INTERIM CONDENSED

FINANCIAL STATEMENTS

(PARENT COMPANY AND CONSOLIDATED)

FOR THE PERIOD

JANUARY 1 – MARCH 31, 2012

OF

HELLENIC COMPANY FOR TELECOMMUNICATIONS

AND TELEMATIC APPLICATIONS S.A. (Forthnet S.A.)

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

Index to the Financial Statements

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") as at March 31, 2012, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the three-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applies to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3 to the interim condensed financial information which indicates that, at March 31, 2012, (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 3, 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.

Athens, May 30, 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	SOL S.A. CERTIFIED AUDITORS SOEL REG No: 125

INTERIM STATEMENT OF COMPREHENSIVE INCOME

		The Group		The Company	
	Notes	01.01-31.03.2012	01.01-31.03.2011	01.01-31.03.2012	01.01-31.03.2011
Revenues	4	104,371,122	102,679,746	59,437,038	55,820,974
Telecommunications costs		(27,240,849)	(26,518,158)	(27,190,377)	(26,518,158)
Royalties and licenses		(24,297,726)	(25,669,482)	-	-
Cost of sales of inventory and consumables		(1,749,115)	(628,482)	(581,559)	(628,424)
Advertising and promotion costs		(3,042,617)	(4,251,869)	(1,174,867)	(1,732,369)
Payroll and related costs	6	(11,281,718)	(13,404,634)	(6,235,314)	(7,932,693)
Sundry expenses	8	(15,937,668)	(17,326,461)	(8,433,200)	(8,460,945)
Other income		910,019	903,741	895,460	884,293
Depreciation and amortisation		(25,827,451)	(28,219,944)	(14,224,653)	(15,609,781)
Financial income	7	323,785	2,775,688	92,853	55,298
Financial expenses	7	(7,804,417)	(5,292,848)	(1,606,575)	(1,027,075)
Gain/(Loss) before income taxes		**(11,576,635)**	**(14,952,703)**	**978,806**	**(5,148,880)**
Income taxes	9	1,217,800	959,082	(274,314)	303,335
		-	-	-	-
Gain/(Loss) after tax (A)		**(10,358,835)**	**(13,993,621)**	**704,492**	**(4,845,545)**
Other total comprehensive income after tax (B)		**-**	**-**	**-**	**-**
Total comprehensive Gain/ (Loss) after tax (A)+(B)		**(10,358,835)**	**(13,993,621)**	**704,492**	**(4,845,545)**
Gain/(loss) for the period attributable to:					
Shareholders of the Parent Company		(10,205,651)	(13,482,152)	704,492	(4,845,545)
Non-controlling interests		(153,184)	(511,469)	-	-
		(10,358,835)	**(13,993,621)**	**704,492**	**(4,845,545)**
Total comprehensive income for the period attributable to:					
Shareholders of the Parent Company		(10,205,651)	(13,482,152)	704,492	(4,845,545)
Non-controlling interests		(153,184)	(511,469)	-	-
		(10,358,835)	**(13,993,621)**	**704,492**	**(4,845,545)**
Loss per share (Basic and diluted)		(0.0657)	(0.0867)		
Weighted Average Number of Shares (Basic)		155,431,324	155,431,324		
Weighted Average Number of Shares (Diluted)		155,431,324	155,431,324		

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

INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	The Group 31.03.2012	The Group 31.12.2011	The Company 31.03.2012	The Company 31.12.2011
ASSETS					
Non current assets					
Property, plant and equipment	11	272,409,300	281,829,878	148,323,850	154,102,782
Intangible assets	12	164,390,652	172,554,880	14,261,248	15,837,876
Goodwill	10	139,482,089	139,482,089	512,569	512,569
Investments in subsidiaries		-	-	83,850,733	83,850,733
Other non-current assets		9,293,359	9,526,395	7,816,553	8,050,713
Available for sale financial assets		382,766	402,395	340,064	340,064
Deferred tax assets	9	17,580,317	17,080,816	16,118,052	16,392,366
Total non current assets		**603,538,483**	**620,876,453**	**271,223,069**	**279,087,103**
Current assets					
Inventories	14	7,658,126	6,696,679	1,914,426	2,197,398
Programme and film rights	13	31,318,483	47,988,239	-	-
Trade receivables	15	68,688,262	75,208,837	44,741,661	46,343,492
Prepayments and other receivables	16	19,467,621	19,522,993	10,718,409	11,775,821
Due from related companies	24	49,178	50,148	31,906,611	34,230,216
Cash and cash equivalents	17	31,712,723	27,781,179	20,238,069	17,144,169
Restricted cash	17	7,000,000	8,214,500	7,000,000	8,214,500
Total Current Assets		**165,894,393**	**185,462,575**	**116,519,176**	**119,905,596**
TOTAL ASSETS		**769,432,876**	**806,339,028**	**387,742,245**	**398,992,699**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital		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		15,000,004	14,907,004	14,339,812	14,246,812
Accumulated deficit		(447,834,519)	(437,628,868)	(376,118,025)	(376,822,517)
Total		**51,555,734**	**61,668,385**	**122,612,036**	**121,814,544**
Non-controlling interests		2,966,171	3,119,355	-	-
Total equity		**54,521,905**	**64,787,740**	**122,612,036**	**121,814,544**
Non current liabilities					
Long-term borrowings	18	135,000	219,039	-	-
Long-term transponder leases	19	115,437,445	118,280,729	-	-
Other long-term leases		1,816,805	2,021,389	1,816,805	2,021,389
Other long-term obligations	4	7,856,837	8,999,519	7,856,837	8,056,557
Long-term obligations of programmes and film rights	20	720,089	859,605	-	-
Reserve for staff retirement indemnities		3,567,718	3,886,199	1,701,484	1,938,734
Government grants		14,569,813	15,348,007	14,473,004	15,251,639
Deferred tax liability		28,674,247	30,323,710	-	-
Total Non-Current Liabilities		**172,777,954**	**179,938,197**	**25,848,130**	**27,268,319**
Current Liabilities					
Trade accounts payable	21	100,360,184	102,834,915	51,177,467	54,809,254
Due to related companies	24	509,306	507,019	43,411,533	42,586,334
Short-term borrowings		2,285,243	1,418,000	-	-
Current portion of long-term borrowings	18	331,106,790	330,842,715	109,306,263	109,246,011
Deferred income	4	40,300,768	41,586,117	22,325,912	22,106,548
Current portion of transponder leases	19	11,101,819	10,923,351	-	-
Short-term portion of other obligations		444,604	424,062	444,604	424,062
Current portion of programmes and film rights obligations	20	14,959,727	32,777,564	4,075,949	13,974,684
Income tax payable		3,240,028	2,528,335	200,000	200,000
Accrued and other current liabilities	22	37,824,548	37,771,013	8,340,351	6,562,943
Total Current Liabilities		**542,133,017**	**561,613,091**	**239,282,079**	**249,909,836**
Total Liabilities		**714,910,971**	**741,551,288**	**265,130,209**	**277,178,155**
TOTAL LIABILITIES AND EQUITY		**769,432,876**	**806,339,028**	**387,742,245**	**398,992,699**

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	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, 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 period (continuing and discontinuing operations)	-	-	-	(13,482,152)	(13,482,152)	(511,469)	(13,993,621)
Legal Reserve	-	-	8,358	-	8,358	-	8,358
Total Equity at March 31, 2011	**183,408,963**	**300,981,286**	**14,393,946**	**(251,954,375)**	**246,829,820**	**1,986,362**	**248,816,182**
Total Equity beginning at the period January 1, 2012	**183,408,963**	**300,981,286**	**14,907,004**	**(437,628,868)**	**61,668,385**	**3,119,355**	**64,787,740**
Total comprehensive loss after income taxes of the period (continuing and discontinuing operations)	-	-	-	(10,205,651)	(10,205,651)	(153,184)	(10,358,835)
Stock option plan	-	-	93,000	-	93,000	-	93,000
Total Equity at March 31, 2012	**183,408,963**	**300,981,286**	**15,000,004**	**(447,834,519)**	**51,555,734**	**2,966,171**	**54,521,905**

The Company	**Share capital**	**Share premium**	**Other reserves**	**Accumulated gain/deficit**	**Total**
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 period (continuing and discontinuing operations)	-	-	-	(4,845,545)	(4,845,545)
Total Equity at March 31, 2011	**183,408,963**	**300,981,286**	**13,735,754**	**(172,846,855)**	**325,279,148**
Total Equity beginning at the period January 1, 2012	**183,408,963**	**300,981,286**	**14,246,812**	**(376,822,517)**	**121,814,544**
Total comprehensive gain/loss after income taxes of the period(continuing and discontinuing operations)	-	-	-	704,492	704,492
Stock option plan	-	-	93,000	-	93,000
Total Equity at March 31, 2012	**183,408,963**	**300,981,286**	**14,339,812**	**(376,118,025)**	**122,612,036**

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

INTERIM CASH FLOW STATEMENT (INDIRECT METHOD)

	Notes	The Group 01.01-31.03.2012	The Group 01.01-31.03.2011	The Company 01.01-31.03.2012	The Company 01.01-31.03.2011
Cash flows from Operating Activities					
Loss before income taxes		(11,576,635)	(14,952,703)	978,806	(5,148,880)
Adjustments for:					
Depreciation and amortisation		25,827,451	28,219,944	14,224,653	15,609,781
Amortisation of subsidies		(778,635)	(1,299,918)	(778,635)	(850,469)
Gains on disposal of tangible and intangible assets		(8,013)	(1,156)	(8,013)	(1,159)
Financial (income)/expenses	7	7,480,632	2,517,159	1,513,722	971,777
Allowance for doubtful accounts receivable	8	1,853,581	1,017,077	1,733,581	1,012,500
Provision for staff retirement indemnities	6	178,201	75,560	73,088	34,937
Other provisions		118,430	26,200	93,000	-
Operating profit before working capital changes		**23,095,012**	**15,602,163**	**17,830,202**	**11,628,487**
(Increase)/Decrease in:					
Inventories		(983,488)	(3,455,569)	282,972	284,766
Trade accounts receivable & amounts due from related companies		4,667,964	1,650,804	2,191,855	(3,614,844)
Programme and film rights		16,669,756	15,714,375	-	-
Prepayments and other receivables		55,372	4,836,535	1,057,412	4,305,831
Decrease in other non-current assets		252,665	121,553	234,160	90,346
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		(20,160,228)	(15,092,167)	(12,575,785)	(2,506,238)
Deferred income		(1,285,349)	41,276	219,364	823,280
Accrued and other current liabilities		(2,361,305)	(7,227,952)	1,256,479	(2,602,497)
Income taxes paid		-	(984,033)	-	-
Payment of staff retirement indemnities		(496,682)	(614,892)	(310,339)	(362,377)
Increase in other long-term liabilities		(1,282,198)	(83,409)	(199,720)	(83,408)
Net cash from Operating Activities		**18,171,519**	**10,508,684**	**9,986,600**	**7,963,346**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(8,379,853)	(11,992,192)	(7,006,301)	(10,635,829)
Disposals of property, plant and equipment and intangible assets		15,168	-	15,168	1,709
Interest and related income received		101,672	98,995	108,638	55,298
Restricted cash	17	1,214,500	-	1,214,500	-
Net cash used in Investing Activities		**(7,048,513)**	**(11,893,197)**	**(5,667,995)**	**(10,578,822)**
Cash flows from Financing Activities					
Net change in long -term borrowings		(84,039)	-	-	-
Net change in short -term borrowings		867,243	-	-	-
Net change in leases		(2,848,858)	(2,832,081)	(184,042)	(39,009)
Interest paid		(5,125,808)	(5,098,274)	(1,040,663)	(1,156,146)
Net cash from financing activities		**(7,191,462)**	**(7,930,355)**	**(1,224,705)**	**(1,195,155)**
Net increase/(decrease) in cash and cash equivalents		**3,931,544**	**(9,314,868)**	**3,093,900**	**(3,810,631)**
Cash and cash equivalents at the beginning of period	17	**27,781,179**	**36,418,891**	**17,144,169**	**18,329,631**
Cash and cash equivalents at the end of period	17	**31,712,723**	**27,104,023**	**20,238,069**	**14,519,000**

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

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

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

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

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 March 31, 2012 the participation percentage reached 41.27% (December 31, 2011: 41.27%). Cyrte Investments GP I BV also participates in Forthnet's share capital. As at March 31, 2012, the participation percentage reached 25.73% (December 31, 2011: 25.73%). The ultimate parent company of Forgento Ltd. is the Emirates International Telecommunications.

The accompanying financial statements for the year ended December 31, 2011, 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 30.06.2010, Shipping Clearance S.A., resolved to proceed with its dissolution and liquidation according to the provisions of the C.L. 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 include 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 acted 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 held 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 March 31, 2012, amounted to 1,357, while that of the Company to 778. At March 31, 2011, the respective number of employees was 1,463 for the Group and 826 for the Company. The number of employees refers to full time equivalent staff.

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 interim condensed financial statements for the period ended at March 31, 2012, on May 30, 2012.

2.1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The accompanying separate and consolidated condensed financial statements that refer to the period ended on March 31, 2012, have been prepared in accordance with the International Financial Reporting Standard (IFRS) 34 "Interim Financial Reporting".

The accompanying separate and consolidated financial statements do not include all the information required in the annual financial statements and therefore should be examined in combination with the publiced annual financial statements for the year ended December 2011, which are available on the internet in the address www.forthnetgroup.gr.

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:

- For the 1st quarter, an amount of € 39,031 for the Group and the Company, was reclassified from revenues to other income
- For the 1st quarter, an amount of € 664,000 for the Group was reclassified from telecommunications costs to sundry expenses
- For the 1st quarter, an amount of € 116,945 for the Group and the Company, was reclassified from cost of sales of inventory and consumables to sundry expenses
- For the 1st quarter, an amount of € 30,968 for the Group and the Company, was reclassified from sundry expenses to financial expenses
- For the 1st quarter, an amount of € 3,000,000 for the Group and the Company, was reclassified at the cash flow statement from accrued and other current liabilities to trade accounts receivable and amounts due from related companies
- For the 1st quarter, an amount of € 13,001,447 for the Group and the Company, was reclassified at the cash flow statement from accrued and other current liabilities to trade accounts payable and amounts due from related companies

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. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements of the Group and the Company for the year ended December 31, 2011, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2012.

Changes in accounting policy

The Group and the Company have adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2012. Their adoption has had no significant effect on the financial statements of the Group and the Company:

- **IAS 12** Deferred tax: Recovery of Underlying Assets (Amended)
- **IFRS 7** Financial Instruments: Disclosures (Amended) – Enhanced Derecognition Disclosure Requirements

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of these amendements has not any impact on the financial position or performance of the Group and the Company.

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 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 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 Group and the Company do not expect that this amendemend may have significant impact on the financial position or their 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 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 do not expect that this amendemend may have significant impact 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) - 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, 2015. 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.

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES:

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current period the Group re-assesed the useful lives of the contracts with the television stations from 4.3 years to 3.8 years in order to be fully depreciated until June 30,2012. The effect of increasing amortisation amounted to € 1.7 million and is included in the amortisation of intangible assets.

3. 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 18). 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 Group and the Company retained the same classification as at March 31, 2012. 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 €376.2 million and €122.8 million, respectively, as at March 31, 2012.

With respect to the financial covenants in the EBL, Management has already 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, as at December 31, 2011 referred to above, this was a direct consequence of the impairment of goodwill that the Group has had to provide in the previous 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 of the Group's annual financial statements for the year ended 31 December 2011). In this respect, Management seek a waiver and a change in the calculation methodology to exclude the goodwill impairment impact on equity (see Note 18).

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 seek a waiver regarding this undertaking (see Note 18).

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 of the Group's annual financial statements for the year ended 31 December 2011.

In the light of the above, the separate and consolidated interim condensed financial statements have been prepared assuming that the Company and the Group will continue as a going concern. Accordingly, the accompanying interim condensed 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.

4. REVENUES:

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

	The Group		The Company	
	January 1-March 31		January 1-March 31	
	2012	2011	2012	2011
Operating Revenues				
Direct Retail Services	**86,334,316**	**87,786,982**	**43,566,999**	**40,897, 011**
Bundled services (2play)	30,853,342	28,020,036	30,853,889	28,020,036
Telephony	6,030,783	6,083,908	6,030,783	6,083,908
ADSL	5,334,629	5,943,192	5,334,872	5,943,465
Pay-TV Revenues	42,768,107	46,890,244	-	-
Other	1,347,455	849,602	1,347,455	849,602
Indirect Retail Services	**927,335**	**1,378,720**	**927,335**	**1,378,810**
Telephony	328,666	532,360	328,666	532,360
ADSL	490,702	686,886	490,702	686,976
Other	107,967	159,474	107,967	159,474
Direct Business Services	**12,134,763**	**9,168,639**	**12,231,389**	**9,281,305**
E-business	**354,057**	**510,165**	**354,057**	**631,487**
Pay-TV Advertising Revenue	**2,658,898**	**1,220,112**	**-**	**-**
Forth CRS	**342,393**	**646,513**	**-**	**-**
Equipment	**788,352**	**1,192,671**	**281,743**	**752,773**
Other services	**831,008**	**775,944**	**2,075,515**	**2,879,588**
Total Operating Revenues	**104,371,122**	**102,679,746**	**59,437,038**	**55,820,974**

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company at March 31, 2012, amounted to € 47,832,275 and € 29,857,419 respectively, respectively, of which, amount of € 7,531,507 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, 2011, amounted to € 49,336,012 and € 29,856,443 for the Group and the Company, respectively of which € 7,749,895 for both the Group and the Company relates to the long-term portion).

Unbilled revenues for the Group and the Company at March 31, 2012, amounted to € 5,744,735 and € 5,484,003, respectively (at December 31, 2011, amounted to € 4,910,455 and € 4,803,249, for the Group and the Company respectively).

5. GROUP SEGMENT INFORMATION:

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

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

The segment information for the period ended March 2012 and 2011, is analysed as follows:

March 31, 2012	Telecommunications	Pay-TV	Eliminations	Total
Revenues	58,437,507	45,933,615	-	104,371,122
Intersegment revenue	1,719,230	(101,850)	(1,617,380)	-
Total Revenue	**60,156,737**	**45,831,765**	**(1,617,380)**	**104,371,122**
Depreciation and amortization	14,352,302	11,475,148	-	25,827,451
Amortization of subsidies	(778,635)	-	-	(778,635)
Profit before interest, taxes and depreciation	15,621,737	5,316,518	-	20,952,813
Profit/(loss) before interest and taxes	2,048,067	(6,144,070)	-	(4,096,003)
Loss before taxes	504,053	(12,580,688)	-	(11,576,635)
Less: income tax	(274,314)	1,492,114	-	1,217,800
Loss after taxes	229,739	(10,585,574)	-	(10,358,835)
Total assets as at March 31, 2012	394,411,299	449,467,650	(74,446,073)	769,432,876
Capital Expenditure	7,057,325	1,195,617	-	8,252,942
Liabilities as at March 31, 2012	269,065,847	520,114,903	(74,269,779)	714,910,971
Goodwill as at March 31, 2012	83,359,167	56,122,922	-	139,482,089
Impairement of goodwill for 1st quarter 2012	-	-	-	-
	83,359,167	56,122,922	-	139,482,089

March 31, 2011	Telecommunications	Pay-TV	Eliminations	Total
Revenues	54,151,744	48,528,002	-	102,679,746
Intersegment revenue	2,647,653	63,940	(2,711,593)	-
Total Revenue	**56,799,397**	**48,591,942**	**(2,711,593)**	**102,679,746**
Depreciation and amortization	15,751,345	12,468,599	-	28,219,944
Amortization of subsidies	(850,469)	(449,449)	-	(1,299,918)
Profit before interest, taxes and depreciation	10,372,459	4,112,024	-	14,484,483
Profit/(loss) before interest and taxes	(4,528,416)	(7,907,128)	-	(12,435,543)
Loss before taxes	(5,503,535)	(9,449,169)	-	(14,952,703)
Less: income tax	303,335	655,747	-	959,082
Loss after taxes	(5,200,200)	(8,793,422)	-	(13,993,621)
Total assets as at March 31, 2011	410,723,606	677,852,448	(116,330,374)	972,245,680
Capital Expenditure	10,043,417	2,105,825	-	12,149,242
Liabilities as at March 31, 2011	288,841,629	550,876,525	(116,288,656)	723,429,498
Goodwill as at March 31, 2011	83,359,167	184,882,547	-	268,241,714
Impairement of goodwill for 1st quarter 2011	-	-	-	-
	83, 359,167	184,882,547	-	268,241,714

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

6. PAYROLL COST:

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

	The Group		The Company	
	March 31,		March 31,	
	2012	2011	2012	2011
Wages and salaries	9,477,471	11,584,642	5,373,658	7,097,875
Social security costs	1,931,265	1,977,132	1,123,150	1,136,835
Staff retirement indemnities	178,201	75,560	73,088	34,937
Stock option plans	93,000	-	93,000	-
Other staff costs	189,419	306,625	104,298	202,371
Total	**11,869,356**	**13,943,959**	**6,767,194**	**8,472,018**
Less: Amounts capitalised	(587,638)	(539,325)	(531,880)	(539,325)
Payroll Cost	**11,281,718**	**13,404,634**	**6,235,314**	**7,932,693**

Termination payment of the ex Chief Executive Officer, is included in payroll cost and amounts to € 1,195,218 for the period ended March 31, 2011.

7. FINANCIAL INCOME / (EXPENSES):

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

	The Group		The Company	
	March 31,		March 31,	
	2012	2011	2012	2011
Interest on long-term borrowings (Note 18)	(4,212,662)	(2,804,638)	(1,522,944)	(966,075)
Interest on short-term borrowings (Note 18)	(26,925)	(10,776)	-	-
Finance charges paid under finance leases	(2,106,921)	(2,282,860)	(21,737)	(30,032)
Bond loan costs	(264,075)	(189,104)	(60,252)	(30,968)
Other financial costs(Note 22)	(1,193,834)	(5,470)	(1,642)	-
Total financial expenses	**(7,804,417)**	**(5,292,848)**	**(1,606,575)**	**(1,027,075)**
Interest earned on cash at banks and on time deposits (Note 17)	101,672	98,995	92,853	55,298
Other financial income(Note 22)	222,113	2,676,693	-	-
Total financial income	**323,785**	**2,775,688**	**92,853**	**55,298**
Total financial income/(expenses), net	**(7,480,632)**	**(2,517,159)**	**(1,513,722)**	**(971,777)**

8. ANALYSIS OF OTHER EXPENSES:

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

	The Group		The Company	
	March 31,		March 31,	
	2012	2011	2012	2011
Third party fees and services	7,490,263	7,226,387	2,423,048	2,690,946
Taxes and duties	437,477	368,143	333,534	288,270
Sundry expenses	1,830,222	2,354,332	940,908	1,029,994
Allowance for doubtful accounts receivable (Note 15)	1,853,581	1,017,077	1,733,581	1,012,500
Provision for cases under dispute	-	1,800,000	-	-
Maintenance	1,630,884	1,870,889	1,159,739	1,592,532
Rentals	879,542	957,373	277,920	346,330
Commissions	1,202,262	1,121,912	1,202,262	1,121,912
Building function costs	613,437	610,348	362,208	378,461
Total expenses	**15,937,668**	**17,326,461**	**8,433,200**	**8,460,945**

9. INCOME TAXES:

According to the new law L. 3943/2011, the corporate tax rate is 20% for the fiscal year 2011 and thereafter.

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

	The Group		The Company	
	March 31,		March 31,	
	2012	2011	2012	2011
Current income taxes	172,734	170,587	-	-
Deferred income taxes	(1,390,534)	(1,129,669)	(274,314)	(303,335)
Total income taxes (credit) / debit reflected in the statements of total income	**(1,217,800)**	**(959,082)**	**(274,314)**	**(303,335)**

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

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media Holdings S.A.	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.	01/01/2010 – 30/09/2010
Ad Value S.A.	01/04/2008 – 31/12/2009
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 periods.

On April 2012 the subsidiary company, Syned S.A., accepted the tax clearance (L. 3888/2010) concerning unaudited fiscal years 2008 and 2009. According to the said tax audit, the total tax for the above fiscal years amounted to € 226 thousands. For the total tax imposed the Group had recorded an equal provision for unaudited tax years.

On May 2012 concluded the tax audit of the subsidiary company, NetMed Hellas S.A., concerning unaudited fiscal years from 1/4/2004 -30/7/2010. According to the said tax audit, the total tax for the above fiscal years amounted to € 1,8 million. For the total tax imposed the Group had recorded an equal provision for unaudited tax years.

In a future tax audit of the unaudited tax fiscal years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 3.1 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

Deferred 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.

10. GOODWILL:

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

	The Group		**The Company**	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	190,355	190,355	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
NetMed N.V. Group and Intervision B.V. impairment of goodwill	(147,210,606)	(147,210,606)	-	-
Total	**139,482,089**	**139,482,089**	**512,569**	**512,569**

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

The Group did not test goodwill for impairment as March 31, 2012, as there were not relevant indications. The circumstances indicating that the carrying value may be impaired will be re-examined at June 30, 2012.

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2012 until March 31, 2012, the total investments of the Group's tangible assets amounted to € 3,403,960 and those of the Company's amounted to € 3,123,744 and refer mainly to the expansion of Forthnet's private network (at March 31, 2011 amounted to € 6,050,197 and € 4,241,453 for the Group and the Company respectively).

There is no property, plant and equipment that has been pledged as security. The title of the capitalized leased assets has been retained by the lessor. The net book value of the Group's capitalized leased assets at March 31, 2012 and at December 31, 2011, amounted to € 120,535,470 and € 123,977,243 respectively, for the Company the related amounts are € 3,363,743 and € 3,418,250 at March 31, 2012 and at December 31, 2011.

12. INTANGIBLE ASSETS:

During the period from January 1, 2012 until March 31, 2012, the total investments of the Group's intangible assets amounted to € 4,848,982 and those of the Company's amounted to € 3,756,053 and refer mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at March 31, 2011 amounted to € 6,099,045 and € 5,182,370 for the Group and the Company respectively).

13. PROGRAMME AND FILM RIGHTS:

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

	The Group	
	31.03.2012	**31.12.2011**
Purchased sports rights	42,858,418	109,425,682
Licensed film rights	5,356,790	8,251,481
Cost of Sports and Film Rights	**48,215,208**	**117,677,163**
Purchased sports rights	(15,973,850)	(66,494,996)
Licensed film rights	(922,875)	(3,193,928)
Sports and Film Rights Amortisation	**(16,896,725)**	**(69,688,924)**
Purchased sports rights	26,884,568	42,930,686
Licensed film rights	4,433,915	5,057,553
Sports and Film Rights, net value	**31,318,483**	**47,988,239**
Less: Programme and film rights short-term	31,318,483	47,988,239
Programme and sports film rights, long-term	**-**	-

14. INVENTORIES:

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

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Merchandise	8,554,738	7,544,483	2,205,512	2,491,873
Consumables	135,227	161,994	-	-
Obsolete & slow moving provision	(1,031,839)	(1,009,798)	(291,086)	(294,475)
Total	**7,658,126**	**6,696,679**	**1,914,426**	**2,197,398**

The movement in the obsolete inventories is analysed as follows:

	The Group		The Company	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Beginning balance	**1,009,798**	**1,856,599**	**294,475**	**474,687**
Provision for the year	25,430	59,146	-	59,146
Less: Utilisation	(3,389)	(905,947)	(3,389)	(239,358)
Ending balance	**1,031,839**	**1,009,798**	**291,086**	**294,475**

15. TRADE ACCOUNTS RECEIVABLE:

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

	The Group		The Company	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Domestic customers	94,326,216	96,384,934	61,896,095	62,213,252
Foreign customers	3,269,785	6,136,088	2,404,381	2,651,593
Receivables from Greek State	2,006,023	2,620,346	1,951,111	1,939,595
Cheques and notes receivable	4,592,103	4,554,033	2,158,020	2,154,171
Unbilled revenue(note 4)	5,744,735	4,910,455	5,484,003	4,803,249
	109,938,862	**114,605,856**	**73,893,610**	**73,761,860**
Less: Allowance for doubtful accounts receivable	(41,250,600)	(39,397,019)	(29,151,949)	(27,418,368)
Balance of trade accounts receivable	**68,688,262**	**75,208,837**	**44,741,661**	**46,343,492**

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

	The Group		The Company	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Beginning balance	**39,397,019**	**35,423,343**	**27,418,368**	**23,564,308**
Provision for the year (Note 8)	1,853,581	4,715,160	1,733,581	3,854,060
Less: Utilisation	-	(741,484)	-	-
Ending balance	**41,250,600**	**39,397,019**	**29,151,949**	**27,418,368**

16. PREPAYMENTS AND OTHER RECEIVABLES:

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

	The Group		The Company	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Receivables due from the Greek State	3,518,852	3,914,698	1,847,616	2,225,226
Prepaid expenses	10,388,203	9,147,156	5,560,008	5,492,263
Value Added Tax	769,143	757,645	-	-
Advances to suppliers	436,793	1,355,151	200,140	1,122,988
Other debtors	4,354,630	4,348,343	3,110,645	2,935,344
Total balance of other receivables and prepayments	**19,467,621**	**19,522,993**	**10,718,409**	**11,775,821**

17. CASH AND CASH EQUIVALENTS:

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

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Cash in hand	63,229	72,973	12,348	26,246
Cash at banks	20,349,494	15,258,206	11,025,721	7,517,923
Time deposits	11,300,000	12,450,000	9,200,000	9,600,000
Total	**31,712,723**	**27,781,179**	**20,238,069**	**17,144,169**
Restricted cash	7,000,000	8,214,500	7,000,000	8,214,500
Total	**38,712,723**	**35,995,679**	**27,238,069**	**25,358,669**

Cash at banks earns interest at floating rates based on monthly bank deposit rates, Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended March 31, 2012, amounted to € 101,672 and € 92,853 for the Group and the Company, respectively, (for the year ended December 31, 2011, € 98,995 and € 55,298 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 8).

The reserved time deposits are related to two pledge deposit contracts of € 7,000,000, respectively, for the issuance of letters of guarantee to third parties of a total amount of € 9,000,000.

18. LONG-TERM AND SHORT-TERM BORROWINGS:

α) Long-term Loans:

Long-term loans for the Group and the Company at March 31, 2012 and at December 31, 2011, are analysed as follows:

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Bond loan	330,962,790	330,698,715	109,306,263	109,246,011
Other long term loans	279,000	363,039	-	-
Total	**331,241,790**	**331,061,754**	**109,306,263**	**109,246,011**
Less current portion:				
- Bond loan	330,962,790	330,698,715	109,306,263	109,246,011
- Other	144,000	144,000	-	-
Total	**331,106,790**	**330,842,715**	**109,306,263**	**109,246,011**
Long-term portion	**135,000**	**219,039**	**-**	**-**

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. As at March 31, 2012, the Group remained at the same classification.

On May 10 2012 Forthnet SA and Forthnet Media Holdings SA submitted waiver requests to National Bank of Greece (in its capacity as agent and representative of the bondholders). The waiver requests cover the following:

1. The financial covenants of the companies' EBL that were not in compliance as at December 31 2011
2. The financial covenants of the companies' NBL that were not in compliance as at December 31 2011
3. The undertaking of Forthnet SA (in its capacity as issuer of the NBL and guarantor of the NBL of Media Holdings SA) to propose to its General Assembly a share capital increase of € 30 million which was to be completed no later than January 31, 2012.

The waiver requests have been distributed to the lending banks and are being duly considered.

Total interest expenses on long-term loans for the period ended March 31, 2012 and 2011, amounted to € 4,212,662 and € 2,804,638, respectively for the Group and € 1,522,944 and € 966,075, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

19. 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	
	31.03.2012	**31.12.2011**
Obligation under finance lease of transponders	126,539,264	129,204,080
Less: Current portion	(11,101,819)	(10,923,351)
Long-term portion	**115,437,445**	**118,280,729**

20. PROGRAMME AND FILM RIGHTS LIABILITIES:

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

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Programmes and Rights	15,679,816	33,637,169	4,075,949	13,974,684
Less: Current portion	(14,959,727)	(32,777,564)	(4,075,949)	(13,974,684)
Long-term portion	**720,089**	**859,605**	**-**	**-**

21. TRADE ACCOUNTS PAYABLE:

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

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Domestic suppliers	80,761,936	84,211,208	42,730,247	46,632,656
Foreign suppliers	16,017,012	16,426,555	6,248,257	6,164,691
Post dated cheques payable	3,581,236	2,197,152	2,198,963	2,011,907
	100,360,184	**102,834,915**	**51,177,467**	**54,809,254**

22. ACCRUED AND OTHER CURRENT LIABILITIES:

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

	The Group		The Company	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Social security payable	1,312,703	2,156,296	577,210	1,182,878
Value added tax	5,928,970	3,871,741	3,748,718	1,506,095
Other taxes and duties	663,610	954,574	241,150	384,890
Customer advances	143,191	82,095	-	-
Other current liabilities	22,045,390	23,516,825	3,773,273	3,489,080
Interest rates swaps	7,730,684	7,189,482	-	-
	37,824,548	**37,771,013**	**8,340,351**	**6,562,943**

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 135 million (December 31, 2011: € 135 million).

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

Losses for the Group from the valuation of the fair values of the swaps for the year ended as at March 31, 2012, were € 541 thousand (at March 31, 2011: profits € 2,447 thousand)(Note 7).

Realised losses from the interest rate swap transactions during the period ended March 31, 2012 for the Group were € 565 thousands and are included in other financial costs (Note 7), in the accompanying financial statements.

23. 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 period, 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 March 31, 2012 and December 31,2012 respectively, the Group and the Company held the following financial instruments measured at fair value:

	The Group			
	Fair value 31.03.2012			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest bearing loans and borrowings (including short term portion) (Note 18)	-	331,241,790	-	**331,241,790**
Interest rate swaps (Note 22)	-	7,730,684	-	**7,730,684**

	The Company			
	Fair value 31.03.2012			
	Level 1	Level 2	Level 3	Σύνολο
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)) (Note 18)	-	109,306,263	-	**109,306,263**

	The Group			
	Fair value31.12.2011			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest bearing loans and borrowings (including short term portion) (Note 18)	-	331,061,754	-	**331,061,754**
Interest rate swaps (Note 22)	-	7,189,482	-	**7,189,482**

	The Company			
	Fair value 31.12.2011			
	Level 1	Level 2	Level 3	Σύνολο
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)) (Note 18)	-	109,246,011	-	**109,246,011**

24. 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	Period ending at	Sales to related parties	Purchases from related parties
Go Plc.	Indirect Shareholder	31.03.2011	-	-
		31.03.2012	-	4,752
Technology and Research Foundation	Shareholder	31.03.2011	21,392	18,258
		31.03.2012	17,598	14,033
Forth CRS S.A.	Subsidiary	31.03.2011	15,465	15
		31.03.2012	20,999	633
Athlonet S.A.	Associated	31.03.2011	2,236	1,890
		31.03.2012	-	-
MultiChoice Hellas S.A.	Subsidiary	31.03.2011	1,460,118	63,940
		31.03.2012	977,933	(104,428)
NETMED S.A.	Subsidiary	31.03.2011	42,849	-
		31.03.2012	32,890	-
Forthnet Media Holdings S.A.	Subsidiary	31.03.2011	1,144,668	-
		31.03.2012	708,406	2,578
	Total	**31.03.2011**	**2,686,728**	**84,103**
	Total	**31.03.2012**	**1,757,826**	**(82,432)**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Indirect Shareholder	31.12.2011	-	16,040
		31.03.2012	-	20,792
Emirates International Telecommunications	Indirect Shareholder	31.12.2011	-	457,549
		31.03.2012	-	457,549
Technology and Research Foundation	Shareholder	31.12.2011	38,646	14,982
		31.03.2012	37,676	18,895
Forth CRS S.A.	Subsidiary	31.12.2011	460,322	42
		31.03.2012	485,481	675
Telemedicine Technologies S.A.	Subsidiary	31.12.2011	3,734	-
		31.03.2012	3,734	-
Athlonet S.A.	Associated	31.12.2011	11,502	12,060
		31.03.2012	11,502	12,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2011	526,558	40,847,055
		31.03.2012	1,728,924	42,119,809
Forthnet Media Holdings S.A.	Subsidiary	31.12.2011	33,161,889	1,238,606
		31.03.2012	29,571,274	781,753
NetMed S.A.	Subsidiary	31.12.2011	27,565	-
		31.03.2012	68,020	-
	Total	**31.12.2011**	**34,230,216**	**42,586,334**
	Total	**31.03.2012**	**31,906,611**	**43,411,533**

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	Indirect Shareholder	31.03.2011	-	-
		31.03.2012	-	4,752
Technology and Research Foundation	Shareholder	31.03.2011	21,392	18,258
		31.03.2012	17,598	14,033
Lumiere Television Ltd	Shareholder	31.03.2011	-	443,000
		31.03.2012	-	-
Athlonet S.A.	Associated	31.03.2011	2,236	1,890
		31.03.2012	-	-
	Total	**31.03.2011**	**23,628**	**463,148**
	Total	**31.03.2012**	**17,598**	**18,785**

Related Party	Relation with Forthnet	Period ending at	Amounts owed by related parties	Amounts owed to related parties
Go Plc	Indirect Shareholder	31.12.2011	-	16,040
		31.03.2012	-	20,792
Emirates International Telecommunications	Indirect Shareholder	31.12.2011	-	457,549
		31.03.2012	-	457,549
Technology and Research Foundation	Shareholder	31.12.2011	38,646	14,982
		31.03.2012	37,676	18,895
Lumiere Productions S.A.	Shareholder	31.12.2011	-	6,378
		31.03.2012	-	-
Lumiere Cosmos Communications	Members of the B.O.D. – Executive members	31.03.2011	-	10
		31.03.2012	-	10
Athlonet S.A.	Associated	31.12.2011	11,502	12,060
		31.03.2012	11,502	12,060
	Total	**31.12.2011**	**50,148**	**507,019**
	Total	**31.03.2012**	**49,178**	**509,306**

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

Salaries and fees for the members the Board of Directors and the General Managers of the Group and the Company for the periods ended March 31, 2012 and 2011, are analysed as follows:

	The Group		The Company	
	31.03.2012	**31.03.2011**	**31.03.2012**	**31.03.2011**
Salaries and fees for executive members of the BoD	64,291	1,262,559	64,291	1,262,559
Salaries and fees for non executive members of the BoD	34,800	34,800	34,800	34,800
Salaries and fees for Senior Managers	472,392	462,684	325,717	289,799
Total	**571,483**	**1,760,043**	**424,808**	**1,587,158**

Furthermore, benefits provided by the Group and the Company for the current period to members of the Board of Directors and Management relating to social security amounted to € 30,150 for both the Group and the Company (March 31, 2011 € 28.000), whereas benefits relating to leaving indemnities amounted to € 11,667 and € 0 respectively (March 31, 2011 € 294,976 and € 130,000, respectively).

25. 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 26).

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 March 31, 2012 (approximately € 0,9 million at December 31, 2011).

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

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

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 are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts the overall budget for the 2 sub-projects equals to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation is expected to be completed for the Milestone I by July 31, 2009 and for the Milestone II by October 31, 2009. Up to December 31, 2009, the Company's investment amounted to € 19.5 million approximately, and a related provision has been included in Government grants.

Commitments:

Rentals: 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 March 31, 2012 and at December 31, 2011, are as follows:

	The Group		**The Company**	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Within one year	3,900,069	4,124,189	1,600,221	1,845,818
2-5 years	14,606,451	15,290,810	4,779,504	5,558,711
Over 5 years	10,063,869	11,330,408	2,560,488	3,173,786
Total	**28,570,389**	**30,745,407**	**8,940,213**	**10,578,315**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at March 31, 2012 and at December 31, 2011, are analysed as follows:

	The Group		**The Company**	
	31.03.2012	**31.12.2011**	**31.03.2012**	**31.12.2011**
Perfomance Guarantee	8,835,933	9,183,869	1,697,211	2,045,147
Participation in tender Guarantee	256,684	42,926	256,684	42,926
Guarantees for advance payments received	31,644,229	30,944,975	31,644,229	30,944,975
Total	**40,736,846**	**40,171,770**	**33,598,124**	**33,033,048**

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 208.0 million and for the Company amounted to approximately € 126.7 million at March 31, 2012 (December 31, 2011: € 211.7 million and € 129.2 million respectively). In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges) which have been acquired through long-term lease (IRU), amounted to approximately € 5.6 million (December 31, 2011: € 5.8 million).

26. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

I. Forthnet's outstanding judicial claims against third parties amount to approximately € 50.8 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. Furthermore, there is a pending application for cancellation regarding the effects of OTE's costing control for 2012.

   In addition, there are pending decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE' s denial to recognize 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. Additionally, EETT decisions are pending in relation to two cases for unjustified charges of OTE technical personnel for Local Loop corrective actions, while recently a decision was issued in relation to a hearing for unjustified technical charges under reference "closed building". Finally, a decision is pending following a hearing for unjustified electricity charges at physical collocation.

   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 € 12.9 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 motions regarding the project ("SYZEYXIS") the Company has recorded unbilled revenue in its financial statements for an amount of € 2.0 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. The plaintiff did not proceed to appeal the aforementioned Decision within the relevant deadline provided by the law and the Decision became final.

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 exclusive carriage agreements of audiovisual content executed between Multichoice Hellas S.A. and Greek Free-To-Air national TV stations. The case was heard on the 26th of March 2012 before the HCC, which accepted the commitments offered by FORTHNET for the lifting of the exclusivity in the contracts that Multichoice Hellas SA maintains with the Free-To-Air national TV stations channels. As a result, HCC did not proceed to further examination of

the case and/or to the imposition of any fine against Forthnet/Multichoice. OTE is entitled to file an appeal against the HCC decision.

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 has provided 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 € 9.4 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 litigant party restored the action regarding FMH and John Economou and the discussion was dated at May 16, 2012. Before discussing the action, all the parties signed an agreement for an out of court settlement, under which P. Papageorgopoulos' plaintiffs were resigned ftom the right and the documents of both this claim and the relevant one mentioned below, whereas the Company paid the amount of € 150,000, in full and complete redemption, receiving at the same time the 12 cheques in question. The case is now considered to be closed. The company had recorded an equal provision of € 150,000 in its records, as at March 31, 2012.

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. (before its absorption by FMH) of the 828 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds.

For the above judicial claims ii) to iv) 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 € 11.46 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 litigant party did not file an appeal and therefore the case is considered to be closed.

iii) An amount of € 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. has filed 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.

27. SUBSEQUENT EVENTS:

There are no significant subsequent events after March 31, 2012, affecting the financial statements of the Group and the Company.

Iraklion, May 30, 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, Tax and Reporting Director	Group Financial Reporting Manager
Evangelos Raptis I.D. AE 040547	George Mantzoros I.D. AK 231579 Licence No. O.E.E. 0005375 Class A	Georgia Gali I.D. X 091299

FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2012

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 PERIOD JANUARY 1, 2012 TO MARCH 31, 2012

(Published based on Corporate Law 2190, article 135 for corporations that report annual financial statements, consolidated or not, according to IFRS)

The financial data and information provided below, aim to provide a general overview of **FORTHNET S.A.** financial statements and results and of the Group. As a result of this, we recommend to any potential investor, that before engage in any type of investment activity or any other kind of transaction with the Company, to visit the Company's web site at the electronic address www.forthnetgroup.gr, where all financial statements according to IFRS as well as the Audit Review report, when is required, are posted.

(amounts presented in euro)

GENERAL INFORMATION:

Web Site:	www.forthnetgroup.gr
Board of Directors approval date:	May 30, 2012
Certified Auditor Accountant:	Seferis Christodoulos, Saloustros Stavros
Auditing firm:	ERNST & YOUNG S.A., SOL S.A.
Type of auditor's review report:	Unqualified opinion (emphasis of matter)

STATEMENT OF FINANCIAL POSITION (consolidated and parent company)

	GROUP		COMPANY	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
ASSETS				
Tangible assets	272,409,300	281,829,878	148,323,850	154,102,782
Intangible assets	164,390,652	172,554,880	14,261,248	15,837,876
Goodwill	139,482,089	139,482,089	512,569	512,569
Other non current assets	27,256,442	27,009,606	108,125,402	108,633,876
Inventories	7,658,126	6,696,679	1,914,426	2,197,398
Trade receivables	68,688,262	75,208,837	44,741,661	46,343,492
Other current assets	89,548,005	103,557,059	69,863,089	71,364,706
TOTAL ASSETS	**769,432,876**	**806,339,028**	**387,742,245**	**398,992,699**
EQUITY AND LIABILITIES				
Share Capital (155,431,324 shares € 1.18 each)	183,408,963	183,408,963	183,408,963	183,408,963
Retained earnings and other reserves	(131,853,229)	(121,740,578)	(60,796,927)	(61,594,419)
Total Shareholders equity (a)	**51,555,734**	**61,668,385**	**122,612,036**	**121,814,544**
Non-controlling interests (b)	2,966,171	3,119,355	-	-
Total Equity (c)=(a)+(b)	**54,521,905**	**64,787,740**	**122,612,036**	**121,814,544**
Long-term borrowings	135,000	219,039	-	-
Provisions/Other long-term liabilities	172,642,954	179,719,158	25,848,130	27,268,319
Short-term borrowings	333,392,033	332,260,715	109,306,263	109,246,011
Other Current Liabilities	208,740,984	229,352,376	129,975,816	140,663,825
Total Liabilities (d)	**714,910,971**	**741,551,288**	**265,130,209**	**277,178,155**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**769,432,876**	**806,339,028**	**387,742,245**	**398,992,699**

TOTAL COMPREHENSIVE INCOME (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.03.2012	01.01 - 31.03.2011	01.01 - 31.03.2012	01.01 - 31.03.2011
Turnover	104,371,122	102,679,746	59,437,038	55,820,974
Loss before taxes, financing and investing activities	(4,096,003)	(12,435,543)	2,492,528	(4,177,103)
Profit/(Loss) before income taxes	(11,576,635)	(14,952,703)	978,806	(5,148,880)
Profit/(Loss) after income taxes (A)	(10,358,835)	(13,993,621)	704,492	(4,845,545)
- Share holders of the parent company	(10,205,651)	(13,482,152)	704,492	(4,845,545)
- Non-controlling interests	(153,184)	(511,469)	-	-
Other comprehensive income after taxes(B)	-	-	-	-
Total comprehensive income/(loss) after taxes(A)+(B)	(10,358,835)	(13,993,621)	704,492	(4,845,545)
- Share holders of the parent company	(10,205,651)	(13,482,152)	704,492	(4,845,545)
- Non-controlling interests	(153,184)	(511,469)	-	-
Loss after taxes per share - Basic (in €):	(0.0657)	(0.0867)		
Profit/(Loss) before taxes, financing, investing and depreciation	20,952,813	14,484,483	15,938,546	10,582,210

STATEMENT OF CHANGES IN EQUITY (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.03.2012	01.01 - 31.03.2011	01.01 - 31.03.2012	01.01 - 31.03.2011
Total equity balance at the beginning of period (01.01.2012 and 01.01.2011 respectively)	64,787,740	262,801,445	121,814,544	330,124,693
Legal Reserve	-	8,358	-	-
Total comprehensive loss after income taxes of the year (continuing and discontinuing operations)	(10,358,835)	(13,993,621)	704,492	(4,845,545)
Stock Option Plan	93,000	-	93,000	-
Total equity balance of period (31.3.2012 and 31.3.2011 respectively)	54,521,905	248,816,182	122,612,036	325,279,148

CASH FLOW STATEMENT (parent company and consolidated)

	GROUP		COMPANY	
	01.01 - 31.03.2012	01.01 - 31.03.2011	01.01 - 31.03.2012	01.01 - 31.03.2011
Cash flow from Operating Activities				
(Loss)/Gain before income taxes	(11,576,635)	(14,952,703)	978,806	(5,148,880)
Adjustments for:				
Depreciation and amortisation	25,827,451	28,219,944	14,224,653	15,609,781
Amortisation of subsidies	(778,635)	(1,299,918)	(778,635)	(850,469)
Gains on disposal of tangible and intangible assets	(8,013)	(1,156)	(8,013)	(1,159)
Allowance for doubtful accounts receivable	1,853,581	1,017,077	1,733,581	1,012,500
Provision for staff retirement indemnities	178,201	75,560	73,088	34,937
Other provisions	118,430	26,200	93,000	-
Financial (income)/expenses, net	7,480,632	2,517,159	1,513,722	971,777
Add/ less adjustments for changes in working capital related to				
Decrease / (increase) inventories	(983,488)	(3,455,569)	282,972	284,766
Decrease in receivables	21,393,092	22,201,714	3,249,267	690,987
(Decrease) / increase liabilities (other than Bank loans)	(23,806,882)	(22,278,843)	(11,099,942)	(4,285,455)
Minus:				
Income taxes paid	-	(984,033)	-	-
Decrease in other non-current assets	252,665	121,553	234,160	90,346
Decrease in other long-term liabilities	(1,282,198)	(83,409)	(199,720)	(83,408)
Payment of staff retirement indemnities	(496,682)	(614,892)	(310,339)	(362,377)
Net cash from Operating Activities	**18,171,519**	**10,508,683**	**9,986,600**	**7,963,346**
Cash flow from Investing activities				
Capital expenditure for property, plant and equipment and intangible assets	(8,379,853)	(11,992,192)	(7,006,301)	(10,635,829)
Disposals of property, plant and equipment and intangible assets	15,168	-	15,168	1,709
Interest and related income received	101,672	98,995	108,638	55,298
Restricted cash	1,214,500	-	1,214,500	-
Net cash used in Investing Activities	**(7,048,513)**	**(11,893,197)**	**(5,667,995)**	**(10,578,822)**
Cash flows from Financing Activities				
Net change in long -term borrowings	(84,039)	-	-	-
Net change in short -term borrowings	867,243	-	-	-
Interest paid	(5,125,808)	(5,098,274)	(1,040,663)	(1,156,146)
Net change in leases	(2,848,858)	(2,832,081)	(184,042)	(39,009)
Net cash used in Financing Activities	**(7,191,462)**	**(7,930,355)**	**(1,224,705)**	**(1,195,155)**
Net increase/(decrease) in cash and cash equivalents	**3,931,544**	**(9,314,869)**	**3,093,900**	**(3,810,631)**
Cash and cash equivalents at the beginning of period	**27,781,179**	**36,418,891**	**17,144,169**	**18,329,631**
Cash and cash equivalents at the end of period	**31,712,723**	**27,104,022**	**20,238,069**	**14,519,000**

ADDITIONAL DATA AND INFORMATION

1. The emphasis of matter paragraph in the auditors report relates to uncertainty regarding the succesfull completion of the negotiation of the Group financial loan covenants of the existing loans, so as to align them with those of the new bond loans, as well as, the outcome of the discussions with the lending syndicates in order to obtain waivers for some of undertakings included in the new bond loan agreements.
2. The above financial statements for the period 01/01/2012-31/3/2012 have been approved by the members of the Board of Directors May 30, 2012
3. On March 31, 2012 the total number of employees reached 1,357, while those of the Parent Company reached 778. On March 31, 2011 the Group's relative number of employees was 1,463, while that of the parent company was 826.
4. There is no burden against title to the Group's real estate.
5. The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at December 31, 2011: 41.27%) under the equity method.
6. The same accounting methods and assessments have been used as in prior fiscal year 2011.
7. The unaudited tax years of the Company and of the companies of the Group are stated in Note 9 of the interim condensed financial statements.
8. The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax-years amounting to € 0.2m for the Company and € 3.1 m. for the Group, in order to cover any additional taxes which will occur in future tax audit.
9. There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status.
10. Certain line items of the previous year's/period's financial statements were reclassified in order to conform to the current period's presentation (note 2.1).
11. The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated at the end of the current period consolidated financial statements, are stated in note 12 of the financial statements as of 31 December 2011.
12. At the end of current year no shares of the parent company are possessed by either the parent company or any subsidiary or associate companies.
13. 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
14. The accumulated income and expenses since the beginning of the current fiscal year as well as the Company' s and the Group' s trade accounts receivable and liabilities as at the end of the period derived from transactions with related parties as defined by IAS 24 are as follows:

(Amounts in euro)	**GROUP**	**COMPANY**
a) Income	17,598	1,757,826
b) Expenses	18,785	(82,432)
c) Receivables	49,178	31,906,611
d) Liabilities	509,306	43,411,533
e) Fees of Managers and members of the Board of Directors	571,483	424,808
f) Amounts owed by Managers and members of the Board of Directors	0	0
g) Amounts to Managers and members of the Board of Directors	0	0

Iraklion , May 30, 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 Passport No Z 1849335	PANAGIOTIS PAPADOPOULOS ID Number S 676330	EVANGELOS RAPTIS ID Number. AE 040547	GEORGE MANTZOROS ID Number AK 231579 License Number O.E.E. 0005375 A Class	GEORGIA GALI ID Number X 091299