Telemedicine Technologies S.A.	Subsidiary	31.12.2010	136,677	-
		31.12.2011	3,734	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		31.12.2011	11,502	12,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2010	2,871,018	49,439,245
		31.12.2011	526,558	40,847,055
Forthnet Media Holdings S.A.	Subsidiary	31.12.2010	40,750,917	2,254,579
		31.12.2011	33,161,889	1,238,606
NetMed S.A.	Subsidiary	31.12.2010	112,180	-
		31.12.2011	27,565	-
	Total	**31.12.2010**	**44,288,644**	**52,256,082**
	Total	**31.12.2011**	**34,230,216**	**42,586,334**

The intergroup revenue from Multichoice Hellas S.A. relates to the recharge of Multichoice Hellas S.A.'s share in joint sell advertising as well as telecommunications services (telephony, broadband, etc.).

The intergroup costs from Multichoice Hellas S.A. refer mainly to the purchases of decoders for resale in Forthnet stores.

The intergroup revenue and receivable from Forthnet Media Holdings S.A. arises mainly from the re-sale of the Superleague football rights.

The Company's payable towards Multichoice Hellas S.A. relates to cash collected by its stores on behalf of Multichoice Hellas S.A.

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

Related Party	Relation with Forthnet	Period ending at	Sales to related parties	Purchases from related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	17,112
Technology and Research Foundation	Shareholder	31.12.2010	105,890	74,901
		31.12.2011	90,363	66,878
Lumiere Productions S.A.	Shareholder	31.12.2010	-	1,680,705
		31.12.2011	-	-
Lumiere Television Ltd	Shareholder	31.12.2010	-	3,053,701
		31.12.2011	-	1,323,073
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2010	-	149,556
		31.12.2011	-	-
Gambritsos Georgios	Members of the B.O.D. – Executive members	31.12.2010	-	235,539
		31.12.2011	-	-
Athlonet S.A.	Associated	31.12.2010	15,504	-
		31.12.2011	7,466	23,890
	Total	**31.12.2010**	**121,394**	**5,681,214**
	Total	**31.12.2011**	**97,829**	**1,430,953**

Related Party	Relation with Forthnet	Year ended	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Shareholder	31.12.2010	-	8,442
		31.12.2011	-	16,040
Emirates International Telecommunications	Indirect Shareholder	31.12.2010	-	478,370
		31.12.2011	-	457,549
Technology and Research Foundation	Shareholder	31.12.2010	20,960	6,179
		31.12.2011	38,646	14,982
Lumiere Productions S.A.	Shareholder	31.12.2010	-	1,193,709
		31.12.2011	-	6,378
Lumiere Television Ltd	Shareholder	31.12.2010	-	661,500
		31.12.2011	-	-
Lumiere Cosmos Communications	Shareholder	31.12.2010	-	10
		31.12.2011	-	10
Tagmatarchis Charalambos	Members of the B.O.D. – Executive members	31.12.2010	-	195
		31.12.2011	-	-
Athlonet S.A.	Associated	31.12.2010	5,733	29,077
		31.12.2011	11,502	12,060
	Total	**31.12.2010**	**26,693**	**2,377,482**
	Total	**31.12.2011**	**50,148**	**507,019**

Lumiere Productions S.A. is handling the Group's broadcasting of football matches productions.

The Emirates International Telecommunications LLC (EIT), an associated company - shareholder which provides management services.

Lumiere Television Ltd. had granted, until June 30, 2011, to the Group, the license to include LTV Channel in the Pay-TV bouquet NOVA CYRPUS.

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

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Salaries and fees for executive members of the BoD	1,507,895	320,557	1,507,895	320,557
Salaries and fees for non executive members of the BoD	139,200	147,678	139,200	147,678
Salaries and fees for senior managers	2,488,936	3,409,035	1,501,376	1,957,041
Total	**4,136,031**	**3,877,270**	**3,148,471**	**2,425,276**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 304,453 for both the Group and the Company (December 31, 2010 € 537,390), whereas benefits relating to leaving indemnities amounted to € 484,179 and € 158,700 respectively (December 31, 2010 € 500,806 and € 44,179, respectively).

35. 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 37).

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 December 31, 2011 (approximately € 1.65 million at December 31, 2010).

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 amounted 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.

Agreements with Information Society S.A.: On March 12, 2007, the Company signed two agreements with Information Society S.A., which were 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 concerned Milestone I (Broadband Access Development), while an amount of € 13.3 million concerned Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reached 50% of the budgeted amount. Up to December 31, 2009, the Company had completed its investment and recognised a Government grant of € 19.5 million.

Commitments:

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 December 31, 2011 and 2010, are as follows:

	The Group		**The Company**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Within one year	4,124,189	4,246,950	1,845,818	1,941,768
2-5 years	15,290,810	14,087,556	5,558,711	4,503,186
Over 5 years	11,330,408	14,635,804	3,173,786	3,976,967
Total	**30,745,407**	**32,970,310**	**10,578,315**	**10,421,921**

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

	The Group		**The Company**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Good execution of agreements	9,183,869	13,315,766	2,045,147	6,169,837
Participation in bids	42,926	21,751	42,926	21,751
Guarantees for advance payments received	30,944,975	42,348,951	30,944,975	40,925,151
Total	**40,171,770**	**55,686,468**	**33,033,048**	**47,116,739**

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 211.7 million and for the Company amounted to approximately € 129.2 million at December 31, 2011 (December 31, 2010: € 159.0 million and € 135.8 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 € 5.8 million at December 31, 2011 (December 31, 2010: € 6.4 million) both for the Company and the Group.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of available for sale financial assets and assets held for trading are reflected in the accompanying statements of financial position.

The fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position.

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 year ended December 31, 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 December 31, 2011, the Group and the Company held the following financial instruments measured at fair value:

	The Group			
	Fair value –31.12.2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Available for sale financial assets	-	-	402,395	**402,395**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion) (Note 24)	-	331,061,754	-	**331,061,754**
Interest rate swaps (Note 29)	-	7,189,482	-	**7,189,482**

	The Company			
	Fair value –31.12.2011			
	Level 1	**Level 2**	**Level 3**	**Σύνολο**
Financial assets				
Available for sale financial assets	-	-	340,064	**340,064**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)) (Note 24)	-	109,246,011	-	**109,246,011**

	The Group			
	Fair value –31.12.2010			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale financial assets	-	-	402,395	**402,395**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion) (Note 24)	-	331,638,821	-	**331,638,821**
Interest rate swaps (Note 29)	-	4,168,447	-	**4,168,447**

	The Company			
	Fair value –31.12.2010			
	Level 1	Level 2	Level 3	Σύνολο
Financial assets				
Available for sale financial assets	-	-	340,064	**340,064**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion) (Note 24)	-	109,473,548	-	**109,473,548**

Credit Risk: The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at December 31, 2011, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position.

The Group has no significant concentrations of credit risk with any single counter party.

Foreign Currency Risk: The Group is active internationally and is exposed to variations in foreign currency exchange rate which arises mainly from the US Dollar. This type of risk arises mainly from transactions in foreign currency. The financial assets and liabilities in foreign currency translated into euros using the exchange rate at the financial position date, for the Group and the Company is analysed as follows:

	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Nominal amounts in US$				
Financial assets	268,288	265,265	-	-
Financial liabilities	(13,226,431)	(18,114,208)	-	-
Short term exposure	(12,958,143)	(17,848,943)	-	-

The following table presents the sensitivity of the result for the year in regards to the financial assets and financial liabilities and the US Dollar / Euro exchange rate. It assumes a 5% (2010: 5%) increase of the Euro/US Dollar exchange rate for the year ended December 31, 2011. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each balance sheet date.

If the Euro had increased against the US Dollar by 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2011	31.12.2010
Result for the year	476,895	679,742

If the Euro had decreased against the US Dollar by 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2011	**31.12.2010**
Result for the year	(527,094)	(751,294)

The above effect on the results, before tax, is based on the average foreign exchange rates for the related year.

The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. Although the analysis above is considered to be representative of the Group's currency risk exposure.

Interest Rate Risk: With respect to long-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks.

The following table demonstrates the sensitivity of the Group' profit before tax (through the impact of the outstanding floating rate borrowings at the end of the year on profits) to reasonable changes in interest rates, with all other variables held constant.

The sensitivity analysis of the Group's borrowings due to interest rate changes is as follows:

	The Group		The Group	
	December 31, 2011		**December 31, 2010**	
	Interest Rate Variation	**Effect on income**	**Interest Rate Variation**	**Effect on income**
EURO	1,0%	(3,064,253)	1,0%	(3,135,721)
	-1,0%	3,574,365	-1,0%	3,814,279

The table above excludes the positive impact of interest received from deposits.

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swap agreements amounting to € 135 million.

The fair values of the interest rate swaps are based to mark to market evaluation.

Losses from the valuation of the fair values of the swaps for the year ended December 31, 2011, were € 3,021 thousand (at December 31, 2010: € 3,671 thousand).

Liquidity Risk: The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn committed and uncommitted borrowing facilities that can be utilized to fund any potential shortfall in cash resources.

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The table below summarizes the maturity profile of the financial liabilities at December 31, 2011 and 2010, based on contractual undiscounted payments.

Group

Year ended December 31, 2011	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
Borrowings	-	8,299,222	9,724,515	326,558,101	56,866,880	401,448,718
Leases	-	5,743,048	5,743,048	53,073,287	67,638,845	132,198,228
Trade, programme and film rights and other payables	-	91,395,085	76,030,623	4,591,391	4,408,129	176,425,228
Total	**-**	**105,437,355**	**91,498,186**	**384,222,779**	**128,913,854**	**710,072,174**

Year ended December 31, 2010	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	27,771,450	28,968,662	220,732,379	97,817,858	375,290,349
Leases	-	5,256,801	5,256,802	49,385,566	82,071,622	141,970,791
Trade, programme and film rights and other payables	-	111,638,803	116,094,475	2,151,736	3,410,527	233,295,541
Total	**-**	**144,667,054**	**150,319,939**	**272,269,681**	**183,300,007**	**750,556,681**

Company

Year ended December 31, 2011	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
Borrowings	-	3,013,606	2,971,323	119,632,761	-	125,617,690
Leases	-	281,372	281,372	1,557,749	873,654	2,994,147
Trade and other payables	-	58,966,609	58,966,609	3,648,429	4,408,129	125,989,776
Total	**-**	**62,261,587**	**62,219,304**	**124,838,939**	**5,281,783**	**254,601,613**

Year ended December 31, 2010	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	11,844,325	11,668,675	96,586,875	-	120,099,875
Leases	-	137,945	137,946	1,103,563	1,149,545	2,528,999
Trade and other payables	-	66,162,028	66,162,027	2,151,736	3,410,527	137,886,318
Total	**-**	**78,144,298**	**77,968,648**	**99,842,174**	**4,560,072**	**260,515,192**

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong internal calculation credit rating and healthy capital ratios in order to support its operations and maximize shareholder value. The Group's policy is to maintain leverage targets in line with an investment grade profile. The Group monitors capital with one of the financial covenants of its bond loans: Net Debt/EBITDA. The Group includes within net indebtness, interest bearing loans and borrowings, less cash and cash equivalents. EBITDA is defined as earnings before interest taxes, depreciation and amortization as well as any non cash adjustments associated with impairment of goodwill charges and deducting transponder costs.

	The Group		The Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Long-term borrowings	219,039	286,494,821	-	89,473,548
Short-term borrowings	332,260,715	46,563,258	109,246,011	20,000,000
Total Debt	332,479,754	333,058,079	109,246,011	109,473,548
Less : Cash and cash equivalents	28,995,679	36,418,891	18,358,669	18,329,631
Net Debt/(cash)	(303,484,075)	(296,639,188)	(90,887,342)	(91,143,917)
-Adjusted EBITDA (non-cash adjustments)	56,766,316	46,079,726	57,879,063	37,292,066

37. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

I. Forthnet's outstanding judicial claims against third parties amount to approximately € 48.84 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. No related provision of income has been made by the Company in its financial statements for these claims.

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 filed 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 3rd quarter of 2010 amounting to approximately € 469 thousands and for the 4th quarter of 2010 amounting to approximately to € 471 thousands respectively, plus the respective VAT.

   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 filed an additional motion before the Legal Council of the State for the acknowledgment of debt for the first half of fiscal year 2011 amounting to € 940,379, not including VAT for services during the first half of fiscal year 2011 and the amount of € 942,151, not including VAT for the services offered during the second half of fiscal the year 2011.

   For the above mentioned project ("SYZEYXIS") the Company had recorded accrued income in its financial statements for an amount of € 2.7 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 was 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. At the hearing date set for January 18, 2012, the case was not presented and a new hearing date shall be determined.

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 be currently assessed.

4. Following the conclusion of the Content Supply Agreement between Forthnet Media Holdings S.A. and Cyprus Telecommunication Authority ("CYTA"), the Commission for the Protection of Competition of the Republic of Cyprus launch an inquiry for a reported violation of the provisions of competition (according to articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as to articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), either by the company itself or by its controlled companies/subsidiaries Multichoice Hellas and Forthnet Media Holdings S.A. The case is under investigation by the Competition Commission and the Group is in the course of providing answers to the relevant questionnaires sent by the Competition Commission in February of 2012. At the present time, it is not possible to determine whether the above will have an effect on the Group's financial position or operations.

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. FORTHNET MEDIA HOLDINGS S.A.

(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 € 14.1 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), a partial judicial compromise has been reached between the plaintiffs and the rest of the co-defendants (GEAR FORUM, ΕΛΛΑΣ SA and LUMIERE PRODUCTIONS SA). The plaintiffs are still entitled to pursue the claims and the lawsuit against FMH. The parties are in

negotiations for the amicable resolution of the dispute that might not be successfully completed. At this stage it is not possible to be conclusive as to the possible outcome of the above case.

ii) € 4.6 million approximately plus interest, concern claims of PAE (Football Clubs), for the restitution of the alleged damage PAE has incurred due to the claimed unlawful termination –on the part of FMH (ex NetMed Hellas S.A.) of its agreement for the TV/radio broadcasting of their football games. It is noted that the hearing of the specific lawsuit, after several adjournments, has been cancelled but PAE is, theoretically, entitled to apply for a new hearing date.

iii) It is noted that a claim of approximately € 3.0 million (including interest and legal expenses), which was owed from FMH to a PAE, was finally settled. According to this settlement agreement, the parties have agreed that FMH pays to PAE the amount of € 2.2 million (Note 10).

iv) 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 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) The outstanding judicial claims of the subsidiary FMH (ex NetMed Hellas S.A.) against third parties amount to € 32.4 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. MULTICHOICE HELLAS S.A.

(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 relating to 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 been set for September 25, 2012.

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 payment of the aforementioned amount for disputes arising from their agreement. Unitek S.A. resigned from the claim, but it has not waived its rights and, consequently, it may return 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 payment of the aforementioned amount as a restitution for the loss of its clientele, by virtue of Presidential Decree 219/1991, due to the termination of the contract with 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 a 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 € 30.9 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. NET MED N.V.

The outstanding judicial claims of third parties against the subsidiary Netmed N.V. 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. DIKOMO INVESTMENT Sarl.

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. TILEDRASI S.A.

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.

38. SUBSEQUENT EVENTS:

There are no significant events subsequent as of December 31, 2011 which would influence materially the Group's and the Company's financial position.

Athens, March 8, 2012

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer
Deepak Srinivas Padmanabhan Passport No. Z 1849335	Panagiotis Papadopoulos I.D. Σ 676330

Chief Financial Officer	Group Accounting Director	Group Financial Reporting Manager
Evangelos Raptis I.D. AE 040547	George Mantzoros I.D. T 106663 Licence No. O.E.E. 00015375 Class A	Georgia Gali I.D. X 091299

INFORMATION OF THE ARTICLE 10 OF THE LAW 3401/2005

Forthnet S.A. published and made available the following information of article 10, Law 3401/2005 to the public during the financial year 2011. The information is uploaded both in the official web site of the Athens Exchange www.ase.gr and in the Company's as follows:

DATE	ANNOUNCEMENT	WEBSITE
4/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=310768
7/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=311027
12/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=311167
24/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=312009
26/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=312084
28/1/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=312278
1/2/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=312896
11/2/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=313600
15/2/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=313831
15/3/2011	Financial Calendar 2011	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=315858
16/3/2011	Forthnet SA Results for the Q4'10, Trading Update and operating performance.	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=315929
24/3/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=316407
28/3/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=316599
29/3/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=316647
4/4/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=317421
6/4/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=317524
7/4/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=317580
8/4/2011	Announcement of regulated information of the Law 3556/2007 and the article 13 of the Law 3340/2005	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=317620
18/5/2011	Forthnet's Presentation at the Hellenic Fund and asset Management Association.	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=320132
19/5/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=320165
26/5/2011	Forthnet Results for the Q1 2011, Trading Update and Operating performance	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=320619
7/6/2011	Announcement- Amendment of the Financial Calendar 2011	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=321729
7/6/2011	Invitation to the Ordinary General Meeting of Shareholders	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=321742
14/6/2011	Announcement -Liquidation of subsidiary Multichoice (Cyprus)	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=322100
28/6/2011	Announcement of the Resolutions of the Ordinary General Meeting of Shareholders	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=323373
5/7/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=323587
26/7/2011	Forthnet signs €90 million in new bond facilities	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=324356
8/8/2011	Announcement-New ageement with Super League for the period 2014-2015	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=325110
31/8/2011	Forthnet Results for the Q2 2011, Trading Update and Operating performance	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=326057
21/9/2011	Invitation to the Extraordinary General Meeting	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=326657
28/9/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=326799
3/10/2011	Announcement of regulated information of Law 3556/2007	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=327236
26/10/2011	Forthet S.A. Cancelation to the Extraordinary General Meeting-Convocation of the new	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=327372
1/11/2011	Announcement - Reasons for the cancelation of General Meeting	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=327850
17/11/2011	Forthnet Results for the Q3 2011, Trading Update and Operating performance	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=328269
25/11/2011	Announcement-Informs the Investing Public	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=328535
8/12/2011	Forthnet S.A.-Announcement	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=329282
15/12/2011	Announcement for the Postponement of the Extraordinary General Meeting	http://www-old.forthnet.gr/templates/corporatePosting.aspx?p=329380

WEBSITE PLACE OF UPLOADING THE PARENT STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS OF SUBSIDIARIES

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of management are registered in the internet in the address www.forthnetgroup.gr

The financial statements of consolidated companies are registered in the internet in the address www.forthnetgroup.gr

FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

FORTHNETGROUP

forthnet | nova

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.
Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
Scientific Technological Park of Crete, Vassilika Vouton, Iraklion Crete 71003
FINANCIAL DATA & INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011
(Published in accordance with Law 2190/1920, article 135 for companies preparing annual consolidated and separate financial statements in accordance with IFRS)

[illegible]

(amounts presented in euro)

GENERAL INFORMATION:

Web Site:	www.forthnetgroup.gr
Board of Directors approval date:	March 8, 2012
Certified Auditor Accountant:	Seferis Christodoulos, Sdoukos Stavros
Auditing firm:	ERNST & YOUNG S.A., SOL S.A.
Type of auditor's review report:	Unqualified opinion (emphasis of matter)

Board of Directors
Deepak Srinivas Padmanabhan, Chairman (non-executive member)
Panagiotis Papadopoulos, Vice Chairman and Chief Executive Officer (executive member)
Vasilios Bougalis, non executive member
David Kay, non executive member
Erwin Kooij, non executive member
Edwin Lloyd, independent non executive member
Mohsin Majid, non executive member
Pharneet Singh, independent non executive member
Michael Wellington, non executive member

STATEMENT OF FINANCIAL POSITION (consolidated and parent company)

	GROUP		COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
ASSETS				
Tangible assets	[illegible]	[illegible]	[illegible]	[illegible]
Intangible assets	[illegible]	[illegible]	[illegible]	[illegible]
Goodwill	[illegible]	[illegible]	[illegible]	[illegible]
Other non current assets	[illegible]	[illegible]	[illegible]	[illegible]
Inventories	[illegible]	[illegible]	[illegible]	2,254,877
Trade receivables	[illegible]	[illegible]	[illegible]	[illegible]
Other current assets	103,597,050	115,392,915	71,364,705	73,810,371
TOTAL ASSETS	806,339,028	1,019,899,773	398,992,699	618,716,857
EQUITY AND LIABILITIES				
Share Capital [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Retained earnings and other reserves	[illegible]	[illegible]	[illegible]	[illegible]
Total Shareholders equity (a)	61,668,385	260,903,614	121,814,544	330,124,693
Non-controlling interests (b)	[illegible]	[illegible]	-	-
Total Equity (c)=(a)+(b)	64,787,740	262,801,445	121,814,544	330,124,693
Long term borrowings	219,099	[illegible]		59,479,548
Provisions/Other long-term liabilities	[illegible]	[illegible]	[illegible]	[illegible]
Short-term borrowings	[illegible]	[illegible]	[illegible]	30,000,000
Other Current Liabilities	[illegible]	[illegible]	[illegible]	[illegible]
Total Liabilities (d)	741,551,288	755,898,328	277,178,155	288,592,164
TOTAL EQUITY AND LIABILITIES (c)+(d)	806,339,028	1,019,899,773	398,992,699	618,716,857

TOTAL COMPREHENSIVE INCOME (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.12.2011	01.01 - 31.12.2010	01.01 - 31.12.2011	01.01 - 31.12.2010
Turnover	410,328,898	404,945,214	[illegible]	[illegible]
Loss before taxes, financing and investing activities	[illegible]	[illegible]	[illegible]	[illegible]
Loss before income taxes	[illegible]	[illegible]	[illegible]	[illegible]
Loss after income taxes (A)	[illegible]	(186,328,453)	(203,821,207)	[illegible]
- Shareholders of the parent company	[illegible]	[illegible]	(203,821,207)	[illegible]
- Non controlling interests	690,706	(1,790,251)		
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income after taxes(A)+(B)	[illegible]	(186,328,453)	(203,821,207)	[illegible]
- Share holders of the parent company	[illegible]	[illegible]	[illegible]	[illegible]
- Non controlling interests	[illegible]	[illegible]	-	-
Loss after taxes per share - Basic (in €)	[illegible]	[illegible]		
Profit/(loss) before taxes, financing, investing and depreciation	[illegible]	[illegible]	[illegible]	[illegible]

STATEMENT OF CHANGES IN EQUITY (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.12.2011	01.01 - 31.12.2010	01.01 - 31.12.2011	01.01 - 31.12.2010
Total equity balance at the beginning of year (01.01.2011 and 01.01.2010 respectively)	262,801,445	348,477,961	330,124,699	359,407,145
Total comprehensive loss after income taxes of the year (continuing and discontinuing operations)	[illegible]	(186,328,453)	(203,821,207)	[illegible]
Subsidiary's share capital increase	(9,132)	445,333		
Stock Option Plan	511,052	706,932	511,052	706,962
Total equity balance ended year (31.12.2011 and 31.12.2010 respectively)	[illegible]	[illegible]	[illegible]	[illegible]

CASH FLOW STATEMENT (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 31.12.2011	01.01 - 31.12.2010	01.01 - 31.12.2011	01.01 - 31.12.2010
Cash flow from Operating Activities				
Loss before income taxes	[illegible]	[illegible]	[illegible]	[illegible]
Adjustments for:				
Depreciation and amortization	[illegible]	[illegible]	[illegible]	[illegible]
Amortization of subsidies	[illegible]	[illegible]	[illegible]	[illegible]
Gains on disposal of tangible and intangible assets	38,343	(30,442)	38,343	[illegible]
Allowance for doubtful accounts receivable	[illegible]	[illegible]	[illegible]	[illegible]
Other provisions	1,314,064	[illegible]	1,172,308	1,525,736
Impairment of goodwill	[illegible]	[illegible]	-	-
Impairment of investment in subsidiaries			306,171,488	
Financial (income)/expenses	[illegible]	[illegible]	[illegible]	[illegible]
Share of profit of associates accounted for under the equity method	-	[illegible]	-	-
Adjustments for changes in working capital related to operating activities:				
Decrease / (increase) inventories	[illegible]	[illegible]	[illegible]	[illegible]
Decrease/ (increase) in receivables	[illegible]	[illegible]	[illegible]	[illegible]
(Decrease) / increase liabilities (other than Bank loans)	[illegible]	[illegible]	[illegible]	[illegible]
Minus:				
Income taxes paid	[illegible]	[illegible]	-	-
Increase/(decrease) in other non current assets	[illegible]	[illegible]	[illegible]	[illegible]
Increase / (decrease) in other long term liabilities	[illegible]	[illegible]	[illegible]	[illegible]
Payment of staff retirement indemnities	(1,374,764)	(1,014,017)	(619,294)	[illegible]
Net cash from operating Activities	[illegible]	[illegible]	[illegible]	[illegible]
Cash flow from Investing activities				
Capital expenditure for property, plant and equipment and intangible assets	[illegible]	[illegible]	[illegible]	[illegible]
Disposals of property, plant and equipment and intangible assets	[illegible]	[illegible]	[illegible]	[illegible]
Interest and related income received	[illegible]	[illegible]	[illegible]	[illegible]
Absorbtion of entity by subsidiary		405,393		
Increase in participation in subsidiary	-	-	-	[illegible]
Restricted cash	(6,250,000)	(1,064,500)	(6,250,000)	(1,064,500)
Increase in investments in associates and other financial assets		(34,577)		[illegible]
Government grants received		4,500,000		4,500,000
Net cash used in Investing Activities	[illegible]	[illegible]	[illegible]	[illegible]
Cash flows from Financing Activities				
Net change in long-term borrowings	-	[illegible]	-	[illegible]
Net change in short-term borrowings		[illegible]		
Interest paid	[illegible]	[illegible]	[illegible]	[illegible]
Other Bank Expenses	(782,500)		(345,000)	
Net change in leases	[illegible]	[illegible]	[illegible]	[illegible]
Net cash (used in)/from Financing Activities	[illegible]	[illegible]	[illegible]	[illegible]
Net increase/(decrease) in cash and cash equivalents	(8,637,712)	(43,130,335)	(1,185,462)	(22,292,047)
Cash and cash equivalents at the beginning of the year	36,418,891	79,549,226	18,329,631	40,621,678
Cash and cash equivalents at the end of the year	27,781,179	36,418,891	17,144,169	18,329,631

ADDITIONAL DATA AND INFORMATION

[illegible]

Iraklion, March 8, 2012

PRESIDENT OF THE B.o.D.	VICE PRESIDENT OF B.o.D. & MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	GROUP ACCOUNTING REPORTING & TAX DIRECTOR	GROUP FINANCIAL REPORTING MANAGER
DEEPAK SRINIVAS PADMANABHAN	PANAGIOTIS PAPADOPOULOS	EVANGELOS DAPTIS	GEORGE MANTZOROS	GEORGIA GALI
Passport No [illegible]	ID Number [illegible]	ID Number [illegible]	ID Number [illegible] License Number O.E.E. [illegible] A Class	ID Number [illegible]