

## 9M 2015 Financial Results

Nov 30, 2015

### Highlights

- **In a challenging macroeconomic environment, total subscribers base remained stable**
- **Cautious commercial approach**
- **3Play services proved resilient**
- **9M revenue stood at €267.5m**

	<b>09M 2015</b>	<b>09M 2014</b>	<b>Δ</b>
Total Subscriptions	1,160,917	1,177,651	-1.4%
Unique Households	804,734	821,789	-2.1%
Households with 3play/Bundled Services	356,183	355,862	0.1%
Broadband subscribers	655,573	673,210	-2.6%
Pay TV Customers in Greece	505,344	504,441	0.2%

	<b>09M 2015</b>	<b>09M 2014</b>	<b>Δ</b>
Revenue (Normalized ,000€)	267,467	288,191	-7.2%
Reported EBITDA (,000€)	36,641	47,259	-22.5%
Adjusted EBITDA (,000€)	38,891	47,877	-18.8%

According to **CEO, Mr. Panos Papadopoulos:**

*"While the Greek economy and the retail sector contracted in 9M2015, leading us to be cautious on our commercial approach, our total subscribers' base remained stable. Still, being an innovative company, with unique know-how of both Greek pay TV and Telco sector, we continue to focus on creating services that differentiate us from competition and secure our company's leading position in household entertainment and communication services."*

## Operating Performance

### Bundling/3Play

At the end of Sep 2015, Forthnet served more than 356.2k households with Nova 3play/bundled services – a 0.1% increase compared to 2014. The share of Nova 3Play subscriptions in Forthnet's customer base is continuously increasing and this trend is supporting overall ARPU and Churn.

	09M 2015	09M 2014	Δ
Households with 3play/Bundled Services	356,183	355,862	0.1%
Households with 3play/Bundled Services as % of Total	<b>44.26%</b>	<b>43.30%</b>	<b>0.96pp</b>

### Telco

During 9M 2015 Forthnet remained the leading Greek unbundler. The active LLU customer base recorded a marginal YoY decrease and reached 633.2K subscribers.

	09M 2015	09M 2014	Δ
Broadband subscribers <sup>1</sup>	655,573	673,210	-2.6%
<b>Active LLU customers</b>	<b>633,157</b>	<b>643,910</b>	<b>-1.7%</b>
Unbundling Ratio	96.6%	95.6%	1pp
LLU market share	31.0%	32.4%	-1.40pp

### Pay TV

The subscriber base grew by 0.2% YoY, reached 505.3K households. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

	09M 2015	09M 2014	Δ
Pay TV customers in Greece	505,344	504,441	0.2%

<sup>1</sup> Active and pending activation customers

## Financial Highlights

Consolidated Revenue for 9M 2015 reached €267.5m, a decrease versus 9M 2014, due to a decline in Fixed Termination Rates (FTR), conservative consumer spending and capital controls impact. Adjusting for the accounting treatment of business revenues for which the company acts as an agent, the revenue decreased by 7.2%. The FTR decrease affected revenues by €3.1m in 9M 2015.

<i>Revenue Analysis</i> (€ '000)	<b>09M 2015</b>	<b>09M 2014<sup>2</sup></b>	<b>Δ</b>
<b>Total Retail</b>	<b>210,609</b>	<b>225,534</b>	<b>-6.6%</b>
Telco Retail	108,008	120,992	-10.7%
Pay TV Retail	102,601	104,542	-1.9%
Total Business	40,925	40,030	2.2%
<b>Total Business (Normalized)<sup>3</sup></b>	<b>41,263</b>	<b>44,870</b>	<b>-8.0%</b>
Telco Business	27,312	26,186	4.3%
Telco Business (Normalized) <sup>3</sup>	27,650	31,025	-10.9%
Pay TV Business	13,613	13,844	-1.7%
Advertising	4,382	7,856	-44.2%
Other	11,213	9,931	12.9%
Total Revenue	267,130	283,352	-5.7%
<b>Total Revenue (Normalized)<sup>3</sup></b>	<b>267,467</b>	<b>288,192</b>	<b>-7.2%</b>

Adjusted EBITDA of 9M 2015 reached €38,9m versus €47,9m in 9M 2014, mainly as a result of pricing pressure.

<i>EBITDA Analysis</i> (€ '000)	<b>09M 2015</b>	<b>09M 2014</b>	<b>Δ</b>
Revenue (including other income)	267,130	283,352	-5.7%
Revenue (Normalized) <sup>3</sup>	267,467	288,191	-7.2%
Reported EBITDA	36,641	47,259	-22.5%
Adjusted EBITDA <sup>4</sup>	38,891	47,877	-18.8%
Adjusted EBITDA margin	14.6%	16.9%	-2.3pp

Total bank debt in Sep 2015 stood at €325m.

<sup>2</sup> Certain line items of the previous period were reclassified in order to conform to the current period's presentation

<sup>3</sup> Normalization relates to a reclassification in business revenues which presented in expenses, based on accounting policy

<sup>4</sup> In 9M 2015 there was a provision of 2.25M for a legal case

## Recent Business Developments

- Nova, the largest payTV platform in Greece, included in its bouquet two new international TV channels. FOX Sports HD, world's leading sports network and ARTE HD, the leading channel of European culture
- Forthnet is developing the broadband infrastructure Wi-Fi Hotspots project for all Piraeus Bank service channels. An unprecedented project for Greek standards, meant to become the largest private Wi-Fi Hotspot network in Greece.
- Forthnet activated the first 100Gbps high speed broadband network for Athens-Thessaloniki backbone network, securing higher internet access speed for its subscribers.
- Forthnet, during its Forthnet Innovation Day conference, presented its new E.U. research grant, "COGNITUS". "COGNITUS", funded from "Horizon 2020", will examine the possibility of converging broadcast and User Generated Content for interactive Ultra-HD services. Apart from Forthnet, BBC (coordinator), Queen Mary University, Foundation of Research and Technology Hellas, Pace, Vitec and Universidade Nova de Lisboa participate in the project.

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