

First Quarter 2015 Financial Results

May 29, 2015

Highlights

- **Subscriber base increase, despite the adverse macroeconomic environment.**
 - **3play subscriptions increased by 14.1% YoY**
 - **PayTV subscriptions increased by 5.2% YoY**
 - **LLU subscriptions increased by 3.0% YoY**
- **Total revenue stood at €92m.**
- **Emphasis on improving the company's cost base.**

	Q1 2015	Q1 2014	Δ
Total Subscriptions	1,187,876	1,145,948	3.7%
Unique Households	818,795	822,402	-0.4%
Households with 3play/Bundled Services	369,081	323,546	14.1%
Broadband subscribers	680,545	663,515	2.6%
Pay TV Customers in Greece	507,331	482,433	5.2%

(,000€)	Q1 2015	Q1 2014	Δ
Revenue (Normalized)	91,997	97,446	-5.6%
Reported EBITDA	14,555	15,973	-8.9%
Adjusted EBITDA	14,555	15,973	-8.9%

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

"Despite the macroeconomic conditions, our subscriber base continued to increase during Q1 2015. Customer satisfaction and loyalty levels remain high, shielding us against the domestic sectoral downward trends. Due to the macroeconomic environment, we remain conservative and we focus on improving our overall cost structure."

Operating Performance

Bundling/3Play

At the end of March 2015, Forthnet served more than 369k households with Nova 3play/bundled services – a 14.1% increase compared to Q1 2014, enhancing its appeal to the Greek households. The share of Nova 3Play subscriptions in Forthnet's customer base is continuously increasing and this trend is positive for overall ARPU and Churn.

	Q1 2015	Q1 2014	Δ
Households with 3play/Bundled Services	369,081	323,546	14.1%
Households with 3play/Bundled Services as % of Total	45.1%	39.3%	+5.8pp
New Households with 3play/Bundled Services	5,532	38,231	-85.5%

Telco

By the end of March 2015 the telecom services subscriber base increased by 2.6% YoY and reached 680.5k subscribers. Forthnet's estimated market share stood at 31.7% at the end of March 2015, with a 10.9% share of LLU net adds over the first quarter of the year.

	Q1 2015	Q1 2014	Δ
Broadband subscribers ¹	680,545	663,515	2.6%
Net additions	9,379	31,162	-69.9%
Active LLU customers	645,833	627,170	3.0%
Unbundling Ratio	94.9%	94.5%	0.4pp
New LLU customers	2,419	30,192	-92.0%
Market share in new LLU	10.9%	83.9%	-73.0pp
LLU market share	31.7%	32.3%	-0.6pp

Pay TV

The subscriber base grew by 5.2% YoY, reaching an all-time high of 507.3k households. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

	Q1 2015	Q1 2014	Δ
Pay TV customers in Greece	507,331	482,433	5.2%

¹ Active and pending activation customers

Financial Highlights

Consolidated Revenue for Q1 2015 reached €92.0m, a decrease against Q1 2014 partly due to the decrease in Fixed Termination Rates (FTR). Adjusting for the accounting treatment of business revenues for which the company act as an agent, the revenue decreased by -5.6%. The FTR decrease affected revenues by €1.9m in Q1 2015.

Revenue Analysis (€ '000)	Q1 2015	Q1 2014²	Δ
Total Retail	72,058	75,997	-5.2%
Telco Retail	36,802	41,616	-11.6%
Pay TV Retail	35,256	34,381	2.5%
Total Business	14,014	14,491	-3.3%
Total Business (Normalized)³	14,097	15,133	-6.9%
Telco Business	8,877	9,425	-5.8%
Telco Business (Normalized) ³	8,960	10,067	-11.0%
Pay TV Business	5,137	5,067	1.4%
Advertising	1,625	3,639	-55.3%
Other	4,217	2,677	57.5%
Total Revenue	91,914	96,804	-5.1%
Total Revenue (Normalized)³	91,997	97,447	-5.6%

Adjusted EBITDA of Q1 2015 reached €14.56m versus €15.97m in Q1 2014, mainly as a result of pricing pressure.

EBITDA Analysis (€ '000)	Q1 2015	Q1 2014	Δ
Revenue (including other income)	91,914	96,804	-5.1%
Revenue (Normalized) ³	91,997	97,446	-5.6%
Reported EBITDA	14,555	15,973	-8.9%
Adjusted EBITDA ⁴	14,555	15,973	-8.9%
Adjusted EBITDA margin	15.8%	16.5%	-0.66pp

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

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

³ Normalization relates to a reclassification in business revenue which presented in expenses due to accounting treatment

⁴ One -off or Non- cash adjustment

Recent Business Developments

- The Greek Football Championship will continue to be on Novasports channels. Forthnet signed an extension of the collective agreement with Super League, obtaining the broadcasting rights of the most popular sports event in Greece, until 2019.
- The company is in negotiations with its lending banks for the refinancing of its debt obligations. On April 29, 2015, the company submitted to the banks an updated refinancing proposal in which it also examines the issuance of a convertible bond loan of €100 million. The discussions with the lending banks are in progress and the company's management is confident of a successful outcome of the refinancing negotiations.
- Forthnet introduced a new service, which includes Cloud PBX services (virtual call center) and a wide range of additional UCC services, which is an ideal solution for companies that want to install, upgrade or replace the PBX infrastructure with low monthly cost and immediate implementation.

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