

First Quarter 2014 Financial Results

May 30, 2014

Highlights

- **Retail revenue increased in Q1 2014 for the first time after 8 declining quarters**
- **Strong 3play demand continued in Q1 (323k subs)**
- **All time high of 1,146K subscriptions**
- **Market share 83.9% in Q1 LLU net adds**
- **Overall LLU market share at 32.3% (+2.7pp vs. Q1 2013)**
- **All time high in PayTV subs (482k)**

	Q1 2014	Q1 2013	Δ
Total Subscriptions	1,145,948	946,870	21.0%
Unique Households	822,402	761,390	8.0%
Households with 3play/Bundled Services	323,546	185,480	74.4%
Broadband subscribers	663,515	573,249	15.7%
Pay TV Customers in Greece	482,433	373,621	29.1%
Total Revenue	96,804	97,514	-0.7%
Adjusted EBITDA (,000€)	15,973	17,901	-10.8%
Reported EBITDA (,000€)	15,973	15,133	5.5%

According to CEO, Mr. Panos Papadopoulos:

"The increased subscriber base is starting to influence our financial results, improving initially our retail revenue, while at the same time strengthening our market share."

Operating Performance

Bundling/3Play

At the end of March 2014, Forthnet served more than 323.5 thousands bundled/3Play households – a 74.4% increase compared to Q1 2013, enhancing its appeal to the Greek Households. For Q1 the Nova 3Play net additions were 38.2k, a significant increase compared to 23.2k 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.

	Q1 2014	Q1 2013	Δ
Households with 3play/Bundled Services	323,546	185,480	74.4%
Households with 3play/Bundled Services as %	39.3%	24.4%	+15.0pp
New Households with 3play/Bundled Services	38,231	23,238	64.5%

Telco

By the end of Q1 2014 the telecom services subscriber base increased by 15.7% y-o-y and reached 663.5 thousand subscribers. For Q1 2014, the overall LLU market grew by 36k lines, while Forthnet LLU customer base grew by 30,2k. As a result Forthnet's market share in LLU net additions was 83.9%, confirming once again the strong appeal of Nova 3Play.

	Q1 2014	Q1 2013	Δ
Broadband subscribers ¹	663,515	573,249	15.7%
Net additions	31,162	8,267	276.9%
Active LLU customers	627,170	541,376	15.8%
Unbundling Ratio	94.5%	94.4%	+0.1pp
New LLU customers	30,192	28,036	7.7%
Market share in new LLU customers	83.9%	85.7%	-1.8pp
LLU market share	32.3%	29.6%	+2.7pp

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

Pay TV

The subscriber base grew by 29.1% y-o-y, reaching 482 thousands households which is an all time high. The acceptance of Nova 3Play offers continued in Q1 2013. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

	Q1 2014	Q1 2013	Δ
Pay TV customers in Greece	482,433	373,621	29.1%

¹Active and pending activation customers

Financial Highlights

Consolidated Revenue for Q1 2014 reached €96.8M, down against Q1 2013, mostly due to the decrease in Fixed Termination Rates (FTR). The FTR drop affected revenues by €0.6M in the Q1 2013.

Revenue Analysis (€ '000)	Q1 2014	Q1 2013	Δ
Total Retail	75,997	75,593	0.5%
Telco Retail	43,291	40,379	7.2%
Pay TV Retail	32,706	35,214	-7.1%
Total Business (Normalized)	14,491	14,925	-2.9%
Telco Business	9,425	10,537	-10.6%
Pay TV Business	5,067	4,387	15.5%
Advertising	3,639	2,730	33.3%
Other	2,677	4,267	-37.3%
Total Revenue	96,804	97,514	-0.7%

While the revenue in Q1 2014 decreased compared to Q1 2013, the decline is slowing down. In Q1, revenue decreased by 0.7% y-o-y while in Q1 2013 the decline was 5.5%. This improvement is more visible in Retail Revenues, due to the commercial success of Nova 3Play. The increased customer base is starting to impact Retail Revenue with Q1 showing increased revenue for the first time after 8 declining quarters.

The effect of new customers joining in Q1 is not fully reflected in company's financials.

Retail Revenue trend	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total Retail revenue y-o-y	+0.5%	-0.4%	-3.6%	-7.3%	-8.9%

Adjusted EBITDA of Q1 2014 reached €15.97 million versus €17.90 million in Q1 2013, mainly as a result of pricing pressure, increased customer acquisition and ARPU decline.

EBITDA Analysis (€ '000)	Q1 2014	Q1 2013	Δ
Revenue (including other income)	96,804	97,514	-0.7%
Reported EBITDA	15,973	15,133	5.5%
Adjusted EBITDA ²	15,973	17,901	-10.8%
Adjusted EBITDA margin	16.5%	18.4%	-1.9pp

Total bank debt in March 2014 stood at €325 million.

²One -off or Non- cash adjustment

Recent Business Developments

- Nova GO, an internet based platform that can deliver Nova content on multiple devices (smartphones, tablets, laptops), was successfully launched. With Nova Go service, the subscribers of Novasports and Novacinema channels are able to watch live channels, On-demand and catchup programs wherever they are, whatever device they are using. Nova GO already serves more than 56k customers.
- Nova 3Play SAT was launched, offering high quality entertainment and reliable communication through Satellite, even in the non LLU areas. Nova 3Play SAT may be enhanced with all Nova 3Play add-ons, based on each household's needs.
- During Q1 2014 Forthnet completed the first phase of its Customer Care reorganization. As a result, Customer Care's productivity and quality of service improved, despite the accelerated growth of the subscriber base that reached all time highs.

For more information please contact:

Tel, +30211 9559457, fax +30211 9559055, email: ir@forthnet.gr

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