

2013 Results

March 31, 2014

Highlights

- **Strong 3play demand continued in Q4**
- **All time high of 1,085k subscriptions**
- **Market share in Q3 LLU net adds at 55.3%**
- **Overall LLU market share at 31.3% (+2.7pp in 2013)**
- **All time high in PayTV subs (452k)**
- **Retail revenue declining in Q4 2014 slowed at 0.4%**

	12M 2013	12M 2012	Δ
Total Subscriptions	1,084,693	962,263	12.7%
Unique Households	799,378	800,021	-0.1%
Households with 3play/Bundled Services	285,315	162,242	75.9%
Broadband subscribers	632,353	564,982	11.9%
Pay TV Customers in Greece	452,340	397,281	13.9%
Total Revenue (Normalized)	384,338	408,066	-5.8%
Adjusted EBITDA (,000€)	64,640	73,859	-12.5%

According to CEO Panos Papadopoulos:

«In 2013 Forthnet redefined its commercial policy to cover all the entertainment and communication needs of the Greek household. Using Nova's unique content it launched Nova 3Play, a service that is enjoying great commercial success, while it is the first operator that offers 'unlimited' fixed to mobile calls. At the beginning of 2014 the company successfully concluded a capital increase of €29.1M strengthening its position. In a challenging period Forthnet is increasing its customer base, improves its cost structure and reverses retail revenue decline. For 2014 the focus will be on further expanding the customer base and preserving liquidity, while the company will continue to invest in innovative products and services that meet customer needs».

Operating Performance

3play/Bundling

At the end of 2013, Forthnet served more than 285 thousands 3play/bundled households – a 75.9% increase compared to 2012. This significant increase can be attributed to the strong demand for Nova 3Play products that enhanced the Forthnet's appeal to the Greek Households. For Q4 the 3play net additions were 33.4k, a significant increase compared to 20.5k 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.

	Q4 2013	Q4 2012	Δ
Households with 3play/Bundled Services	285,315	162,242	75.9%
Households with 3play/Bundled Services as %	35.7%	20.3%	+15.4pp
New Households with 3play/Bundled Services	33,423	20,508	63.0%

Telco

By the end of Q4 2013 the telecom services subscriber base increased by 11.9% y-o-y and reached 632 thousand subscribers. For Q4 2013, the overall LLU market grew by 47k lines while Forthnet LLU customer base grew by 26k. As a result Forthnet's market share in LLU net additions was 55.3%, because of the strong demand in 3play.

	Q4 2013	Q4 2012	Δ
Broadband subscribers ¹	632,353	564,982	11.9%
Net additions	22,483	39,244	-42.7%
Active LLU customers	596,978	513,340	16.3%
Unbundling Ratio	94%	91%	+3.0pp
New LLU customers	25,542	17,138	49.0%
Market share in new LLU customers	55.3%	42.1%	+13.2pp
LLU market share	31.3%	28.6%	+2.7pp

Over the last 12 months, Forthnet market share in ULL increased by 2.7pp.

Pay TV

The subscriber base grew by 13.9% y-o-y, reaching 452 thousands households that is an all time high. The acceptance of Nova 3Play offers continued in Q4 2013. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

	Q4 2013	Q4 2012	Δ
Pay TV customers in Greece	452,340	397,281	13.9%

¹Active and pending activation customers

Financials

Consolidated Revenue for 2013 reached €382.4M, down against 2012, mostly because of pricing pressure. Adjusting for the accounting treatment of business revenues for which the company acts as an agent, the revenue decreased by 5.8%.

Revenue Analysis(€ '000)	12M 2013	12M 2012	Δ
Total Retail	298,181	314,215	-5.1%
Telco Retail	162,276	170,767	-5.0%
Pay TV Retail	135,905	143,447	-5.3%
Total Business (Normalized)	57,061	63,930	-10.7%
Telco Business	38,329	49,437	-22.5%
Telco Business (Normalized)	40,309	49,437	-18.5%
Pay TV Business	16,752	14,494	15.6%
Advertising	10,190	9,613	6.0%
Other	18,906	20,308	-6.9%
Total Revenue	382,359	408,066	-6.3%
Total Revenue (Normalized)	384,338	408,066	-5.8%

While the revenue in 2013 contracted compared to 2012, the decline is slowing down. In Q4 normalized revenue decreased by 2.4% y-o-y while in the first 9 months of 2013 the decline was 6.3%. This trend is more visible in Retail Revenues because of the commercial success of Nova 3Play. The increased customer base is starting to impact Retail Revenue with Q4 showing the lowest revenue decline for the year so far. The effect of new customers joining in Q4 is not fully reflected in company's financials.

Retail Revenue trend	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total Retail revenue y-o-y change	-0.4%	-3.6%	-7.3%	-8.9%

Adjusted EBITDA of 2013 reached €64.6 million versus €73.9 million in 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 12M EBITDA.

EBITDA Analysis(€ '000)	12M 2013	12M 2012	Δ
Revenue (including other income)	382,359	408,066	-6.3%
Revenue (Normalized)	384,338	408,066	-5.8%
Reported EBITDA	55,895	17,644	216.8%
Adjusted EBITDA ²	64,640	73,859	-12.5%
Adjusted EBITDA margin	16.9%	18.1%	-1.2pp

²One -off or Non- cash adjustment

Total bank debt in December 2013 stood at €325 million - €10 million lower than the beginning of the year.

Recent Business Developments

- Forthnet's capital increase of €29.1M was successfully completed as it was covered by 2.2 times. The capital increase has strengthened the company and improved liquidity. The funds will be used to further develop the company 3play strategy.
- Nova GO, an internet based platform that can deliver Nova content on multiple devices (smartphones, tablets, laptops), was successfully launched with more than 25k customers participating the pilot phase.
- During Q4 2013 Forthnet upgraded the encoding of all its transponders to Mpeg4. Now the company is able to reduce transmission costs and improve the quality of program transmission.

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