

TELETYPOS TELEVISION PROGRAMMES S.A.



**MEGA**

ANNUAL REPORT 2007

2007

**MEGA**

ANNUAL REPORT 2007

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## Brief Financial Information on the Company

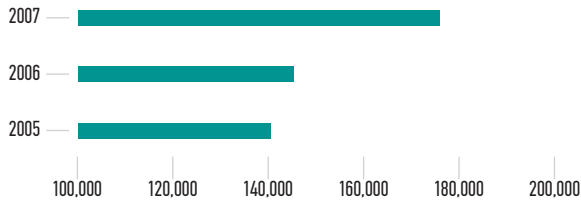
### Brief Financial Information on the Company (I.F.R.S.)

(in thousands euro)	2005	2006	2007
Turnover	136,222	143,311	173,538
% increase	12.4%	5.2%	21.1%
Profit Before Interest, Depreciation & Taxation	79,895	92,074	114,455
% increase	10.3%	15.2%	24.3%
Earnings before tax	6,156	7,156	16,105
% increase	-40.8%	16.2%	125.1%
<b>Earnings after tax</b>	<b>3,695</b>	<b>4,782</b>	<b>11,331</b>
% increase	-50.9%	29.4%	137.0%
Profit Brought Forward	1,605	628	242
Profits for distribution	5,300	5,410	11,573
Dividends	4,061	4,467	7,903
% of earnings for distribution	76.6%	82.6%	68.3%
Investments in Programmes & Film Rights	80,320	90,784	90,330
Investments in Tangible Fixed Assets	2,870	2,772	2,374
<b>Total Investments</b>	<b>83,190</b>	<b>93,556</b>	<b>92,704</b>
% increase	11.8%	12.5%	-0.9%
Current Assets	82,039	85,911	93,571
% increase	-11.4%	4.7%	8.9%
<b>Total Assets</b>	<b>231,271</b>	<b>243,845</b>	<b>247,151</b>
% increase	2.2%	5.4%	1.4%
Equity	83,807	84,104	91,320
% increase	-0.3%	0.4%	8.6%
Long Term Liabilities	41,507	52,555	43,509
% increase	-6.5%	26.6%	-17.2%
Short Term Liabilities	100,496	100,987	105,139
% increase	8.2%	0.5%	4.1%

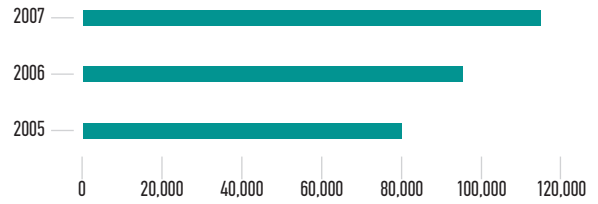
### Information per share

(in euro)	2005	2006	2007
<b>Number of Shares</b>	<b>31,237,500</b>	<b>34,361,250</b>	<b>34,361,250</b>
EBITDA per share	2.56	2.68	3.33
% increase	10.3%	4.8%	24.3%
EBT per share	0.20	0.21	0.47
% increase	-40.8%	5.7%	125.1%
EAT per share	0.12	0.14	0.33
% increase	-50.9%	17.6%	137.0%
Book value per share	2.68	2.45	2.66
% increase	-0.3%	-8.8%	8.6%
Dividend per share	0.13	0.13	0.25
% increase	8.3%	0.0%	92.3%

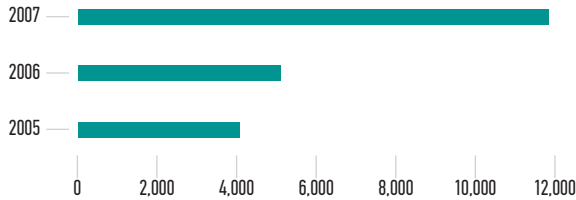
**Turnover (in thousand euro)**



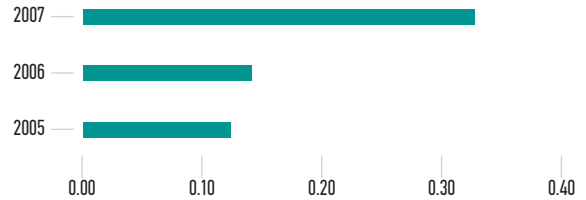
**Earnings before interest taxes depreciation & amortization (in thousand euro)**



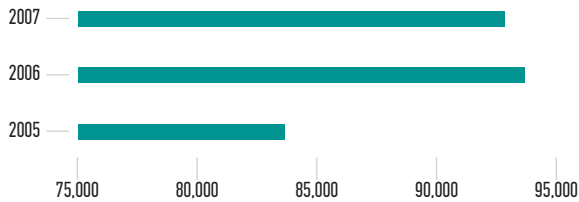
**Earnings after taxes (in thousand euro)**



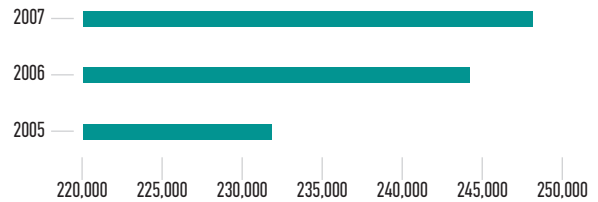
**EAT per share (in euro)**



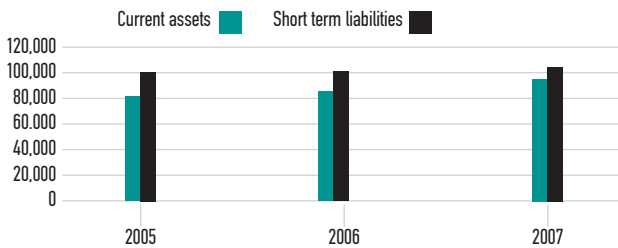
**Investments in programme and fixed assets (in thousand euro)**



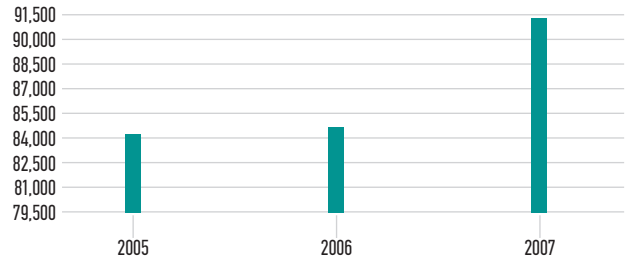
**Total assets (in thousand euro)**



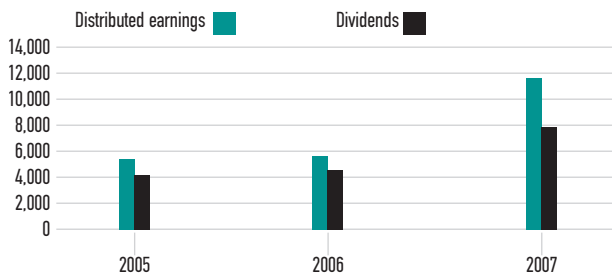
**Current assets-short term liabilities (in thousand euro)**



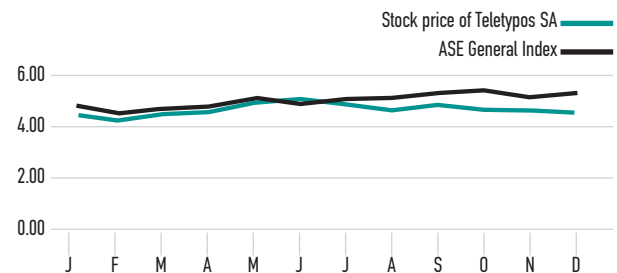
**Total equity (in thousand euro)**



**Profit distribution / dividends (in thousand euro)**



**Stock price of Teletypos SA & ASE General Index 2007**



## Income Statement (I.F.R.S.)

(in thousands euro)

	2005	2006	2007
<b>Turnover (Sales) from:</b>			
- Sales of Advertising Time	133,975	142,411	172,542
- Sales of Rights & TV Programmes	2,247	900	996
<b>Total turnover</b>	<b>136,222</b>	<b>143,311</b>	<b>173,538</b>
<b>Cost of Sales before Depreciation &amp; Amortization</b>	<b>(49,666)</b>	<b>(53,385)</b>	<b>(53,702)</b>
Other Operating Income	6,203	14,638	10,996
<b>Gross Profits before Depreciation/Amort.</b>	<b>92,759</b>	<b>104,564</b>	<b>130,832</b>
% of turnover	68.1%	73.0%	75.4%
<b>Administrative &amp; Selling Expenses</b>	<b>(10,804)</b>	<b>(11,448)</b>	<b>(13,020)</b>
<b>Operating Profits before Depreciation/Amort.</b>	<b>81,955</b>	<b>93,116</b>	<b>117,812</b>
% of turnover	60.2%	65.0%	67.9%
Extraordinary & Non-Operating Results	(2,060)	(1,043)	(3,369)
<b>Profit before Depreciation, Interest &amp; Taxes</b>	<b>79,895</b>	<b>92,073</b>	<b>114,443</b>
% of turnover	58.7%	64.2%	65.9%
- Interest Received & Related Income	8	7	15
- Interest Charges & Related Expenses	(4,813)	(4,756)	(5,401)
<b>Profit before Depreciation &amp; Taxes</b>	<b>75,090</b>	<b>87,324</b>	<b>109,057</b>
% of turnover	55.1%	60.9%	62.8%
<b>Profit before Taxes</b>	<b>6,156</b>	<b>7,156</b>	<b>16,105</b>
% of turnover	4.5%	5.0%	9.3%
<b>PROFIT AFTER TAXES</b>	<b>3,695</b>	<b>4,782</b>	<b>11,331</b>
% of turnover	2.7%	3.3%	6.5%

## BALANCE SHEET (I.F.R.S.)

(in thousands euro)

	2005	2006	2007
<b>ASSETS</b>			
Fixed Assets			
Net Intangible Assets	135,977	144,273	139,966
Net Tangible Assets	11,364	11,815	11,714
Participations	1,447	1,448	1,448
Other Long Term Receivables	444	399	453
<b>Total Fixed Assets</b>	<b>149,232</b>	<b>157,934</b>	<b>153,581</b>
<b>Total Current Assets</b>	<b>82,039</b>	<b>85,911</b>	<b>93,570</b>
<b>TOTAL ASSETS</b>	<b>231,271</b>	<b>243,846</b>	<b>247,151</b>
<b>EQUITY &amp; LIABILITIES</b>			
Total Equity	83,807	84,104	91,320
Provisions for contingencies and expenses	5,461	6,200	7,183
Long Term Liabilities	41,507	52,555	43,509
Short Term Liabilities	100,496	100,987	105,139
<b>Total Liabilities</b>	<b>142,003</b>	<b>153,542</b>	<b>148,648</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>231,271</b>	<b>243,846</b>	<b>247,151</b>

## Information on the Preparation of the ANNUAL REPORT and the Company's Auditors.

The present Annual Report contains all the information and financial data that are necessary for the proper evaluation of the assets, financial status, results and prospects of TELETYPOS TELEVISION PROGRAMS SA (hereafter "TELETYPOS SA" or "the Company") by investors.

All investors that are interested in further information, or any clarification, may address the Company's offices on any working day and during business hours (4 Roussou Street and Mesoghion Avenue, Politia Business Center, tel. 210-6903 312, contact: Ms. Stella Roussi).

This Annual Report has been prepared and distributed in accordance to article 16, Chapter F, of the Hellenic Capital Market Commission Rule 5/204/14.11.2000 on "Obligations for notification of data and information concerning the status and the activity of the Company."

The persons responsible for the preparation of the 2007 Annual Report and the accuracy of the information contained therein are Messrs.:

Elias E. Tsigas, Managing Director, Thanos G. Andreoulis, Finance Manager, Vassilis A. Kritikos, Head of Accounting Department, Kiki Silvestriadou, Head of Financial Analysis, Mando Cambell, Internal Auditor, all residents of Athens, 4 Roussou Street, Politia Business Center, PC 11526, tel. 210-690 3000.

The editors of this Annual Report guarantee that:

1. All the data and information contained therein are complete and accurate.
2. There is no other information, or event, whose concealment or omission may render all, or part, of the information contained in the Annual Report misleading.
3. The contingent liabilities of the Company are the following:
  - A) Additional Income Tax could be imposed by the tax authorities in the event of a tax audit on the un-audited financial periods from 2000 until 2007.
  - B) Letters of guarantee issued by banks for the following amounts: 803,250 euro for the coverage of liabilities towards the National Football Association (EPO), 400,000 euro for the coverage of liabilities towards TELESTARE, 2,775,000 euro for the coverage of liabilities towards UEFA and 362,490 euro towards the Gakou family due to a decision by the Court of Appeals.
  - C) The payment of compensation of approximately € 23.1 million to third parties that may be awarded by the lawsuits they have submitted. The legal advisors do not foresee any substantial burdens arising from the aforementioned pending lawsuits.
  - D) Contracts for the production of the Greek program, amounting to approximately € 43.7 million.
  - E) Contracts for the lease of foreign program rights from overseas houses, amounting to approximately € 5.05 million.

It should be noted that the Company's certified auditor has been informed about Contingent Liability (A) stated above, by means of an attorney's letter, and decided not to include it in the audit certificate, after taking into consideration the following facts:

- The attorney's assurance that the possibility of such contingencies materializing is very remote.
- The fact that these are contingent liabilities, whose estimation is not specified by law. They are mere presumptive estimates of the plaintiff, as results from the lawsuit.
- The fact that the issue was raised in court, ten years after the beginning of the channel's operation.
- The practice of such lawsuits to overstate claims.
- The existence of no evidence of any progress of the trial hitherto.
- All hitherto experience.
- The provisions of the International Financial Reporting Standards, which instruct the auditor in dealing with contingent liabilities (IAS No. 10, par. 9), according to which: "The existence of any contingent liability must be disclosed along with the financial statements, even if the conditions of paragraph 8 do not occur, unless the possibility of the loss is very remote".

The Company is audited by certified auditors. The Audit for the fiscal years 2002, 2003, 2004, 2005 was performed by certified auditor Damianos Konstantinou (SOE Register Number 11141) of "Moore Stevens Auditors SA". The Audit for the fiscal years 2006 and 2007 was performed by certified auditor Stylianos Kourtellas (SOE Register Number 11031) of "Moore Stevens Auditors SA".

The Audit Certificate for the fiscal year 2007, states that:

We have audited the accompanying financial statements as well as the consolidated financial statements of TELETYPOS TELEVISION PROGRAMS SA "MEGA CHANNEL". These consist of, the company and consolidated Balance Sheet as at the 31st of December 2007, the Income Statement, the Statement of Changes in Equity, the Cash flow statement ending on this date, as well as a summary of significant accounting practices and other explanatory notes.

#### **Responsibility of the Management regarding the Financial Statements**

The Company's Management is responsible for the preparation and fair presentation of the Financial Statements in compliance with International Financial Reporting Standards, as these have been adopted by the European Union. This responsibility includes planning, implementing and sustaining an internal auditing practice with regard to the preparation and fair presentation of Financial Statements, free of substantial inaccuracies due to fraud or error. This responsibility also includes the adoption and implementation of appropriate accounting practices, and conducting reasonable accounting estimations under the given circumstances.

#### **Responsibility of the Auditor**

Our responsibility is to express an opinion on these Financial Statements on the basis of our audit. We conducted the audit in accordance to Greek Auditing Standards which conform with International Auditing Standards. These Standards require that we comply with ethic rules and that we plan and conduct our audit with the intention of providing reasonable assurances that the Financial Statements are free of substantial inaccuracies.

The audit includes creating procedures for the collection of data/evidence that refer to the amounts and information included in the Financial Statements. The procedures are adopted at the discretion of the auditor and include assessing the risk of substantial inaccuracies in the Financial Statements due to fraud or error. In order to assess this risk the auditor takes into account the internal auditing practices that are relevant to the compilation and fair representation of the Financial Statements, his aim being, to create auditing procedures relevant to the circumstances and not to express an opinion on the effectiveness of the company's internal auditing system. The audit also includes, assessing the suitability of the accounting principles applied, whether estimations made by the Management are justifiable as well as assessing the overall presentation of the Financial Statements.

We believe that the evidence collected is sufficient and suitable so as to provide us with an adequate basis to support our opinion.

#### **Opinion**

In our opinion, the attached company and consolidated Financial Statements present substantially a fair view of the financial position of the Company as of the 31st of December 2007, its financial performance and its Cash Flows for the period ending on this date in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

#### **Point of emphasis**

Without expressing reservation as per our opinion we draw your attention to note 31.1 on the financial statements wherein it is mentioned that the income tax liabilities of the company for the period from 2000 up to the present, have not been finalized by the tax authorities. It is not possible at this stage to predict the outcome.

#### **Reference to other legal and regulatory issues.**

The Board of Directors Report is consistent with the attached company and consolidated financial statements.

# 3

## Use of funds raised through the previous share capital increase

A share capital increase took place in 1999, through the capitalization of reserves amounting to GRD 825 million and through cash payment (option exercising period 10.11.1999-10.12.1999) with the issue of 10,612,500 new shares.

The total funds raised, whose payment was certified on 28.12.1999, amounted to GRD 11,677,500 thousand, including issuance expenses of GRD 130 million.

The new shares were listed in the Athens Stock Exchange; those related to the capitalization of reserves (free at a ratio of 2 new to 10 existing shares) on 25.11.1999, and those related to cash (at a ratio of 3 new to 10 existing shares) on 14.1.2000.

The above funds of GRD 11,548 million (11,677.5 million – 130 million) were used as follows:

- An amount of GRD 2,987 million, that is 25.9% of the net proceeds from the issue, was used for the acquisition of fixed assets. Specifically, GRD 707 million was spent for relocation investments, concerning equipment for signal routing and control and program production equipment, cabling, Program Flow and Master Control infrastructure, technical project studies, as well as office and IT equipment.  
An amount of GRD 2,280 million was invested in digital electronic audio-visual equipment, in the purchase of advanced technology transmitters for the Broadcasting Network and in other electrical equipment and machinery.
- An amount of GRD 4,441 million, that is 38.5% of the net proceeds from the issue, was used for the purchase of new self-owned TV programs and movies.
- An amount of GRD 4,120 million, that is 35.7% of the net proceeds from the issue, was used for the partial pay off of short-term loans.

TELETYPOS TELEVISION PROGRAMMES SA  
 Use of the funds raised from the share capital increase  
 (option exercising period 10/11/99-10-/12/99)

**Semi-Annual Allocation of New Funds (GRD MN)**

TYPE OF INVESTMENT	SCHEDULED USE OF FUNDS				REALIZED INVESTMENTS			
	2nd HALF 1999	1st HALF 2000	2nd HALF 2000	TOTAL	2nd HALF 1999	1st HALF 2000	2nd HALF 2000	TOTAL
<b>A/ Repayment of short-term loans used for relocation at the Politia Business Center</b>								
1a. Signal routing and control equipment	100.0	-	-	100.0	100.0	-	-	100.0
2a. Program production equipment	100.0	-	-	100.0	100.0	-	-	100.0
3a. Cabling infrastructure	50.0	-	-	50.0	50.0	-	-	50.0
4a. Program flow and Master Control equipment	178.0	-	-	178.0	178.0	-	-	178.0
5a. Office/IT equipment	112.0	-	-	112.0	112.0	-	-	112.0
6a. Technical project studies /Electro-mechanical equipment	167.0	-	-	167.0	167.0	-	-	167.0
<b>Total</b>	<b>707.0</b>	<b>-</b>	<b>-</b>	<b>707.0</b>	<b>707.0</b>	<b>-</b>	<b>-</b>	<b>707.0</b>
<b>B/ Tangible assets</b>								
1b. Audio-visual electronic equipment	347.0	600.0	500.0	1,447.0	381.1	493.8	383.8	1,258.7
2b. Program broadcasting network	0.0	300.0	300.0	600.0	3.7	31.7	203.5	239.0
3b. Office/IT equipment	30.0	50.0	20.0	100.0	118.1	229.8	20.0	367.9
4b. Technical project studies /Electro-mechanical equipment	133.0	0.0	0.0	133.0	392.0	18.2	4.3	414.5
<b>Total</b>	<b>510.0</b>	<b>950.0</b>	<b>820.0</b>	<b>2,280.0</b>	<b>894.9</b>	<b>773.5</b>	<b>611.6</b>	<b>2,280.0</b>
<b>C/ Intangible assets</b>								
1c. Royalties	1,740.5	1,000.0	1,700.0	4,440.5	629.7	3,433.5	377.3	4,440.5
<b>Total</b>	<b>1,740.5</b>	<b>1,000.0</b>	<b>1,700.0</b>	<b>4,440.5</b>	<b>629.7</b>	<b>3,433.5</b>	<b>377.3</b>	<b>4,440.5</b>
<b>D/ Working capital requirements servicing</b>	<b>4,120.0</b>	<b>-</b>	<b>-</b>	<b>4,120.0</b>	<b>4,120.0</b>	<b>-</b>	<b>-</b>	<b>4,120.0</b>
<b>FUNDS ALLOCATION (A+B+C+D)</b>	<b>7,077.5</b>	<b>1,950.0</b>	<b>2,520.0</b>	<b>11,547.5</b>	<b>6,351.6</b>	<b>4,207.0</b>	<b>988.9</b>	<b>11,547.5</b>

## Quarterly Allocation of New Funds (GRD MN)

TYPE OF INVESTMENT	3rd Quarter 1999	4th Quarter 1999	1st Quarter 2000	2nd Quarter 2000	3rd Quarter 2000	4th Quarter 2000	TOTAL
<b>A/ Repayment of short-term loans used for relocation at the Politia Business Center</b>							
1a. Signal routing and control equipment	-	100.0	-	-	-	-	100.0
2a. Program production equipment	-	100.0	-	-	-	-	100.0
3a. Cabling infrastructure	-	50.0	-	-	-	-	50.0
4a. Program flow and Master Control equipment	-	178.0	-	-	-	-	178.0
5a. Office/IT equipment	-	112.0	-	-	-	-	112.0
6a. Technical project studies / Electro-mechanical equipment	-	167.0	-	-	-	-	167.0
<b>Total</b>	-	<b>707.0</b>	-	-	-	-	<b>707.0</b>
<b>B/ Tangible assets</b>							
1b. Audio-visual electronic equipment	-	381.1	302.5	191.3	383.8	-	1,258.7
2b. Program broadcasting network	-	3.7	4.4	27.3	203.5	-	239.0
3b. Office/IT equipment	-	118.1	37.4	192.4	20.0	-	367.9
4b. Technical project studies / Electro-mechanical equipment	-	392.0	7.6	10.6	4.3	-	414.5
<b>Total</b>	-	<b>894.9</b>	<b>351.9</b>	<b>421.6</b>	<b>611.6</b>	-	<b>2,280.0</b>
<b>C/ Intangible assets</b>							
1c. Royalties	-	629.7	1,435.7	1,997.8	377.3	-	4,440.5
<b>Total</b>	-	<b>629.7</b>	<b>1,435.7</b>	<b>1,997.8</b>	<b>377.3</b>	-	<b>4,440.5</b>
<b>D/ Working capital requirements servicing</b>	-	<b>4,120.0</b>	-	-	-	-	<b>4,120.0</b>
<b>FUNDS ALLOCATION (A+B+C+D)</b>	-	<b>6,351.6</b>	<b>1,787.6</b>	<b>2,419.4</b>	<b>988.9</b>	-	<b>11,547.5</b>

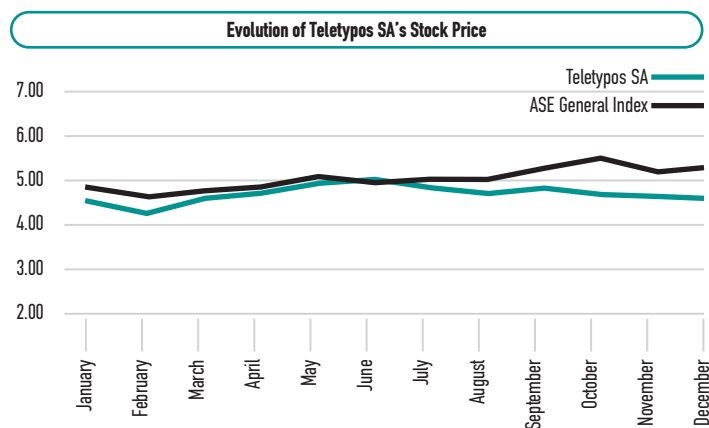
### ADDITIONAL INFORMATION (DECISION No 58)

- THE LAST SHARE CAPITAL INCREASE BY CASH PAYMENT WAS CERTIFIED ON 28/12/1999
- THE FUNDS RAISED AMOUNT TO GRD 11,677,500,000
- THE EXPENSES OF THE SPECIFIC ISSUE AMOUNT TO GRD 130 MILLION
- THE OPTION-EXERCISING PERIOD WAS FROM 10/11/99 TO 10/12/99
- THE NUMBER OF NEW SHARES THAT RESULTED FROM THE SPECIFIC ISSUE IS 10,612,500 SHARES
- THE NEW SHARES WERE LISTED IN THE STOCK EXCHANGE ACCORDING TO THE FOLLOWING TIMETABLE:
  - 1/ ON 25/11/1999 4,125,000 NEW SHARES WERE DISTRIBUTED FREE OF CHARGE TO THE SHAREHOLDERS (2 NEW SHARES FOR EVERY 10 EXISTING SHARES) AFTER THE CAPITALIZATION OF RESERVES AMOUNTING TO GRD 825,000,000.
  - 2/ ON 14/01/2000 6,187,500 NEW SHARES WERE DISTRIBUTED BY CASH PAYMENT THROUGH THE EXERCISE OF OPTIONS IN FAVOR OF EXISTING SHAREHOLDERS, AT A PRICE OF GRD 1,800 PER SHARE, AND A RATIO OF 3 NEW FOR 10 EXISTING SHARES.
  - 3/ ON 14/01/2000 300,000 NEW SHARES WERE DISTRIBUTED THROUGH PRIVATE PLACEMENT WITH THE COMPANY'S PERSONNEL AND EXECUTIVES AT A PRICE OF GRD 1,800 PER SHARE.
- THE USE OF RAISED FUNDS WAS COMPLETED IN THE THIRD QUARTER OF 2000
- THE CERTIFICATE OF THE COMPANY'S CERTIFIED AUDITOR, WHICH CERTIFIES THE CONCLUSION OF THE ISSUE AND THE USE OF FUNDS RAISED HAS BEEN PUBLISHED:
  - 1/ IN THE BALANCE SHEET AS PER 30/09/2000, ON 30/11/2000 IN THE NEWSPAPERS VIMA, ELEFTHERTOTYPIA, IMERISIA.
  - 2/ IN THE BALANCE SHEET AS PER 31/12/2000, ON 28/02/2001 IN THE NEWSPAPERS VIMA, NEA, ELEFTHERTOTYPIA, IMERISIA, ETHNOS AND ON 04/03/2001 IN THE NEWSPAPERS VIMA KYRIAKIS AND ELEFTHERTOTYPIA KYRIAKIS.

## Information about the Company's share

The Company was listed in the Main Market of the ASE on 17/8/1994 and its shares are traded in free float on the Athens Stock Exchange. The following tables and diagram present some brief financial information concerning the course of the stock from 1/1/2007-31/12/2007.

	Teletypos SA						ASE General Index		
	Closing Price (euro)	Monthly change (%)	Change from Dec. '06 (%)	Transactions Volume	Average Volume	Capitalization (mill. Euro)	Closing Price	Monthly change (%)	Change from Dec. '06 (%)
December 2006	4.76						4,394		
January	4.40	-7.6%	-7.6%	189,185	8,599	151,190	4,710	7.2%	7.2%
February	4.18	-5.0%	-12.2%	130,417	6,864	143,630	4,504	-4.4%	2.5%
March	4.50	7.7%	-5.5%	291,520	13,251	154,626	4,643	3.1%	5.7%
April	4.62	2.7%	-2.9%	122,412	6,443	158,749	4,737	2.0%	7.8%
May	4.80	3.9%	0.8%	133,070	6,337	164,934	4,972	5.0%	13.2%
June	4.88	1.7%	2.5%	173,638	8,268	167,683	4,844	-2.6%	10.2%
July	4.72	-3.3%	-0.8%	346,858	15,766	162,185	4,918	1.5%	11.9%
August	4.62	-2.1%	-2.9%	166,541	7,570	158,749	4,913	-0.1%	11.8%
September	4.72	2.2%	-0.8%	91,619	4,581	162,185	5,123	4.3%	16.6%
October	4.56	-3.4%	-4.2%	860,018	37,392	156,687	5,335	4.1%	21.4%
November	4.54	-0.4%	-4.6%	193,481	8,795	156,000	5,054	-5.3%	15.0%
December	4.52	-0.4%	-5.0%	299,061	15,740	155,313	5,179	2.5%	17.9%



# 5

## Shareholder Rights

### 5.1 GENERAL

- Each Company share has all the rights and obligations specified by the Law and the Company's Articles of Association, albeit the provisions included in the latter are not more restrictive than those of the Law. The possession of a share implies, ipso facto, that its holder accepts the Company's Articles of Association and the legal decisions of the Board of Directors and of the General Assembly of the Shareholders, even if the shareholder did not attend any of them.
- The Company's Articles of Association do not provide for any special rights in favor of certain shareholders.
- The Company's shares are freely tradable.
- The Shareholders' liability is limited to the par value of the shares they hold. The Shareholders participate in the management and earnings of the Company, according to the provisions of the law and the Articles of Association. The rights and obligations emanating from each share are transferred to every entire, or special, successor of the shareholder.
- Shareholders can exercise their rights concerning the Company's management only through the General Assemblies.
- The shareholders enjoy a pre-emptive right on every future increase of the Company's share capital, on the basis of their participation in the existing equity, as specified by article 13, paragraph 5, of Codified Law 2190/1920.
- The shareholder's lenders, and their successors, have no right to seize, or seal, any Company asset or record, nor demand its distribution, or liquidation, nor get in any way involved in its administration or management.
- Each shareholder, irrespective of place of residence, is considered as legally residing at the Company's domicile in regard to any relationship with it, and is subject to the Greek Law. Every dispute between the Company and the shareholders, or any other third party, is subject to the sole competence of the ordinal courts, and the Company can be sued only in the courts of its domicile.
- Each share provides one voting right. In order to be entitled to vote at the General Assembly, the joint-owners of a share must indicate in writing a common representative for the share, which will represent them at the General Assembly. Any exercise of their rights is suspended until such a representative has been appointed.
- Each shareholder may participate in the Company's General Assembly, either in person, or by means of an assignee. In order for a shareholder to attend the General Assembly, he/she must present a relevant confirmation by the Hellenic Exchanges SA (HELEX), in accordance to the provisions of article 51 of Law 2396/96, a confirmation corresponding to this confirmation of Central Securities Depository SA, at least five (5) days prior to the date on which the General Assembly has been scheduled. The same deadline applies for the submission of the share deposit receipts and the representation documents to the Company, and the provision of the shareholder with a receipt voucher allowing participation in the General Assembly. Any shareholders that do not fulfill the above conditions will attend the General Assembly only after permission from the latter.
- All shareholders representing 5% of the paid-up share capital:
  1. Are entitled to demand from the Court of First Instance of the Company's domicile, the audit of the Company in accordance to articles 40, 40e of Law 2190/1920 and,
  2. Can demand the convocation of an Extraordinary General Assembly of the shareholders. The Board of Directors is obliged to convoke the Assembly within at least thirty (30) days from the submission of the application to its Chairman. The applicant shareholders must include in their application all the issues, on which the General Assembly will have to decide.

- Each shareholder may ask to receive the Company's annual financial statements and the relevant reports of the Board of Directors and the auditors, ten (10) days prior to the Ordinary General Assembly.
- The dividend of each share is paid to the shareholder within two months from the date the Ordinary General Assembly approved the annual financial statements. The method and place of payment is announced to shareholders through the daily Press.
- Shareholders who fail to demand the payment of the dividends they are entitled to, have no claim on interest. All dividends that have not been sought after within five years after the date they became collectible are written off.

## 5.2 DIVIDEND TAXATION

According to the law that is currently applicable (L.2238/94), all companies listed in the stock exchange are subject to a 25% tax on their taxable earnings, prior to any distribution.

Thus, dividends are distributed out of the already taxed earnings of the legal entity, and, therefore, shareholders incur no tax liability on the amount of dividends collected.

The date that the Balance Sheet of the Company is approved by its General Assembly, is considered as the date the income from dividends is gained.

According to the provisions of the law, the portion of the dividends that are distributed to the parent company from the earnings gained during each accounting period by subsidiaries on which dividends are distributed, is paid in the next accounting period (unless an interim dividend is paid within the same accounting period), and therefore, is included in the earnings of the parent company for the next accounting period. Thus, the dividends from the earnings of the parent company, which are partly formed by the distribution of the earnings of the companies in which it participates, are paid, if distributed, in the year following their appropriation.

Moreover, it is noted that the portion of the parent company's earnings that is generated from dividends is subject to a 5% tax, which, is then subject to a 25% tax rate, since these earnings have been taxed at their source.

### 6.1 GENERAL COMPANY INFORMATION

TELETYPOS SA was founded in 1989 (Gazette 1016/2.5.89) under the name "TELETYPOS TELEVISION PROGRAMMES SA" and the trade name "MEGA CHANNEL."

TELETYPOS SA was the first company to be licensed pursuant to the Common Ministerial Decision 19710/29.9.1989. According to this decision, every incorporated company may hold only one license for the operation of a television station, or participate in only one company that has been granted such a license.

Currently, the Company operates by virtue of a license granted by common decision 19229/10.9.1993 of the Prime Minister's Office and the Ministries of the Interior, Finance and Transport and Communications (Gazette B 713/10.09.1993). The validity of this license was granted consecutive extensions through laws 2328/1995 (article 5 par. 1), 2438/1996 (article 4) and 2644/1998 (article 17). According to article 17, par. 3 of Law 2644/1998, the licenses of this category will continue to apply until the issuance of the licenses proclaimed by the Minister of Press and Mass Media. On 20.03.1998, the Company submitted an application (protocol number 6440/20.03.1998), supported by a complete file. On 1.4.1999 the Ministry of Transport and Communications confirmed, by means of document 55291/1615, the adequacy of the relevant technical study, and the Company awaits the completion of the procedure provided for by the law.

The Company is based in the Municipality of Athens, and is registered in the Sociétés Anonymes Register with number 19407/06/B/89/20. The duration of the Company has been set until 31.12.2090.

According to article 2 of the Company's Articles of Association, its objectives are:

1. The production of, and trading in, television programs and broadcasts, the installation, operation and utilization of television stations all over Greece, whenever, and under any conditions, this will be permitted. The creation, equipment, organization and operation of studios for the production and exploitation of television broadcasts, programs and commercials.
  2. The establishment, installation, operation and utilization of radio stations all over Greece. The production of, and trading in, radio programs and broadcasts. The creation, equipment, organization and operation of studios for the production and exploitation of radio broadcasts, programs and commercials.
1. In order to realize its objectives the Company may:
    - Participate in any enterprise with the same, or a similar, objective, of any corporate structure, and provide guarantees in favor of the latter, in order to facilitate their financing, provided that this serves the Company's business activities.
    - Co-operate with any person, or legal entity, in any manner.
    - Establish branches, or agencies, or offices, in any place.
    - Represent any other enterprise, domestic or otherwise, which has the same, or a similar, objective.
  2. The Company may cede, at a price, the use of its facilities to third parties. Moreover, the Company may assign its management to other legal entities and undertake the management of other enterprises.

It is noted, that the only amendment to the Company's objective during the last five years, which was decided on during the General Assembly of its shareholders held on 28.6.1996 (Gazette 5657/2.8.96), concerns the addition of the following lines to paragraph 3(a): "and to provide guarantees in favor of the latter, in order to facilitate their financing, provided that this serves the Company's business activities."

### 6.2 LEGAL FRAMEWORK

The establishment and operation of television stations is subject to a license granted by decision of the Minister of Press and Mass Media, subject to the concurrent opinion of the National Broadcast Council. The conditions for the licensing, as well as

operation, of the television stations, are regulated by the provisions of L. 2328/1995, in conjunction with a series of other provisions (L.1866/89, L.2429/1996, Presidential Decree (PD.) 310/1996, L. 1746/198 etc).

Article 1 of Law 2328/95 specifies the nature and operation of Private Television and specifies the main conditions for the granting and renewal of licenses for the establishment and operation of television stations. The key points of this article are the following:

- According to the provisions of article 1, par. 9 of Law 2328/95, in conjunction to those of article 24, L.1746/88, the shares of radio-television companies must be registered up to the personal degree, i.e. both to the degree of shareholding companies, and of companies participating in shareholding companies up to the ultimate shareholder (person). Domestic, or European Union, Undertakings for Collective Investments in Transferable Securities (UCITS), which are allowed to hold, in total, up to 10% of the stock capital of a radio-television company, and up to 2,5% each, are excluded from the above obligation. Sociétés Anonymes that operate legally in accordance to the laws of another state, without the obligation to register their shares, may hold up to 15% of the total equity of the company. In case of excess, the law provides for the limitation of the corresponding shareholder rights. The participation of a foreign (not originating in the European Union) fund cannot exceed 25% of the total capital of the Company. Moreover, the paid up capital of a television company is set to a minimum of GRD 1 billion.
- Television stations are obliged to pay a minimum annual fee to the State for the use of frequencies, which is equivalent to 2% of gross receipts, as well as to proceed to the annual submission and renewal of a good performance guarantee amounting to GRD 250 million.
- The participation of each person, or legal entity, in a television company is not allowed to exceed 25% of the company's total equity capital. In case of excess, there is provision, among other things, for the levying of a fine, which amounts to 50 times the market capitalization of the excess participation.
- Every person, or legal entity, can participate in only one television company (excluding those listed on the Stock Exchange), or in one company, which is a shareholder in a television company. The same restriction also applies to participation in the company's management, or administration. The participation of blood relatives, up to a certain degree, in the same, or another, television company is permitted only if they can demonstrate their entrepreneurial and financial independence. The same persons, or legal entities, are prohibited from participating in Media that belong to more than two categories (television, radio, and newspapers). Moreover, the possession of a television station operation license, or the possession of a shareholding in a television company, is incompatible to participation in the capital, management, or exercise of a business activity related to the undertaking of projects-supplies for the wider public sector, to advertising activities, and to certain other activities (audio-visual media producer, radio television surveys).

Article 3 of Law 2328/95 specifies the broadcasting and advertising principles and sets the conditions for the protection of personal freedom and privacy, as well as for the protection of childhood. The broadcasting and advertising principles provide for the following:

- The broadcasting of commercials must not last for more than 20% of the intermissions, or commercial breaks. Moreover, the broadcasting of commercials must not occupy more than 20% of each hour, while intermissions between programs can last for 4 minutes.
- As far as sponsorship terms are concerned, the sponsor cannot interfere with the contents of the broadcast, while the name and logo of the sponsor must appear at the beginning and the end of the program.

Article 12 of Law 2328/95 specifies the rules concerning transparency in relations between Media-advertising agencies and advertisers. More specifically, according to this article, at the end of each calendar year the Media are entitled to award bonuses to advertising agencies, calculated on the basis of the entire advertising expenditure (turnover) realized by the former. As a percentage, this bonus cannot exceed 9.9% of turnover.

The shareholders of a television company are subject to the obligation of submitting a financial statement, in accordance to the provisions of Law 2429/1996, and if their participation is more than 2.5% they are subject to certain additional obligations. The transfer of company shares over-the-counter, as well as any pledging of its shares, must assume the form of a notary deed.

### 6.3 BRIEF HISTORY

MEGA Channel (hereafter "MEGA") was the first TV station to be established in Greece (1989) on the basis of the legal framework that permitted the formation of private television stations (L.1866/1989).

During its eighteen-years of operation, MEGA has attained a high position in the Greek public's preference, remaining at the same time the financially healthier Greek TV station. This achievement was mainly based on substantial investments implemented over time until 2007.

- By the end of the first fiscal year (1990) sales amounted to GRD 6.5 billion, while investment in TV programs and electronic equipment reached GRD 2.7 billion. The Greek productions for that year, "Authairetoi" and "Tris Charites" are rerun even today with significant success. The station's media ratings for the above period reached 32%, as compared to 20% for the second best station.
- In 1992 Mega purchases the football season rights (for 1992-93 and 1993-94) for € 6 mn and becomes the first channel to simultaneously broadcast the 8 best matches of the football season through the program "Minute to Minute – Lepto pros Lepto".
- In 1993, on the day of national elections, the channel's media ratings reached 53% compared to 26.7% for the second best channel. The same year, Mega concludes its self-owned terrestrial network for the broadcasting and transmission of its program, amounting to approximately € 7mn, providing for a 98% population coverage.
- In 1994, Teletypos S.A. became the first Media Company to list its shares on the Main Market of the Athens Stock Exchange. From 1994 until 2004, Teletypos S.A. has produced approximately € 56mn in net earnings, from which € 38mn, was distributed to its shareholders, namely 68%.  
The same year (1994), Teletypos S.A. establishes the first cable television company in Greece, under the name "Multichoice Hellas SA," in which it participated with 42%, along with Myriad Development (51%) and Lumiere (7%).  
1994 is also the year when Mega began to exclusively broadcast the football matches of the CHAMPIONS LEAGUE. These matches are broadcasted continuously by Mega from 1994 until today.
- In 1996, the day of national elections, 35% of Greeks watched Mega, while 18% watched the second best channel, thus establishing Mega number one in their preferences and confirming its credibility.
- In December 1999, Teletypos SA completed a share capital increase of € 34.3 million, which resulted from, the distribution of 4,125,009 free shares to the shareholders (at a ratio of 2 new for ten existing shares), from the issuance of 6,187,500 new shares (at a ratio of 3 new to ten existing shares) and from the issuance of 300,000 shares by means of cash payment (private placement with the Company's personnel and executives). Part of the increase was used to update the Company's equipment and convert most of the electronic equipment from analogue to digital.  
The same year it is a co-producer and co-owner of rights by 50% in one of the most successful Greek motion pictures of all time, "SAFE SEX".
- In 2000, once again Mega concentrates the largest media rating (31%) for the national elections, compared to the second best channel (22%).  
Mega also participates by 35% in the production and exploitation of the successful motion picture of L. Lazopoulos "My best friend".

The same year, it founded Teletypos Cyprus Ltd, a 100% subsidiary of Teletypos SA, whose objective is the purchase and sale of programs and technical know-how in the Cypriot and Middle East markets.

- In 2002, the company showed the highest profit since its formation with € 17mn before tax, while the value of its share increases by 28%.  
The same year, on the day of municipal and prefecture elections, once again the Greek audience preferred to be informed by Mega (21%) while the second best channel managed a media rating of 14%.
- In 2004, Teletypos SA sold 7% of its participation in Multichoice Hellas SA, retaining a profit of € 5.9 mn, and exchanged the remaining 35% with a 12.5% participation in the Dutch cable television company NETMED NV. The same year Mega purchases the rights to broadcast the home games of the European Champions Greece (men's and men's U-21 teams) for the preliminary matches of the world cup championship in Germany. In March and May of 2004, in a published survey (EXPRESS 19.11.2004) of GK Market Analysis, with the topic "Which brands do Greeks consider as the best", in the results for television stations it is stated that "Mega is the best television channel both in terms of impulsive references (89%) and in terms of being the theoretically best television channel (27%)".
- In 2005, Teletypos SA signed a contract with SportFive for the coverage and broadcast of all away football games for the National Men's and U-21 Men's teams, for the preliminary phase of the 2008 European Championship.
- In 2006, the media ratings for a number of shows belonging to Mega reached record levels. During the period 2001-2006, the television serial "Sto Para Pende" was registered as the only non football event to achieve an average viewer rating of 49.6%. The total population that watched the television serial "Sto Para Pende" for 1 minute or more amounted to 3.8 million viewers.
- In 2007, for the first time in Greek television, a daily television serial was included in the prime time zone achieving great success. Specifically, the daily serial "Maria i Ashimi" achieved for the months January – June an average viewer rating of 40.6%. The total population that watched the television serial for 1 minute or more on average amounted to 2.6 million viewers. Furthermore, the live broadcasts of the show "So you think you can dance" achieved the highest viewer coverage amongst all the other reality format shows of Mega (Bar, "Farma" and Survivor). The total population that watched the live show for 1 minute or more on average amounted to 3.7 million viewers.

## 6.4 OBJECT OF OPERATIONS

The Company broadcasts television programs, almost covering the entire country (98% of Greece), 24 hours a day. Its programming is structured in order to approach the general audience of all ages and contains Greek comedy, drama, and variety series, Greek and foreign movies, news and informational programs, sports and music/dance shows, game shows and children's shows.

The Greek program is either produced in-house by MEGA, or outsourced to independent production studios. This program includes:

- Greek series (comedy, drama etc).
- Game shows
- Sports
- News
- Talk shows

- Music/dance shows
- Variety shows

The foreign program, which includes movies, TV series and children's programs, is purchased from overseas houses with the right of one, or two, re-runs.

MEGA generates 99% of its revenue from the sale of advertising time through advertising agencies and 0.6% from the sale of royalties, while operating costs are mainly attributed to the in house production of programs, the purchase of royalties from third parties, overheads and distribution expenses.

As far as television advertising expenditure is concerned, MEGA holds a large market share, retaining at the same time its dominant position in all audiences of commercial interest (see Chapter 7.3, the Company's position in the Industry). This achievement resulted from MEGA's constant efforts to:

1. Maintain a television program structure that appeals to all ages and demographic groups within the general television audience.
2. Constantly renew its programming and appropriately select its programs.

#### 6.4.1 Turnover analysis

The following table analyzes the course of the Company's turnover for the last three years:

##### Turnover Analysis

(in thousand euro)	2005	2006	2007
Sales of Advertising Time	133,975	142,411	172,542
Income from Motion Picture & TV Rights	1,498	18	28.8
Sales of Rights abroad	12	0	0
Income from the exploitation of Studios & TV programs	737	882	967
<b>TOTAL</b>	<b>136,222</b>	<b>143,311</b>	<b>173,538</b>
% Change		5.2%	21%

In 2007, the company's turnover amounted to € 173.5 million, thus posting an increase of 21%. This increase is due the increase in television advertising expenditure of the market share (by 18.7%) and also due to Teletypos S.A. maintaining its market share at a high level.

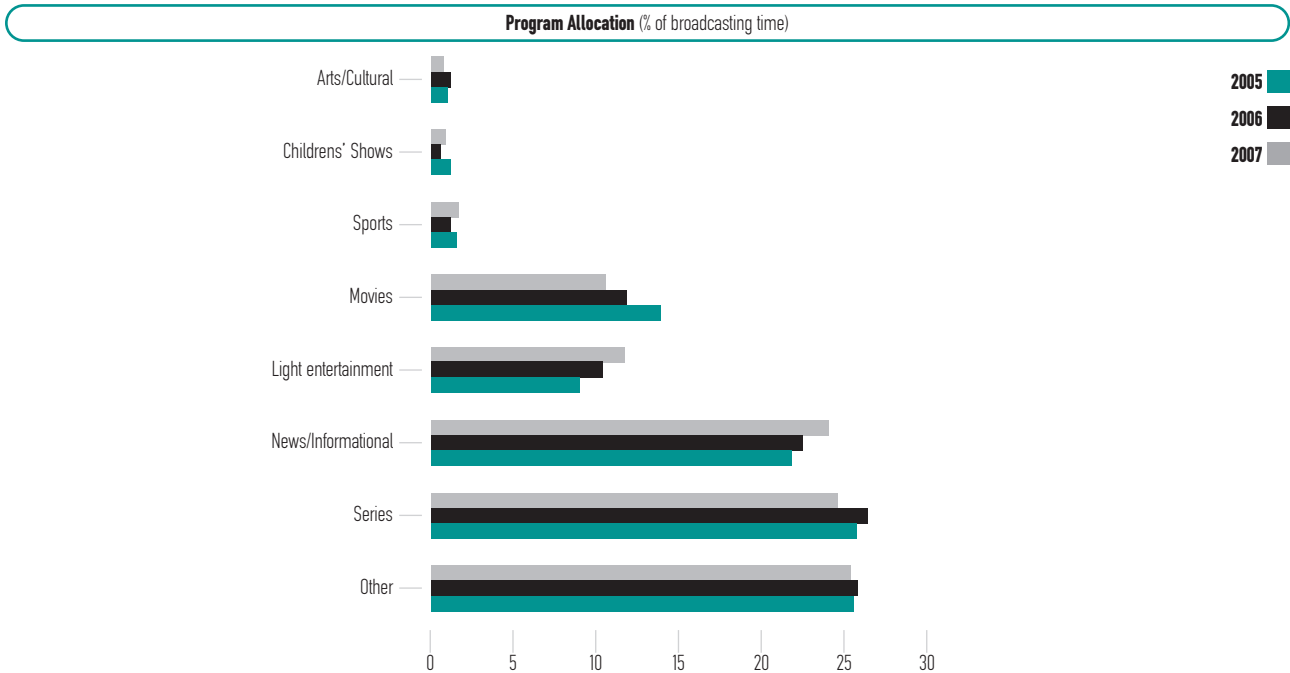
#### 6.4.2 Television Programming – Productions

MEGA places great emphasis on the constant renewal of its entertainment program, as well as on the reliability and image of its news programs and the quality of its foreign and sports programs, which are factors in shaping both the profile of its audience, and its own overall image.

Program selection and design have been based on two pillars:

- The awareness of the channel's social role, with respect to the viewer; and
- The awareness of its business objective, which is to attract audiences of commercial interest for MEGA's clients, i.e. the advertising industry.

The following chart illustrates program allocation as a percentage of total broadcasting time:



During the past three years, there has been an increase in Greek series (mostly company owned program). These programs are mainly broadcasted during prime time and are more preferred by the Greek television audience (as demonstrated by the large ratings commanded by MEGA from 21:00 to 23:59).

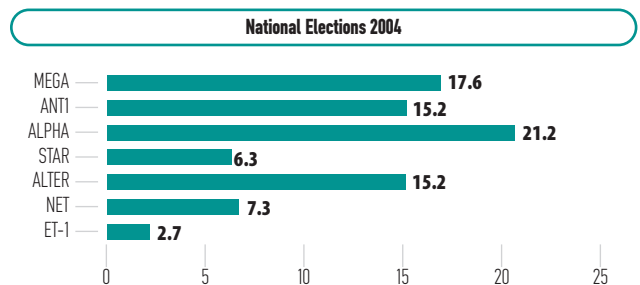
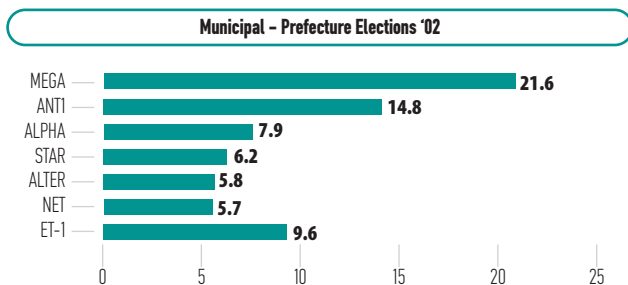
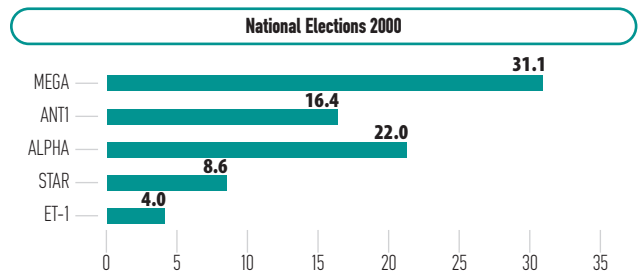
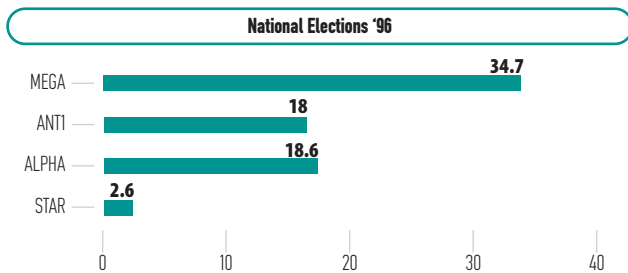
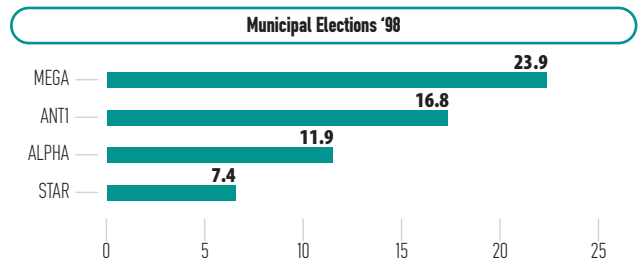
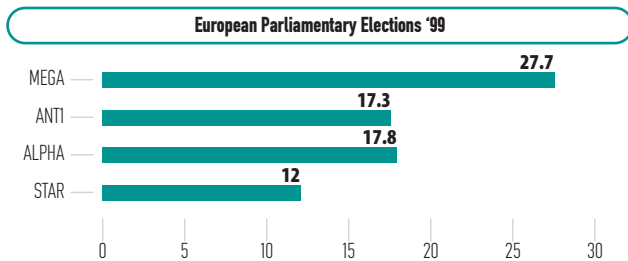
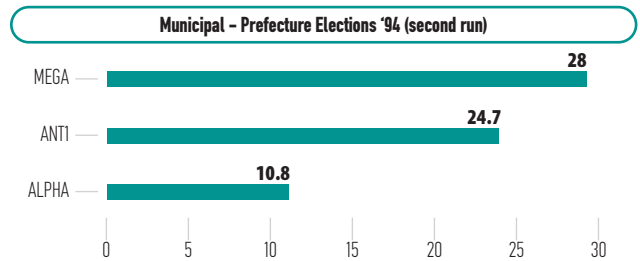
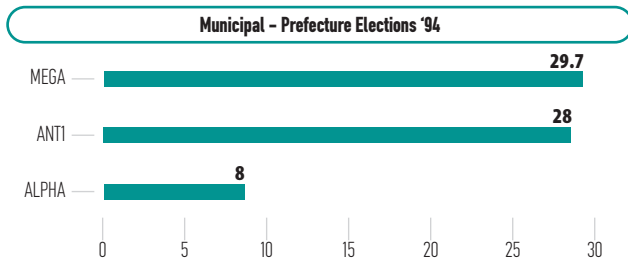
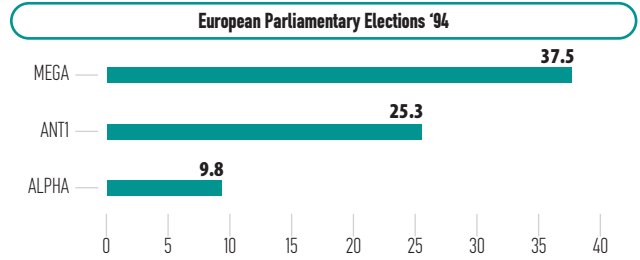
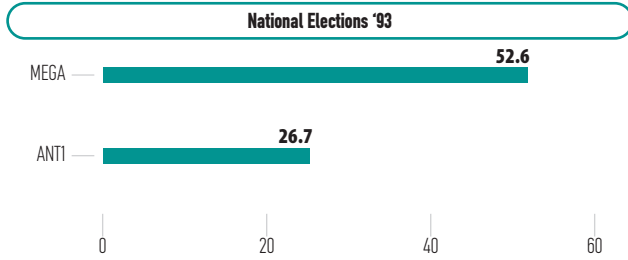
The program provided by MEGA consists of:

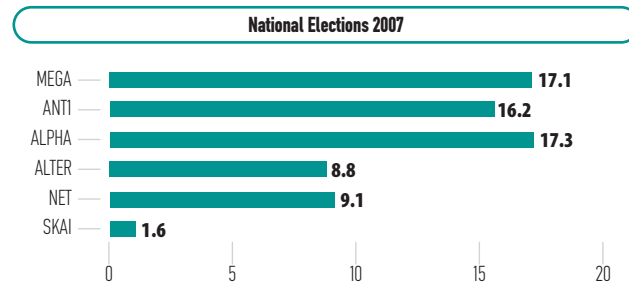
**NEWS-INFORMATIONAL PROGRAMS**

From its very first steps, MEGA has been covering facts in a reliable, serious, objective and speedy manner. Having the most powerful and experienced journalist team, along with seasoned technicians and state-of-the-art equipment, MEGA is a leader in providing the Greek public with news updates and information. MEGA's reporters and local correspondents cover events of great public interest, thus maintaining the high TV ratings of the channel's news broadcast (news at 20:00 and 24:00).

MEGA is in the core of international developments, having established a powerful network of permanent correspondents in Brussels, Rome, London, Paris, Moscow, Ankara, Nicosia, Washington and New York. It also co-operates with the largest and most reliable international news agencies, such as Reuters, CNN and the Associated Press.

From the very first day of its operation, MEGA has been recognized and preferred by the Greek public as the most prestigious and reliable channel in regard to all elections and major political events.





### MEGA PRODUCTIONS

These programs include Greek series (comedy and drama), mainly broadcasted during prime time (21:00-23:59), TV-movies, game shows, music-dance shows, soap operas and variety shows. These programs are both produced in-house by the Company, or outsourced to independent producers and purchased by the Company as such.

MEGA was the first channel to create the successful "Greek series" zone during prime-time, with series such as "S'agapo-M'agapas", "Peri Anemon kai Idaton", "Aerines Siopes", "10 Mikroi Mitsoi", "Afthairetoi", "Anastasia", "Tris Harites", "Gynekes", "To Soi Mas", "Love Sorry", "Aparadektoi", "Mi Fovasai Ti Fotia", "Psithiroi Kardias", "Tzivarei", "To Teleftaio Antio", "Dyo Xenoi", "To Dis Examartein", "To Kokkino Feggari", "Eisai to Tairi mou", "Na me proseheis", "Kleise ta Matia", "Leni", "I Ora i Kali", "10 Lepta Kirigma", "Singles", "Epta Thanasimes Petheres", "Dyo Meres Mono", "Sto Para Pende", "Peninda – Peninda" and many more, and music-dance shows such as "Bravo" and "Alla Colpa."

Re-runs of the above shows are broadcasted during the midday hours of the main TV season (October-June), but mainly during the summer season, when the revenues of the channel are much more limited.

Apart from the aforementioned shows, MEGA's production includes the daily morning programming (6:30-13:00), which includes both news and entertainment and is 100% depreciated within the month it is broadcasted.

The main independent production studios that co-operate with the Company are: ATA SA, ON PRODUCTIONS SA, ANOSI SA, EPSILON SA, TNT, SONAR PRODUCTIONS, J.K. PRODUCTIONS and LUMAD.

### PROGRAMS FROM OVERSEAS AND GREEK FIRMS

These are movies, TV-movies, series and children's programs from overseas firms, as well as Greek movies from Greek firms (Finos, Karayiannis/Karatzopoulos etc). The cost of these programs is incurred within the fiscal year of their broadcasting.

MEGA has signed agreements, lasting until the year 2014, with major studios, mainly in the US, of an approximate value that amounts to US\$ 41.2 million and € 3.4 million, of which:

- approx. US\$ 36.2 million with COLGEMS;
- approx. US\$ 4.2 million with ODEON;
- approx. € 1million with AUDIO VISUAL;
- approx. € 0.6 million with PROCTER & GAMBLE;
- approx. € 1 million with ERLER FILM SANAYI.

## SPORTS PROGRAMMING

MEGA was the first channel that simultaneously broadcasted the 8 most important matches of the Greek soccer league through its "Minute by Minute (Lepto pros lepto)" show during the 1992-1993 and 1993-1994 seasons.

From 1994 up to 2006 MEGA broadcasted the European Football Championship known as "Champions League" in Greece. During the 2006-2007 season Mega broadcasted the home and away football games of the Men's and Men's U-21 National Teams that took place during the qualifying phase for the 2008 European Championship, as well as the friendly matches played by them. Also, Mega has signed an agreement with National Football Association for the coverage and broadcasting of the national men's and men's U-21 teams' home-based football matches that will take place in the context of the 2010 World Cup qualifying phase, as well as for the purchase of the corresponding rights for the National Teams' friendly matches, for a total value of € 2.85 million. Mega has also signed an agreement with SportFive for the coverage and broadcasting of the national men's and men's U-21 teams' away based football matches that will take place in the context of the 2010 World Cup qualifying phase. Finally, Mega has signed an agreement with UEFA for the coverage and broadcasting of the football matches during the semi-final and final phase of the UEFA cup as well as for the broadcast of the Super Cup, for a total value of € 5.55 million.

### 6.4.3 Broadcasting ratings

As illustrated by the following table, the overall ratings achieved by MEGA during the past three years bear proof of the station's appropriate selections that cover the multiple requirements of the Greek public.

Especially as far as prime time (21:00-23:59) is concerned, the following table shows that during the three year period 2005-2007 MEGA retains its dominant position as a high TV ratings channel, especially in regard to audiences of increased commercial interest, thus attaining the preference of the advertising market.

#### Average daily broadcasting ratings (total per year)

	2005	2006	2007
MEGA	18.5%	18.8%	18.5%
ANTI	19.4%	18.0%	16.5%
ALPHA	14.2%	15.5%	13.9%
STAR	11.5%	10.4%	10.8%
ET1&NET	13.3%	14.1%	13.4%
ALTER	10.2%	8.9%	10.3%
OTHERS	12.9%	14.3%	16.6%

#### Average daily prime time broadcasting ratings (21:00 - 23:59 / total per year)

	2005	2006	2007
MEGA	20.5%	22.8%	22.5%
ANTI	20.8%	18.4%	15%
ALPHA	12.7%	14.6%	15.2%
STAR	11.1%	9.5%	10%
ET1&NET	14.5%	14.2%	13.6%
ALTER	7.7%	6.6%	7.6%
OTHERS	12.7%	13.9%	16.1%

## 6.5 FIXED ASSETS

### 6.5.1 Intangible assets

The most important asset of the Company is its self-owned program, which consists of Greek series, TV-movies, seasonal shows, entertainment shows, talk shows, variety shows and game shows, whose royalties belong to Teletypos SA.

The acquisition cost of these programs amounts to € 750 million as per 31.12.2007, while their net book value amounts to € 140 million.

These programs constitute an important asset for the Company and are capitalized (as royalties), since they provide the Company with the capability of their continuous exploitation through re-runs and trading, which leads to further revenue generation.

### 6.5.2 Land and Buildings

The Company owns the following plots of land:

- A plot of land covering a total area of 18,686 m<sup>2</sup> at Irinis Street, at Soros, Amarousion. This plot of land was gradually acquired from December 1990 to August 1993, and its acquisition cost amounts to € 1.5 million (GRD 519.3 million).
- A plot of land covering a total area of 495 m<sup>2</sup> at Ahendria, Crete, acquired in July 1991 for € 1,761 (GRD 600,000).
- According to Law 2065/92, as amended by Law 2443/96, the value of the Company's land was readjusted by € 840 thousand (GRD 285.7 million) on 31.12.1998 (which have been capitalized) and by € 946 thousand (GRD 322 million - POL:1287/5.12.2000) on 31.12.2000 (also capitalized in 2001). In 2004 the land value was readjusted by € 1.5 million. Therefore, the value of the Company's plots of land amounted to € 4.8 million on 31.12.2004.

In addition, MEGA occupies leased premises in Athens and Thessaloniki.

The entire operation of the Company takes place in the leased building of Mesoghion avenue (Politia Business Centre) at number 4, Roussou street. It covers a total area of approximately 5,500 m<sup>2</sup>, with 400 m<sup>2</sup> of underground storage space and approximately 3,000 m<sup>2</sup> of parking space.

The above premises include:

- The facilities of the Finance, Sales, Marketing and IT Departments.
- The News and Program services.
- The Technical Services (with the mobile external broadcasting ENG units).
- Two (2) studios (of 90 and 120 m<sup>2</sup> respectively) covering the news programs of the morning information zone and various talk shows, capable of simultaneous operation.
- Fourteen (14) editing rooms for news-sports programs' production and post-production.
- Master Control Room for the receipt of satellite and terrestrial broadcasts.
- A double Program Flow Room (fully automated), with an option for extension and creation of further flows.
- Graphics room.
- Two (2) audio recording rooms.
- A film library room.

The main parts of the facility are the following:

- The image routing and processing facility is fully digitalized, capable of immediate adaptation to future technological advances.

- The state-of-the-art automated program flow system [transmission – automation], with the parallel use of hard drive server systems for the recording and broadcasting of the program and the commercials.
- Digital optic fiber links for program transferring and the receipt of signals to and from the Hellenic Telecommunication Organization (OTE).

### 6.5.3 Broadcasting Network Facilities

In its effort to cover the entire population of Greece, the Company has developed an extended broadcasting network, which undergoes constant modernization and upgrading.

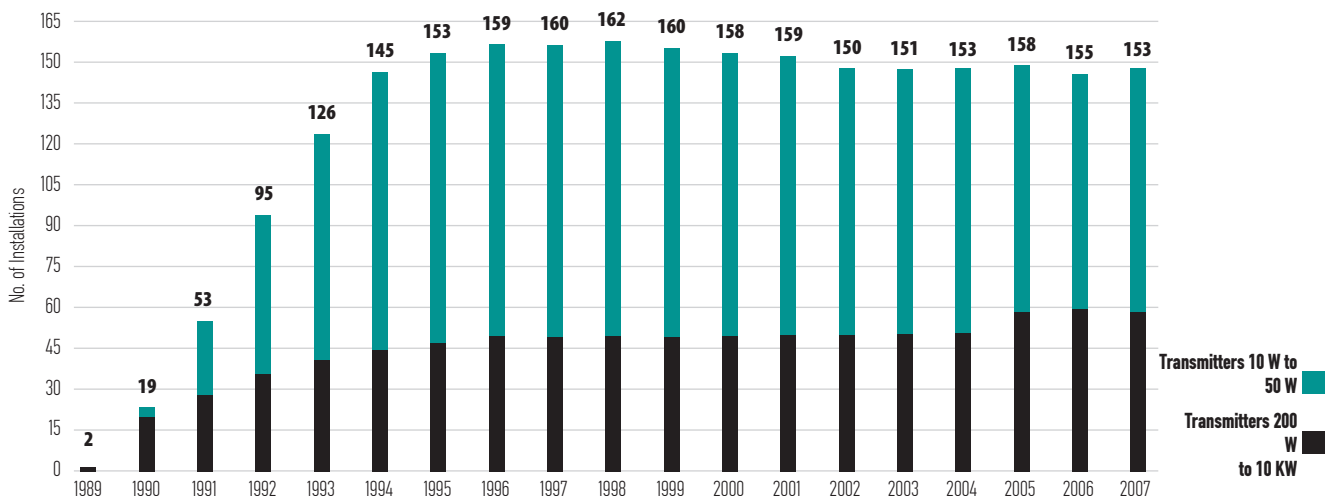
The broadcasting network has been structured as a "tree." The television signal is produced at the station's Headquarters at Mesoghion Avenue (Politia Business Centre). From there it is transferred to the Broadcasting Centers through approximately 2,000 km of OTE's digital TV arteries. The signal transmitted by these Centers is received and relayed by High, Medium and Low power relay stations. (In certain cases, signals in regional areas are also received via satellite).

Since 1993, MEGA has been covering 98% of the Greek population by means of its privately owned terrestrial program broadcasting-transmission network, which comprises technical equipment worth almost € 7 million. Moreover, it uses a remote control system, applied in Greece for the first time, which enables malfunctions at the main transmission points throughout the country to be diagnosed and restored from our own premises (on Mesoghion avenue).

153 transmitter-relay station facilities have been installed in Greece, while a further 500 have been installed on the initiative of local organizations. These facilities belong to the following categories:

- Power relay stations from 100W to 10KW. These are 70 relay stations covering big areas.
- Power relay stations from 2W to 60W. These are 83 relay stations covering smaller areas.

The development of broadcasting facilities over time is illustrated in the following chart:



The above facilities ensure 98% coverage of the population, a rather high percentage given the peculiarities of the Greek landscape (mountainous country, with many islands). The geographical illustration of MEGA's broadcasting network is presented in the Appendix.

## TELETEXT

In 1996, MEGA created for the first time in Greece an integrated application of the teletext service, which enables viewers to draw information that cover daily needs and functions, by properly handling their remote controls.

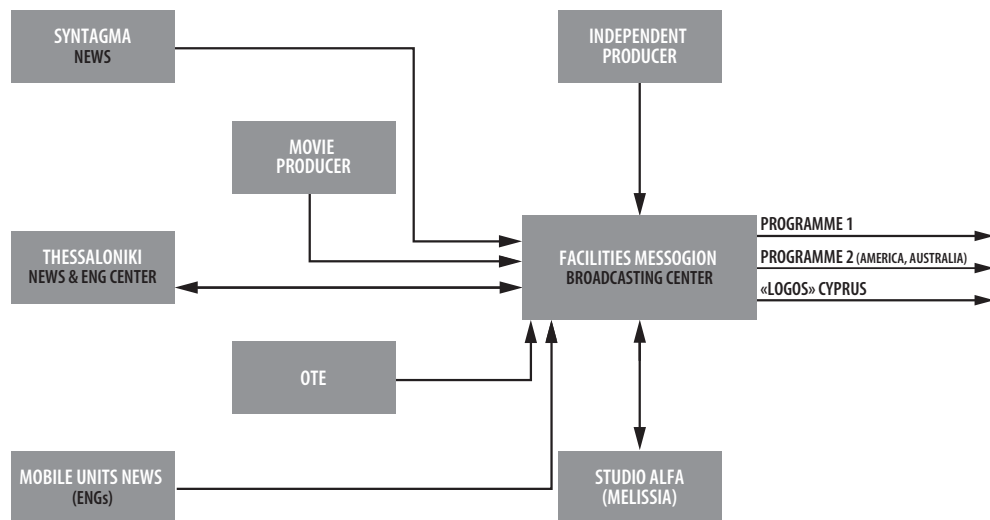
In its current form, teletext provides information about the station's program and updates for each stock from the ASE trading sessions.

Moreover, the teletext service provides easy and reliable coverage of extraordinary information requirements, such as the University entrance exam results, the election results etc.

## STEREO SIGNAL

By late 2000, MEGA has ensured (almost for the whole of Greece) the broadcasting and transmission of stereophonic signal through the broadcasting network facilities.

### 6.5.4 Signal Flow Chart

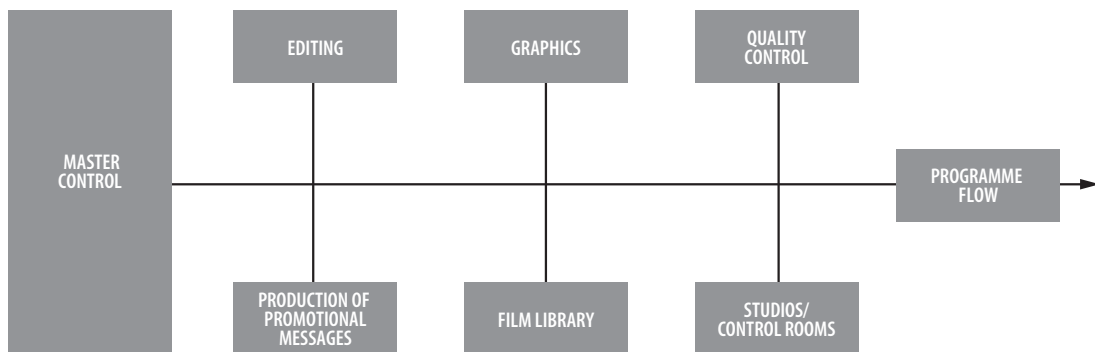


### 6.5.5 Mechanical Equipment

The Company's long-standing policy is to use new, instead of second-hand, equipment. It has to be noted that the selected equipment is of broadcasting quality, compliant with the standards of international organizations such as the International Telecommunication Union (ITU), the European Broadcasting Union (EBU) and the Society of Motion Pictures and Television Engineers (SMPTE) and adheres to the guidelines of the European Union, as well as the national guidelines, if applicable. The aim of all undertaken investment is:

- ensuring the best possible quality
- automating operations
- flexibility and speed
- satisfying medium and long-term needs of the television market (e.g. processing, digital signal recording and transmission, widescreen TV {16:9}, server use etc).

All machinery is installed in the company's headquarters, at number 4 Roussou Street and Mesoghion Avenue and includes:



### MASTER CONTROL

This is the room for the co-ordination and recording of all domestic and overseas broadcasts reaching the station (through OTE, satellites, ENGs).

### NEWS SPORTS PROGRAMS EDITING (EDIT ROOMS)

Consists of 8 editing rooms, from which 7 are linear with BETACAM SP equipment and 1 non-linear. This is where the synthesis of the final product, which originates from the shooting of various external and internal (in-studio) scenes and from archive material, is completed.

### DIGITAL PROMOTIONAL MESSAGE PRODUCTION

Consists of four rooms with state-of-the-art equipment, as well as one main audio recording and processing room.

### GRAPHICS ROOM

This is where the design of the graphics required for the News, the presentation of the Weather Forecast and the production of various broadcasts, takes place.

### QUALITY CONTROL

Before going "on the air," programs are quality controlled in respect to image and sound in the Quality Control area (actually, all material produced by associates is controlled here).

### TELEVISION PROGRAM DIGITAL PRODUCTION SYSTEMS (STUDIOS)

Two studios have been created in the premises of Mesoghion Avenue, containing Control Rooms that serve the News Programs, the morning informational talk shows and certain current affair broadcasts.

The design of these two studios enables the operation of up to four state-of-the-art cameras in each one.

In addition, a virtual studio has been installed and is operational, in which certain productions take place (broadcasts, program promotion), in conjunction with the Company's graphics department.

### MOBILE EQUIPMENT

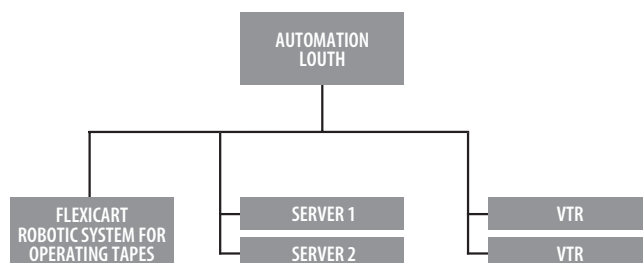
Apart from the above equipment, there is also the mobile equipment used for the production of news programs, as well as part of the informational program.

It includes:

- Four (4) external broadcasting vehicles (ENG), fully equipped (with 12 meter telescopic masts, microwave link system, video, etc)
- Nine (9) camera crews, fully equipped.

### PROGRAM FLOW

The Program Flow enables the automated operation of broadcasting programs in digital form.



It includes:

- A FLEXICART system, with three VIDEO DIGITAL BETACAM, in which the program about to go "on the air" is stored.
- Two SERVERS (1 and 2) with capacities of 12 and 30 hours respectively, in whose hard drives the commercials, the station's trailers and part of the program are stored.
- A Video which feeds the above servers and enables direct program broadcasting.
- The automation system is made by the US company LOUTH, and enables the simultaneous operation of more than two programs.

### 6.5.6 Investments 2005-2007

The following table provides a detailed description of the Company's investments during the period 2005-2007:

INVESTMENTS - ACQUISITIONS 2002-2004	2005	2006	2007	TOTAL
(in thousands euro)				
<b>Intangible Assets (Program)</b>				
Royalties of Teletypos	77,109	81,953	83,479	242,541
Own productions in progress	4,561	4,270	2,696	11,527
<b>Total</b>	<b>81,670</b>	<b>86,223</b>	<b>86,175</b>	<b>254,068</b>
<b>Tangible Assets (Fixed)</b>				
Buildings and Technical Projects	0	65	58	123
Mechanical equipment	1,355	1,865	1,311	4,531
Vehicles	265	38	25	328
Office and other (IT) equipment	1,250	804	980	3,034
<b>Total Tangible Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2,870</b>	<b>2,772</b>	<b>2,374</b>	<b>8,016</b>
<b>TOTAL INVESTMENTS</b>	<b>84,540</b>	<b>88,994</b>	<b>88,549</b>	<b>262,083</b>
(%) change	9.5%	5.3%	-0.5%	

## 6.6 SHARE CAPITAL EVOLUTION

The evolution of the changes in the Company's share capital is as follows:

- Initially the Company's share capital was set to five million Greek Drachmas (GRD 5,000,000), was fully paid in accordance to article 35 of the Articles of Association and was distributed to five thousand (5,000) common registered shares, with a par value of a thousand (1,000) drachmae each, as described in detail in the published Gazette 1016/2.5.1989, Sociétés Anonymes and Limited Liability Companies Issue.
- By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 18.5.1989, the share capital was increased by two hundred and forty five million (245,000,000) drachmae, which were paid up in full through the issuance of two hundred and forty five thousand (245,000) common registered shares, with a par value of a thousand (1,000) drachmae each. This increase was published in Gazette 3193/17.9.89, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to two hundred and fifty million Greek Drachmas (GRD 250,000,000), divided in 250,000 common registered shares, with a par value of a thousand (1,000) drachmae each.
- By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 22.9.89, the share capital was increased by two hundred and fifty million (250,000,000) drachmae, which were paid up in full through the issuance of two hundred and fifty thousand (250,000) common registered shares, with a par value of a thousand (1,000) drachmae each. This increase came into effect through the amendment of article 5 of the Articles of Association and was published in Gazette 3858/6.11.89, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to five hundred million drachmas (GRD 500,000,000), divided in 500,000 common registered shares, with a par value of a thousand (1,000) drachmae each.
- By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 30.10.89, the share capital was increased by five hundred million (500,000,000) drachmae, which were paid up in full through the issuance of five hundred thousand (500,000) common registered shares, with a par value of a thousand (1,000) drachmae each. This increase came into effect through the amendment of article 5 of the Articles of Association and was published in Gazette 286/7.2.90, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion drachmas (GRD 1,000,000,000), divided in 1,000,000 common registered shares, with a par value of a thousand (1,000) drachmae each.
- By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 8.8.90, the share capital was increased by five hundred million (500,000,000) drachmae, which were paid up in full through the issuance

of five hundred thousand (500,000) common registered shares, with a par value of a thousand (1,000) drachmae each. This increase was published in Gazette 3642/26.9.90, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion five hundred million drachmas (GRD 1,500,000,000), divided in 1,500,000 common registered shares, with a par value of a thousand (1,000) drachmae each.

6. On 9.2.94, the Extraordinary General Assembly of the Company's shareholders decided to reduce the par value of the Company's shares from one thousand (1,000) drachmae per share to one hundred (100) drachmae per share and to increase the Company's share capital by three hundred and seventy five million (375,000,000) drachmae through the issuance of three million seven hundred and fifty thousand (3,750,000) common registered shares, with a par value of a hundred (100) drachmae each and an issue price of one thousand nine hundred drachmas (GRD 1,900) each. The new shares were distributed by means of an Initial Public Offering and were listed in the Athens Stock Exchange. This increase was published in Gazettes 869/9.3.94 and 4114/12.7.94, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to one billion eight hundred and seventy five million drachmas (GRD 1,875,000,000), divided in eighteen million seven hundred and fifty thousand (18,750,000) common registered shares, with a par value of one hundred (100) drachmae each.
7. By means of a decision of the Ordinary General Assembly of the Company's shareholders that was held on 16.6.95, the share capital was increased by one billion eight hundred and seventy five million (1,875,000,000) drachmae, through the capitalization of sixty five million five hundred and twenty three thousand eight hundred and seventy five drachmas (GRD 65,523,875) that resulted from asset revaluation, nine million four hundred and seventy six thousand one hundred and twenty five drachmas (GRD 9,476,125) from the tax free reserve and one billion eight hundred million (1,800,000,000) from the issuance of shares above par, with a simultaneous increase of the par value of the Company's existing shares from one hundred (100) to two hundred (200) drachmae per share. This increase was published in Gazette 4362/20.7.95, Sociétés Anonymes and Limited Liability Companies Issue. Thus, the Company's share capital increased to three billion seven hundred and fifty million drachmas (GRD 3,750,000,000), divided in seventeen million seven hundred and fifty thousand (17,750,000) common registered shares, with a par value of two hundred (200) drachmae each.
8. By means of a decision of the Extraordinary General Assembly of the Company's shareholders that was held on 1.12.98, the share capital was increased by three hundred and seventy five million (375,000,000) drachmae, through the capitalization of two hundred and eighty five million seven hundred and forty nine thousand five hundred drachmas (GRD 285,749,500) that resulted from asset revaluation, and eighty nine million two hundred and fifty thousand five hundred (GRD 89,250,500) from the tax free reserve, with the issuance of one million eight hundred and seventy five thousand (1,875,000) common registered shares, with a par value of two hundred (200) drachmae each. This increase was published in Gazette 10053/21.12.98, Sociétés Anonymes and Limited Liability Companies Issue. After the aforementioned increase, the Company's share capital amounts to four billion one hundred and twenty five million (4,125,000,000) drachmae, has been paid in full and is allocated in twenty million six hundred and twenty five thousand (20,625,000) common registered shares, with a par value of two hundred (200) drachmae each.
9. By means of a decision of the Second Repetitive General Assembly of the Company's shareholders that was held on 21.7.99, the Company's share capital was increased by eight hundred and twenty five million (825,000,000) drachmae, through the issuance of four million one hundred and twenty five thousand 4,125,000 common registered shares, with a par value of two hundred (200) drachmae each, by capitalizing the reserves of a/c "Untaxed Reserves (exemption specific)", and by one billion two hundred ninety seven million five hundred thousand (1,297,500,000) drachmae through the issuance of six million four hundred and eighty seven thousand five hundred (6,487,500) new common registered shares with a par value of two hundred (200) drachmae and a buying price of one thousand eight hundred (1,800) drachmae per share. All new shares were listed in the Athens Stock Exchange: those related to the capitalization of reserves were listed on 25.11.1999, and those related to cash payment on 14.1.2000. This increase was published in Gazette 8243/14.10.99, Sociétés Anonymes and Limited Liability Companies Issue. The aforementioned increase, brought the Company's share capital to six billion two hundred and forty seven five million five hundred thousand (6,247,500,000) drachmae, divided in thirty one million two hundred and thirty seven thousand five hundred (31,237,500) common registered shares, with a par value of two hundred (200) drachmae each.

10. By means of a decision of the Ordinary General Assembly of the Company's shareholders that was held on June 27th, 2001, the company's share capital was increased by four billion three hundred and ninety six million six hundred and seventy eight thousand one hundred and twenty five (4,396,678,125) drachmae, or twelve million nine hundred and two thousand nine hundred and forty three Euro and eighty seven cents (12,902,943.87), through the capitalization of three hundred and twenty two million two hundred and fifty nine thousand five hundred and fifty drachmas (GRD 322,259,550) or nine hundred and forty five thousand seven hundred and thirty six euro and two cents (€ 945,736.02) from the reserve from the revaluation of fixed assets, six hundred and eighty one million two hundred and seventy three thousand three hundred and seventy five drachmas (GRD 681,273,375) (€ 1,999,334.92) from the untaxed reserves of article 22 Law 1828/89 and three billion three hundred and ninety three million one hundred and forty five thousand two hundred (GRD 3,393,145,200) (€ 9,957,872.93) from the reserve formed by the value of previous share capital increases above par, with a simultaneous increase of the par value of the Company's share from two hundred (200) to three hundred and forty drachmae and seventy five lepta (GRD 340,75) / one (1) Euro (Gazette 7241/13.8.01). After the aforementioned increase, the Company's share capital amounts to ten billion six hundred and forty four million one hundred and seventy eight thousand one hundred and twenty five (10,644,178,125) drachmae/thirty one million two hundred and thirty seven thousand five hundred Euro, has been paid up in full, and is allocated in thirty one million two hundred and thirty seven thousand five hundred (31,237,500) common registered shares, with a par value of three hundred and forty drachmae and seventy five lepta (GRD 340,75) / one (1) Euro each.
11. By means of a decision of the Ordinary General Assembly of the Company's shareholders that was held on May 23rd, 2006, the company's share capital was increased by three million one hundred and twenty three thousand seven hundred and fifty euro (3,123,750), through the capitalization of the following reserves: (a) the amount of one million four hundred and eighty nine thousand five hundred and thirty four euro and twenty six cents (1,489,534.26), from the surplus gains arising from the revaluation of fixed assets according to the articles of Law 2065/92, (b) the amount of one million five hundred and sixty one thousand eight hundred and seventy five euro (1,561,875.00) from the reserve formed by the value of previous share capital increases above par and (c) the amount of seventy two thousand three hundred and forty euro and seventy four cents (72,340.74) from the taxed reserves of article 8 Law 2579/1998. The increase in question was concluded through the issuance of 3,123,750 common registered shares, with a par value of 1 euro each, distributed free to the shareholders (at a ratio of 1 new for every ten existing shares).

The following table summarizes the evolution of the Company's share capital:

DATE OF GENERAL ASSEMBLY	GAZETTE	METHOD OF INCREASE		TOTAL SHARE CAPITAL (IN GRD)	NUMBER OF SHARES	PAR VALUE (IN GRD)
		CASH	CAPITALISATION OF RESERVES			
INCORPORATION	1016/ 2.5.89	5,000,000		5,000,000	5,000	1,000
18/5/89	3193/17.8.89	245,000,000		250,000,000	250,000	1,000
22/9/89	3858/6.11.89	250,000,000		500,000,000	500,000	1,000
30/10/89	286/7.2.90	500,000,000		1,000,000,000	1,000,000	1,000
8/8/90	3642/26.9.90	500,000,000		1,500,000,000	1,500,000	1,000
9/2/94	869/9.3.94	Reduction of par value of share		1,500,000,000	15,000,000	100
5/5/94	4114/12.7.94	375,000,000		1,875,000,000	18,750,000	100
16/6/95	4362/20.7.95		1,875,000,000	3,750,000,000	18,750,000	200
1/12/98	10053/31.12.98		375,000,000	4,125,000,000	20,625,000	200
21/7/99	8243/14.10.99	1,297,500,000	825,000,000	6,247,500,000	31,237,500	200
27/6/01	7241/13.8.01		4,396,678,125	10,644,178,125	31,237,500	340.75 (1 €)
DATE OF GENERAL ASSEMBLY	GAZETTE	CASH	CAPITALISATION OF RESERVES	TOTAL SHARE CAPITAL (IN GRD)	NUMBER OF SHARES	PAR VALUE (IN GRD)
23/5/06	3686/31.5.06		3,123,750	34,361,250	34,361,250	1

## 6.7 SHAREHOLDERS

The following table presents the Company's shareholder structure as per 29.02.2008 (Shareholders with holdings over 2.50 %)

Shareholder	No. of Shares	Percentage
PEGASUS PUBLISHING S.A	8,551,767	24.89%
LAMBRAKIS PRESS S.A	7,597,965	22.11%
BNP PARIBAS (SUISSE) SA	1,610,675	4.69%
EUROFINANCIERE D INVETISSEMENT MONACO	1,386,871	4.04%
PREMIER LTD	1,063,782	3.10%
SARAN HOLDINGS S.A	927,300	2.70%
X.K.TEGOPOULOS PUBLISHING S.A	919,778	2.68%

## 6.8 ADMINISTRATION — OPERATIONS MANAGEMENT

The Company's Board of Directors consists of eight members, and according to its composition as per 17.07.2006 the following persons occupy the corresponding seats:

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

The term of office of the above board ends in 2011.

The Company is represented by its Managing Director, in accordance to the stipulations of the Board's minutes as per 17.07.2006.

Furthermore, according to a decision made by the Company's Board on 31.05.2006, certain managers and employees of the Company have been granted special authorization to represent the latter, on the basis of the stipulations of the aforementioned minutes.

The members of the Board have received no compensation from the foundation of the Company and up to the fiscal year 2001. The Ordinary General Assembly of the Company's shareholders held on 26.06.2003 approved a fee for the two executive members of the Board that amounts to € 24,000. For the fiscal year 2007 the same fee of € 24,000 for the two independent non-executive members of the Board is proposed to the General Assembly of the Company's shareholders.

Board member Mr. Tsigas is linked to the former by an employment agreement with the Company. His annual ordinary earnings for the period 14.6.2007 to 14.6.2008 have been specified by the Ordinary General Assembly that was held on 14.6.2007.

The Company's senior executives are the following:

**Elias E. Tsigas:** Hired in 1994 as General Manager and assumed duties as Chairman of the Board and Managing Director by late 1997. He holds a degree from a Business Administration School of a US University.

**Thanos G. Andreoulis:** Assumed responsibility of the Finance Department in September 1996. He holds degrees in Economics and Mathematics from a US University.

**Ioannis A. Kotopoulos:** Technical Manager since 1996. He holds a degree in Electrical Engineering and has been working with Teletypos SA since 1990. He is very experienced in the design and development of telecommunications systems.

**Petros I. Boutos:** Assumed duties as Program Manager in June 1999. He holds degrees in Economics and History from a US University.

**Ioannis G. Purgalis:** Human Resources Manager since 1995, graduate of the Law School of the University of Athens.

**Leonidas N. Florakis:** Hired in 2001 as IT Manager. He holds a degree in Physics from the University of Athens, and a postgraduate degree in Management Information Systems.

**Dimitrios P. Petropoulos:** Operations Manager since 2000. He has been working with Teletypos S.A since the station started operating. He holds a diploma in Mechanical Technology, and has great experience in the television industry.

**Zafiris I. Charalambidis:** Commercial Manager since 2000, with previous experience in Teletypos S.A since 1994, holder of a degree in Business Administration from a US University.

**Christos N. Panayotopoulos:** Assumed duties as Head of News and Current Affairs in August 2003 and has been with Teletypos S.A since 1991.

**Haris D. Goulios:** Assumed duties as Communications Manager in November 2007 and has been with Teletypos S.A. since 1999. He holds a postgraduate degree in Communications.

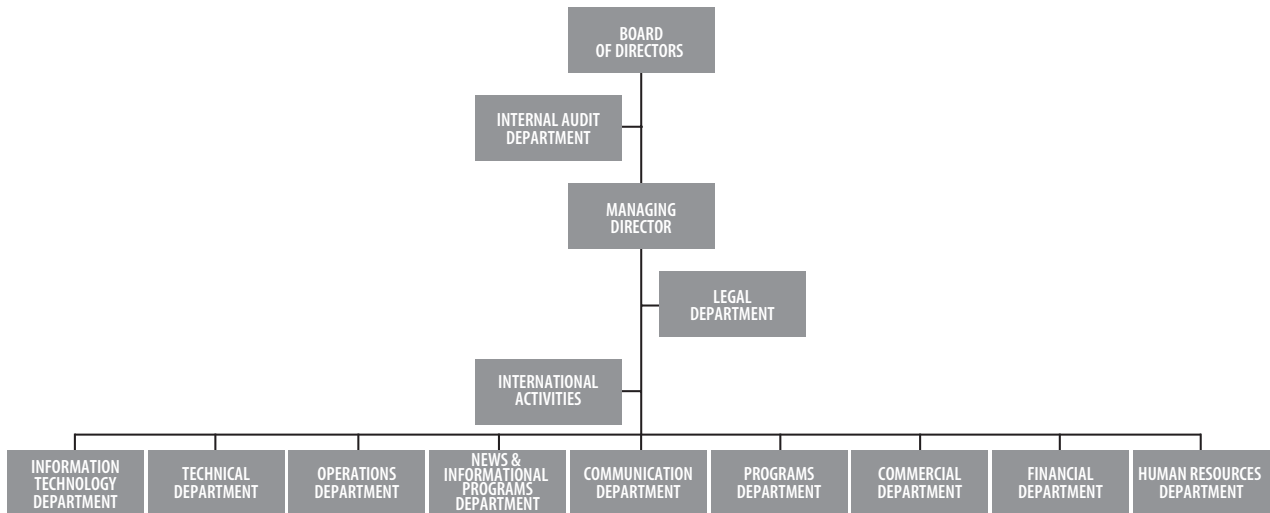
As far as the management of the Company's operations is concerned, both the managers and the members of the Board are surrounded by a group of experienced executives.

None of the members of the Company's board or its managers has been finally sentenced for dishonorable deeds, or financial crimes, nor has any implication in cases outstanding in court and pertaining to bankruptcy, criminal action and prohibition to practice:

- Business activities
- Stock exchange transactions
- The profession of investment consultant, bank and insurance company manager, underwriter, brokerage firm executive etc.

All the members of the Board, as well as the managers, are of Greek nationality and citizenship. There is no blood relation among any of the Board members and the managers of the Company.

## 6.9 ORGANIZATION CHART



## 6.10 PERSONNEL

The average number of persons employed by Teletypos SA during the period 2005-2007 per operational unit is as following:

AVERAGE NO. OF EMPLOYEES	2005	2006	2007
Production	532	539	530
Administration	81	70	70
Sales and Marketing	35	37	42
<b>TOTAL</b>	<b>648</b>	<b>646</b>	<b>642</b>

From the total number of employees on 31.12.2007, 11.2% of personnel held a University degree and 2 % held a Masters degree. The following table presents the total gross earnings of the Company's personnel per operational unit for the last three-year period:

COST OF PAYROLL (in thousand euro)	2005	2006	2007
Production	24,405	25,780	27,472
Administration	3,918	4,033	4,305
Sales and Marketing	1,793	2,033	2,300
<b>TOTAL</b>	<b>30,116</b>	<b>31,846</b>	<b>34,077</b>

The Company places great emphasis in the utilization of its human resources and tries to ensure good working conditions for its personnel. The constant improvement of personnel training is one of the Management's priorities, and as a result approximately € 66,000 has been invested in training seminars from 2005 up to 2007.

### 7.1 GENERAL INDUSTRY INFORMATION

According to the analysis of the National Statistical Service (StaCod 2003), the Company belongs to sector  $\Xi 922$ , Radio and Television Activities. This sector includes companies whose main activity is:

- the broadcasting of radio and television programs
- the production of radio and television programs, either broadcasted live, or recorded on tape or other recording means, and either combined, or not, with a subsequent broadcast.

The programs produced and broadcasted may be intended for entertainment, advertisement, education, training, or news broadcasting. The production of the programs may, usually, result in a permanent tape recording, which can be sold, leased, or stored for broadcasting, or re-broadcasting.

Private television emerged in Greece in 1989, after the abolition of the state television monopoly. The first television stations that were created (MEGA Channel, ANTENNA TV), as well as the latecomers (STAR, ALPHA), soon managed to capture high TV ratings and attract a substantial portion of television advertising expenditure away from state television stations.

Television station revenues are unbreakably connected to the growth of both overall advertising expenditure, and, more specifically, its portion that is directed to television.

Advertising expenditure has been one of the most rapidly growing sectors of the Greek economy in the past few years. The following table presents the growth in advertising expenditure from 2005 to 2007:

(in thousands euro)	2005	2006	2007
Total Advertising Expenditure	2,190,040	2,341,451	2,652,662
% Change	7.3%	7.0%	13.3%

Source: Media Services (excluding VAT)

The factors that have assisted the growth of advertising expenditure in the past few years are:

1. The fierce competition in the mobile telephony industry and all services and products related to it
2. The development of outlet networks that deal in products related to new multimedia technologies
3. The increase in the advertising expenditure of the Public Sector
4. The promotion of many new games by the State Gaming Organization (OPAP SA)
5. The developments in the banking sector and the intense promotion of banking products

Television advertising expenditure has held a dominant position in recent years. Specifically, after the rapid growth it showed during the period 1989-1993, and after the changes brought on by Law 2328/95 (see Chapter 7.2, Legal Status), advertising expenditure in television has stabilized around 45%, attesting the dominance of TV as an advertising means. The following table presents the growth of advertising expenditure over time (as an amount and as a percentage) in the various Mass Media:

	TELEVISION		MAGAZINES		NEWSPAPERS		RADIO		TOTAL
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
2005	782,566	36.0%	866,201	40.0%	407,380	19.0%	113,893	5.0%	2,190,040
2006	791,557	34.0%	978,146	42.0%	452,383	19.0%	119,365	5.0%	2,341,451
2007	939,840	35.0%	1,047,493	39.0%	499,732	19.0%	165,597	6.0%	2,652,662

Note. Amounts in thousand euro

Television advertising expenditure increased by 1.7% in 2005, 1.1% in 2006 and 18.7% in 2007.

The success of television is due to factors related either with the medium itself, or with the distribution of advertising time, such as:

- The decrease of total TV ratings per average minute, from 14.8% in 2005 to 13.9% in 2007. Furthermore, the percentage of total TV ratings per average minute during prime time has decreased from 15.1% in 2006 to 14.5% in 2007.

### Percentage of average minute total viewing

(full day)

2005	14.8%
2006	14.5%
2007	13.9%

### Percentage of average minute total viewing

(prime time 21:00-23:59)

2005	14.6%
2006	15.1%
2007	14.5%

The Marketing policies pursued by television stations created the appropriate conditions for the advertisement of a growing number of products. The strengthening of TV's position in the advertising field is illustrated by the following table, which presents the increase of TV commercials, in comparison to advertisements appearing in other Media.

### Number of messages

	TELEVISION	Change (%)	MAGAZINES	Change (%)	NEWSPAPERS	Change (%)	RADIO	Change (%)
2005	1,346,369	6%	147,016	1%	129,338	5%	984,819	2%
2006	1,462,543	9%	152,471	4%	127,764	-1%	1,048,135	6%
2007	1,637,228	12%	151,414	-1%	120,710	5.5%	1,238,663	18.2%

## 7.2 COMPETITION — PROSPECTS

Ten (10) nation-wide private television stations operate in Greece. In addition, there are more than 100 regional or local TV stations, which, due to the nature of their activities, do not affect as a whole the distribution of the overall advertising expenditure, since their viewer rates are very low. Overall TV viewing is concentrated among five (5) private (MEGA Channel, ANTENNA TV, STAR, ALPHA, ALTER) and two (2) state stations (ET1 and NET), whose cumulative TV ratings share amounts to 85.7%.

Competition among these seven television stations is focused both on their daily viewer ratings (during both overall broadcasting time and prime time), and the portion of the total advertising expenditure they absorb. In 2007, the two largest channels, MEGA and ANTENNA, shared the first and the second place in TV ratings (with 18.5% and 16.5% respectively). ALPHA occupied the third (13.9%), STAR the fourth place (10.8%) and ALTER the fifth place (10.3%). In prime time ratings (21:00-23:59), the share of MEGA was 22.5% versus 15% of ANTENNA, 15.2% of ALPHA, 10% of STAR and 7.6% of ALTER. In terms of television advertising expenditure shares, during 2007 MEGA had a share of 30.2%, while ANTENNA 23%. The average market shares of the remaining TV stations ranged at lower levels during the past three years: STAR (16.4%), ALPHA (15.1%), ALTER (9.6%), ET1 and NET (5.8%).

It is expected that competition among the major TV stations will continue to be intense in the television market. Apart from the above competitors, which come from the television field, the company is also competing for advertising expenditure with other Media, such as newspapers, radio and magazines, while it expects further competition in the future from cable TV.

The prospects of Greek television stations are auspicious, given that television advertising expenditure is expected to grow faster than in other European countries. Moreover, as a percentage of total advertising expenditure in Greece, television advertisement expenditure is much higher (35%) than in other European countries.

## 7.3 THE COMPANY'S POSITION IN THE INDUSTRY

MEGA occupies a dominant position in the advertising market, since it provides very high returns on advertising investments, along with a widely acceptable environment for TV commercials. Specifically:

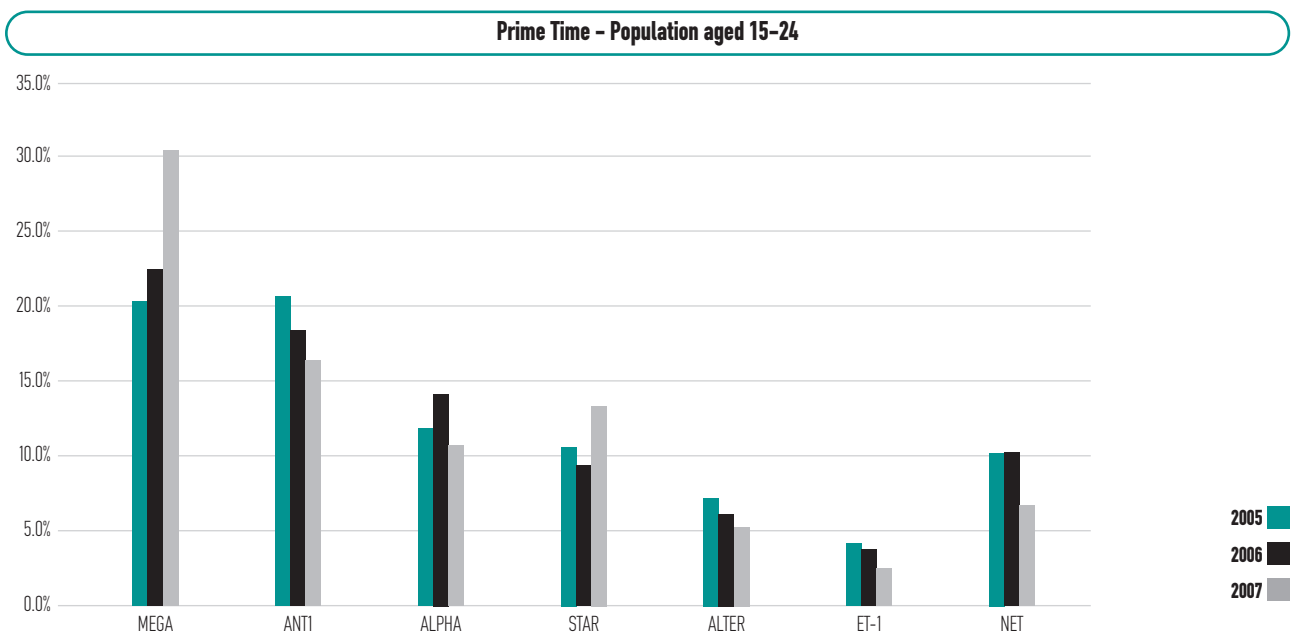
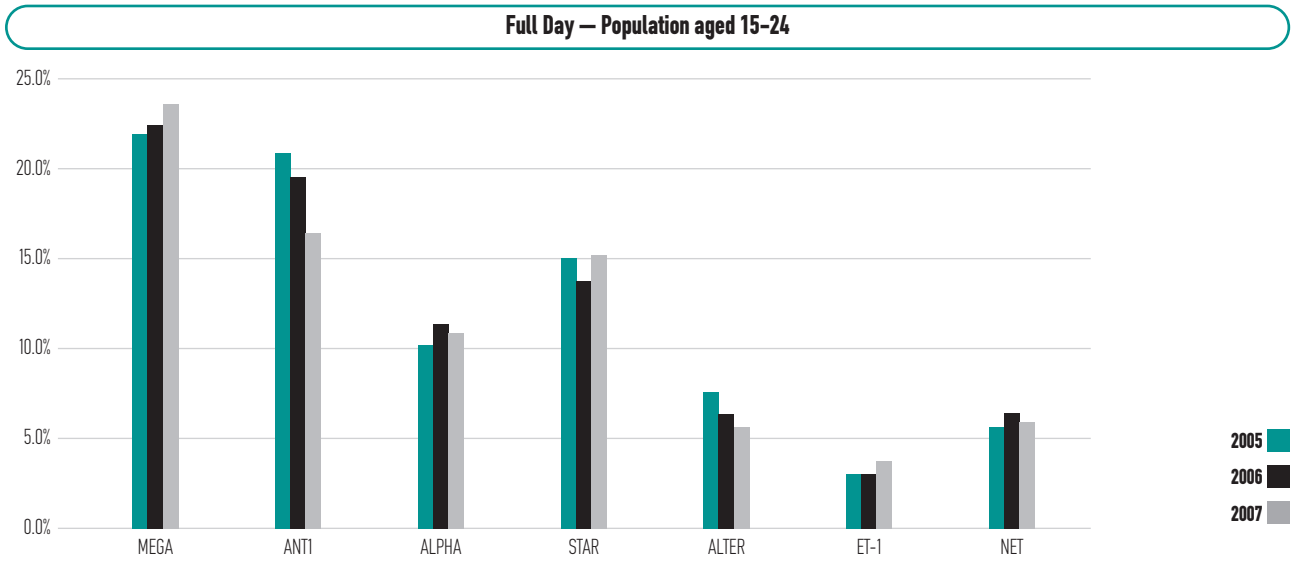
The steady growth of MEGA's share in the television advertisement market, bears proof of its dominant position in the industry. The following table presents the portion of advertising expenditure absorbed by MEGA, as well as the other TV channels, during the period 2005-2007:

	2005		2006		2007	
	Amount thous. euro	%	Amount thous. euro	%	Amount thous. euro	%
MEGA	236,986	30.3%	234,189	29.6%	283,396	30.2%
ANTI	232,495	29.7%	196,736	24.9%	216,486	23.0%
STAR	102,219	13.0%	116,067	14.7%	153,780	16.4%
ALPHA	110,895	14.2%	134,843	17.0%	141,463	15.1%
ALTER	71,206	9.1%	60,375	7.6%	90,340	9.6%
ET1+ NET	28,187	3.6%	48,741	6.1%	53,672	5.7%
Others	578	0.1%	606	0.1%	703	0.1%
TOTAL	782,566	100%	791,557	100%	939,840	100%

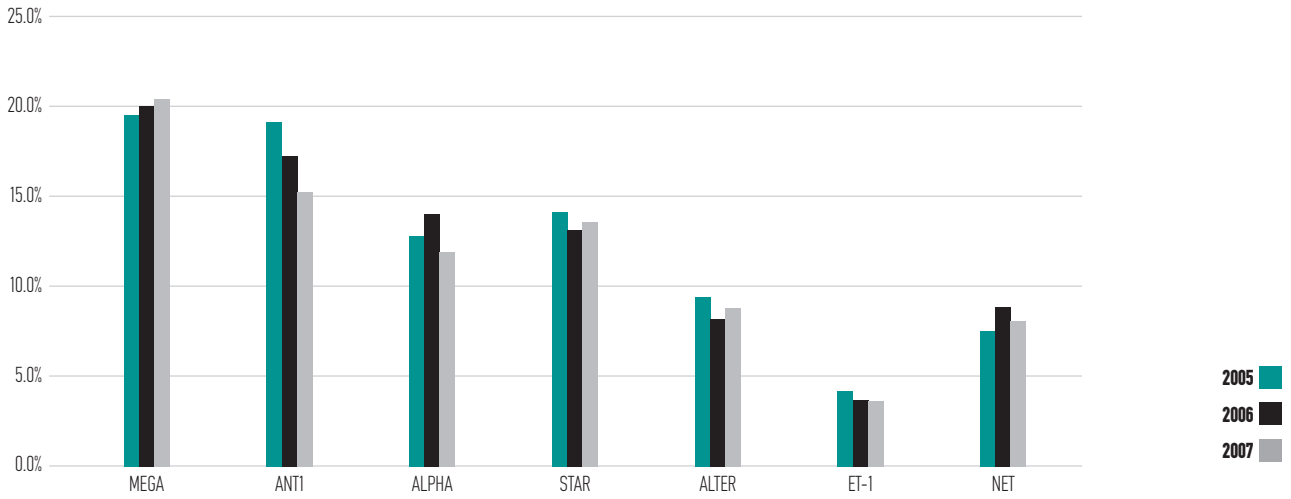
Source: Media Services

Apart from the preference of the advertising market, MEGA has also captured a dominant position in TV ratings, especially during prime time (21:00-23:59), in all dynamic audiences (adults aged 15-24 and 25-44), which constitute the target groups of more than 90% of all advertised products.

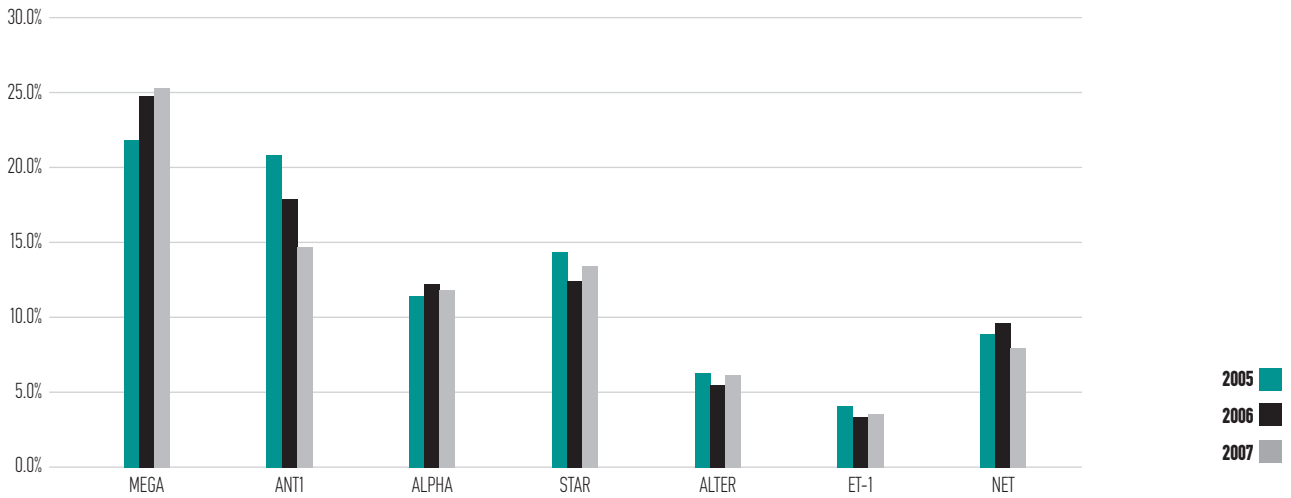
The dominant position occupied by MEGA from 2005 to 2007, in regard to the most dynamic commercially audience between the ages of 15 and 44 years, as well as during prime time, is evident in the following charts:



**Full Day — Population aged 25-44**



**Prime Time — Population aged 25-44**



Furthermore, MEGA is preferred by viewer groups of high and medium education. The same stands for STAR, whereas ANTENNA and ALPHA are preferred by lower and average education groups.

The following factors have led to MEGA's leadership in advertising expenditure and dynamic audience (aged 15-44, of high and medium education) ratings:

- The creation of programs covering the entire range of viewers, emphasizing on the quality production of series, and the original humor of comedies and on innovative game shows
- News broadcasts that aim at providing viewers with complete information, avoiding scandal mongering and the violation of privacy
- The exclusive co-operation agreement with Columbia (COLGEMS) that ensures the broadcasting of the best and most commercial motion pictures from American studios that are broadcasted for the first time on TV
- The uninterrupted, since 1994, broadcasting of the Champions League matches, the most important sports tournament at club level in the world; an agreement that lasted until 2006
- The rational pricing policy pursued by MEGA, which renders it the most effective medium for the proper advertisement and communication of products
- The fact that all quality surveys indicate MEGA, as the channel with most positive image in regard to reliability, seriousness, pluralism, program quality, information, entertainment and associates.

MEGA's dominance renders it the ideal vehicle for the prestige campaigns of advertised products.

MEGA's consistent and reliable commercial policy, in conjunction with its excellent relations with all advertising agencies and all advertisers, as well as their bodies, the Union of Greek Advertising Agencies and the Union of Greek Advertisers, has established it as an invaluable associate, which is always by its customers' side, and whose main concern is to find solutions in order to achieve their communication targets.

**8.1 PROGRESS OF OPERATIONS — RESULTS**

The results of the Company for the fiscal years 2005-2007 are presented below:

**Income Statement (I.F.R.S.)**

(in thousands euro)	2005	2006	2007
<b>Turnover (Sales) from:</b>			
- Sales from Advertisements	133,975	142,411	172,542
- Sales from Broadcasting Rights & commissions	2,247	900	996
<b>Total turnover</b>	<b>136,222</b>	<b>143,311</b>	<b>173,538</b>
Cost of Sales	(49,666)	(53,385)	(53,702)
Other Operating Income	6,203	14,638	10,996
<b>Gross Profits before Depreciation/Amort.</b>	<b>92,759</b>	<b>104,564</b>	<b>130,832</b>
% of turnover	68.1%	73.0%	75.4%
Administrative Expenses	(6,961)	(7,040)	(7,891)
Selling Expenses	(3,843)	(4,408)	(5,129)
<b>Total</b>	<b>(10,804)</b>	<b>(11,448)</b>	<b>(13,020)</b>
% of turnover	7.9%	8.0%	7.5%
<b>Operating Profits before Depreciation/Amort.</b>	<b>81,955</b>	<b>93,116</b>	<b>117,812</b>
% of turnover	60.2%	65.0%	67.9%
- Extraordinary Profits	95	376	81
- Prior Year's Profits	24	102	199
	<b>119</b>	<b>478</b>	<b>280</b>
- Extraordinary & Non-Operating Expenses	(1,085)	(120)	(336)
- Prior Year's Expenses	(723)	(372)	(221)
- Provision for Bad Debts	(371)	(1,029)	(3,092)
	<b>(2,179)</b>	<b>(1,521)</b>	<b>(3,649)</b>
<b>Profit before Depreciation, Interest &amp; Taxes</b>	<b>79,895</b>	<b>92,073</b>	<b>114,443</b>
% of turnover	58.7%	64.2%	65.9%
- Interest Received	8	7	15
- Interest Charges	(4,813)	(4,756)	(5,401)
<b>Profit before Depreciation &amp; Taxes</b>	<b>75,090</b>	<b>87,324</b>	<b>109,057</b>
% of turnover	55.1%	60.9%	62.8%
<b>Depreciation &amp; Amortization</b>	<b>(68,934)</b>	<b>(80,168)</b>	<b>(92,952)</b>
<b>Profit before Taxes</b>	<b>6,156</b>	<b>7,156</b>	<b>16,105</b>
% of turnover	4.5%	5.0%	9.3%
Taxation	(2,461)	(2,374)	(4,774)
<b>PROFIT AFTER TAXES</b>	<b>3,695</b>	<b>4,782</b>	<b>11,331</b>
% of turnover	2.7%	3.3%	6.5%

The calculation of the Operating Result does not include depreciation charged in the Cost of Sales, the Administration Expenses, and the Operation-Distribution Expenses.

The main fundamentals of the Company are analyzed below:

## Turnover

Analysis of Turnover	2005	2006	2007
(in thousand euro)			
Sales of Advertising Time	133,975	142,411	172,542
Revenues from Movie and Television Royalties	1,498	18	18
Sales of Royalties abroad	12	0	11
Earnings from Exploitation of Studios & Television Broadcasts	737	883	967
<b>Total</b>	<b>136,222</b>	<b>143,311</b>	<b>173,538</b>
% Growth	12.4%	5.2%	21.1%

In 2007, total turnover amounted to € 173.5 million, presenting an increase of 21.1%. This increase was due to the increase in the company's market share (by 18.7%) in television advertising expenditure, and also due to Teletypos SA maintaining its high market share.

The sales of royalties abroad concern mainly the sale of royalties to Cyprus.

## COST OF SALES (BEFORE DEPRECIATION)

The Company's cost of sales (excluding depreciation) for the fiscal years 2005-2007 is analyzed as follows:

Cost of Sales Analysis	2005	2006	2007
(in thousand euro)			
Purchased program for limited broadcasts (Foreign and Greek)	15,592	14,368	13,135
Technical and News Costs before depreciation	28,921	32,473	35,078
Broadcasting License Fees and other royalties	5,153	6,544	5,489
<b>Total</b>	<b>49,666</b>	<b>53,385</b>	<b>53,702</b>
% Growth	-3.6%	7.5%	0.6%

The program cost for limited broadcasts decreased in 2007 by 8.58% compared to 2006.

The cost of the foreign and Greek purchased program concerns rights for limited broadcasts of movies and TV series acquired from the major international (Golgems, Village, Odeon etc.) and Greek (Karayiannis-Karatzopoulos, Finos) production firms. In case the relevant agreement provides for consecutive broadcasting rights, then part of the cost of the broadcasted program is transferred to Expenses Carried Forward (in a proportion that is justified by the description of the right in the corresponding agreement). That is to say, the expense is booked as an expense in the accounting period the actual broadcasting has occurred.

Technical costs and news costs before depreciation have increased by 8.0% compared to 2006.

Broadcasting License Fees and other royalties amounted to € 5.5 million in 2007, a decrease of 16.1% compared to 2006.

## OTHER OPERATING INCOME

Other Operating Income mainly consists of income realized by the Company from long distance sale commissions and from the provision of technical services.

### Other Operating Income

(in thousand euro)	2005	2006	2007
Grants ("OAED" etc)	43	13	0
Income from the provision of technical services	4,821	13,416	9,164
Income from long distance sales commissions	1,310	1,169	1,798
Income from rents	29	40	34
<b>Total</b>	<b>6,203</b>	<b>14,637</b>	<b>10,996</b>
% Growth	-10.2%	136.0%	-24.9%

## GROSS PROFIT (BEFORE DEPRECIATION)

The Company's gross profit increased from € 104.5 million in 2006 to € 130.8 million in 2007, and as a percentage of turnover from 73% in 2006 to 75.4% in 2007.

## OPERATING EXPENSES (BEFORE DEPRECIATION)

The Company's operating expenses consist of Administration expenses, i.e., the operating costs and the payroll of the administrative services, and Distribution expenses, i.e. sales and marketing expenses, promotion and advertisement expenses, as well as customer bonuses.

Moreover, operating expenses include costs that, according to Law 2238/91 art. 31 par 2, may not be supported by any documentation, apart from the legal receipt documents. Such costs do not exceed 0.5% of the Company's advertisement revenues.

Operating expenses for the fiscal years 2005-2007, are analyzed as follows:

### Operating Expenses (Administrative & Distribution)

(in thousand euro)	2005	2006	2007
Remunerations & Employee Expenses	5,711	5,928	6,605
Third Party Benefits, Taxes & Duties, Various Expenses	0	0	0
<b>Total before depreciation</b>	<b>5,093</b>	<b>5,520</b>	<b>6,415</b>
% Growth	10,804	11,448	13,020
	5.7%	6.0%	13.7%

Operating expenses for fiscal year 2007 increased by 13.7%.

## OPERATING RESULT (BEFORE DEPRECIATION)

The Company's Operating Results (before depreciation) increased by 26.5% compared to 2006 and reached approximately € 117.8 million, while they also improved in terms of a percentage of turnover (from 65% in 2006 to 67.9% in 2007).

## EXTRAORDINARY RESULTS

In 2007, the company's extraordinary results decreased to € -3.369 thousand from € -1.043 thousand in 2006. The following table presents the analysis of the accounts Extraordinary and Non-operating Income and Expenses for the period 2005-2007:

## Extraordinary results

(in thousand euro)	2005	2006	2007
<b>1) A. Extraordinary &amp; Non-Operating Income</b>			
Credit foreign exchange differences	19	180	34
Other Extraordinary Income	57	138	35
Extraordinary profits from sale of assets	19	58	12
Income from previous period	24	102	199
<b>Total</b>	<b>119</b>	<b>478</b>	<b>280</b>
<b>2) B. Extraordinary &amp; Non-Operating Expenses</b>			
Foreign exchange differences from overseas suppliers	932	21	155
Other Expenses & Losses	148	18	173
Extraordinary losses from sale-destruction-loss of assets	6	81	8
Expenses from previous periods -Telecommunication circuits & Others	562	372	221
Expenses from previous periods -Payment of royalties	161	0	0
Provisions for extraordinary risks	370	1.029	3.092
<b>Total</b>	<b>2,179</b>	<b>1,521</b>	<b>3,649</b>

## EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES AND AMORTIZATION (EBITDA)

The Company's EBITDA reached € 114.4 million in 2007 compared to € 92.1 million in 2006. EBITDA as a percentage of turnover increased to 66% in 2007 from 64% in 2006.

## INTEREST CHARGES AND RELATED EXPENSES

The following table presents an analysis of interest charges and related expenses for the period 2005-2007:

### Analysis of Interest Charges & Related Expenses

(in thousand euro)	2005	2006	2007
Interest on long-term loans	2,085	1,361	1,811
Interest on short-term loans	2,573	3,267	3,438
Other related Expenses	155	128	152
<b>Total</b>	<b>4,813</b>	<b>4,756</b>	<b>5,401</b>

The Company's interest charges amount are approximately on average 3.5% of total turnover.

## INTEREST INCOME AND RELATED INCOME

Similarly, the Company's financial income for the period 2005-2007 is presented in detail in the following table:

### Interest Income & Related Income

(in thousand euro)	2005	2006	2007
Interest from domestic bank deposits	3	6	5
Interest from bank deposits in foreign currency	1	1	10
Other Related Income	4	0	0
<b>Total</b>	<b>8</b>	<b>7</b>	<b>15</b>

## DEPRECIATION

### A) Depreciation of Intangible Assets (MEGA self-owned programs)

Until fiscal year 1998, the Company (in the absence of any law governing television programs) depreciated 50% of the value of TV programs within the same accounting period these were broadcasted, and depreciated the remainder within the next 5 periods, at an annual rate of 10%. After the implementation of PD. 100/5.5.98 for the fiscal year 1998 and onwards, the Company used the new depreciation rates provided for by the law. More specifically, television programs are depreciated within 5 years, at an annual rate of 20%.

Sports programs, news bulletins, as well as daily shows that are broadcasted from Monday to Friday and from 6:30 to 13:00, i.e. programs that cannot be rebroadcast in subsequent accounting periods, are depreciated within the month they are broadcasted.

The following table presents the allocation of depreciation in the Cost of Sales and the Operating Expenses for the period 2005-2007:

### Depreciation Allocation

(in thousand euro)	2005	2006	2007
Depreciation in the Cost of Sales	68,873	80,094	92,868
Depreciation in Administration Operating Expenses	56	65	59
Depreciation in Operation Distribution Expenses	5	9	25
<b>Total</b>	<b>68,934</b>	<b>80,168</b>	<b>92,952</b>
% Growth	19.5%	16.3%	15.9%

### B) Depreciation of Establishment Expenses and Tangible Assets

The following table presents the way the Company's Establishment Expenses and Tangible Assets are depreciated:

### Depreciation Percentage (%)

Improvements on third party properties	8 - 20
Mechanical Equipment & Installations	5 - 15
Furniture & Other Equipment	5 - 30
Transportation means	15 - 30
Computers and software programs	100

In accordance with article 11, par. 5 of PD 100/1998, the company depreciates the entire (100%) amount paid for computers and software during the fiscal year.

## EARNINGS BEFORE TAXES

Earnings before Tax for 2007, increased by 125%, compared to 2006 and amounted to approximately € 16.1 million.

## 8.2 DISTRIBUTION OF EARNINGS BEFORE DEPRECIATION & AMORTIZATION

The distribution of the Company's Earnings before Depreciation for fiscal years 2005-2007 is presented in detail in the following table:

	2005	2006	2007	TOTAL 3 year period
Earnings before Depreciation and Taxes	75,090	87,324	109,057	271,471
Balance of Earnings from previous periods	1,605	628	242	2,475
Tax Audit differences from previous periods (Income)	-249	0	0	-249
<b>Total</b>	<b>76,446</b>	<b>87,952</b>	<b>109,299</b>	<b>273,697</b>
<b>Distributed as following:</b>				
Depreciation	68,934	80,168	92,952	242,054
Statutory Reserve	237	277	709	1,223
Income Tax	2,387	2,532	5,015	9,934
Other Taxes	3	4	4	11
Deferred Taxation	-178	-162	-245	-585
Dividends	4,061	4,467	7,903	16,431
Reserves from Earnings Taxed in a specific manner	0	0	0	0
Distribution to Employees	350	400	900	1,650
BoD Remunerations	24	24	24	72
Balance of Earnings carried forward	628	242	2,037	2,907
<b>Total</b>	<b>76,446</b>	<b>87,952</b>	<b>109,299</b>	<b>273,697</b>

89.2% of total earnings before depreciation and taxes for the period 2005-2007 correspond to depreciations, while 6% of these total earnings have been distributed to the shareholders in the form of dividends. Moreover, 3.4% of these earnings has been allocated to tax purposes, while 0.6% has been distributed to the Company's personnel. The remaining (0.8%) was used for the enhancement of the Company's capital.

### 8.3 FINANCIAL STATEMENT ANALYSIS

The following table presents the Company's fundamentals for the period 2005-2007:

#### BALANCE SHEET (I.FR.S.)

Assets (in thousands euro)	2005	2006	2007
<b>Fixed Assets</b>			
Intangible Assets			
- Cost	577,818	663,910	750,073
- Amortization	(441,841)	(519,637)	(610,107)
<b>Net Intangible Assets</b>	<b>135,977</b>	<b>144,273</b>	<b>139,966</b>
Tangible Assets			
- Cost	38,605	40,501	41,620
- Depreciation	(27,241)	(28,686)	(29,906)
<b>Net Tangible Assets</b>	<b>11,364</b>	<b>11,815</b>	<b>11,714</b>
Participations	1,447	1,448	1,448
Other Long Term Receivables	444	399	453
<b>Total Fixed Assets</b>	<b>149,232</b>	<b>157,935</b>	<b>153,581</b>
<b>Current Assets</b>			
Inventories	323	332	412
Receivables			
- Customer Trade Receivables	31,597	32,887	28,625
- Cheques Receivable	1,159	1,820	12,068
- Doubtful Customers & Debtors	283	283	283
- Other Debtors	10,647	11,011	12,132
- Securities on Hand	29	5	469
- Cash in Hand	1,910	4,191	7,635
- Prepayments & Deferred Expenses	36,091	35,382	31,946
<b>Total Current Assets</b>	<b>82,039</b>	<b>85,911</b>	<b>93,570</b>
<b>TOTAL ASSETS</b>	<b>231,271</b>	<b>243,846</b>	<b>247,151</b>
<b>EQUITY &amp; LIABILITIES</b> (in thousands euro)			
<b>Equity</b>			
Share Capital	31,238	34,361	34,361
Share Premium	35,031	33,469	33,469
Readjustment Differences	1,489	0	352
Reserves	11,360	11,565	11,565
Retained Earnings as at December 31st	4,689	4,709	11,573
<b>Total Equity</b>	<b>83,807</b>	<b>84,104</b>	<b>91,320</b>
Provisions for contingencies and expenses	5,461	6,200	7,183
<b>Liabilities</b>			
Long Term Liabilities			
- Long Term Bank Loans	41,503	52,546	43,500
- Other Long Term Liabilities	4	9	9
<b>Total</b>	<b>41,507</b>	<b>52,555</b>	<b>43,509</b>
<b>Short Term Liabilities</b>			
- Trade Payables	72,057	74,255	73,635
- Cheques Payable	2,964	609	258
- Bank - Short-term liabilities	3,984	4,498	3,995
- Advances by Customers	546	266	452
- Taxes & Duties	3,508	4,120	13,178
- Social Security Funds	990	1,038	1,097
- Current Portion of Long Term Debt	7,875	9,000	9,000
- Dividends Payable	509	376	165
- Other Creditors	2,788	2,074	1,691
- Accrued Expenses	5,275	4,750	1,668
<b>Total</b>	<b>100,496</b>	<b>100,987</b>	<b>105,139</b>
<b>Total Liabilities</b>	<b>142,003</b>	<b>153,542</b>	<b>148,648</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>231,271</b>	<b>243,846</b>	<b>247,151</b>

## TOTAL ASSETS

### Intangible Assets (program)

Intangible Assets, valued at acquisition cost, consist of the company self-owned program for which the Company has acquired the exclusive rights of production, future exploitation, sale, lease etc. The self-owned Greek program is always evaluated at book value, no matter if it is purchased, or produced in-house. In case of purchase, the acquisition cost is equal to the price of the purchase invoice, while in the case of in-house production, the cost comprises the total production cost (individual expenses, costs, and fees).

In its effort to retain its dominant position within a rather competitive environment, and to enrich its movie library, the Company is constantly renewing its TV program. As a result, the Company's investment in programs for the three-year period 2005-2007 amounted to approximately € 251 million. Intangible Assets do not include foreign programs, the cost of the News Programs and leased Greek films, which are rented and are included in the fiscal year they are broadcasted. The cost of the aforementioned leased programs is included in Expenses Carried Forward, when program has been paid but not yet broadcasted.

### Tangible Assets

The Company's Total Tangible Assets (net book value) amounted in 2007 to approximately € 11.7 million. Of this amount, 41% concerns fields and lots, 5% buildings and technical works, 41% mechanical equipment and technical installations, 2% transportation means, 11% furniture and other equipment.

The following table describes in detail the course of the book value of the Company's fixed assets during the fiscal years 2005-2007:

## EVOLUTION OF BOOK VALUE OF FIXED ASSETS FOR FINANCIAL YEARS 2005-2007

(in thousand euro)	Net Book Value	Re-adjustments	Additions	Reductions-Sales	Depreciations	Net Book Value
	01.01.2005		01.01.2005		01.01.2005	
			-31.12.2007	2005-2007	-31.12.2007	31.12.2007
<b>Intangible Assets (Programme - Trademark)</b>						
Programme	120,434		251,348		(234,522)	137,260
First establishment & capital increase expenses			19	(19)		0
Trademark	79		5	(123)	49	10
Self-production underway			2,696			2,696
<b>Total Intangible Assets</b>	<b>120,513</b>	<b>0</b>	<b>254,068</b>		<b>(234,473)</b>	<b>139,966</b>
<b>Tangible (Fixed) Assets</b>						
Land-Plots	4,800					4,800
Technical Works in Third-Party Buildings	1,246		123		(823)	546
Mechanical Equipment & Technical Installations	3,350		4,531	(602)	(2,433)	4,846
Transportation means	156		328	(250)	(13)	221
Furniture and other (mechanical) equipment	1,683		3,034	(1,922)	(1,494)	1,301
<b>Total Tangible Assets</b>	<b>11,235</b>	<b>0</b>	<b>8,016</b>	<b>(2,774)</b>	<b>(4,763)</b>	<b>11,714</b>

On the Company's fixed assets there are no mortgage prenotations or other collateral.

The Company had provided the following guarantees on 31.12.2007:

- Bank letters of guarantee to cover trade liabilities of the athletic programme amounting to a total of 3.98 mn euro.
- Bank letter of guarantee on behalf of the Gakou family according to an appeal decision amounting to 362.49 thousand euro.

## PARTICIPATIONS AND OTHER LONG TERM RECEIVABLES

In September 2004, Teletypos S.A. sold 7% of the share capital of "Multichoice Hellas S.A.". The claim was realized within 2005.

(in thousand euro)	2005	2006	2007
Participations in Teletypos Cyprus Limited	1,008	1,008	1,008
Participations in "Informational and Cultural Company O LOGOS unlimited"	439	439	439
Security Deposits with "P.P.C."	16	16	16
Security Deposits for Rents	331	345	392
Security Deposits with Associated Press & Unitel	58	1	1
Other Long Term Receivables	39	37	44
<b>Total Participations and other Long Term Receivables</b>	<b>1,891</b>	<b>1,846</b>	<b>1,900</b>

In 2000, the Company formed Teletypos Cyprus Limited, a 100% subsidiary. The latter company will be activated mainly in the purchase and sale of programs, know-how etc. in the markets of Cyprus and the Middle East.

According to the Balance Sheet of subsidiary company Teletypos Cyprus Ltd. of 31.12.2007, revenues amounted to € 2.6 million and earnings before taxes to € 728 thousand.

The company also has a 25% stake in the Cypriot company "Informational and Cultural Company O LOGOS unlimited".

Participation in the above company, which holds a license for the operation of a Cypriot-wide TV broadcasting station and broadcasts under the Mega brand, concerns only its TV-related activities.

## CURRENT ASSETS

Total current assets amount to € 93.6 million, of which 34% concern program rights inventories and 43% concern receivables from customers.

In 2007, customer receivables amounted to € 40.7 million approximately.

Sundry Debtors amount to approximately € 12 million and include a VAT debit balance of € 2.9 million, tax prepayment of € 3.5 million, deferred taxes of € 1.6 million and receivables of € 3.8 million from affiliated companies.

Prepayments and Expenses Carried Forward (Transit Debit Balances), mostly concern prepaid expenses, which consist of rights for TV programs (mostly from overseas houses) that will be broadcasted in the next fiscal years. In 2007, the expenditure for television program rights amounted to € 35.2 million, while total Transit Debit Balances amounted to € 35.4 million.

## EQUITY & LIABILITIES

The Share Capital of TELETYPOS SA amounted to € 34,361 thousand and is divided in 34,361,250 common registered shares with a par value of € 1 each.

The following table presents a detailed analysis of Reserves and their growth during the period 2005-2007:

## Analysis of reserves

(in thousand euro)	2005	2006	2007
Statutory Reserve	3,589	3,866	3,866
Special Reserves	140	140	140
Extraordinary Reserve	5,129	5,057	5,057
Special Untaxed Reserves	2,502	2,502	2,502
	11,360	11,565	11,565

## RESERVES

According to Law 2190/1920, the Company transfers 5% of its annual net profits to the Statutory Reserve, until this reserve becomes equal to one third (1/3) of its paid up capital. The Statutory Reserve of € 3.9 million is equivalent to almost 5% of the net profits for the fiscal years from 1991 up to 2007. Special Untaxed Reserves, amounting to € 2.5 million, concern part of the profits from the sale of "Multichoice Hellas S.A." shares.

Special Reserves concern the dividends for the fiscal years 1995, 1996, and 1997 that correspond to the 1,117,630 own shares acquired by the Company in 1995 and 1996, according to the provisions of paragraphs 5-14 of article 16 of Law 2190/1920.

## LONG TERM LIABILITIES

Long Term Liabilities mainly pertain to syndicated loans:

- a) a loan of € 45,000,000 that the company received on 25.05.2004. The purpose of the loan was the restructuring of short term lending liabilities. It is an unsecured loan, with a floating interest rate, based on the 3-month Euribor plus a 1.55% margin. Repayment will be made in 3 installments as following: € 9.0 million on 06.06.2007, € 9.0 million on 06.06.2008, € 13.5 million on 06.06.2009.
- b) a loan of € 15,000,000 that the company received on 27.09.2006. The purpose of the loan was the restructuring of short term and long term lending liabilities. It is an unsecured loan, with a floating interest rate, based on the 6-month Euribor plus a 1.50% margin. The syndicated loan will be repaid in full at maturity, on 29.09.2009.
- c) a loan of € 15,000,000 that the company received on 7.12.2006. The purpose of the loan was the restructuring of short term and long term lending liabilities. It is an unsecured loan, with a floating interest rate, based on the 6-month Euribor plus a 1.50% margin. The syndicated loan will be repaid in full at maturity, on 29.09.2009. The syndicated loan will be repaid in full at maturity, on 7.12.2010.

The banks that participate in syndicated loan (a), which was arranged and administered by Alpha Bank, are the following:

(amounts in euro)	Total of Bond Loan	Payments	Short Term	Long Term
Alpha Bank	11,900,000	5,950,000	2,375,000	3,575,000
Piraeus Bank	10,000,000	5,000,000	2,000,000	3,000,000
Emporiki Bank	7,000,000	3,500,000	1,400,000	2,100,000
National Bank of Greece	3,000,000	1,500,000	600,000	900,000
Egnatia Bank	3,000,000	1,500,000	600,000	900,000
Geniki Bank	2,300,000	1,150,000	462,500	687,500
Aspis Bank	2,000,000	1,000,000	400,000	600,000
Laiki Bank	2,000,000	1,000,000	400,000	600,000
EFG Telesis Finance	2,000,000	1,000,000	400,000	600,000
Attica Bank	1,800,000	900,000	362,500	537,500
<b>Total</b>	<b>45,000,000</b>	<b>22,500,000</b>	<b>9,000,000</b>	<b>13,500,000</b>

The bank that participates in bond loan (b), which has arranged and administered it, is Alpha Bank. **€ 15,000,000**

The bank that participates in bond loan (c), which has arranged and administered it, is Piraeus Bank. **€ 15,000,000**

Total of Bond Loans **€ 43,500,000**

## SHORT TERM LIABILITIES

The total balance of Short Term Liabilities was € 105 million of which 70% concerns the Suppliers account and 12% Short Term Loans. Short Term Loans include € 9 million that concern Long Term Liabilities payable in the next Fiscal Year.

The following table shows the analysis of the "Suppliers" account for the years 2005-2007.

## SUPPLIERS AND CHECKS PAYABLE

### Suppliers and Checks Payable

(in thousand euro)	2005	2006	2007
Domestic Suppliers	59,910	60,356	61,791
Foreign Suppliers	12,147	13,899	11,844
Checks Payable (post-dated)	2,964	609	258
	<b>75,021</b>	<b>74,864</b>	<b>73,893</b>

The total balance of Short Term Liabilities to Banks that amounted to € 4.0 million on 31.12.2007, concerns an open current account, and is analyzed as follows:

31/12/2007

	Limit of Short Term Credit Lines	Utilized Credit Lines
National Bank of Greece	12,000,000	882
Emporiki Bank	12,000,000	8,055
Alpha Bank	15,000,000	2,013,985
Piraeus Bank	10,000,000	1,972,111
Egnatia Bank	3,000,000	0
Attica Bank	4,000,000	0
Aspis Bank	3,000,000	0
Millenium Bank	6,000,000	0
Bank of Cyprus	6,000,000	0
HSBC	3,000,000	0
EFG Eurobank – Ergasias	10,000,000	0
Panellinia Bank	10,000,000	0
Hellenic Bank	5,000,000	0
	<b>99,000,000</b>	<b>3,995,033</b>

It is noted that the credit lines extended by Banks to the Company, amount to a total of € 99 million.

Taxes and Duties payable amount to € 13.2 million and consist of the income tax for the year 2007, € 6.6 million, salaried services tax of € 1.2 million, and Broadcasting License Fees – "KEAT" 2006 € 4.8 million.

The account Long Term Liabilities Payable in the Next Fiscal Year, amounting to € 9 million, consists part of the syndicated loan of € 45 million received on 25.5.2004.

The Sundry Creditors account comprises of checks payable to the amount of € 0.8 million, as well as other Short Term Liabilities amounting to € 0.9 million in 2007.

The account 'Accrued Expenses' amounting to € 1.7 million comprises, mainly, of related rights amounting to € 1.1 million.

The following table presents the Company's basic financial ratios for fiscal years 2005 – 2007.

Finally, the debt ratios reflect the stability in the relation between financial expenses and gross profit and earnings before interest, taxes and depreciation for fiscal years 2005 – 2007.

## Financial Ratios

	2005	2006	2007
<b>Rate of Change (%)</b>			
Total Turnover	12.4%	5.2%	21.1%
Cost of Sales	-3.6%	7.5%	0.6%
Gross Profit Before Depreciation/Amortization	21.2%	12.7%	25.1%
Administrative & Selling Expenses Bef. Depr.	5.7%	6.0%	13.7%
Operating Profit Before Deprec./Amortization	23.6%	13.6%	26.5%
Profit Before Interest, Depr. & Taxes (EBIDTA)	10.3%	15.2%	24.3%
Profit Before Depreciation & Taxes	3.7%	9.3%	18.4%
Profit Before Tax	-40.8%	16.2%	125.1%
Profit After Tax	-50.9%	29.4%	137.0%
<b>Profitability Ratios</b>			
Gross Profit Margin	68.1%	73.0%	75.4%
Return on Assets	1.6%	2.0%	4.6%
Return on Equity	4.4%	5.7%	12.4%
<b>Liquidity Ratio</b>			
Current Assets / Current Liabilities	0.82	0.85	0.89
<b>Leverage Ratios</b>			
Debt / Equity	1.69	1.83	1.63
Total Bank Loans / Equity	0.64	0.79	0.62
Debt / EBITDA	1.78	1.67	1.30
EBITDA / Financial Expenses	16.63	19.39	21.25
<b>Financial ratios</b>			
Financial Expenses / Gross Profit	0.06	0.05	0.05
Financial Expenses / EBITDA	0.06	0.05	0.05
<b>Stock Valuation</b>			
Price (average Dec.) / Earnings (P/E)	19.43	21.42	9.43
Book Value per share	2.68	2.45	2.66
Price per share (average Dec.) / Book Value	1.43	1.82	1.66
Dividend / Share (DPS)	0.13	0.13	0.23
Dividend yield	3.4%	2.9%	5.2%
Dividend Payout Ratio	76.6%	82.6%	68.3%
<b>Financial Data of the Share in €</b>			
Number of Shares	31,237,500	34,361,250	34,361,250
Price per share (December average)	3.83	4.46	4.42
Profit before Depreciation & Tax per Share	2.56	2.68	3.33
Profit before Tax per Share	0.20	0.21	0.47
Profit after Tax per Share (EPS)	0.12	0.14	0.33

## 8.4 CASH FLOW STATEMENT

	NON-CONSOLIDATED	
	1/1-31/12/2007	1/1-31/12/2006
<b>Operating activities</b>		
Profit before tax	16,105	7,156
Plus/minus adjustments for:		
Depreciation & amortization	92,949	80,165
Provisions	3,184	739
Foreign exchange differences	-151	-133
Results (income, expenses, profit and losses) from investment activity	-29	11
Interest charges and related expenses	5,401	4,756
Plus/minus adjustments for changes in working capital accounts or those related to operating activities:		
(Increase) in inventories	-79	-10
Reduction in Prepaid programme	3,436	708
(Increase) in trade receivables & other accounts	-9,182	-2,153
(Increase)/ Decrease of long-term receivables (Given guarantees)	-54	45
Increase/(Decrease) of current liabilities (apart from banks)	2,508	-1,675
Minus:		
Interest charges and related expenses paid	-5,328	-4,543
Payment of income tax	-2,550	-2,342
Total Inflows from operating activities (a)	106,210	82,724
<b>Investment Activities</b>		
Acquisition of subsidiaries, associates, joint-ventures and other investments	0	-1
Purchase of tangible and intangible fixed assets	-88,549	-88,995
Proceeds from sales of tangible and intangible fixed assets	12	60
Interest received	15	7
Dividends received	10	5
Total (Outflows) from Investment Activities (b)	-88,512	-88,924
<b>Financing Activities</b>		
Proceeds from share capital increase	0	0
Proceeds from issued / granted loans	0	30,513
Repayments of loans	-9,577	-17,837
Payments of liabilities from financial leases (installments)	0	0
Dividends paid	-4,677	-4,195
Total Inflows / (Outflows) from financial activities (c)	-14,254	8,481
Net increase / (decrease) in cash & cash equivalents for the period (a) + (b) + (c)	3,444	2,281
Cash & cash equivalents at the beginning of the period	4,191	1,910
Cash & cash equivalents at the end of the period	7,635	4,191

## Long Term Objectives – Prospects

The primary objective of the company for 2008 is to re-enforce its position in the television market. This objective can be achieved by:

- Thoroughly informing its viewers with, reliable and trustworthy news bulletins as well as informational programs.
- Creating programs with the intention of retaining the entire audience range.
- Broadcasting "first" releases of foreign movies and enriching, even further, the station's movie library, by investing in new television productions. During the last three years the station has invested an average amount of € 83.8 million annually in self-owned TV program and will continue to invest in the Greek program at the same pace. These investments will contribute to the success of the new satellite broadcasts in the USA and Canada, as well as in the Cypriot market.
- Broadcasting important sports events
- Retaining its high quality personnel and associates. The Company intends to retain and enhance a journalistic team that is probably the best and most experienced than any other television station's, in order to retain its profile as the most informative, reliable station with the most competent associates, a fact that emanates from recent quality surveys.
- Improving its technological infrastructure. Teletypos SA has invested € 7.6 million in the past three years for the replacement and improvement of the electronic, mechanical and IT equipment, in order to remain the most state-of-the-art television station in Greece.
- Securing its financial position and increasing its advertising revenues. A prerequisite for the increase of its advertising revenues is the robustness of the entire advertising market.

## Dividend Policy

The dividend policy followed by the Company during the past three years is presented in the following table:

### Dividend Policy

(in thousand euro)	2005	2006	2007
Earnings for Distribution	5,300	5,410	11,573
Total Dividend	4,061	4,467	7,903
% of Earnings	76.6%	82.6%	68.3%

In the coming fiscal years, the Company intends to pursue a dividend policy that will distribute to its shareholders a dividend that, as a percentage of earnings after-tax, will at least be equal to the 25% provided for by the law.



# Appendix



**TELETYPOS TELEVISION PROGRAMMES S.A.**

**BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR 1/1/2007 TO 31/12/2007**  
(published according to L.2198, art 155 for companies preparing annual financial statements, consolidated or not, according to IFRS)

The figures and information presented below aim at providing a general overview of the financial position and results of TELETYPOS S.A. and its subsidiary TELETYPOS CYPRUS LTD. Readers in search of a full view of the financial position and results of the Company and the Group, have to obtain access to the annual financial statements required by IFRS, as well as, to the certified auditor-accountant's report. Indicatively, readers may refer to the Company's website where the information under discussion is posted.

Head Office: Roussou 4 & Missolonghi Ave., 115 26 Ambelokipi, Athens

Register Number: (9467065)B(9220)

Responsible Persons: Prefecture of Athens

Board of Directors: Christos Lambrikis, Elias Tsigas, Yorgos Bobolias, Yorgos Vardinoyannis, Fotios Bobolias, Stavros Pichlakis, Yorgos Adonis, Yorgos Proussandis

Approval date of the annual financial statements (from which the brief information derives): February 12, 2008

Certified Auditor-Accountant: Stylianos Kourtellos

Auditing Company: MOORE STEPHENS S.A.

Type of Auditor-Accountant's audit report: In agreement - Emphasis of matter

Company website: www.mega.com

**BALANCE SHEET INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)**

	GROUP		COMPANY		GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>ASSETS</b>								
Fixed Assets	985,833	190,187	193,590	197,933	16,833	8,198	16,105	7,198
Inventories	412	332	412	332	92,949	80,165	92,949	80,165
Trade receivables	41,521	36,533	45,653	34,717	3,184	739	3,184	739
Other receivables	7,393	6,123	10,770	3,776	-160	-133	-151	-133
Other assets	42,434	41,778	41,696	41,095	-45	0	-29	11
<b>TOTAL ASSETS</b>	<b>277,293</b>	<b>274,973</b>	<b>247,151</b>	<b>243,846</b>	<b>5,417</b>	<b>4,762</b>	<b>5,401</b>	<b>4,756</b>
<b>LIABILITIES</b>								
Long-term liabilities	52,692	59,755	52,692	59,755	-	-	-	-
Short-term bank loans	12,965	13,498	12,965	13,498	-	-	-	-
Other short-term liabilities	68,957	85,971	92,144	87,466	-	-	-	-
<b>Total liabilities (a)</b>	<b>134,614</b>	<b>159,224</b>	<b>157,801</b>	<b>160,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share Capital	34,361	34,361	34,361	34,361	-	-	-	-
Other elements of shareholders' equity	90,389	82,528	56,959	49,743	-	-	-	-
<b>Net Worth of shareholders' equity (b)</b>	<b>124,750</b>	<b>116,889</b>	<b>91,320</b>	<b>84,104</b>	<b>903</b>	<b>-2,520</b>	<b>2,508</b>	<b>-1,675</b>
Minority interest (c)	0	0	0	0	-	-	-	-
<b>Total Net Worth (d) = (b) + (c)</b>	<b>124,750</b>	<b>116,889</b>	<b>91,320</b>	<b>84,104</b>	<b>-5,944</b>	<b>-4,520</b>	<b>-5,328</b>	<b>-4,540</b>
<b>TOTAL EQUITY &amp; LIABILITIES (e) = (d) + (e)</b>	<b>277,293</b>	<b>274,973</b>	<b>247,151</b>	<b>243,846</b>	<b>-2,669</b>	<b>-2,658</b>	<b>-2,650</b>	<b>-2,340</b>
	106,340	62,862	106,270	62,862				

Net Cash Flow from operating activities (a)

**INCOME STATEMENT INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)**

	GROUP		COMPANY		GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Revenue</b>	174,827	145,685	173,538	143,311	0	0	0	-1
Gross profit	38,891	25,630	33,964	24,470	-88,549	-88,996	-88,549	-88,996
Earnings before Interest, Taxes, Depreciation, Amortization, and Investing results	115,144	93,126	114,426	92,888	12	12	12	60
Earnings before Interest, Taxes, and Investing results	22,195	12,961	21,477	11,933	41	16	15	7
Earnings before Taxes	16,833	8,198	16,105	7,198	10	5	10	5
Minority Taxes	-4,549	-2,479	-4,374	-2,376	-88,685	-88,913	-88,512	-88,924
<b>Total Earnings after Taxes</b>	<b>11,984</b>	<b>5,719</b>	<b>11,331</b>	<b>4,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Distributed to Shareholders	0	0	0	0	-9,577	-17,837	-9,577	-17,837
Minority interest	0	0	0	0	-4,677	-4,196	-4,677	-4,196
Earnings after Taxes per share (in euro)	0.35	0.17	0.33	0.14	3,990	2,430	3,444	2,281
Proposed Dividend per share (in euro)	0.25	0.13	0.25	0.13	4,873	2,403	4,191	1,910
					8,375	4,873	7,635	4,191

Investments activities:  
Investments in subsidiaries, affiliates, cooperations and other  
Purchase of tangible and intangible fixed assets  
Amount received from sale of tangible and intangible fixed assets  
Interest received  
Dividend received  
Net cash flow from investing activities (c)  
Net cash flow from financing activities (c)  
Dividends paid  
Amount paid to leasing liabilities  
Net cash flow from financing activities (c)  
Increase / (Decrease) in net liquid funds  
of the full year (d)=(b)-(c)  
Cash and cash equivalents at the beginning of the full year  
Cash and cash equivalents at the end of the full year

STATEMENT OF CHANGES IN EQUITY INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)			
	GROUP		COMPANY
	31/12/2007	31/12/2006	31/12/2006
Net Position at the beginning of the full year (01.01.2007 and 01.01.2006 respectively)	116.889	115.655	83.807
Earnings after Taxes for the full year	11.984	5.719	4.782
Increase in share capital	128.873	121.374	88.589
Distributed dividends	0	3.124	3.124
Net Income directly booked in Net Position	-4.467	-4.061	-4.061
Capitalization of reserves	343	-424	-424
Purchase / (sale) of treasury stock	0	-3.124	-3.124
Net Position at the end of the full year (31.12.2007 and 31.12.2006 respectively)	124.749	116.889	84.104

**ADDITIONAL DATA AND INFORMATION**

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 645 persons on 31/12/2007 and 646 persons on 31/12/2006. The subsidiary company does not have personnel.
- Customer rebates of the parent company amount to 16.780 and 14.480 thousand euros for the full year 2007 and 2006 respectively.
- Broadcasting licence fees of the parent company amount to 1.578 and 2.969 thousand euros for the full year 2007 and 2006 respectively, despite the appeal, by the parent company, against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The companies of the group have been audited by tax authorities as it is presented below.
  - TELETYPOS S.A. up to the full year 1999.
  - TELETYPOS CYPRUS LTD up to the full year 2006.
- From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:
 

	Group	Company
a) Sale of goods and services	1.818.085	1.818.085
b) Purchases of goods and services	27.139.954	28.439.954
c) Receivables	1.030.025	4.788.725
d) Liabilities	9.184.093	14.060.043
e) Transactions and compensation to executives and management	3.007.626	3.007.626
f) Receivables from executives and management	-	-
g) Liabilities to executives and management	-	-
- The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.
- Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus.
- The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its earnings only (not participation in its Net Position).
- The fiscal period of the consolidated companies has not been modified.

Athens, February 12, 2008

THE PRESIDENT OF BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND MEMBER OF BOARD OF DIRECTORS	CHIEF ACCOUNTANT
CHRISTOS D. LAMBRAKIS M 154944	ELIAS E. TSIGAS = 414434	VASILIOS A. KRITIKOS X 575439
	FINANCIAL CONTROLLER	
	ATHANASIOS G.ANDREOULIS Φ 064116	



**TELETYPOS TELEVISION PROGRAMMES S.A.**  
**BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE FULL YEAR 1/1/2006 TO 31/12/2006**  
 (published according to L.2786, art.135 for companies preparing annual financial statements, consolidated or not, according to IFRS)

The figures and information presented below aim at providing a general overview of the financial position and results of TELETYPOS S.A. and its subsidiary TELETYPOS CYPRUS LTD. Readers in search of a full view of the financial position and results of the Company and the Group, have to obtain access to the annual financial statements required by IFRS, as well as, to the certified auditor-accountant's report. Indicatively, readers may refer to the Company's website where the information under discussion is posted.

Head Office: Rousoi 4 & Messingon Ave., 115 26 Ambelokipi, Athens  
 Register Number: 15407065885/03  
 Responsible Prefecture: Prefecture of Athens  
 Board of Directors: Christos Lambros, Elias Tsigas, Yorgos Bobolias, Fotios Bobolias, Stavros Pichleris, Yorgos Adrias, Yorgos Proussidis  
 Approval date of the annual financial statements (from which the brief information derives): February 13, 2007

Certified Auditor-Accountant: Stylianos Kourtellos  
 Auditing Company: MOORE STEPHENS S.A.  
 Type of Auditor-Accountant's audit report: In agreement - Emphasis of matter  
 Company website: www.megatv.com

**BALANCE SHEET INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)**

	GROUP		COMPANY		GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
<b>ASSETS</b>								
Fixed Assets	190.187	181.484	157.935	149.270	8.198	7.088	7.198	6.198
Investments	302	302	302	302	302	302	302	302
Trade receivables	36.553	34.750	34.707	32.756	32.756	68.934	68.165	68.934
Other receivables	6.123	5.816	9.778	9.574	6.574	603	739	603
Other assets	41.778	39.978	41.956	39.385	-133	46	-133	54
<b>TOTAL ASSETS</b>	<b>274.973</b>	<b>262.320</b>	<b>243.846</b>	<b>231.271</b>				
<b>LIABILITIES</b>								
Long-term liabilities	58.755	46.968	58.755	46.968	46.968	4.626	4.736	4.813
Short-term bank loans	13.498	11.659	13.498	11.659	11.659	0	11	20
Other short-term liabilities	85.831	87.838	87.489	88.837	-10	20	-10	20
Total liabilities (a)	158.084	146.465	159.742	147.464	708	3.364	708	3.364
Share Capital	34.361	31.237	34.361	31.237	-2.081	5.827	-2.153	7.544
Other elements of shareholders' equity (b)	82.528	84.478	48.743	52.570	45	-19	45	-19
Minority Interest (c)	0	0	0	0	-3.523	8.146	-1.675	8.078
Total Net Worth (d) = (a) + (b) + (c)	116.889	116.655	84.104	83.807	-4.950	-4.636	-4.543	-4.822
<b>TOTAL EQUITY &amp; LIABILITIES (a) + (d)</b>	<b>391.862</b>	<b>378.975</b>	<b>327.950</b>	<b>315.078</b>	<b>62.912</b>	<b>31.438</b>	<b>28.641</b>	<b>29.000</b>

**INCOME STATEMENT INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)**

	GROUP		COMPANY		GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Revenue	145.066	137.607	143.311	136.222	-8.995	-84.941	-88.995	-84.941
Gross profit	25.630	25.140	24.473	23.666	18	21	60	20
Earnings before Interest, Taxes, Depreciation, Amortization, and Investing Results	93.126	80.810	92.068	79.881	5	4	7	5
Earnings before Interest, Taxes, and Investing Results	12.921	11.876	11.923	10.547	0	0	0	0
Earnings before Taxes	8.198	7.088	7.198	6.198	30.513	10.015	30.513	10.015
Minus Taxes	-2.479	-2.317	-2.374	-2.212	-17.837	-12.966	-17.837	-12.966
Minus prior years tax	0	-369	0	-369	0	0	0	0
Total Earnings after Taxes	5.719	4.522	4.792	3.652	-4.195	-3.714	-4.195	-3.714
Distributed to Shareholders	5.719	4.522	4.792	3.652	8.481	-6.714	8.481	-6.714
Minority Interest	0	0	-	-	2.430	-208	2.281	-497
Earnings after Taxes per share (in euro)	0.17	0.14	0.14	0.12	2.643	1.910	2.671	1.910
Proposed dividend per share (in euro)	0.13	0.13	0.13	0.13	4.873	2.443	4.191	1.910

**CASH-FLOW STATEMENT INFORMATION FOR THE FULL YEAR (Amounts in thousands of euro)**

Mer Cash Flow from operating activities (a)  
 Mer Cash flow from investing activities (b)  
 Mer Cash flow from financing activities (c)

**INVESTING ACTIVITIES**  
 Investments in subsidiaries, affiliates, cooperations and other  
 Purchase of tangible and intangible fixed assets  
 Amount received from sale of tangible and intangible fixed assets  
 Interest received  
 Dividend received  
 Mer cash flow from investing activities (b)

**FINANCING ACTIVITIES**  
 Financing activities  
 Amount received from increase in shareholders' equity  
 Amount received from issued loans  
 Amount paid to loans  
 Amount paid to leasing liabilities  
 Dividends paid  
 Mer cash flow from financing activities (c)

Net cash flow from investing activities (b)  
 Net cash flow from financing activities (c)  
 Increase/(Decrease) in net liquid funds  
 Cash and cash equivalents at the beginning of the full year  
 Cash and cash equivalents at the end of the full year

STATEMENT OF CHANGES IN EQUITY INFORMATION FOR THE FULL YEAR (Amounts in thousands of Euro)

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Net Position at the beginning of the full year (01/01/2006 and 01/01/2005 respectively)	115.955	115.258	83.807	84.029
Earnings after Taxes for the full year	5.715	4.522	4.782	3.655
Increase in share capital	131.374	115.880	88.669	87.724
Distributed dividends	3.134	0	3.134	0
Net income directly booked in Net Position	-4.951	-3.749	-4.051	-3.749
Capitalization of reserves	-424	-175	-424	-188
Purchase (1 issue) of treasury stock	-3.134	0	-3.134	0
Net Position at the end of the full year (31/12/2006 and 31/12/2005 respectively)	115.989	115.955	84.154	83.807

ADDITIONAL DATA AND INFORMATION

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 546 persons on 31/12/2006 and 548 persons on 31/12/2005. The subsidiary company does not have personnel.
- Customer rebates of the parent company amount to 74.482 and 11.742 thousand euros for the full year 2006 and 2005 respectively. Broadening loaned fees of the parent company amount to 2.929 and 1.527 thousand euros for the full year 2006 and 2005 respectively, despite the appeal, by the parent company against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The companies of the group have been audited by the authorities as it is presented below.
  - TELETYPOS S.A. up to the full year 2005
  - TELETYPOS CYPRUS LTD up to the full year 2006
- From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:
 

	Group	Company
a) Sale of goods and services	1.080.813	1.080.813
b) Purchases of goods and services	24.881.944	25.072.594
c) Receivables	451.343	4.210.043
d) Liabilities	14.005.818	17.585.798
e) Transactions and compensation to executives and management	2.615.159	2.615.159
f) Receivables from executives and management	-	-
g) Liabilities to executives and management	-	-
- The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.
- Consolidated financial statements include the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus.
- The method of consolidation has been followed for the subsidiary TELETYPOS CYPRUS LTD.
- The fiscal period of the consolidated companies has not been modified.
- The Annual General Meeting of shareholders of May 23rd, 2006 resolved about the share capital increase of 3.123.750 euro, through capitalization of an equal amount of capital reserves and the issue of 3.123.750 new free common registered shares, of nominal value 1 euro each in a ratio of 1 new free share to every 10 held

Athens, February 13, 2007

THE MANAGING DIRECTOR AND MEMBER OF BOARD OF DIRECTORS

THE PRESIDENT OF BOARD OF DIRECTORS

CHRISTOS D. LAMBRAKIS  
M 154544

ELIAS E. TSIGAS  
E 474424

FINANCIAL CONTROLLER

ATHANASIOS G. ANDREOULIS  
E 064716

CHIEF ACCOUNTANT

VASILIOS A. KRITIKOS  
K 575439



STATEMENT OF CHANGES IN EQUITY INFORMATION (Amounts in thousands of euro)	GROUP		COMPANY	
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
<b>Net Position at the beginning of the period (1.1.2007 and 1.1.2006 respectively)</b>				
Earnings after Taxes for the period	116.889	115.655	84.104	83.807
Increase in share capital	2.175	991	1.991	826
Distributed dividends	0	0	0	0
Net Income directly booked in Net Position	0	0	0	0
Purchase / (sale) of treasury stock	-3	2	0	0
<b>Net Position at the end of the period (31.3.2007 and 31.3.2006 respectively)</b>	<b>119.061</b>	<b>116.648</b>	<b>86.095</b>	<b>84.633</b>

**ADDITIONAL DATA AND INFORMATION**

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 650 persons on 31/3/2007 and 648 persons on 31/3/2006. The subsidiary company does not have personnel.
- Customer rebates according to L.2328/95 amount to 3.600 and 1.600 thousand euros for the period 1/1-31/3 of the years 2007 and 2006 respectively. Broadcasting licence fees amount to 789 and 740 thousand euros for the period 1/1-31/3 of the years 2007 and 2006 respectively, despite the appeal, by the parent company, against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The companies of the group have been audited by tax authorities as it is presented below.
  - TELETYPOS S.A. up to the full year 1999.
  - TELETYPOS CYPRUS LTD up to the full year 2006.
- From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:
 

	Group	Company
a) Sale of goods and services	415.212	415.212
b) Purchases of goods and services	9.724.176	9.724.176
c) Receivables	747.720	4.506.420
d) Liabilities	21.472.828	25.048.778
e) Transactions and compensation to executives and management	759.335	759.335
f) Receivables from executives and management	-	-
g) Liabilities to executives and management	-	-

The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.  
 8. Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus.  
 9. The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its earnings only (not participation in its Net Position).  
 10. The fiscal period of the consolidated companies has not been modified.

Athens, May 17, 2007

THE PRESIDENT OF BOARD OF DIRECTORS

CHRISTOS D. LAMBRAKIS  
M 154944

THE MANAGING DIRECTOR AND MEMBER OF BOARD OF DIRECTORS

ELIAS E. TSIGAS  
E 414434

FINANCIAL CONTROLLER

ATHANASIOS G. ANDREOULIS  
Φ 064116

CHIEF ACCOUNTANT

VASILIOS A. KRITIKOS  
X 575439



**TELETYPOS TELEVISION PROGRAMMES S.A.**

Register Number: 15401061818720  
 Head Office: Rissos 4 & Messingeri Ave., 112 28 Ambelokipi Athens  
 BREF FINANCIAL STATEMENTS AND INFORMATION FOR THE PERIOD  
 From January 1st 2007 to June 30th, 2007  
 According to Decision 2736/27.8.2006 of the Board of Directors of the Hellenic Capital Market Commission

The figures and information presented below are derived from a general overview of the financial position and results of the company TELETYPOS S.A. Thus, we recommend to readers, before making any investment choice or other transactions with the company to refer to the website where the periodic financial statements required by IFRS and the completed auditor-accountant reports, whenever such is required, are posted.

Website address: www.mega.gr

Approval date of the Interim periodic financial statements by the Board of Directors: August 2nd, 2007

Certified Auditor-Accountant: Stylaxos Kourtellos

Auditing Company: MOORE STEPHENS S.A.

Type of audit report: In agreement - Explains of matter.

	BALANCE SHEET INFORMATION (Amounts in thousands of euro)		CASH FLOW STATEMENT INFORMATION (Amounts in thousands of euro)	
	GROUP	COMPANY	GROUP	COMPANY
<b>ASSETS</b>	<b>2007/2007</b>	<b>31/12/2006</b>	<b>31/12/2006</b>	<b>31/12/2006</b>
Fixed Assets	271,788	197,817	197,817	197,817
Intangible Assets	36	36	36	36
Property, plant and equipment	48,336	36,523	34,327	48,623
Other intangibles	7,521	6,173	6,178	1,546
Other assets	48,231	47,175	47,178	17
<b>TOTAL ASSETS</b>	<b>297,788</b>	<b>271,873</b>	<b>243,548</b>	<b>243,548</b>
<b>LIABILITIES</b>				
Long-term liabilities	50,266	58,755	58,755	58,755
Short-term bank loans	12,710	13,688	12,710	13,688
Other short-term liabilities	113,797	85,821	87,483	113,688
Total liabilities (li)	176,773	158,264	158,948	186,131
Net Position of shareholders' equity (ii)	121,015	113,609	113,609	113,609
Minority interest (i)	0	0	0	0
Total Net Position (i) + (ii) = (iii)	121,015	113,609	113,609	113,609
<b>TOTAL EQUITY &amp; LIABILITIES (ii + i) = (iii)</b>	<b>297,788</b>	<b>271,873</b>	<b>243,548</b>	<b>243,548</b>
<b>INCOME STATEMENT INFORMATION (Amounts in thousands of euro)</b>				
	<b>GROUP</b>	<b>31/12/2006</b>	<b>31/12/2006</b>	<b>31/12/2006</b>
Revenue	80,308	74,658	84,537	24,864
Gross profit	20,798	15,729	20,213	15,189
Earnings before Interest, Taxes, Depreciation, Amortization, and Investing results	42,889	44,672	44,672	44,192
Earnings before Interest, Taxes, and Investing results	12,406	8,415	12,843	7,925
Earnings before Taxes	10,413	6,879	7,449	6,404
Minor Taxes	-2,433	-1,776	-2,258	-1,729
Earnings after Taxes from continued operations (ii)	8,010	5,103	5,191	4,676
Earnings after Taxes from discontinued operations (ii)	0	0	0	0
Earnings after Taxes (continued and discontinued operations) (ii)+(ii)	8,010	5,103	5,191	4,676
Shareholders	8,010	5,103	5,191	4,676
Minority Interest	0	0	0	0
Earnings after Taxes per share (in euro)	0.23	0.16	0.17	0.13
<b>STATEMENT OF CHANGES IN EQUITY INFORMATION (Amounts in thousands of euro)</b>				
	<b>GROUP</b>	<b>2007/2007</b>	<b>2006/2006</b>	<b>2006/2006</b>
Net Position at the beginning of the period (1.1.2007 and 1.1.2006 respectively)	116,889	116,889	116,889	116,889
Earnings after Taxes for the period	8,010	5,103	5,191	4,676
Increase in share capital	0	3,124	0	3,124
Distributed dividends	-4,467	-4,467	-4,467	-4,467
Net income directly booked in Net Position	-7	-3,122	-7	-3,124
Purchase ( ) / Sale of Treasury Stock	0	0	0	0
Net Position at the end of the period (30.6.2007 and 30.6.2006 respectively)	120,425	116,889	116,889	116,889

	BALANCE SHEET INFORMATION (Amounts in thousands of euro)		CASH FLOW STATEMENT INFORMATION (Amounts in thousands of euro)	
	GROUP	COMPANY	GROUP	COMPANY
Operating activities	15,433	6,675	15,433	6,675
Plus/minus adjustments for: Depreciation and amortization	48,623	36,257	48,623	36,257
Provisions	1,546	1,028	1,546	1,028
Exchange differences	-21	-17	-21	-17
Results (revenues, expenses, gains and losses) from investing activities	-16	-59	-16	-59
Interest and similar charges	2,059	1,594	2,059	1,594
Plus/minus adjustments for changes in working capital accounts or connected to operating activities	-21	8	-21	8
(Increase)/Decrease in stock of spares and consumables	4,024	3,711	4,024	3,711
Decrease in prepaid programme rights	-1,543	-8,283	-1,543	-8,283
(Increase) in trade and other receivables	-47	-10	-47	-10
(Increase) in long-term receivables (Guarantee gains)	21,718	4,105	21,718	4,105
(Increase)/Decrease in current liabilities (apart from banks)	-2,071	-1,596	-2,071	-1,596
Minor	-1794	-511	-1794	-511
Minor and similar charges paid	73,378	31,769	73,378	31,769
Income tax paid	0	0	0	0
Net cash flow from operating activities (ii)	81,128	42,171	81,128	42,171
Investing activities	52	57	52	57
Purchases of tangible and intangible fixed assets	4	4	4	4
Interest received	0	0	0	0
Dividend received	0	0	0	0
Net cash flow from investing activities (ii)	56	61	56	61
Financing activities	0	0	0	0
Amount received from increase in shareholders' equity	0	0	0	0
Amount paid to banks	-8,624	-7,816	-8,624	-7,816
Amount paid to leasing liabilities	0	0	0	0
Dividends paid	-46	-46	-46	-46
Net cash flow from financing activities (i)	-8,624	-7,816	-8,624	-7,816
Increase in net liquid funds	72,554	34,416	72,554	34,416
Cash and cash equivalents at the beginning of the period (31-12-06)	4,873	2,442	4,873	2,442
Cash and cash equivalents at the end of the period	11,727	4,858	11,727	4,858

**ADDITIONAL DATA AND INFORMATION**

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 618 persons on 30/6/2007 and 616 persons on 30/6/2006. The subsidiary company does not have personnel.
- Customer rebates according to L.2329/95 amount to 1,500 and 9,400 thousand euros for the period 1/1-30/6 of the years 2007 and 2006 respectively. Broadcasting licence fees amount to 1,578 and 1,480 thousand euros for the period 1/1-30/6 of the years 2007 and 2006 respectively, despite the appeal, by the parent company, against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The companies of the group have been audited by tax authorities as it is presented below:  
 - TELETYPOS S.A. up to the full year 1999.  
 - TELETYPOS CYPRUS LTD up to the full year 2006.

7. From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:

	Group	Company
a) Sale of goods and services	690,727	690,727
b) Purchase of goods and services	20,552	21,305
c) Receivables	921,639	4,690,339
d) Liabilities	23,331,908	29,207,659
e) Transactions and compensation to executives and management	1,402,848	1,402,848
f) Receivables from executives and management	-	-
g) Liabilities to executives and management	-	-

- The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.
- Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus.
- The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its earnings only (not participation in its Net Position).
- The fiscal period of the consolidated companies has not been modified.

Athens, August 2, 2007

THE PRESIDENT OF BOARD OF DIRECTORS

CHRISTOS D. LAMBRAKIS  
M 154944

THE MANAGING DIRECTOR AND MEMBER OF BOARD OF DIRECTORS

ELIAS E. TSIGAS  
E 414434

FINANCIAL CONTROLLER

ATHANASIOS GANDRECOLIS  
Φ 064116

CHIEF ACCOUNTANT

VASILIOS A. KRITIKOS  
X 575439



**TELETYPOS TELEVISION PROGRAMMES S.A.**

Register Number: 19407/06/BI/89/20  
 Head Office: Roussou 4 & Messogion Ave., 115 26 Ambelokipi, Athens  
**BRIEF FINANCIAL STATEMENTS AND INFORMATION FOR THE PERIOD**  
 from January 1st, 2007 to September 30th, 2007  
 According to Decision 2396/31.8.2006 of the Board of Directors of the Hellenic Capital Market Committee

The figures and information presented below aim at providing a general overview of the financial position and results of the company TELETYPOS S.A. Thus, we recommend to readers, before making any investment choice or other transactions with the company to refer to its website where the periodic financial statements required by IFRS and the certified auditor-accountant's report, whenever such is required, are posted.

Website address: www.megatv.com

Approval date of the 9 month periodic financial statements by the Board of Directors: October 16, 2007

		BALANCE SHEET INFORMATION (Amounts in thousands of euro)				CASH FLOW STATEMENT INFORMATION (Amounts in thousands of euro)			
		GROUP		COMPANY		GROUP		COMPANY	
		30/9/2007	31/12/2006	30/9/2007	31/12/2006	1/1-30/9/2007	1/1-30/9/2006	1/1-30/9/2007	1/1-30/9/2006
<b>ASSETS</b>									
Fixed Assets		183,470	180,187	161,218	157,935	2,775	2,109	2,137	1,294
Inventories		386	332	386	332	0	0	0	0
Trade receivables		36,488	36,553	35,258	34,707	66,285	51,055	66,285	51,055
Other receivables		2,611	6,123	9,776	6,341	2,285	2,284	0	2,284
Other assets		42,567	41,778	41,267	41,096	-7	0	0	0
<b>TOTAL ASSETS</b>		<b>275,522</b>	<b>274,973</b>	<b>244,470</b>	<b>243,846</b>				
<b>LIABILITIES</b>									
Long-term liabilities		50,545	58,755	50,545	58,755	-29	18	-29	18
Short-term bank loans		18,253	13,488	18,253	13,488	3,755	3,110	3,746	3,104
Other short-term liabilities		91,599	85,831	87,489	87,489	-54	-17	-54	-17
Total liabilities (a)		159,397	158,074	156,287	159,732	5,408	6,231	5,408	6,231
Minority interest		115,125	115,125	87,996	87,996	2,140	2,140	1,400	1,400
Minority interest (b)		0	0	81,774	81,774	-50	46	-50	46
Minority interest (c)		0	0	0	0	6,878	-23,356	7,800	-22,515
Total Net Position (d) = (b)+(c)		115,125	115,125	81,774	81,774				
<b>TOTAL EQUITY &amp; LIABILITIES (a) + (d)</b>		<b>275,522</b>	<b>274,973</b>	<b>244,470</b>	<b>243,846</b>				
<b>INCOME STATEMENT INFORMATION (Amounts in thousands of euro)</b>									
		GROUP		COMPANY		GROUP		COMPANY	
		1/1-30/9/2007	1/1-30/9/2006	1/1-30/9/2007	1/1-30/9/2006	1/1-30/9/2007	1/1-30/9/2006	1/1-30/9/2007	1/1-30/9/2006
Revenue		116,283	98,711	115,123	98,378	23,586	23,484	0	-1
Gross profit		17,739	15,333	-3,059	-396	-745	-745	-69,519	-53,231
Earnings before Interest, Taxes, Depreciation, Amortization, and Investing results		72,781	56,292	10,682	11,620	10,488	11,279	12	58
Earnings before Interest, Taxes, and Investing results		6,496	5,237	-6,000	-3,178	-6,194	-3,519	8	3
Earnings before Taxes		2,775	2,109	-7,638	-4,770	-7,835	-5,111	8	3
Minus Taxes		-395	-261	2,008	1,515	-180	1,549	10	5
Earnings after Taxes from continued operations (a)		2,380	1,848	-5,630	-3,255	-5,807	-3,562	-69,489	-53,166
Earnings after Taxes from discontinued operations (b)		0	0	0	0	0	0	0	0
<b>Earnings after Taxes (a)+(b)</b>		<b>2,380</b>	<b>1,848</b>	<b>-5,630</b>	<b>-3,255</b>	<b>-5,807</b>	<b>-3,562</b>	<b>-69,489</b>	<b>-53,166</b>
Distributed to Shareholders		2,380	1,848	-5,630	-3,255	1,807	1,114	0	0
Minority interest		0	0	0	0	0	0	0	0
Earnings after Taxes per share (in euro)		0.07	0.06	-0.16	-0.10	0.05	0.03	-0.881	-0.536
<b>STATEMENT OF CHANGES IN EQUITY INFORMATION (Amounts in thousands of euro)</b>									
		GROUP		COMPANY		GROUP		COMPANY	
		30/9/2007	30/9/2006	30/9/2007	30/9/2006	30/9/2007	30/9/2006	30/9/2007	30/9/2006
Net Position at the beginning of the period (1.1.2007 and 1.1.2006 respectively)		116,889	115,655	84,104	83,807	83,807	83,807	5,683	5,205
Earnings after Taxes for the period		2,380	1,848	1,807	1,114	-5,807	-3,562	4,755	2,303
Increase in share capital		0	3,124	0	3,124	0	0	-9,047	0
Distributed dividends		-4,467	-4,061	-4,467	-4,061	0	0	0	0
Net income directly booked in Net Position		323	-3,124	330	-3,124	-4,589	-4,144	-4,589	-4,144
Purchase / Sale of treasury stock		0	0	0	0	0	0	0	0
Net Position at the end of the period (30.9.2007 and 30.9.2006 respectively)		<b>115,125</b>	<b>113,443</b>	<b>81,774</b>	<b>80,880</b>	<b>81,774</b>	<b>80,880</b>	<b>4,913</b>	<b>2,443</b>
								<b>10,536</b>	<b>7,946</b>
								<b>5,945</b>	<b>5,162</b>
								<b>4,191</b>	<b>1,910</b>
								<b>9,238</b>	<b>7,072</b>

**ADDITIONAL DATA AND INFORMATION**

- The accounting principles adopted and followed consistently by the parent company and the group are in accordance with IFRS.
- Fixed assets of the parent company and the group are not collateralized.
- The parent company employs 618 persons on 30/9/2007 and 639 persons on 30/9/2006. The subsidiary company does not have personnel.
- Customer rebates according to L.2328/95 amount to 15,500 and 10,600 thousand euros for the period 1/1-30/9 of the years 2007 and 2006 respectively. Broadcasting licence fees amount to 1,183 and 2,219 thousand euros for the period 1/1-30/9 of the years 2007 and 2006 respectively, despite the appeal, by the parent company, against the administrative charge.
- There are no disputed claims which are estimated to have significant effects on the financial position or operations of the parent company and the group.
- The companies of the group have been audited by tax authorities as it is presented below:
  - TELETYPOS S.A. up to the full year 1999.
  - TELETYPOS CYPRUS LTD up to the full year 2006.
- From transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2, have resulted:
 

	Group	Company
a) Sale of goods and services	1,284,597	1,284,597
b) Purchases of goods and services	207,948,872	21,534,672
c) Loans	13,746,676	18,632,626
d) Liabilities	-	-
e) Transactions and compensation to executives and management	2,126,598	2,126,598
f) Receivables from executives and management	-	-
g) Liabilities to executives and management	-	-

The subsidiary company has no transactions with affiliated companies as defined by IFRS 24, IFRS 19 and IFRS 2.  
 8. Consolidated financial statements include, following the method of total consolidation, the 100% subsidiary TELETYPOS CYPRUS LTD established in Cyprus.  
 9. The associated company "LOGOS" (CYPRUS) has been valued at acquisition cost due to its insignificant size and due to the limitation of the participation in its Net Position.  
 10. The fiscal period of the consolidated companies has not been modified.

Athens, October 18, 2007

THE PRESIDENT OF BOARD OF DIRECTORS

CHRISTOS D. LAMBRAKIS  
 M 154944

THE MANAGING DIRECTOR AND MEMBER OF BOARD OF DIRECTORS

ELIAS E. TSIGAS  
 E 414434

FINANCIAL CONTROLLER

ATHANASIOS G.ANDREOULIS  
 P 064116

CHIEF ACCOUNTANT

VASILIOS A. KRITIKOS  
 X 575439

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE"  
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
31<sup>ST</sup> December 2007  
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
BOARD OF DIRECTORS  
DECLARATION in accordance with Article 4 § 1.2 Law 3556  
on the company's financial statements and Board of Directors Report

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

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

Athens, 12 February, 2008

Christos D. Lambrakis  
President of the Board of Directors

Elias E. Tsigas  
The Managing Director

Georgios Chr. Aidinis  
Member of the Board of Directors

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
Board of Director's Management Report for the 18th Company Year  
for the period January 1st to December 31st 2007

Dear Shareholders,

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

### REVIEW OF THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR 2007 IN ACCORDANCE WITH THE INTERNATIONAL ACCOUNTING STANDARDS

#### Balance Sheet

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

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

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

#### Income Statement

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

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

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

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

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

### REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2007 ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS

#### Balance Sheet

According to the 6th consolidated balance sheet with the 100% subsidiary Teletypos Cyprus LTD on 31.12.2007, the total current assets amounted to 89.8 million euros from 83.3 million euros in 2006. Equity reached 124.7 million euros from 116.9 million euros in 2006, an increase of 7% . Short-term liabilities amounted 101.8 million euros, 69% of which refer to suppliers and 13% to short-term loans. Short-term loans include 9 million euros that refer to long-term liabilities payable within the next year.

#### Income Statement

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

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

### Financial Ratios

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

#### a. Profitability ratios

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

#### b. Liquidity ratios

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

#### c. Financial leverage ratios

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

### Financial instruments

#### Significant accounting policies

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

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

#### Fair value of financial instruments

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

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

### **Financial risk management objectives**

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

### **Market**

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

### **Interest rate risk management**

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

### **Credit risk management**

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

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

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

### **Liquidity risk management**

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

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

The Management proposes to the General Shareholders meeting the following:

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

### **Entrepreneurship Outlook**

In 2007 Teletypos S.A. held a leading position in advertising market offering high advertising return. Specifically, the television market share of MEGA increased to 30% in 2007, while the total advertising expenditure for the television increased by 19%. Along with the preference in advertising market, MEGA is also competitive in television broadcasting ratings. In 2007 the daily average television broadcasting ratings of MEGA increased to 21% from 20.7% in 2006. In prime time zone (21:00 – 24:00) and in the commercial audience, the broadcasting ratings of MEGA reached 26.1% from 25.7% in 2006.

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

- By providing to its audience consistent and reliable information news bulletins as well as current affair programmes.
- By investing in Greek productions so that it can maintain the range of its audience.
- By showing first run foreign movies and by enriching even further, the station's movie library.

- By showing important sports games.
- By retaining the consistency and reliability of its commercial policy.
- By retaining its competent associates.
- By remaining technologically complitent.
- By retaining its financial position and by increasing its advertising income.
- Prerequisite for the increase in advertising income is the robustness of the advertising market.

## **EXPLANATORY REPORT TO THE ANNUAL ORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS PURSUANT TO L.3371/2005, ART. 11A (RESTATED BY ART. 30 OF L.3461/2006)**

### **a. Share Capital Structure**

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

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

As follows:

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

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

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

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

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

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

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

<u>Pegasos Ekdotiki S.A.</u>	<u>24.89%</u>
<u>Labrakis Reporting Organization S.A.</u>	<u>22.11%</u>

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

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

### **e. Limitation on voting rights.**

There are no such limitations.

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

The company is not aware of any such agreements.

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

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

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

1. Following the decision taken by the General Meeting of the shareholders – with a 2/3 majority of votes of its total members –,

the Board of Directors has the right to increase the Share Capital within 5 years, by the issue of new shares. The percentage of that increase may not exceed the amount of the Share Capital, that was existing at the date that this decision was taken.

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

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

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

Such agreements do not exist.

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

Such agreements do not exist.

Athens, 12th February 2008  
For the Board of Directors

Elias E. Tsigas  
The Managing Director

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

We have audited the accompanying financial statements and the consolidated financial statements of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" which comprise the balance sheet as at 31 December, 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

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

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

## OPINION

In our opinion, the financial statements and the consolidated financial statements give a true and fair view the financial position of TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" as of 31 December, 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

## EMPHASIS OF MATTER

Without qualifying our opinion we draw attention to note 31.1 to the financial statements where it is mentioned that the company's tax liability is not finalised since 2000. The financial impact of such finalisation cannot be estimated at this time.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Athens, 14 February, 2008

THE CERTIFIED PUBLIC ACCOUNTANT

STYLIANOS KOURTELLAS  
REG. NO. 11031  
MOORE STEPHENS  
CHARTERED ACCOUNTANTS

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
**INCOME STATEMENT**

1st January – 31st December, 2007 (Expressed in Euro)

**GROUP**

	NOTES	01/01-31/12/07	01/01-31/12/06
Revenues	8	174,826,855	145,084,613
Cost of Sales	9	(146,932,550)	(134,092,402)
<b>Gross Profit</b>		<b>27,894,305</b>	<b>10,992,211</b>
Other operating income	10	10,996,358	14,637,523
		<b>38,890,663</b>	<b>25,629,734</b>
Distribution expenses	9	(5,187,969)	(4,417,285)
Administration expenses	9	(8,110,148)	(7,220,811)
<b>Operating profit</b>		<b>25,592,546</b>	<b>13,991,638</b>
<b>Non operating income</b>			
Interest received and receivable		40,923	18,489
Profit on disposal of fixed assets		11,849	58,066
Income from securities		9,782	4,891
Other income	11	257,692	414,919
		<b>320,246</b>	<b>496,365</b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(5,416,679)	(4,762,541)
Provisions		(3,092,127)	(1,028,686)
Losses from disposal of fixed assets		(7,648)	(81,004)
Other expenses	12	(563,671)	(417,434)
		<b>(9,080,125)</b>	<b>(6,289,665)</b>
<b>Profit for the period before tax</b>		<b>16,832,667</b>	<b>8,198,338</b>
Income tax	13	(4,848,432)	(2,479,473)
<b>Profit for the period after tax</b>		<b>11,984,235</b>	<b>5,718,865</b>
Earnings per share € (note 29)		<b>0.349</b>	<b>0.173</b>
Proposed dividend € (note 26.1.)		<b>0.25</b>	<b>0.13</b>

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
**INCOME STATEMENT**

1st January – 31st December, 2007 (Expressed in Euro)

**COMPANY**

	Notes	01/01-31/12/07	01/01-31/12/06
Revenues	8	173,537,842	143,311,126
Cost of Sales	9	(146,570,629)	(133,478,392)
<b>Gross Profit</b>		<b>26,967,213</b>	<b>9,832,734</b>
Other operating income	10	10,996,358	14,637,523
		<b>37,963,571</b>	<b>24,470,257</b>
Distribution expenses	9	(5,187,969)	(4,417,285)
Administration expenses	9	(7,915,039)	(7,105,186)
<b>Operating profit</b>		<b>24,860,563</b>	<b>12,947,786</b>
<b>Non operating income</b>			
Interest received and receivable		14,863	7,048
Profit on disposal of fixed assets		11,849	58,066
Income from securities		9,782	4,891
Other income	11	257,692	414,919
		<b>294,186</b>	<b>484,924</b>
<b>Non operating expenses</b>			
Interest and similar charges	9	(5,401,143)	(4,755,963)
Provisions		(3,092,127)	(1,028,686)
Losses on disposal of fixed assets		(7,648)	(81,004)
Other expenses	12	(549,006)	(410,861)
		<b>(9,049,924)</b>	<b>(6,276,514)</b>
<b>Profit for the period before tax</b>		<b>16,104,825</b>	<b>7,156,196</b>
Income tax	13	(4,773,472)	(2,374,685)
<b>Profit for the period after tax</b>		<b>11,331,353</b>	<b>4,781,511</b>
Earnings per share € (note 29)		0.33	0.14
Proposed dividends € (note 26.1.)		0.25	0.13

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
BALANCE SHEET

1st January – 31st December, 2007 (Expressed in Euro)

	Notes	GROUP		COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>FIXED ASSETS</b>					
Intangible assets – Programme rights	14	139,966,434	144,273,143	139,966,434	144,273,143
Tangible assets	15	11,713,696	11,814,972	11,713,696	11,814,972
Investments in associates	16	33,699,696	33,699,696	1,447,514	1,447,514
Deferred taxation	20	1,645,638	1,517,596	1,645,638	1,517,596
Other financial assets	17	452,716	398,923	452,716	398,923
<b>Total fixed assets</b>		<b>187,478,180</b>	<b>191,704,330</b>	<b>155,225,998</b>	<b>159,452,148</b>
<b>CURRENT ASSETS</b>					
Inventories		411,714	332,480	411,714	332,480
Trade and other receivables	18	49,084,328	42,680,768	48,173,057	40,729,029
Claims against associated companies	19	0	0	3,758,700	3,758,700
Prepayments of programme rights & other expenses	21	31,946,212	35,382,367	31,946,212	35,382,367
Cash and cash equivalents	22	8,372,856	4,873,426	7,634,845	4,190,966
		<b>89,815,110</b>	<b>83,269,041</b>	<b>91,924,528</b>	<b>84,393,542</b>
<b>Total assets</b>		<b>277,293,290</b>	<b>274,973,371</b>	<b>247,150,526</b>	<b>243,845,690</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	23	34,361,250	34,361,250	34,361,250	34,361,250
Share premium	23	33,469,247	33,469,247	33,469,247	33,469,247
Reserves	24	40,253,563	39,901,411	11,916,810	11,564,658
Retained earnings		16,626,201	9,108,929	11,573,027	4,708,637
Translation difference		38,660	47,818	0	0
<b>Long term liabilities</b>		<b>124,748,921</b>	<b>116,888,655</b>	<b>91,320,334</b>	<b>84,103,792</b>
<b>CURRENT LIABILITIES</b>	25	<b>50,691,618</b>	<b>58,754,986</b>	<b>50,691,618</b>	<b>58,754,986</b>
<b>SHORT TERM LIABILITIES</b>					
Trade and other payables	26	88,857,718	85,831,721	92,143,541	87,488,903
Short term borrowings	27	3,995,033	4,498,009	3,995,033	4,498,009
Long term liabilities payable next period	25.1	9,000,000	9,000,000	9,000,000	9,000,000
<b>Total Short Term Liabilities</b>		<b>101,852,751</b>	<b>99,329,730</b>	<b>105,138,574</b>	<b>100,986,912</b>
<b>Total equity and liabilities</b>		<b>277,293,290</b>	<b>274,973,371</b>	<b>247,150,526</b>	<b>243,845,690</b>

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1st January – 31st December, 2007 (Expressed in Euro)

**GROUP**

	Share Capital	Share Premium	Statutory Reserve	Other Reserves	Revaluation Reserves	Translation Differences	Valuation reserve on listed securities	Retained Earnings	Total
<b>Net position 2006</b>									
Balance 31st December, 2005	31,237,500	35,031,122	3,588,430	7,771,271	29,826,287	48,125	0	8,152,236	115,654,971
Translation difference 2005-2006						-307			-307
Statutory reserve								-277,298	-277,298
Distribution of earnings to personnel								-400,000	-400,000
Board of Directors Remuneration								-24,000	-24,000
Approval of 2005 dividend by G.A.								-4,060,875	-4,060,875
Share capital increase	3,123,750	-1,561,875		-72,341	-1,489,534				0
Distribution of Earnings for the year 2006			277,298						277,298
Profit for the period after tax								5,718,866	5,718,866
<b>Net position 31/12/2006</b>	<b>34,361,250</b>	<b>33,469,247</b>	<b>3,865,728</b>	<b>7,698,930</b>	<b>28,336,753</b>	<b>47,818</b>	<b>0</b>	<b>9,108,929</b>	<b>116,888,655</b>
<b>Net position 2007</b>									
Balance as of 31st December 2006	34,361,250	33,469,247	3,865,728	7,698,930	28,336,753	47,818	0	9,108,929	116,888,655
Translation difference 2006-2007						-9,158			-9,158
Unrealized gains of valuation of listed securities							352,152		352,152
Approval of 2006 dividend by G.A.								-4,466,963	-4,466,963
Profit for the year after tax								11,984,235	11,984,235
<b>Net position 31/12/2007</b>	<b>34,361,250</b>	<b>33,469,247</b>	<b>3,865,728</b>	<b>7,698,930</b>	<b>28,336,753</b>	<b>38,660</b>	<b>352,152</b>	<b>16,626,201</b>	<b>124,748,920</b>

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1st January – 31st December, 2007 (Expressed in Euro)

**COMPANY**

	Share Capital	Share Premium	Statutory Reserve	Other Reserves	Revaluation Reserves	Valuation reserve on listed securities	Retained Earnings	Total
<b>Net position 2006</b>								
Balance 31st December, 2005	31,237,500	35,031,122	3,588,430	7,771,272	1,489,534	0	4,689,297	83,807,155
Statutory reserve							-277,298	-277,298
Distribution of earnings to personnel							-400,000	-400,000
Board of Directors Remuneration							-24,000	-24,000
Approval of 2005 dividend by G.A.							-4,060,875	-4,060,875
Share capital increase	3,123,750	-1,561,875		-72,341	-1,489,534			0
Distribution of Earnings for the year 2006			277,298					277,298
Profit for the period after tax							4,781,512	4,781,512
<b>Net position 31/12/2006</b>	<b>34,361,250</b>	<b>33,469,247</b>	<b>3,865,728</b>	<b>7,698,931</b>	<b>0</b>	<b>0</b>	<b>4,708,636</b>	<b>84,103,793</b>
<b>Net position 2007</b>								
Balance as of 31st December 2006	34,361,250	33,469,247	3,865,728	7,698,931	0	0	4,708,636	84,103,793
Unrealized gains of valuation of listed securities						352,152		352,152
Approval of 2006 dividend by G.A.							-4,466,963	-4,466,963
Profit for the year after tax							11,331,353	11,331,353
<b>Net position 31/12/2007</b>	<b>34,361,250</b>	<b>33,469,247</b>	<b>3,865,728</b>	<b>7,698,931</b>	<b>0</b>	<b>352,152</b>	<b>11,573,026</b>	<b>91,320,335</b>

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL"  
CASH FLOW STATEMENT

1st January – 31st December, 2007 (Expressed in Euro)

	GROUP		COMPANY	
	31/12/07	31/12/06	31/12/07	31/12/06
<b>Cash flow from operating activities</b>				
Profit before taxation	16,832,667	8,198,338	16,104,825	7,156,196
<b>Adjustments for items not involving the movement of cash</b>				
Depreciation and amortisation	92,948,923	80,165,379	92,948,923	80,165,379
Provisions	3,184,215	739,127	3,184,215	739,127
Translation differences	(159,806)	(133,526)	(150,648)	(133,219)
Profit on disposal of fixed assets	(54,906)	(442)	(28,846)	10,999
<b>Interest and similar charges</b>	5,416,679	4,762,541	5,401,143	4,755,964
(Increase) in stock of spares and consumables	(79,234)	(9,907)	(79,234)	(9,907)
Decrease in stock of programme rights	3,436,154	708,220	3,436,154	708,220
Decrease in debtors and others	(8,141,140)	(2,081,490)	(9,181,610)	(2,153,822)
(Increase)/Decrease in payables	(53,794)	44,994	(53,794)	44,994
Repayments of borrowings	922,882	(2,522,898)	2,507,540	(1,675,147)
Minus: Interest and similar charges	(5,343,582)	(4,549,558)	(5,328,045)	(4,542,980)
Income tax paid	(2,669,023)	(2,458,534)	(2,550,079)	(2,342,256)
<b>Total Cash Flow from Operating Activities (a)</b>	<b>106,240,035</b>	<b>82,862,244</b>	<b>106,210,544</b>	<b>82,723,548</b>
<b>Cash Flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	0	(600)	0	(600)
(Increase)/ in long term receivables	(88,549,086)	(88,995,177)	(88,549,086)	(88,995,177)
(Increase) of investments and participations	12,349	59,651	12,349	59,651
Interest	40,924	18,490	14,864	7,048
Dividends received	9,782	4,891	9,782	4,891
<b>Net Cash Flow from Investing Activities (b)</b>	<b>(88,486,031)</b>	<b>(88,912,745)</b>	<b>(88,512,091)</b>	<b>(88,924,187)</b>
<b>Cash Flow from Financing Activities</b>				
(Decrease) in long term borrowings	0	30,519,418	0	30,513,418
Repayments of borrowings	(9,577,282)	(17,837,599)	(9,577,282)	(17,837,599)
Dividends paid	(4,677,292)	(4,194,512)	(4,677,292)	(4,194,513)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>(14,254,574)</b>	<b>8,487,307</b>	<b>(14,254,574)</b>	<b>8,481,307</b>
<b>Increase in net liquid funds (a)+(b)+(c)</b>	<b>3,499,430</b>	<b>2,436,806</b>	<b>3,443,879</b>	<b>2,280,668</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>4,873,426</b>	<b>2,442,620</b>	<b>4,190,966</b>	<b>1,910,298</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,372,856</b>	<b>4,879,426</b>	<b>7,634,845</b>	<b>4,190,966</b>

Notes forming an integral part of the financial statements on pages 86 to 112.

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" AND ITS SUBSIDIARY  
Notes to the consolidated and parent financial statements in accordance with IFRS  
31st December, 2007 (Expressed in Euro)

## 1. GENERAL INFORMATION

The parent company was incorporated in Athens, Greece in 1989, in accordance with Law 2190/1920 and with a life duration of 50 years. Its life duration can be expanded through the approval of the Shareholder's General Assembly. The company is listed in the Athens Stock Exchange.

The parent company operates the private broadcasting channel "MEGA" based on the 19229/1993 operating broadcasting licence. The duration of the broadcasting licence has been extended by Government law.

The parent company incorporated in 2000 Teletypos Cyprus Ltd. Its investment is stated at 100% of shareholding. The company's main objective is the trading of television programmes in Cyprus and in the area of Middle East.

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

The company's main objectives are:

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

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

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

## 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The group adopted, in the current year, the new and revised International Financial Reporting Standards (IFRS) and the corresponding amendments that have been published from the International Accounting Standards Board (IASB) and from the International Financial Reporting Interpretation Committee (IFRIC) respectively, in the respect that these are related with the group's activity and are effective with the accounting periods beginning on 1st of January 2007.

### a. New and revised International Financial Reporting Standards effective with the accounting periods beginning on 1st of January 2007.

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

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

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

- IFRIC 7 Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies;
- IFRIC 8 Scope of IFRS 2;

IFRIC 9 Reassessment of Embedded Derivatives; and  
IFRIC 10 Interim Financial Reporting and Impairment

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

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

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

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

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

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1. Statement of compliance**

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

#### **3.2. Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for the revaluation of land and buildings, which has been done in 1992, 1996, 2000 and 2004 on the basis of relevant legislation. The resulting revaluation increase was capitalised. Group's management decided that the valuation of land and buildings on current value is not necessary.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the parent company and its subsidiary, which is controlled directly by the parent company. Control is achieved when the parent company has the power to govern the financial and operating policy of the entity that is investing in so as to obtain benefits from its activities.

Consolidated financial statements are based on separate companies' financial statements which have been prepared in accordance with IFRS and certain accounting principles followed by the Group. All group's companies have the same reporting date.

All the intra-company transactions and intra-company balances have been eliminated on consolidation.

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

#### **3.3. Investments in associates**

TELETYPOS TELEVISION PROGRAMMES S.A. "MEGA CHANNEL - GREECE" AND ITS SUBSIDIARY  
Notes to the consolidated and parent financial statements in accordance with IFRS  
31st December, 2007 (Expressed in Euro)

Participations in affiliated companies are valued at acquisition costs plus any other cost.

Affiliated companies are these in which the parent company holds a share of up to 49% without exercising control or having a significant influence.

Provisions for impairments of the investment value are made only when there is significant evidence of substantial impairment.

The non realised gains or losses that are due to changes in appropriate value are included in the shareholder's equity after taking account the taxation effect.

### 3.4. Foreign currency transactions and balances

#### a. Transactions in foreign currencies and presentation

The company's parent and consolidated accounts are presented in the country's currency which is the functional currency of the company. The consolidated accounts are presented in euros which is the parent's company functional currency.

#### b. Transactions and company's accounts

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date monetary items denominated in foreign currencies are translated at the rates prevailing at each balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in items of historical cost in a foreign currency are not translated.

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

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of these assets.
- Exchange differences on monetary items received from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment of a foreign operation.
- For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in the parent company's reporting currency, using the exchange rates at the balance date. Income and expense are translated at the average exchange rate of the period. Exchange differences arising are recognized as foreign currency reserve in equity.

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

### 3.5. Borrowing Cost

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

### 3.6. Programme and film rights

Programme and film rights refer to self-owned television programmes and third parties programmes.

#### 3.6.1. Self-owned television programmes

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

#### 3.6.2. License third parties - T.V. programmes

Licensed third parties television programs are valued at their acquisition cost.

- The profit and loss account is charged with the cost of the broadcasted programmes plus or minus any foreign exchange differences which arise upon settlement or valuation of the corresponding liability at the end of the year.
- the balance sheet presents such as follows:

- under liabilities, the amount due to the suppliers for the programmes invoiced and not yet settled, under prepayments the invoiced amount of not yet transmitted programmes.
- in case a contract provides for more than one transmission the profit and loss account is charged in proportion to the number of transmissions allowed.

### 3.7. Depreciation and Amortization

#### Fixed Assets

Equipment and vehicles of the parent company are presented at cost minus accumulated depreciation and impairment. Property is presented at revised values minus depreciation according to the relevant legislation. Depreciation rates remain constant throughout the useful life of the assets. Land is not depreciated.

	%
Improvements on third party properties	8 - 20
Plant and machinery	5 - 15
Office equipment	5 - 30
Transportation means	15 - 30
Computer and software programmes	100

The values of plant and machinery are examined for a possible impairment in the case of events indicating such impairment. When such indications appear and the value is estimated to be lower than acquisition cost, this value is revised. In addition to the first measurement at cost, land is presented at revised values. The revised value is defined according to relevant legislation. The excess amount of the revaluation is transferred to the account 'Revaluation Reserve' and is presented in the Balance Sheet as part of Equity. According to the relevant law, the time of capitalization of reserves should take place within two years. Thus, the revised surplus of 2004 has been capitalized in 2006.

#### Programme and film rights

Programme and film rights are amortised as follows according to the Greek legislation and subject to the management estimation about future benefits:

	%
First year of transmission	20
Thereafter (whether transmitted or not)	20

Programmes that, according to management estimations can not be broadcasted for more than one year, are 100% amortized in the year of their broadcast.

### 3.8. Taxation

Income tax is calculated on taxable profits and according to the rate which is in force (25% for the year 2007 and 29% for the year 2006). Taxable profit differs from company's profit as reported in the financial statement because it excludes items of income or expenses that are not taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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

Deferred tax is the tax payable or receivable due to temporary differences in income taxation or in expense recognition for taxation purposes and is accounted for to the extent that it will be utilised in the future.

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Deferred tax liability is recognised mainly for all short-term taxation differences and deferred tax asset is recognised to the extent that it is probably that future taxable profit will be available, and tax asset will be utilised against the resulting tax liability. The carrying amount of deferred taxes (assets and liabilities) are reviewed at each Balance Sheet date and are revised if it is necessary to the extent that it is no longer probable that taxable profits will be available to allow all or part of the asset or liability to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised. This tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

### **3.9. Inventories (Spare parts and Consumables)**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost of the successive balance. Net realisable value represents the estimated selling price less all estimated costs.

### **3.10. Provisions**

Provisions are recognised when:

- There are present obligations (legal or constructive) as a result of past events.
- Their settlement through an outflow of resources is probable.
- The exact amount of the obligation can be reliably estimated.

Provisions are reviewed by management of the company during the date when each balance sheet is compiled and can be recalculated if their current value is different from their accounting value.

### **3.11. Revenues**

Revenues come mainly from the sale of advertising time through advertising agencies and from the sale of royalties. Revenues are accounted in the year in which they are realised and are adjusted by deducting customer rebates directly related to revenues.

### **3.12. Impairment**

At each balance sheet date, the company's management reviews the carrying amounts of its tangible and intangible assets to determine whether there is indication that those assets have suffered an impairment loss. At 31.12.2007, there was no such indication.

### **3.13. Trade receivables**

At first, trade receivables are accounted at their appropriate value, and then, are revalued taking into consideration their present value using a real discount rate. Impairment because of differences with the present value or because of provision for bad debts is accounted only for substantial amounts. The amount of provision for possible impairment is transferred to income statement. For doubtful customers a provision that is accounted in the income statement in the year that the customers have been characterized as such.

### **3.14. Investments**

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

The securities that the company intends and is able to hold up to their maturity date 'held to maturity' are valued at real cost using the real discount rate minus possible loss connected to amounts that cannot be recovered.

Non-recoverable amounts, as well as, possible difference from valuation are transferred to income statement.

Other non-investment securities are characterised as tradable or intended for resale and are valued at their appropriate value.

Profit or loss incurred by valuation of tradable or intended for reselling securities is transferred directly to income statement or directly to equity respectively, up to the date of their sale or recognition of possible impairment of their value, in which case, profit or loss accounted in equity is transferred to profit and loss account.

### 3.15. Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments.

### 3.16. Bank loans

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue cost. Then, they are recognised as the present value of total payments due using the real discount rate. Possible difference between present value of payments due and real proceeds from the loan is recognised according to the company policy for recognizing borrowing cost (note 3.5).

### 3.17. Trade Creditors

Trade creditors are stated, at first, at the nominal value of the liabilities. Then, they are revised at their fair value using the real discount rate method, if there is significant difference from the nominal value.

### 3.18 Patents and trademarks

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

### 3.19. Retirement benefits

In accordance with the Greek labour legislation the company has to provide to all its retirees a specific financial benefit. The above financial benefit which is payable on the retirement day is percentage 40% to 70% on a specified amount based on:

- a. years of service in the company
- b. monthly salary at the retirement year
- c. other factors in accordance with the existing legislation

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

The most important assumptions taken into account are:

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

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

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

## 4. SEGMENT INFORMATION

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

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

The company operates in the Greek state offering services and it is not subject to any risks arising from the economic or the geographical environment.

## 5. FINANCIAL ASSETS

Financial assets are classified into the following four categories:

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

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

The entity does not recognise such financial assets

### 5.2. Held-to-maturity investments

The entity does not recognise such investments

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

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

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

### 5.4. Loans and receivables

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

### 5.5. Impairment of financial assets

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

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

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

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

#### 5.6.1. Equity instrument

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

issued any equity instruments.

#### **5.6.2. Financial liabilities**

Financial liabilities are classified are either "Financial liabilities at fair value through profit and loss" or other "Financial liabilities".

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

The entity does not recognize such financial liabilities

##### **5.6.2.2. Other financial liabilities**

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

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

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

## **6. CRITICAL ACCOUNTING JUDGEMENTS AND MANAGEMENT'S ESTIMATION**

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

## **7. DIVIDENDS**

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

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## 8. REVENUE

	GROUP				COMPANY			
	31-12-2007	%	31-12-2006	%	31-12-2007	%	31-12-2006	%
Advertising	172,542,120	98.69	142,410,621	98.16	172,542,121	99.43	142,410,621	99.37
Income from	966,921	0.55	882,505	0.61	966,921	0.56	882,505	0.62
Income from TV rights	28,800	0.02	18,000	0.01	28,800	0.02	18,000	0.01
Income from TV rights (Sub. Company)	1,289,014	0.73	1,773,487	1.22	0	0.00	0	0.00
	<b>174,826,855</b>	<b>100.00</b>	<b>145,084,613</b>	<b>100.00</b>	<b>173,537,842</b>	<b>100.00</b>	<b>143,311,126</b>	<b>100.00</b>

## 9. OPERATING EXPENSES

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Staff wages and expenses	34,077,032	31,846,390	34,077,032	31,846,390
Third parties fees and expenses	20,842,615	21,228,565	20,480,694	20,614,555
Utilities	6,017,510	6,214,626	6,017,510	6,214,626
Taxes and duties	2,080,942	3,475,718	2,080,942	3,475,718
Sundry expenses	8,538,616	7,387,754	8,343,507	7,272,129
Financial expenses	5,416,679	4,762,541	5,401,143	4,755,963
Consumables-spare parts	286,946	280,349	286,946	280,349
Depreciation/Amortization	92,948,923	80,165,379	92,948,923	80,165,379
Less: Cost or origination of own production	(4,561,917)	(4,868,283)	(4,561,917)	(4,868,283)
	<b>165,647,346</b>	<b>150,493,039</b>	<b>165,074,780</b>	<b>149,756,826</b>
The above amounts have been allocated as follows:				
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Cost of sales	146,932,550	134,092,402	146,570,629	133,478,392
Administrative expenses	8,110,148	7,220,811	7,915,039	7,105,186
Selling expenses	5,187,969	4,417,285	5,187,969	4,417,285
Financial expenses	5,416,679	4,762,541	5,401,143	4,755,963
	<b>165,647,346</b>	<b>150,493,039</b>	<b>165,074,780</b>	<b>149,756,826</b>

## 10. OTHER OPERATING INCOME

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Subsidies for educational programmes	0	13,284	0	13,284
Computer and technical support to clients	9,164,013	13,415,553	9,164,013	13,415,553
Income earned from co-operation with third parties	1,797,679	1,168,589	1,797,679	1,168,589
Income from rentals	34,666	40,097	34,666	40,097
	<b>10,996,358</b>	<b>14,637,523</b>	<b>10,996,358</b>	<b>14,637,523</b>

## 11. OTHER INCOME

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Foreign exchange valuation differences	187,176	313,074	187,176	313,074
Other discounts	62,217	79,380	62,217	79,380
Sundry income	8,299	22,465	8,299	22,465
	<b>257,692</b>	<b>414,919</b>	<b>257,692</b>	<b>414,919</b>

## 12. OTHER EXPENSES

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Foreign exchange valuation differences	155,223	21,363	155,223	21,363
Technical support and services	132,893	186,633	132,893	186,633
Compensations	73,969	100,307	73,969	100,307
Other expenses	201,586	109,131	186,921	102,558
	<b>563,671</b>	<b>417,434</b>	<b>549,006</b>	<b>410,861</b>

## 13. TAXATION

The company's profits are taxed at the rate of 25% for the year 2007 and 29% for the year 2006 after they have been adjusted for expenses not tax allowable and for any tax free reserves.

The company's tax liability is not finalised unless the books and records are examined by the Greek tax authorities. Such examination has been carried out up to 1999.

The profits of the subsidiary company are taxed at the tax rate of 10% and no further taxation applies in the country of operations. Dividends for the subsidiary company are added to the taxable income of the parent company. The corresponding dividend's tax paid in foreign country is counterbalanced.

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	GROUP		COMPANY					
	31-12-2007	31-12-2006	31-12-2007	31-12-2006				
Current income tax	(5,089,981)	(2,637,544)	(5,015,021)	(2,532,756)				
Other non-incorporated in operating cost taxes	(3,877)	(3,877)	(3,877)	(3,877)				
Deferred taxes (note 22)	245,426	161,948	245,426	161,948				
<b>Total tax for the period</b>	<b>(4,848,432)</b>	<b>(2,479,473)</b>	<b>(4,773,472)</b>	<b>(2,374,685)</b>				
Total tax for the year consists of:								
	31-12-2007	TAX	31-12-2006	TAX	31-12-2007	TAX	31-12-2006	TAX
		RATE		RATE		RATE		RATE
Profit for the period before taxes (parent)	16,104,825		7,156,196		16,104,825		7,156,196	
Profit for the period before taxes (subsidiary)	727,842		1,042,141		0		0	
Accounting differences	3,951,097		1,573,299		3,951,097		1,573,299	
<b>Taxable profit</b>	<b>20,783,764</b>		<b>9,771,636</b>		<b>20,055,922</b>		<b>8,729,495</b>	
Income tax (parent)	(5,013,981)	25%	(2,531,554)	35%	(5,013,981)	25%	(2,531,554)	35%
Income tax (subsidiary)	(72,784)	10%	(104,214)	10%	0		0	
Prepayment of income tax (subsidiary)	(2,176)		(573)		0		0	
Additional 3% tax on the income from property (parent)	(1,040)		(1,203)		(1,040)		(1,203)	
<b>Total tax for the period</b>	<b>(5,089,981)</b>		<b>(2,637,544)</b>		<b>(5,015,021)</b>		<b>(2,532,756)</b>	
<b>Deferred taxes</b>								
Intangible assets. Formation expenses	(725)		(841)		(725)		(841)	
Provision for contingencies - expenses	245,731		184,782		245,731		184,782	
Foreign exchange difference (income)	420		(21,993)		420		(21,993)	
<b>Total tax</b>	<b>245,426</b>		<b>161,948</b>		<b>245,426</b>		<b>161,948</b>	
Other non-incorporated in operating cost taxes	(3,877)		(3,877)		(3,877)		(3,877)	
<b>Total tax for the period</b>	<b>(4,848,432)</b>		<b>(2,479,473)</b>		<b>(4,773,472)</b>		<b>(2,374,685)</b>	

## 14. INTANGIBLE ASSETS- PROGRAMME RIGHTS

### GROUP / COMPANY

	Programme and film rights	Formation expenses	Share Capital's Increase Expenses	License Trademark	Total
<b>2006</b>					
<b>Cost</b>					
1.1.2006	577,432,978	0	0	384,892	577,817,870
Purchases	81,934,112	15,619	3,124	0	81,952,855
Disposals	0	0	0	(115,009)	(115,009)
In House production under way	4,270,051	0	0	0	4,270,051
31.12.2006	663,637,141	15,619	3,124	269,883	663,925,767
<b>Amortization</b>					
1.1.2006	441,572,639	0	0	268,745	441,841,384
Charge for the period	77,853,670	15,619	3,124	53,835	77,926,248
Disposals	0	0	0	(115,008)	(115,008)
31.12.2006	519,426,309	15,619	3,124	207,572	519,652,624
<b>Net Book Value 31.12.2006</b>	<b>144,210,832</b>	<b>0</b>	<b>0</b>	<b>62,311</b>	<b>144,273,143</b>
<b>2007</b>					
<b>Cost</b>					
1.1.2007	663,637,141	15,619	3,124	269,883	663,925,767
Purchases	83,478,847	0	0	0	83,478,847
Disposals	0	(15,619)	(3,124)	(8,479)	(27,222)
In House production under way	2,696,316	0	0	0	2,696,316
31.12.2007	749,812,304	0	0	261,404	750,073,708
<b>Amortization</b>					
1.1.2007	519,426,309	15,619	3,124	207,572	519,652,624
Charge for the period	90,429,591	0	0	52,281	90,481,872
Disposals	0	(15,619)	(3,124)	(8,479)	(27,222)
31.12.2007	609,855,900	0	0	251,374	610,107,274
<b>Net Book Value 31.12.2007</b>	<b>139,956,404</b>	<b>0</b>	<b>0</b>	<b>10,030</b>	<b>139,966,434</b>

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**15. TANGIBLE ASSETS**

**GROUP / COMPANY**

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

<b>(1) Land</b>	Acquisition cost	<b>1.333.457</b>
	Revaluation (according to Greek Legislation (see note 3.7)	
	1992	192.293
	1996	838.590
	2001	945.736
	2004	1.489.534
	Revaluated balance as at 31.12.2007	<b>3.466.153</b>
		<b>4.799.610</b>

## 16. INVESTMENTS – SHARES IN ASSOCIATED AND SUBSIDIARY COMPANIES

Investments are stated at cost as follows:

### GROUP

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

	31/12/2007	31/12/2006
	% Voting Rights	% Voting Rights
NETMED N.V. (via subsidiary) a.	12,5	12,5
Logos (Cyprus)	25	25
Television Royalties S.A.	1	1

### Main activities:

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

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

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

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

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

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

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

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**COMPANY**

	31/12/2007	Shareholding %	31/12/2006	Shareholding %
Teletypos Cyprus Ltd	1.008.318	100	1.008.318	100
Logos (Cyprus)	438.596	25	438.596	25
Television Royalties S.A.	600	1	600	1
	<b>1.447.514</b>		<b>1.447.514</b>	

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

**17. OTHER FINANCIAL ASSETS**

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
<b>Guarantee given:</b>				
Rent	392,019	344,770	392,019	344,770
Hertz (car rental)	35,875	29,330	35,875	29,330
Electricity Power	15,875	15,876	15,875	15,876
EBU (4 lines)	6,000	6,000	6,000	6,000
Associated Press	1,388	1,388	1,388	1,388
Attiki Road	1,500	1,500	1,500	1,500
Other financial assets	59	59	59	59
	<b>452,715</b>	<b>398,923</b>	<b>452,715</b>	<b>398,923</b>

## 18. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Clients (1)	31,128,891	35,177,494	30,270,205	33,331,524
Post dated cheques	12,067,720	1,819,904	12,067,720	1,819,904
Deliquent cheques	556,041	8,000	556,041	8,000
Income tax 2003	0	1,657,424	0	1,657,424
Provision for prepayment of income tax and other receivables from Greek Government	3,486,492	1,843,259	3,486,492	1,843,259
Shares of listed company (2)	469,536	4,691	469,536	4,691
Doubtful debtors	283,028	283,028	283,028	283,028
V.A.T.	2,868,841	1,857,793	2,868,841	1,857,793
Advances on account	15,939	22,150	15,939	22,150
<b>Minus:</b> Provision for doubtful customers and overdue postdated cheques	(2,201,291)	(452,537)	(2,201,291)	(452,537)
Other debtors	409,131	459,562	356,546	353,793
	<b>49,084,328</b>	<b>42,680,768</b>	<b>48,173,057</b>	<b>40,729,029</b>

(1) Bank letters of guarantee of € 1.320.989 (31/12/2007) were received as a security against receivables.

(2) Cost of shares (19.564 shares) of a company listed in the Greek stock exchange under the name of "GREEK STOCK EXCHANGE S.A." which is valued at the remaining value after the decrease of capital mentioned in b and c. The Stock Exchange market price as at 31.12.2007 was Euro 24 per share.

## 19. RECEIVABLES - ASSOCIATED COMPANIES

### COMPANY

	31/12/2007	31/12/2006
Teletypos Cyprus Ltd	3.758.700	3.758.700

In 2003 the company transferred in 'Teletypos Cyprus Ltd', at value cost, its participation in Multichoice Hellas.

### GROUP

The transactions along with the credit balance with 'Teletypos Cyprus Ltd' are crossed out for consolidation reasons.

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## 20. DEFERRED TAXES

### GROUP / COMPANY

	31-12-2007	31-12-2006
Deferred tax liabilities	(431,426)	(275,103)
Receivable from deferred taxes	2,077,064	1,792,699
<b>Closing balance</b>	<b>1,645,638</b>	<b>1,517,596</b>
Deferred tax analysis:		
	31-12-2007	31-12-2006
At 1st January	1,517,596	1,355,647
Deferred tax for the period:	245,426	161,949
	(117,384)	0
<b>Balance as of 31st December 2007</b>	<b>1,645,638</b>	<b>1,517,596</b>

Deferred taxation assets/liabilities are connected to:

### GROUP / COMPANY

	Intangible assets Preliminary expenses	Provisions	Unrealized exchange differences	Valuation reserves on listed securities	Total
Balance as 1st January, 2006	7,104	1,365,184	(16,641)	0	1,355,647
Plus: Charge to income statement for the year	(841)	184,782	(21,992)	0	161,949
<b>Balance as 31st December, 2006</b>	<b>6,263</b>	<b>1,549,966</b>	<b>(38,633)</b>	<b>0</b>	<b>1,517,596</b>
Plus: Charge to income statement for the year	(725)	245,731	420	0	245,426
Recognized directly in equity	0	0	0	(117,384)	(117,384)
<b>Balance as 31st December, 2007</b>	<b>5,538</b>	<b>1,795,697</b>	<b>(38,213)</b>	<b>(117,384)</b>	<b>1,645,638</b>

## 21. PREPAID PROGRAMME RIGHTS AND SUNDRY EXPENSES

### GROUP / COMPANY

	31-12-2007	31-12-2006
Film rights	31,805,114	35,240,835
Sundry expenses	141,098	141,532
	<b>31,946,212</b>	<b>35,382,367</b>

## 22. CASH AND CASH EQUIVALENT

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Cash	17,835	65,567	17,835	65,567
Cash in bank	8,355,021	4,807,859	7,617,010	4,125,399
	<b>8,372,856</b>	<b>4,873,426</b>	<b>7,634,845</b>	<b>4,190,966</b>

## 23. SHARE CAPITAL

	GROUP / COMPANY	
	000' Drs.	Euro
Authorised share capital		
Issued and fully paid € 31,237,500,00 nominal ordinary shares of G.Drs. 200 each	6,247,500	
Increase of share capital through capitalisation:		
- Share premium (a)	3,393,146	
- Revaluation reserve	322,259	
- Tax free reserves	681,273	
<b>Total share capital 31,237,500 nominal ordinary shares of Euro 1 (Drs 340,75) each</b>	<b>10,644,178</b>	<b>31,237,500</b>
Increase of share capital through capitalisation:		
- Difference from issuance of shares	1,561,875	
- Revaluation reserves	1,489,534	
- Taxable reserves	72,341	
<b>Total</b>		<b>3,123,750</b>
<b>Total share capital at 31/12/2007 34,361,250 nominal ordinary shares of Euro 1 each</b>		<b>34,361,250</b>

**23(a)** The difference from the issuance of shares is the difference between the nominal value of the shares and the issuance value of the shares that have been made available to the public through the Stock Exchange in 1994 and 1999.

**23(b)** The G.M. of the 23rd of May 2006 decided to increase the share capital by three million one hundred twenty three thousands seven hundred and fifty (3.123.750) euros through capitalization a) amount 1.489.534,26 euro through a revaluation of assets according to law 2065/1992 b) amount 1.561.875,00 euro through existent reserves that occurred from previous share capital increases and c) amount 72.340,74 through taxable reserves according to article 8 of the law 2579/1998 with the issuance of three million one hundred twenty three thousands seven hundred and fifty (3.123.750) common ordinary shares of nominal value (1) euro each and the distribution to shareholders of 1 share for every 10 held. After the above mentioned share capital increase the company's share capital will amount to thirty four million three thousand sixty one and two hundred and fifty euros (34.361.250), which accounts to thirty four million three thousand sixty one and two hundred and fifty (34.361.250) common ordinary shares of nominal value 1 euro each.

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

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## 24. RESERVES

### GROUP

	*Statutory Reserves	Revenue reserve	Revaluation reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2006	3,588,430	7,771,271	29,826,286	0	41,185,987
Change in year (note 23b-24a)	277,298	(72,341)	(1,489,534)	0	(1,284,576)
<b>Balance at 31 December, 2006</b>	<b>3,865,728</b>	<b>7,698,930</b>	<b>28,336,752</b>	<b>0</b>	<b>39,901,411</b>
Change in year (note 24b)	0	0	0	352,152	352,152
<b>Balance at 31 December, 2007</b>	<b>3,865,728</b>	<b>7,698,930</b>	<b>28,336,752</b>	<b>352,152</b>	<b>40,253,563</b>

### COMPANY

	*Statutory Reserves	Revenue reserve	Revaluation reserve	Valuation reserves on listed securities	Total
Balance at 1 January, 2006	3,588,430	7,771,272	1,489,534	0	12,849,236
Change in year (note 23b-24a)	277,298	(72,341)	(1,489,534)	0	(1,284,578)
<b>Balance at 31 December, 2006</b>	<b>3,865,728</b>	<b>7,698,931</b>	<b>0</b>	<b>0</b>	<b>11,564,658</b>
Change in year (note 24b)	0	0	0	352,152	352,152
<b>Balance at 31 December, 2007</b>	<b>3,865,728</b>	<b>7,698,931</b>	<b>(0)</b>	<b>352,152</b>	<b>11,916,810</b>

**24a.** The company is obliged by Greek company Law 2190/1920 to transfer to this reserve 5% of its annual profits until these reserves are accumulated to one third (1/3) of its paid up share capital.

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

## 25. LONG TERM LIABILITIES

### GROUP

### COMPANY

	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Debenture loan (25.1)	43,500,000	52,500,000	43,500,000	52,500,000
Bank loans	0	46,491	0	46,491
Guaranties	8,832	8,633	8,832	8,633
	<b>43,508,832</b>	<b>52,555,124</b>	<b>43,508,832</b>	<b>52,555,124</b>
Provision for retirement benefits (25.2)	7,182,786	6,199,862	7,182,786	6,199,862
	<b>7,182,786</b>	<b>6,199,862</b>	<b>7,182,786</b>	<b>6,199,862</b>
<b>Total long term liabilities</b>	<b>50,691,618</b>	<b>58,754,986</b>	<b>50,691,618</b>	<b>58,754,986</b>

## 25.1. Debenture loans

- a)** Represent debenture loan of Euro 45.000.000 that was obtained by the company under a loan agreement dated 25.05.2004. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,55% per annum above 3 months Euribor. The remaining amount is payable in three instalments as follows: Euro 9,0 mil. in 06.06.08 and Euro 13,5 mil. in 06.06.09 and
- b)** Debenture loan of Euro 15.000.000 that was obtained by the company under a loan agreement dated 27.09.2006. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,50% per annum above 6 months Euribor. The amount is payable at 29.09.2009.
- c)** Debenture loan of Euro 15.000.000 that was obtained by the company under a loan agreement dated 7.12.2006. The loan was undertaken in order to readjust the balance of short term loans. The loan is free from any guarantees, the applicable interest rate is 1,50% per annum above 6 months Euribor. The debenture loan is payable in three installments of 5.000,000 euro each, the first of which is payable 36 months after the date of the issuance of the debenture loan while the others are payable the same date after the expiration of a six month period. The last installment is payable at 7.12.2010.

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

	Total	Payments	Short Term Portion	Long Term Portion
Alpha Bank	11,900,000	5,950,000	2,375,000	3,575,000
Piraeus Bank	10,000,000	5,000,000	2,000,000	3,000,000
Commercial Bank	7,000,000	3,500,000	1,400,000	2,100,000
National Bank	3,000,000	1,500,000	600,000	900,000
Egnatia Bank	3,000,000	1,500,000	600,000	900,000
General Bank	2,300,000	1,150,000	462,500	687,500
Aspis Bank	2,000,000	1,000,000	400,000	600,000
Laiki Bank	2,000,000	1,000,000	400,000	600,000
EFG Telesis Finance	2,000,000	1,000,000	400,000	600,000
Bank of Attica	1,800,000	900,000	362,500	537,500
<b>(a) Debenture Loan</b>	<b>45,000,000</b>	<b>22,500,000</b>	<b>9,000,000</b>	<b>13,500,000</b>
<b>(b) The component bank and the administrative bank of the b) debenture loan is Alpha Bank</b>				<b>15,000,000</b>
<b>(c) The component bank and the administrative bank of the c) debenture loan is Piraeus Bank</b>				<b>15,000,000</b>
<b>Total of (a)+(b)+(c) debenture Loan</b>				<b>43,500,000</b>

## 25.2. Retirement indemnities as calculated by the actuarial company 'Hewitt Associates'

Retirement indemnities have been calculated by the actuarial company 'Hewitt Associates'.

For the period 1/1-31/12/2007 retirement indemnities account for € 1.279.914 while for 2006 account for € 1.226.457.

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			2006
Opening provisions	31-12-2005		5,460,735
Payments during	2006		(487,330)
Adjustment of liabilities	31-12-2006		1,226,457
Forecast retirement indemnities	31-12-2006		<b>6,199,862</b>
			2007
Opening provisions	31-12-2006		<b>6,199,862</b>
Payments during	2007		(296,990)
Adjustment of liabilities (provision)	31-12-2007		1,279,914
Forecast retirement indemnities	31-12-2007		<b>7,182,786</b>

## 26. TRADE AND OTHER PAYABLE

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Payables trade	70,543,732	73,206,962	73,892,434	74,864,145
Dividends payable	26.1 165,322	375,652	165,322	375,652
Advances by customer	452,292	266,468	452,292	266,468
Taxes and duties	26.2 13,241,008	7,079,363	13,178,129	7,079,363
Social security funds	1,096,353	1,038,414	1,096,353	1,038,413
Other creditors	26.3 1,691,059	2,073,916	1,691,059	2,073,916
Accruals	26.4 1,667,952	1,790,946	1,667,952	1,790,946
<b>Balance as per books at 31st December</b>	<b>88,857,718</b>	<b>85,831,721</b>	<b>92,143,541</b>	<b>87,488,903</b>

### 26.1. Dividends payable

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Balance at 1 January	375,652	509,289	375,652	509,289
Plus: Approved dividends for the year 2006	4,466,963	0	4,466,963	0
Plus: Approved dividends for the year 2005	0	4,060,875	0	4,060,875
Less: Dividends paid during the period	(4,677,293)	(4,194,512)	(4,677,293)	(4,194,512)
<b>Dividends payable 31st December (1)</b>	<b>165,322</b>	<b>375,652</b>	<b>165,322</b>	<b>375,652</b>

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

## 26.2. Taxes and duties

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Broadcasting licence fees	4,809,588	2,959,233	4,809,588	2,959,233
Income tax (note 3. 8)	6,640,691	2,550,079	6,640,691	2,550,079
Taxes and Duties related to full time employees	1,206,840	1,123,513	1,206,840	1,123,513
Other withholding taxes	325,024	189,664	262,145	189,664
Prior years' taxes and duties	254,725	254,725	254,725	254,725
Settlement Stamp Duty L. 2328/95	4,140	2,149	4,140	2,149
Balance as per books at 31st December	13,241,008	7,079,363	13,178,129	7,079,363

## 26.3. Other creditors

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Staff wages	7,159	17,283	7,159	17,283
Third parties fees	389,258	382,870	389,258	382,870
Suppliers' checks outstanding	766,728	881,877	766,728	881,877
Sundry creditors	523,781	387,753	523,781	387,753
Distribution of earnings to personnel	4,133	404,133	4,133	404,133
Balance as per books at 31st December	1,691,059	2,073,916	1,691,059	2,073,916

## 26.4. Accrual expenses

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Interest and similar charges	392,248	319,150	392,248	319,150
Third party royalties	1,114,440	1,041,404	1,114,440	443,885
Third parties fees	22,198	56,492	22,198	654,011
Sundry expenses	236	168	236	168
Programme cost	77,000	305,000	77,000	305,000
Film rights	61,830	68,732	61,830	68,732
Balance as per books at 31st December	1,667,952	1,790,946	1,667,952	1,790,946

## 27. SHORT-TERM BORROWINGS

### Bank overdrafts

	GROUP / COMPANY			
	31-12-2007		31-12-2006	
	Credit limit	Amount withdraw	Credit limit	Amount withdraw
NATIONAL BANK OF GREECE	12,000,000	882	12,000,000	776
COMMERCIAL BANK	12,000,000	8,055	12,000,000	1,082,496
ALPHA BANK	15,000,000	2,013,985	17,000,000	1,065,633
PIRAEUS BANK	10,000,000	1,972,111	10,000,000	311,896
EGNATIA BANK	3,000,000	0	3,000,000	1,001,580
BANK OF ATTICA	4,000,000	0	4,000,000	0
ASPIS BANK	3,000,000	0	3,000,000	0
MILLENNIUM BANK	6,000,000	0	4,500,000	1,014,281
BANK OF CYPRUS	6,000,000	0	5,000,000	21,347
H S B C	3,000,000	0	0	0
EFG EUROBANK - ERGASIAS	10,000,000	0	10,000,000	0
PANELINNIA BANK	10,000,000	0	10,000,000	0
HELLENIC BANK	5,000,000	0	0	0
	<b>99,000,000</b>	<b>3,995,033</b>	<b>90,500,000</b>	<b>4,498,009</b>

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

## 28. ISSUED SHARES

### COMPANY

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

### GROUP

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

## 29. EARNINGS PER SHARE

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

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

## 30. FINANCIAL INSTRUMENTS

### 30.1. Significant accounting policies

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

	GROUP		COMPANY	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Categories of financial instruments				
<b>Financial Assets</b>				
Receivables (including cash and cash equivalents)	59,986,648	47,549,503	59,097,066	48,674,004
Available-for-sale financial assets	469,536	4,691	469,538	4,691
<b>Financial Liabilities</b>				
Carrying amounts of payables (including loans)	152,544,369	158,084,716	155,830,192	159,741,898

### 30.2. Fair value of financial instruments

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

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

### 30.3. Financial risk management objectives

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

#### **30.4. Market**

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

#### **30.5. Interest rate risk management**

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

#### **30.6. Credit risk management**

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

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

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

#### **30.7. Liquidity risk management**

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

### **31. CONTINGENT LIABILITIES**

- 31.1** Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited fiscal years 2000 to 2007 (note 13).
- 31.2** Letters of guarantee issued by banks amounting to Euro 803,250 for meeting liabilities on behalf of the Greek Football Association (ΕΠΟ) and 400,000 euro for meeting liabilities on behalf of TELESTARE 2,775,000 euro and 362,490 euro for Gkakou family based on decision of the court of appeal.
- 31.3** Payment of compensation to third parties amounting to 23,1 million euros approximately claimed in the above suits.

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

### **32. FINANCIAL COMMITMENTS**

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

### 33. REMUNERATION TO EXECUTIVES AND MANAGEMENT

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

	01/01-31/12/2007	01/01-31/12/2006
Salaries	2,983,626	2,616,159
BOD remuneration	24,000	24,000

### 34. RELATED PARTIES TRANSACTIONS

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

Transactions with related parties are as follows:

	SALE 01/01-31/12/07	SALE 01/01-31/12/06	PURCHASE 01/01-31/12/07	PURCHASE 01/01-31/12/06
DOL	607,970	507,384	9,675	6,424
PHGASOS	1,209,565	573,228	15,133	12,398
ANSI S.A.	0	0	11,950,894	9,455,800
ATA S.A.	0	0	15,164,252	15,394,197
O LOGOS	550	0	0	0
TELETYPOS CYPRUS	0	0	1,300,000	1,130,950
<b>TOTAL</b>	<b>1,818,085</b>	<b>1,080,612</b>	<b>28,439,954</b>	<b>25,999,769</b>

	CLAIMS		LIABILITIES	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
DOL	305,746	76,704	-160	-7,365
PHGASOS	723,729	374,639	-23,840	-6,248
ANSI S.A.	0	0	-2,299,219	-4,676,207
ATA S.A.	0	0	-6,860,874	-9,319,998
O LOGOS	550	0	0	0
TELETYPOS CYPRUS	3,758,700	3,758,700	-4,875,950	-3,575,950
<b>TOTAL</b>	<b>4,788,725</b>	<b>4,210,043</b>	<b>-14,060,043</b>	<b>-17,585,768</b>

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

### 35. EVENTS AFTER THE BALANCE SHEET DATE

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

There are no events after the balance sheet date which concern the company and disclosure of which is required by the International Financial Reporting Standards.

### 36. APPROVAL OF FINANCIAL STATEMENTS

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

Athens 12 February 2008

President of Board of Directors

Christos D. Lambrakis  
M 154944

The Managing Director  
And member of Board of Directors

Elias E. Tsigas  
Ξ 414434

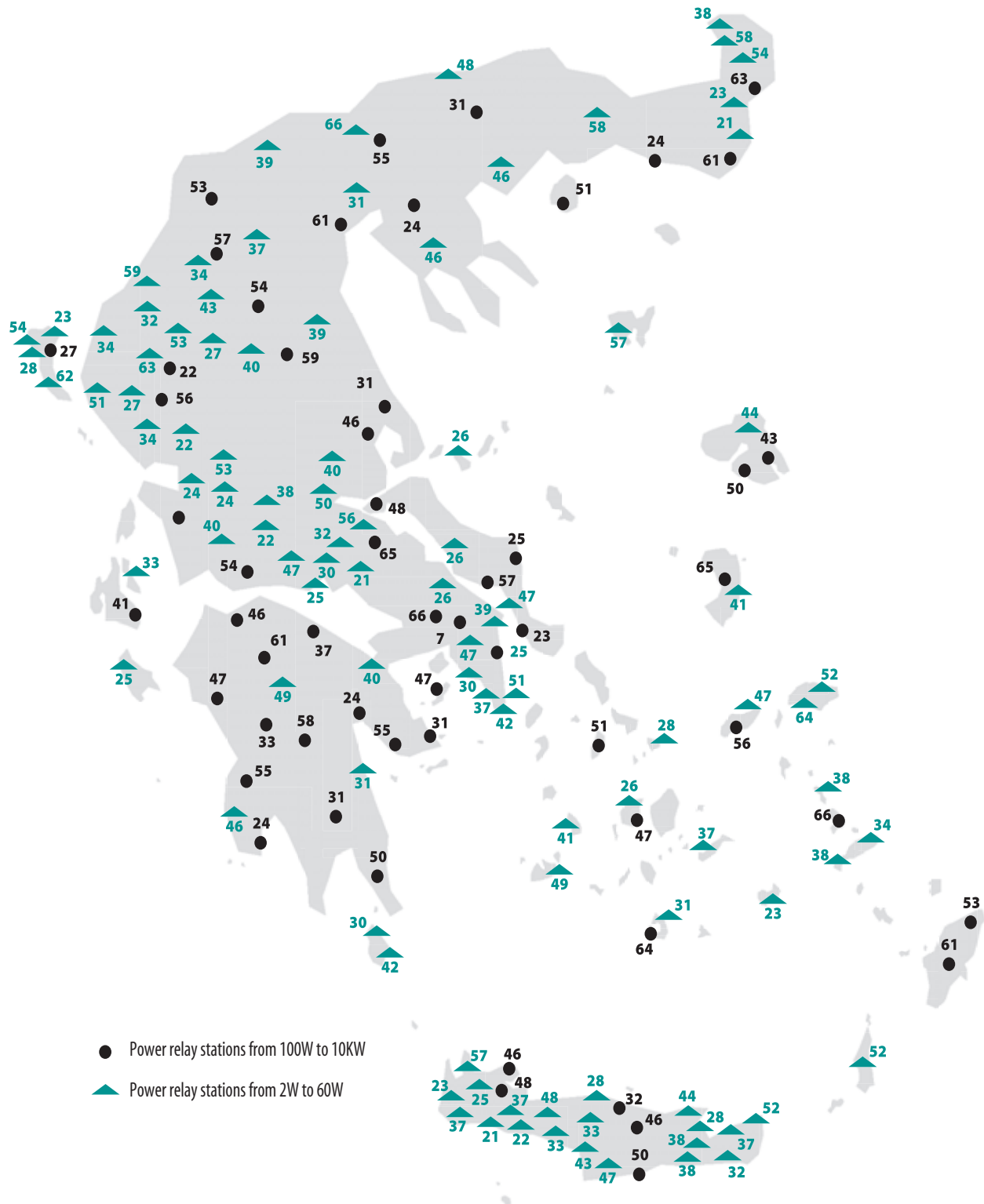
Financial Controller

Athanasios G. Andreoulis  
Φ 064116

Chief Accountant

Vasilios A. Kritikos  
X 575439

# Broadcasting Network Facilities



Notes

Notes

Notes

