

**PRIMETEL PLC**

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2009

**PRIMETEL PLC**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 €	2008 €
<b>Turnover</b>	5	32.302.438	24.481.294
Cost of sales		<u>(18.028.475)</u>	<u>(14.182.875)</u>
<b>Gross profit</b>		14.273.963	10.298.419
Other income from operations	6	252.566	1.128.984
Selling and distribution expenses		(4.044.231)	(1.794.933)
Administration expenses		<u>(10.058.150)</u>	<u>(8.216.703)</u>
Operating profit		424.148	1.415.767
Impairment of goodwill	14	(4.580.285)	-
Other operating expenses	7	<u>(1.772.038)</u>	<u>(762)</u>
<b>Operating (loss)/profit before financing income/(expenses)</b>	8	<u>(5.928.175)</u>	<u>1.415.005</u>
Finance income	10	249.201	65.805
Finance expenses	10	<u>1.653.404</u>	<u>(1.067.709)</u>
<b>Net finance expenses</b>		<u>(1.404.203)</u>	<u>(1.001.904)</u>
<b>Share of loss from associated company</b>		<u>(1.849)</u>	<u>-</u>
		(7.334.227)	413.101
Taxation	11	<u>(1.346.812)</u>	<u>(162.628)</u>
<b>(Loss)/profit for the year</b>		(8.681.039)	250.473
<b>Other comprehensive loss</b>			
Other comprehensive loss for the year after taxation		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u>(8.681.039)</u>	<u>250.473</u>
<b>Basic and fully distributed earnings/(loss) per share (cents)</b>	12	<u>(4,55)</u>	<u>0,16</u>

The notes on pages 18 to 60 form an integral part of these financial statements.

**PRIMETEL PLC**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Note	2009 €	2008 €
<b>Assets</b>			
Property, plant and equipment	13	26.530.863	19.042.272
Intangible assets	14	25.316.795	20.262.554
Investment in associated company	17	265.260	267.109
Other investments	18	15.631	15.631
Deferred taxation	25	<u>-</u>	<u>1.267.831</u>
<b>Total of non current assets</b>		<b><u>52.128.549</u></b>	<b><u>40.855.397</u></b>
Inventories	19	2.001.516	1.841.514
Trade and other receivables	20	10.360.964	7.650.055
Taxation refundable	27	148	1.102
Cash at bank and in hand	21	<u>1.160.418</u>	<u>1.587.029</u>
<b>Total current assets</b>		<b><u>13.523.046</u></b>	<b><u>11.079.700</u></b>
<b>Total assets</b>		<b><u>65.651.595</u></b>	<b><u>51.935.097</u></b>
<b>Equity</b>			
Share capital	22	32.507.371	32.304.584
Accumulated losses			
From ordinary operations		(13.945.732)	(5.165.159)
From acquisition of enterprises		(14.245.087)	(14.245.087)
Other reserves		<u>4.747.001</u>	<u>4.767.609</u>
<b>Total equity attributable to shareholders of the Company</b>		<b>9.063.553</b>	<b>17.661.947</b>
Minority interest		<u>4.000</u>	<u>142.305</u>
<b>Total equity</b>		<b><u>9.067.553</u></b>	<b><u>17.804.252</u></b>
<b>Liabilities</b>			
Long-term loans	23	32.859.898	21.518.541
Debentures	24	4.972.985	-
Deferred tax liability	25	682.549	610.497
Deferred income	26	4.441	178
Trade and other payables	26	<u>252.309</u>	<u>1.115.901</u>
<b>Total current liabilities</b>		<b><u>38.772.182</u></b>	<b><u>23.245.117</u></b>
Bank overdrafts and current portions of long-term loans	23	3.355.472	1.135.214
Trade and other payables	26	<u>14.456.388</u>	<u>9.750.514</u>
<b>Total current liabilities</b>		<b><u>17.811.860</u></b>	<b><u>10.885.728</u></b>
<b>Total liabilities</b>		<b><u>56.584.042</u></b>	<b><u>34.130.845</u></b>
<b>Total equity and liabilities</b>		<b><u>65.651.595</u></b>	<b><u>51.935.097</u></b>

The consolidated financial statements were approved by the Board of Directors on 28 April 2010.

Periklis Manglis  
.....  
Director

Hermes Stephanou  
.....  
Director

The notes on pages 18 to 60 form an integral part of these financial statements.

**PRIMETEL PLC**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 €	2008 €
<b>Reserve</b>	5	29.591.135	24.481.294
Cost of sales		<u>(17.654.855)</u>	<u>(14.182.875)</u>
<b>Gross profit</b>		11.936.280	10.298.419.
Other income from operations	6	506.966	1.125.671
Selling distribution expenses		<u>(2.563.794)</u>	<u>(1.794.933)</u>
Administrative expenses		<u>(9.678.604)</u>	<u>(8.213.882)</u>
Profit from operating		200.848	1.415.275
Other expenses	7	<u>(1.714.516)</u>	<u>(762)</u>
<b>Operating profit/(loss) before financing income/(expenses)</b>	8	<u>(1.513.668)</u>	<u>1.414.513</u>
Financial income	10	248.539	65.805
Financial expenses	10	<u>(1.562.301)</u>	<u>(1.067.709)</u>
<b>Net financing expenses</b>		<u>( 1.313.762)</u>	<u>(1.001.904)</u>
<b>(Loss)/profit before taxation</b>		<u>(2.827.430)</u>	412.609
Taxation	11	<u>(1.401.550)</u>	<u>(162.628)</u>
<b>(Loss)/profit for the year</b>		<u>(4.228.980)</u>	<u>249.981</u>
<b>Other comprehensive loss</b>			
Other comprehensive loss for the year after taxation		_____ -	_____ -
<b>Total comprehensive loss for the year</b>		<u>(4.228.980)</u>	<u>249.981</u>
<b>Basic and fully diluted earnings/(losses) per share (cent)</b>	12	<u>(2,22)</u>	<u>0,16</u>

**PRIMETEL PLC**

**PARENT COMPANY STATEMENT OF FINANCIAL POSITION**

At 31 December 2009

	Note	2009 €	2008 €
<b>Assets</b>			
Property, plant and equipment	13	25.837.971	17.845.866
Intangible assets	14	24.806.690	15.042.569
Investment in subsidiaries	15	6.060.083	5.513.244
Deferred taxation	24	<u>-</u>	<u>1.267.831</u>
<b>Total non current assets</b>		<u>56.704.744</u>	<u>39.669.510</u>
Investments	19	2.001.516	1.841.514
Trade and other receivables	20	8.297.173	6.552.891
Cash in hand and in bank	21	<u>955.012</u>	<u>1.545.071</u>
<b>Total current assets</b>		<u>11.253.701</u>	<u>9.939.476</u>
<b>Total assets</b>		<u>67.958.445</u>	<u>49.608.986</u>
<b>Capital and reserves</b>			
Share capital	22	32.507.371	32.304.584
Accumulated losses			
From ordinary operations		(9.394.631)	(5.165.651)
From acquisition of operations		(14.245.087)	(14.245.087)
Other reserves		<u>4.747.001</u>	<u>4.767.609</u>
<b>Total equity attributable to shareholders of the Company</b>		<u>13.614.654</u>	<u>17.661.455</u>
<b>Liabilities</b>			
Long term loans	23	31.893.053	20.515.107
Debentures		4.972.985	-
Deferred tax liability	24	682.549	553.697
Trade and other payables	25	<u>252.309</u>	<u>1.115.901</u>
<b>Total non-current liabilities</b>		<u>37.800.896</u>	<u>22.184.705</u>
Current portions of long-term loans	23	2.589.351	872.205
Trade and other payables	25	13.945.652	8.883.597
Tax payable	26	<u>7.892</u>	<u>7.024</u>
<b>Total current liabilities</b>		<u>16.542.895</u>	<u>9.762.826</u>
<b>Total liabilities</b>		<u>54.343.791</u>	<u>31.947.531</u>
<b>Total equity and liabilities</b>		<u>67.958.445</u>	<u>49.608.986</u>

The financial statements were approved by the Board of Directors on 18 April 2010.

Periklis Manglis  
.....  
Director

Hermes Stephanou  
.....  
Director