

Q2 2014 Financial Results

Aug 8, 2014

Highlights

- **Company's performance continues to improve**
- **Retail revenues increased for the second consecutive quarter**
- **Total revenues increased in Q2 2014 for the first time after 9 quarters**
- **Strong 3play demand led to an all time high in total subscriptions and in PayTV and Broadband subscribers**
- **Marginal increase in reported EBITDA**

| | Q2 2014 | Q2 2013 | Δ |
|--|----------------|----------------|----------|
| Total Subscriptions | 1,150,391 | 970,757 | 18.5% |
| Unique Households | 805,972 | 766,207 | 5.2% |
| Households with 3play/Bundled Services | 344,419 | 204,550 | 68.4% |
| Broadband subscribers | 667,819 | 597,708 | 11.7% |
| Pay TV Customers in Greece | 482,572 | 373,049 | 29.4% |
| Total Revenue | 97,540 | 93,628 | 4.2% |
| Adjusted EBITDA (,000€) | 16,318 | 12,172 | 34.1% |
| Reported EBITDA (,000€) | 16,318 | 16,273 | 0.3% |

According to CEO, Mr. Panos Papadopoulos:

"One year after Nova 3Play launch, the company keeps strengthening its position. Our strategy to differentiate from competition is starting to reflect on our financial results. In Q2 retail revenues continued to increase, while there was growth both in total revenue and EBITDA. The strong demand continues unabated and it drives higher the penetration of payTV and broadband in Greece. As a result, the company's subscriber base reached a new all time high, increasing its market share".

Operating Performance

Bundling/3Play

At the end of June 2014, Forthnet served more than 344k bundled/3Play households – a 68.4% increase compared to June 2013, enhancing its appeal to the Greek Households. For Q2 2014, Nova 3Play net additions were 20.1k, an increase +9.5% compared to 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.

| | Q2 2014 | Q2 2013 | Δ |
|---|--------------|--------------|----------------|
| Households with 3play/Bundled Services | 344,419 | 204,550 | 68.4% |
| Households with 3play/Bundled Services as % | 42.7% | 26.7% | +16.0pp |
| New Households with 3play/Bundled Services | 20,873 | 19,070 | 9.5% |

Telco

By the end of Q2 the telecom services subscriber base increased by 11.7% y-o-y and reached 667.8k subscribers. The overall LLU market grew by 26.3k lines, while Forthnet LLU customer base grew by 13k. As a result Forthnet's market share in LLU net additions is 49.5%, confirming once again the strong appeal of Nova 3Play.

| | Q2 2014 | Q2 2013 | Δ |
|------------------------------------|----------------|----------------|--------------|
| Broadband subscribers ¹ | 667,819 | 597,708 | 11.7% |
| Net additions | 4,304 | 24,459 | -82.4% |
| Active LLU customers | 640,193 | 549,232 | 16.6% |
| Unbundling Ratio | 95.9% | 91.9% | +4.0pp |
| New LLU customers | 13,023 | 7,856 | 65.8% |
| Market share in new LLU customers | 49.5% | 36.8% | 12.7pp |
| LLU market share | 32.5% | 29.7% | +2.8pp |

Over the last 12 months, Forthnet's market share in ULL increased by 2.8pp.

Pay TV

The subscriber base grew by 29.4% y-o-y, reaching 482.5k households, which is an all time high- in spite of the seasonality that adversely affects the number of customers at the end of June. The acceptance of Nova 3Play offer continued in Q2 2013. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

| | Q2 2014 | Q2 2013 | Δ |
|----------------------------|---------|---------|-------|
| Pay TV customers in Greece | 482,572 | 373,049 | 29.4% |

¹Active and pending activation customers

Financial Highlights

Consolidated Revenue for Q2 2014 reached €97,5M, up 4.2% against Q2 2013, for the first time after 9 quarters, despite the decrease in Fixed Termination Rates (FTR). The FTR drop affected revenues by €1.1M in Q2 2014.

| Revenue Analysis (€ '000) | Q2 2014 | Q2 2013 | Δ |
|----------------------------------|----------------|----------------|--------------|
| Total Retail | 75,092 | 73,133 | 2.7% |
| Telco Retail | 40,125 | 40,514 | -1.0% |
| Pay TV Retail | 34,967 | 32,619 | 7.2% |
| Total Business (Normalized) | 15,419 | 13,178 | 17.0% |
| Telco Business | 10,640 | 9,302 | 14.4% |
| Pay TV Business | 4,779 | 3,876 | 23.3% |
| Advertising | 3,211 | 2,846 | 12.8% |
| Other | 3,818 | 4,471 | -14.6% |
| Total Revenue | 97,540 | 93,628 | 4.2% |

This improvement is also visible in Retail Revenues, due to the commercial success of Nova 3Play. The increased customer base is starting to impact Retail Revenue with Q2 showing increased revenue for the second consecutive quarter.

The effect of new customers joining in Q2, is not fully reflected in the company's financials.

| Retail Revenue trend | Q2 2014 | Q1 2014 | Q4 2013 | Q3 2013 | Q2 2013 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Total Retail revenue y-o-y | +2.7% | +0.5% | -0.4% | -3.6% | -7.3% |

Adjusted EBITDA of Q2 2014 reached €16.32 million versus €16.27 million in Q2 2013.

| EBITDA Analysis (€ '000) | Q2 2014 | Q2 2013 | Δ |
|----------------------------------|----------------|----------------|----------|
| Revenue (including other income) | 97,540 | 93,628 | 4.2% |
| Reported EBITDA | 16,318 | 12,172 | 34.1% |
| Adjusted EBITDA ² | 16,318 | 16,273 | 0.3% |
| Adjusted EBITDA margin | 16.7% | 17.4% | -0.7pp |

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

²One -off or Non- cash adjustment

Recent Business Developments

- In the beginning of June the company participated in an International Open Tender, issued by the Information Society SA, in order to sign a Frame Agreement for the project "Syzefxis II – Telecommunications Services". The company submitted offer files for the zones 1, 6, 7, 8 with a budget of €254,634,639.17
- Also at the end of June the company launched of the new service "Nova Exochiko", addressing existing Nova 3Play subscribers, who are now able to watch Nova TV content also in their holiday homes.

For more information please contact:

*Tel, +30211 9552868, fax +30211 9559055, email: ir@forthnet.gr
Tel, +30211 9559104, fax +30210 6658680, email: pressoffice@forthnet.gr*

IMPORTANT NOTE

This document may contain forward looking statements, which are based on estimates and assumptions pertaining to expected developments and other factors that affect the Company. These forward looking statements do not constitute neither historical events, nor warranty for future performance of the Company. These forward looking statements contain risks and uncertainties due to the existence of factors that may lead to considerable deviation of the Company's future results from these estimates.

Forward looking statements speak only as of the date of this document, and we undertake no obligation to publicly update or revise any forward looking statements in this document to reflect any change in expectations or any change in events, conditions or circumstances on which these forward looking statements are based.