

## Results for the Q2'09, Trading Update and operating performance

27 August '09

- In Q2 '09 Forthnet Group focused on improving its key financial figures
- Group Operating Cash Flow was positive for Q2 '09 at € 6.1m
- Group Revenue at €92.2m with improving Group EBITDA at €18.7m for Q2 '09
- Group EBITDA margin reached 20.3% for Q2 '09
- Telecom services grew by 22.4% to €43.7m vs Q2 '08
- ULL subs increased by 22.5k to 254.8k
- Pay-TV services contributed significantly in the Group's improving performance
- Small increase in Digital Pay-TV subs and decrease in the Analog customer base

### Consolidated Q2 '09 Results

The consolidation of Pay-TV services and the improving results of the Telecom services led to an improvement in all key financial indicators of the Group. Group revenues reached €92.2m in Q2 '09 with EBITDA at €18.7m corresponding to an EBITDA margin for the Group of 20.3%. The Group's Operating Cash Flow was positive at €6.1m versus cash outflows of €3.5m in Q2 '08. The following table illustrates the performance of the 2<sup>nd</sup> quarter of 2009 versus the results of the corresponding period in '08:

(in '000 €)	2 <sup>nd</sup> Quarter '08	2 <sup>nd</sup> Quarter '09		
	Group (Telecom)	Group	Pay TV	Telecom
Revenue	35,671	92,175	48,500	43,675
Adjusted EBITDA	-1,670	18,701	13,511	5,190
EBITDA Margin	-4.68%	20.29%	27.86%	11.88%
Operating Cash Flow	-3,451	6,133		

### Telecom Services

Forthnet continued its progress in unbundling:

Forthnet ULL Customer Base	Q2 '09	Q1 '09	Q4 '08	Q3 '08	Q2 '08
New ULL net activations	22,484	24,576	35,804	26,085	38,590
Quarterly Market Share in New Adds	24%	27%	36%	33%	37%
Total ULL subs	254,748	232,264	207,688	171,884	145,800
Overall Market Share	30.8%	31.5%	32.1%	31.5%	31.3%

Forthnet is the leading unbundler in Greece with an estimated overall market share of 30.8% by the end Q2 '09, and an estimated market share of 24% in the net ULL additions during the 2<sup>nd</sup> quarter of '09. The Forthnet 2play service is the major growth driver with an ARPU for the Q2 '09 at €41.5 (excl VAT).

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<b>Forthnet Broadband Customers</b>	<b>30/06/09</b>	<b>30/03/09</b>	<b>31/12/08</b>	<b>30/09/08</b>	<b>30/06/08</b>
Forthnet Broadband subscribers <sup>1</sup>	302,658	286,339	274,150	250,480	230,710
Quarterly net additions	16,319	12,189	23,670	19,770	13,934
Forthnet active ULL subs	254,748	232,264	207,868	171,885	145,800

The number of Broadband subs at the end of June '09 stood 302,658 customers, with 16,319 additions in Q2 '09. ULL is the key growth driver for the Company, while demand for Broadband, 2play and other ULL services, is expected to remain strong.

### Financial Results of Telecommunication Services

The shift of the focus from Wholesale services to ULL services and the continuing growth of ULL services led to the strengthening of Division's EBITDA. This trend continued in Q2 '09 with EBITDA margin at 11.88% from 9.15% in Q1 '09. For Q2 '09 Telecommunication Services recorded revenues of €43.7m, an increase of 22.4% compared to Q2 '08, with ULL products and services being the main driver of growth. Capital expenditures were down in Q2 '09 at €19.5m from €22.7m in Q2 '08. Q2 '09 CAPEX was higher than that of Q1 as the subsidised investment for the regional networks accelerated and is expected to peak in Q3 '09.

<i>(in '000 euro)</i>	<b>Q2 '09</b>	<b>Q1 '09</b>	<b>Q4 '08</b>	<b>Q3 '08</b>	<b>Q2 '08</b>
Revenues	43,675	39,249	41,352	36,915	35,670
Adjusted EBITDA <sup>2</sup>	5,190	3,592	2,914	878	-1,670
<b>EBITDA Margin</b>	<b>11.88%</b>	<b>9.15%</b>	<b>7.05%</b>	<b>2.38%</b>	<b>-4.68%</b>
Capital Expenditures	19,485	9,832	15,470	12,593	22,679

### Pay-TV Services

NOVA's subscribers reflected a small decrease versus the same period last year. The Digital (satellite) subscriber base increased in Greece while the Analogue subscriber base and the digital subscriber base in Cyprus recorded a decrease. As a result, by the end of June '09 Pay-TV had 321,499 customers, a decrease of 3.06% compared to 2008:

<b>NOVA Subs</b>	<b>30/06/09</b>	<b>30/06/08</b>
Cyprus	12,581	14,049
Greece (Analogue platform)	30,765	40,073
Greece (Digital platform)	278,153	277,515
<b>Total NOVA</b>	<b>321,499</b>	<b>331,637</b>

Additionally, NOVA's subscriber base is seasonal, with an annual decrease in the subscriber base during the summer seasons. Traditionally, the subscriber base increases to normal levels towards the end of the summer season.

<sup>1</sup> Active & pending activation wholesale ADSL and 2Play customers, plus active & pending activation Unbundled customers.

<sup>2</sup> Adjustments refer to stock option plan valuation in Q2 '09

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### **Pay-TV Q2 '09 financials**

Despite a small drop in revenue, NOVA continued its strong operating performance during the 2<sup>nd</sup> quarter of '09, as it benefits from recurring cost savings and group synergies as a result from the integration with Forthnet, with operating profitability at €13.5m corresponding to an EBITDA margin of 28%.

	(in '000 €)	Q2 '09	Q2 '08
Revenue		48,500	50,333
EBITDA		13,511	14,104
EBITDA Margin		28%	28%

### **Recent Developments**

The two Divisions are gradually moving to functional integration with the support functions being the first to merge. Already a large portion of personnel is now under the same premises while all products and services are being offered in the 110 Forthnet Shops. The Company looks to increase customer loyalty and its overall customer base with the combination of Voice, Internet and Pay TV services. In late August the first bundles of Telecom and Pay TV products were offered to new and existing customers.

### **Liquidity and Debt**

As of June 30th 2009, Forthnet Group's cash and cash equivalents amounted to €87m. The total net bank debt for the group at the end of H1 '09 stood at €268m.

*Forthnet/NOVA is the largest alternative broadband and pay TV operator in Greece. It provides data, Internet, fixed line telephony services and pay TV services to more than 800,000 customers in Greece and Cyprus.*