

9M 2013 Results

November 30, 2013

HIGHLIGHTS

- **Nova 3Play demand accelerated in Q3 13 with record net additions**
- **1million total subscriptions at the end of September – an all time high**
- **LLU net additions of market share in Q3 13 at 183% and overall LLU market share at 30.7%**
- **At the end of September an all time high in Pay TV subscribers**
- **Retail revenue decline is slowing down primarily due to Nova 3Play commercial success**

	9M 2013	9M 2012	Δ
Total Subscriptions	1,029,709	892,895	15.3%
Unique Households	777,817	751,161	3.5%
Households with Bundled Services	251,892	141,734	77.7%
Broadband subscribers	609,870	525,738	16.0%
Pay TV Customers in Greece	419,839	367,157	14.3%
Total Revenue (Normalized)	287,376	306,646	-6.3%
Adjusted EBITDA (,000€)	50,001	56,272	-11.1%

According to CEO Panos Papadopoulos:

"Despite the unfavorable macroeconomic conditions, the company succeeded in implementing its strategy and expanded in new markets. Since their launch, Nova 3play services enjoy strong demand from Greek Consumers and the significant increase in the subscriber base in the first 9 months of 2013 reflects the current trends and highlights the future potential. Following two years of internal reorganization and new product development the company is well positioned to benefit from an increased customer base".

BUSINESS

Nova 3Play/Bundling

At the end of September, Forthnet served more than 251 thousands 3Play/bundled households – a 77.7% increase compared to September 2012. This significant increase can be attributed to the strong demand for 3Play products that enhanced Forthnet's appeal to the Greek Households. For Q3 the 3Play net additions were at the record level of 47k, a sharp increase compared to 2k for the same period last year. The share of 3Play in Forthnet's customer base is continuously increasing and this trend is improving overall ARPU and Churn.

	Q3 2013	Q3 2012	Δ
Households with Nova 3Play/Bundled Services	251,892	141,734	77.7%
Households with Nova 3Play/Bundled as % of Total	32.4%	18.9%	+14pp
New Households with Nova 3Play/Bundled Services	47,342	2,141	2,111%

Telco

By the end of Q3 2013 the telecom services subscriber base increased by 16% y-o-y and reached 610 thousand subscribers. For Q3 2013, the overall LLU market grew by 11.9k lines while Forthnet LLU customer base grew by 22.2k. As a result Forthnet's market share in LLU net additions was over 100%, verifying the strong demand for its commercial initiatives in Nova 3Play.

	Q3 2013	Q3 2012	Δ
Broadband subscribers	609,870	525,738	16.0%
Net additions	12,162	8,693	39.9%
Active LLU customers	571,436	496,202	15.2%
Unbundling Ratio	94%	95%	-1.0pp
New LLU customers	22,204	-492	-
Market share in new LLU customers	183.0%	-10.3%	-
LLU market share	30.7%	28.3%	+2.4pp

Over the last 12 months, Forthnet market share in ULL has increased by 2.4 percentage points.

Pay TV

The subscriber base grew by 14.3% y-o-y, reaching 420 thousands households that is an all time high, despite the macroeconomic uncertainty. The acceptance of Forthnet's 3Play/bundled offers continued in Q3 2013. The rollout of 3Play services is expected to be the main growth driver for the PayTV market.

Pay TV customers in Greece	Q3 2013	Q3 2012	Δ
Digital Platform	419,839	367,157	14.3%

FINANCIAL

Consolidated turnover for 9M 2013 reached €285.4M down against 9M 2012, impacted by pricing pressure. Adjusting for the accounting treatment of business revenues for which the company acts as an agent, the revenue decreased by 6.3%.

<i>Revenue Analysis (€ '000)</i>	9M 2013	9M 2012	Δ
Total Retail	223,216	237,921	-6.2%
Telco Retail	122,574	129,623	-5.4%
Pay TV Retail	100,642	108,297	-7.1%
Total Business (Normalized)	42,875	48,032	-10.7%
Telco Business	28,935	37,960	-23.8%
Telco Business (Normalized)	30,914	37,960	-18.6%
Pay TV Business	11,961	10,072	18.8%
Advertising	7,134	6,666	7.0%
Other	14,150	14,028	0.9%
Total Revenue	285,396	306,646	-6.9%
Total Revenue (Normalized)	287,376	306,646	-6.3%

While the revenue decreased compared to 2012, the revenue decline is slowing down. In Q3 normalized revenue decreased by 5.7% y-o-y while in H1 the decline was 6.6%

<i>Retail Revenue trends</i>	Q3 2013	Q2 2013	Q1 2013
Total Retail revenue y-o-y change	-3.6%	-7.3%	-8.9%

In Retail Revenue, that accounts for more than 77% of Total Revenue, this trend is more visible as a result of the commercial success of Nova 3Play. The increased customer base is starting to impact Retail Revenue with Q3 showing the lowest revenue decline for the year so far. The effect of new customers joining in Q3 is not fully reflected in the company financials.

EBITDA Analysis (€ '000)	9M 2013	9M 2012	Δ
Revenue (including other income)	285,396	306,646	-6.9%
Revenue (Normalized)	287,376	306,646	-6.3%
Reported EBITDA	41,256	42,769	-3.5%
Adjusted EBITDA ¹	50,001	56,272	-11.1%
Adjusted EBITDA margin	17.5%	18.4%	-0.8pp

Adjusted EBITDA of 9M 2013 reached €50.0 million versus €56.2 million in 9M 2012, mainly as a result of the pricing pressure. Increased customer acquisition, ARPU decline, as well as the cost of swapping previous generation Pay TV decoders impacted 9M EBITDA.

Total bank debt in September 2013 was €325 million, €10 million lower than the beginning of the year.

Recent Business Developments

- The Prospectus for the forthcoming capital increase has been approved by the Capital Market Commission.
- In September 2013 the replacement of previous generation decoders with latest MPEG4 technology decoders throughout the Nova subscriber base was completed. As a result the security of the platform has been improved and a reduction in the cost of transmission is expected from 2014.
- Within the framework of providing the best sports coverage, Nova has renewed their agreement with Euroleague Basketball up to season 2016-2017.
- The football team of Panathinaikos has been included in the recent expansion of the cooperation with the Super League until 2017. As a result, Nova will broadcast exclusively all matches of the Greek Football Championship, the most popular sporting event for the Greek sport fans.

¹ One -off or Non- cash adjustment



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