# 7.6. Financial Statements

## HELLENIC TELECOMMUNICATIONS & POST COMMISSION

**BALANCE SHEET AS OF 31st DECEMBER 2007 - 13th FISCAL YEAR (1 JANUARY - 31 DECEMBER 2007, AMOUNTS IN EURO)**

**ASSETS**

| | Amounts for the Period ended 2007 | | | Amounts for the Period ended 2006 | | |
|---|---|---|---|---|---|---|
| | Acquisition Value | Depreciation | Net Value | Acquisition Value | Depreciation | Net Value |
| **B. PREOPERATING COST** | | | | | | |
| 1. Start up expenses | 465,538.60 | 304,294.51 | 161,244.09 | 465,538.60 | 211,186.75 | 254,351.85 |
| 4. Other preoperating expenses (s/w) | 2,127,751.25 | 2,100,309.67 | 27,441.58 | 2,127,751.25 | 1,883,816.73 | 243,934.52 |
| | 2,593,289.85 | 2,404,604.18 | 188,685.67 | 2,593,289.85 | 2,095,003.48 | 498,286.37 |
| **C. FIXED ASSETS** | | | | | | |
| II. Tangible Assets | | | | | | |
| 5. Vehicles | 176,424.05 | 153,912.52 | 22,511.53 | 176,424.05 | 134,760.88 | 41,663.17 |
| 6. Furniture and fixtures | 11,825,790.04 | 9,196,176.86 | 2,629,613.18 | 11,686,672.03 | 7,204,720.40 | 4,481,951.63 |
| 7. Payments on account and construction in progress | 164,530.80 | 0.00 | 164,530.80 | 164,530.80 | 0.00 | 164,530.80 |
| Total Tangible Asstes (C II) | 12,166,744.89 | 9,350,089.38 | 2,816,655.51 | 12,027,626.88 | 7,339,481.28 | 4,688,145.60 |
| III. Participations and other Long-term Receivables | | | | | | |
| 7. Other long-term receivables | | | 219,971.84 | | | 205,287.60 |
| Total Fixed Assets (CII + CIII) | | | 3,036,627.35 | | | 4,893,433.20 |
| **D. CURRENT ASSETS** | | | | | | |
| I. Invetories | | | | | | |
| 4. Raw and auxiliary materials, consumables and spare parts | | | 254,536.62 | | | 254,536.62 |
| II. Receivables | | | | | | |
| 1. Trade debtors | | 3,256,150.36 | | | 1,393,125.88 | |
| Less : Provisions ( 44.11) | | 636,069.44 | 2,620,080.92 | | 439,789.42 | 953,336.46 |
| 11. Sundry debtors | | | 36,428,985.49 | | | 8,640,460.93 |
| 12. Andvances and control account credits | | | 73,191.80 | | | 26,635.89 |
| | | | 39,122,258.21 | | | 9,620,433.28 |
| IV. Cash and Deposits | | | | | | |
| 1. Cash in hand | | | 2,662.09 | | | 3,137.60 |
| 2. Time and Sight deposits | | | 147,643,680.85 | | | 116,234,595.55 |
| | | | 147,646,342.94 | | | 116,237,733.15 |
| Total Current Assets ( DI + DII + DIV) | | | 187,023,137.77 | | | 126,112,703.05 |
| **E. TRANSITIONAL ASSET ACCOUNTS** | | | | | | |
| 1. Deferred expenses | | | 1,851.22 | | | 1,876.16 |
| 2. Deffeed income | | | 1,288,942.17 | | | 611,359.69 |
| | | | 1,290,793.39 | | | 613,235.85 |
| **TOTAL ASSETS (B+C+D+E)** | | | 191,539,244.18 | | | 132,117,658.47 |
| **MEMO ACCOUNTS ( DEBIT )** | | | | | | |
| 2. Guarantees and Liens | | | | | | |
| Debit Accounts | | | 22,350,464.05 | | | 20,505,230.47 |
| 4. Tax free reserve from accounting differences | | | 419,272.73 | | | 48,871,579.73 |
| | | | 22,769,736.78 | | | 69,376,810.20 |

**CAPITAL AND LIABILITIES**

| | Amounts for the Period ended 2007 | Amounts for the Period ended 2006 |
|---|---|---|
| **A. OWNER'S EQUITY** | | |
| III. Reserves from value adjustments - Investments subsidies | | |
| 3. Investments subsidies on Fixed Assets (CSF III) | 1,581,421.35 | 2,869,132.23 |
| IV. Capital Reserves | | |
| 2. Charter stipulated reserves | 293,470.29 | 293,470.29 |
| 3. Special reserves | | |
| Capital expediture | 15,430.67 | 15,430.67 |
| Special reserves art. 60 (Law 3431/2006) | 33,657,015.90 | 0.00 |
| | 33,965,916.86 | 308,900.96 |
| V. Profits Carried Forward | | |
| Profits carried forward | 91,332,492.19 | 95,689,613.01 |
| | 91,332,492.19 | 95,689,613.01 |
| Total Equity (AIII+AIV+AV) | 126,879,830.40 | 98,867,646.20 |
| **B. PROVISIONS FOR LOSSES & EXPENSES** | | |
| 2. Other provisions | 3,058,663.26 | 561,159.43 |
| **C. LIABILITIES** | | |
| II. Current Liabilities | | |
| 1. Suppliers | 1,494,227.62 | 779,442.41 |
| 4. Customers' advances | 259,471.35 | 128,734.72 |
| 5. Taxes and duties payable | 285,680.14 | 231,405.79 |
| 6. Social security withholdings | 236,398.98 | 160,760.70 |
| 11. Sundry creditors | 22,764,567.58 | 22,666,016.34 |
| Total Liabilities (CII) | 25,040,345.67 | 23,966,359.96 |
| **D. TRANSITIONAL LIABILITIES ACCOUNTS** | | |
| 1. Revenues cashed in advance | 36,425,575.49 | 8,640,460.93 |
| 2. Accured expenses | 134,829.36 | 82,031.95 |
| | 36,560,404.85 | 8,722,492.88 |
| **TOTAL LIABILITIES AND OWNERS' EQUITY (A+B+C+D)** | 191,539,244.18 | 132,117,658.47 |
| **MEMO ACCOUNTS ( CREDIT )** | | |
| 2. Guarantees and Liens | | |
| Credit Accounts | 22,350,464.05 | 20,505,230.47 |
| 4. Tax free reserve from accounting differences | 419,272.73 | 48,871,579.73 |
| | 22,769,736.78 | 69,376,810.20 |

NOTE: In the Balance Account "Sundry Debtors" are included receivables amounting in total to 36,425,575.49 euros from fines imposed by EETT Decisions to obliged parties, due to violations of the legislation in force, during the current and previous accounting periods, which will be collected in accordance with the procedure under the Public Revenues Collection Code and will be registered in the respective revenues of accounting period which will be collected. The amounts from the aforementioned fines are in the transit accounts of the liabilities "Revenues cashed in advanced".

**INCOME STATEMENT (PROFIT & LOSS ACCOUNT) FOR THE YEAR ENDED 31st DECEMBER 2007 (1 JANUARY - 31 DECEMBER 2007)**

| **I. OPERATING RESULTS** | Amounts for Period ended 31-12-2007 | | Amounts for Period ended 31-12-2006 | |
|---|---|---|---|---|
| Turnover (fees received) | | 39,977,008.61 | | 36,620,501.80 |
| Less: Cost of services provided | | 14,336,248.21 | | 13,098,222.84 |
| Gross operating results | | 25,640,760.40 | | 23,522,278.96 |
| Plus: Other operating income | | 4,893,702.12 | | 8,130,460.06 |
| Total | | 30,534,462.52 | | 31,652,739.02 |
| Less: 1. Administrave expences | | 4,045,484.42 | | 3,102,893.54 |
| Sum total of Operating results | | 26,488,978.10 | | 28,549,845.48 |
| Plus: 4. Credit interest and related income | 5,661,469.45 | | 3,708,089.71 | |
| Less: 3. Interest, charges and related expenses | 1,876.53 | 5,659,592.92 | 2,334.64 | 3,705,755.07 |
| Total Operating Results | | 32,148,571.02 | | 32,255,600.55 |
| **II. PLUS :EXTRAORDINARY RESULTS** | | | | |
| 1. Extraordinary and non operating income | 1,293,567.44 | | 1,632,085.04 | |
| 3. Income from previous periods | 134,586.77 | | 0.00 | |
| | 1,428,154.21 | | 1,632,085.04 | |
| Less: 1. Extraordinary and non operating expenses | 8,397.75 | | 1,577.31 | |
| 3. Prior period expenses | 58,663.26 | | 447.44 | |
| 4. Provisions for nonrecurring expenses | 3,196,280.02 | 3,263,341.03 | -1,835,186.82 | 439,789.42 | 441,814.17 | 1,190,270.87 |
| Operating and extraordinary results | | 30,313,384.20 | | | | 33,445,871.42 |
| Total depriciation on Fixed Assets | | 2,320,208.80 | | | 3,117,011.43 | |
| Less: Depreciation incorporated to operating costs | | 2,320,208.80 | 0.00 | | 3,117,011.43 | 0.00 |
| **NET RESULT (PROFIT) BEFORE TAX** | | | 30,313,384.20 | | | 33,445,871.42 |

**PROFIT DISTRIBUTION TABLE**

| | | Amounts for the period ended 2007 | Amounts for the period ended 2006 |
|---|---|---|---|
| Net results for the year | | 30,313,384.20 | 33,445,871.42 |
| Profit brought forward | | 95,689,613.01 | 207,921,388.49 |
| Special and extra reserves (CSF III) for distribution | | 0.00 | 5,411,214.86 |
| | Total | 126,002,997.21 | 246,778,474.77 |
| Profit for appropriation: | | | |
| - Payments based on Decision to YME | | 1,013,489.12 | 1,388,961.47 |
| - Payments to the State | | 0.00 | 149,699,900.29 |
| - Special reserves art. 60 (Law 3431/2006) | | 33,657,015.90 | 0.00 |
| - Profits carried forward | | 91,332,492.19 | 95,689,613.01 |
| | | 126,002,997.21 | 246,778,474.77 |

Maroussi, 4 April 2008

| THE ACCOUNTABLE FINANCIAL ADMINISTRATOR<br>EETT CHAIRMAN | HEAD OF THE DIRECTORATE FOR FINANCIAL AND ADMINISTRATIVE SERVICES | HEAD OF THE EETT FINANCE DEPARTMENT |
|---|---|---|
| NIKITAS ALEXANDRIDIS<br>I.D. N° : AB 064557 | IOANNIS ATHANASIOU<br>I.D. N° : Σ 730452 | GIORGOS ORFANOS<br>I.D. N° : AT AZ 095420<br>ECONOMIC CHAMBER OF GREECE CLASS A REG.N° 0003970 |

**REPORT OF CERTIFIED AUDITOR-ACCOUNTANT**

**To the "Hellenic Telecommunications and Post Commission"**

**Report on Financial Statements**

We have audited the above Financial Statements of the "Hellenic Telecommunications and Post Commission" which are consisted of the Balance Sheet as of December 31st 2006, the Income Statement (Profit and Loss Account) and the Profit Distribution Table for the period ended on the 31st of December 2007.

**Administration Responsibility on Financial Statements**

The Administration of "Hellenic Telecommunications and Post Commission" has the responsibility for conducting and presenting the Financial Statements in accordance with the Accounting Standards prescribed by Greek Legislation. Such a responsibility includes planning, application and maintence of an internal Financial Statements control system free from essential inaccuracy, caused by fraud or error. This responsibility also includes the selection and implementation of appropriate accounting policies and the conduct of accounting estimations that are reasonable for the circumanstances.

**Certified Auditors' Responsibility**

Our responsibility is the expression of an opinion on the above Financial Statements, according to our auding data. Our audit was conducted in accorda nce with the Greek Auditing Standards, which are in line with the International Auditing Standards. These Accounting Standards require our conformity with the rules of business ethics. The planning and the conduction of our audit aim at the legitimate guarantee that the Financial Statements are free from substantial inaccuracy.

The audit entails the conduct of procedures for collecting the audit records which is relevant to the amounts and the information that are included in the Financial Statements. The choice of procedures lie on the supervisor's judgement and entail the estimation of the substantial risk for the inaccuracy of the Financial Statements, due to fraud or error. For this risk estimation, the auditor takes into account the internal control system which is relevant to the formation and the reasonable presentation of the Financial Statements, in order to outline audit procedures for the circumstances and not to express an opinion about the effectiveness of the internal control system of the "Hellenic Telecommunications and Post Commission". The audit also entails the appreciation for the suitability of the applied accounting policies and the reasonability of the Administration's estimations, as well as the appreciation of the total presentation of the Financial Statements.

We believe that the auditing data that we have assembled are sufficient and suitable for the groundation of our opinion.

**Opinion**

In our opinion, the above Financial Statements reflect reasonably and under any substantial opinion the economic situation of the "Hellenic Telecommunications and Post Commission" as of December 31st 2006 and its financial performance for the fiscal year ended on that date, in accordance with the Accounting Standarts prescribed by Greek Legislation.

**Report on other legal and regulatory issues**

The content of EETT's Presidential proposal to the Plenary regarding the Annual Report is consistent with the above Financial Statements.

Maroussi,18 April 2008

The Certified Auditor - Acountant

LEONIDAS SP. KAVVADIAS
ICPA REG. NO. 10711