

**PRIMETEL PLC
PRELIMINARY RESULT****For the year ended 31 December 2011****TURNOVER €32.756.032**

	Change	Year ended	Year ended
		31/12/2011	31/12/2010
	€	€	€
Sales	+18.024	32.756.032	32.738.008
Profit before Interest, taxes and Depreciation (EBITDA)	<u>-44.186</u>	<u>2.009.468</u>	<u>2.053.654</u>
Loss attributable to shareholders	<u>+1.121.491</u>	<u>(6.352.321)</u>	<u>(5.230.830)</u>
Loss per share (cent)	-0.89	(1.85)	(2.74)

**EXPLANATORY SCHEDULE
For the year ended 31 December 2011**

1. The Board of Directors of PRIMETEL PLC (the "Company") at their meeting of 28 February 2012, examined and approved the Preliminary Result for the year ended 31 December 2011.
2. The Preliminary Result for the year ended 31 December 2011 has not been audited by the Company's external auditors.
3. During the preparation of the Preliminary Result, the Accounting Policies applied were the same as those applied during the preparation of the audited financial statements of the previous year that ended on 31 December 2010 and are in line with the International Financial Reporting Standards and the requirements of the Companies' Law, Cap. 113 of Cyprus and of the Securities and Cyprus Stock Exchange Laws and Rules.
4. The Company's Turnover reached €32.756.032, effectively remaining unchanged when compared to the respective period of 2010, despite the interruption of the cooperation with LTV and the prevailing circumstances of intense economic recession in the market.
5. The Profit before Interest, Taxes and Depreciation (EBITDA) of the Company reached €2.009.468 compared to a profit of €2.053.654 for year 2010. The maintenance of a positive EBITDA, under the present economic circumstances in the market is assessed as promising.
6. The Loss for the year reached €6.352.321 compared to a Loss of €5.230.830 for year 2010. The increase is mainly due to the increase in the costs of acquiring international capacity, of depreciation, of electricity as well as due to the increased cost of borrowing.
7. In May 2011, after a long delay, the Landing Station of the submarine cables was set in operation in Anatoliko of Paphos. The delay was due to the denial of the Municipality of Geroskipou to issue a Building Permit to the Company. The Supreme Court with their recent decision has vindicated the Company. This decision opens the way to claims for significant damages.
8. The destruction of the power plant in Vasiliko and the large increase in electricity costs had a negative impact to the Company's turnover as well as to its operational costs.
9. The loss per share was calculated on the basis of the average number of shares in issue during the year.
10. The Board of Directors decided not to propose the payment of any dividend.
11. The Schedule for the Preliminary Result of the Company for the year ended 31 December 2011 as well as the Explanatory Schedule shall not be sent to the rightful owners of shares but they will be published in Simerini newspaper on the 29th February 2012.
12. The investing public may acquire copies of the Preliminary Result and the Explanatory Schedule from the Group's offices, The Maritime center, Omonias Avenue 141, Limassol as well as from the Company's Website at www.primetel.com.cy

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