

**PRIMETEL PLC
(«The Company»)**

1ST FEBRUARY 2012

**ANNOUNCEMENTS TO THE CYPRUS STOCK EXCHANGE AND THE CYPRUS
SECURITIES AND EXCHANGE COMMISSION**

In accordance to the provisions of the Securities and Cyprus Stock Exchange Laws and Rules and of the Cyprus Securities and Exchange Commission Primetel PLC announces the following:

Company's Vindication through its Court Dispute with the Municipality of Geroskipou

As known, Primetel Plc, on 19th September 2008, had submitted to the Municipality of Geroskipou an application for the issue of a building permit for the construction of a landing station for an international submarine cable on immovable property owned by the Company with the objective to strengthen the international telecommunications of Cyprus.

The Municipality of Geroskipou, despite the fact that the Company had secured all necessary permits and approvals from all competent Ministries and Services, had rejected the Company's application on the grounds that the Urban Construction Permit "was wrongly issued and was illegal and/or not in order".

As a result Primetel Plc, with its application to the Supreme Court in 2009, requested the annulment of the decision of the Municipality of Geroskipou.

The Supreme Court, with its decision of 31st January 2012, after pointing out that the application of invalidation on a completely legal act creates a serious basis for misrepresentation of facts, concluded that Primetel's appeal against the Municipality of Geroskipou is successful without any examination of the other reasons for the annulment of the decision. As a result the decision of the Municipality of Geroskipou was annulled with the expenses in the applicants' favour – i.e. of the Company.

The Supreme Court's decision opens the road for the claim of substantial compensations for damages suffered by the Company due to the so adjudicated illegal decision of the Municipality of Geroskipou

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