

FORTHNETGROUP



forthnet



nova

Company Presentation

18/05/2011

Investment Highlights

**Attractive Broadband
and Pay-TV Markets
with Strong Growth
Potential**

**Leading Market
Positions with Critical
Mass**

**Experienced
Management Team with
Impressive Track
Record**

FORTHNETGROUP



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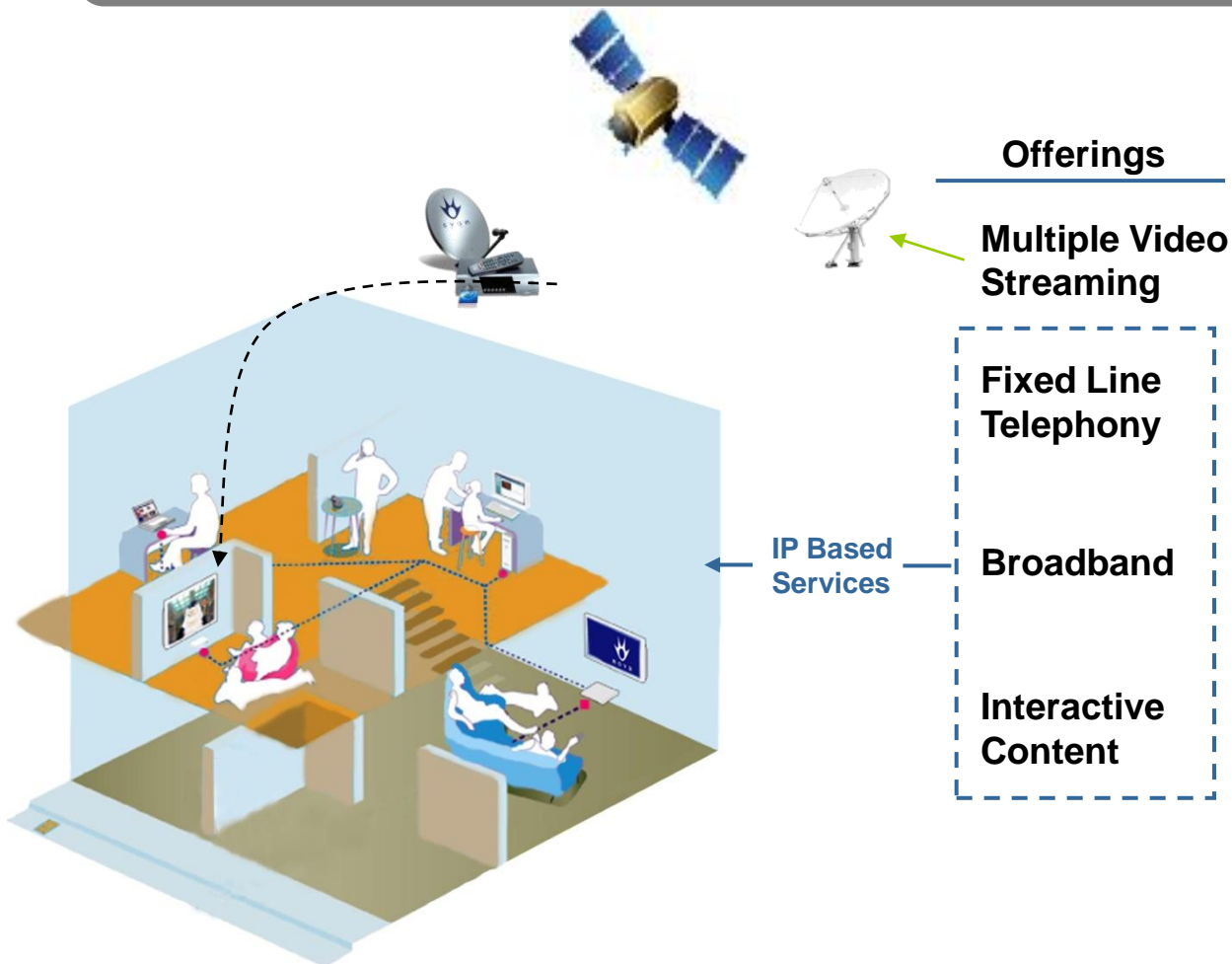
**Diverse, Extensive,
High Quality Product
Offering**

**Improved Financials
and
Attractive Synergy
Potential**

**Robust, Efficient
Infrastructure with
National Coverage**

Our Vision and Strategy

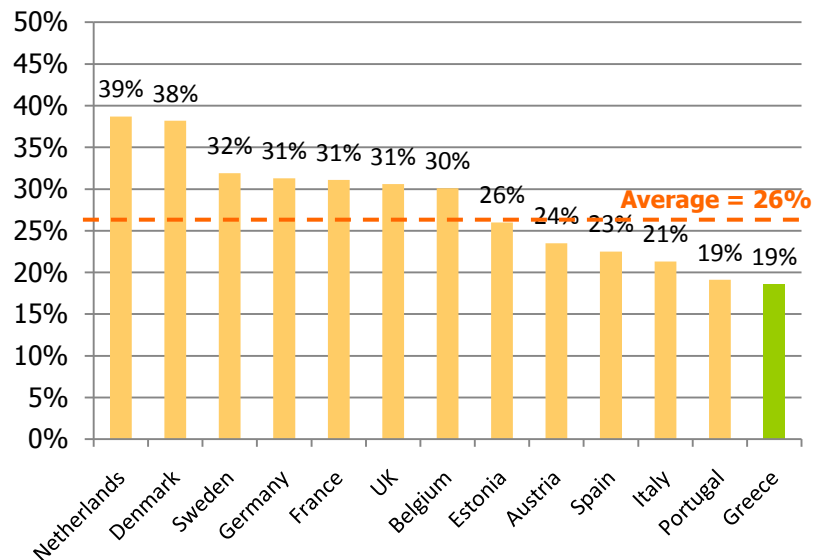
Our Vision



Key Market Statistics	
Population (m)	11.2
Households	4.2m
Fixed Lines	~ 5.5m
Broadband Penetration (<i>population</i>) <i>European average</i>	26% 19%
Pay-TV Penetration (<i>households</i>) <i>European average</i>	11% 60%

Underpenetrated Broadband and Pay-TV Markets

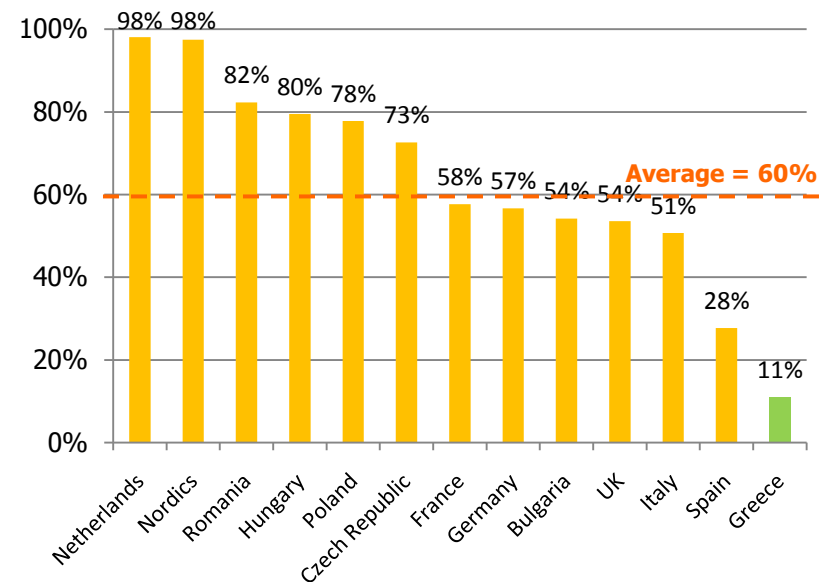
Population Broadband Penetration *(Jun 10)*



Source: National Regulatory Authority, Greece Broadband Evolution Q4 10, Mar 11

- No cable or FTTx in Greece

Household Pay TV Penetration *(Dec 10)*



Source: Analysys Mason, Pay TV in Europe: market sizings and forecasts 2010–2015, May 10

- Low end Pay TV segment in Greece is emerging

- Greek Broadband and Pay TV markets are underpenetrated relative to European peers

Strategy

Capture growth from unique bundling offering

- Combine expertise of Nova and Forthnet to create competitive triple-play service including voice, data and television
- Significant opportunity for growth of triple-play products in the Greek market
- NetMed's Nova brand and attractive content portfolio will be key differentiating factors of Forthnet offer

Customer focus and cross-selling maximisation

- Significant cross-selling opportunities for both voice and broadband services to Nova's customer base and of pay-TV services to existing customer base
- Acquisition will enhance Forthnet's ability to offer innovation in entertainment services
- Will boost pre- and after-sale customer service

Leverage network infrastructure potential

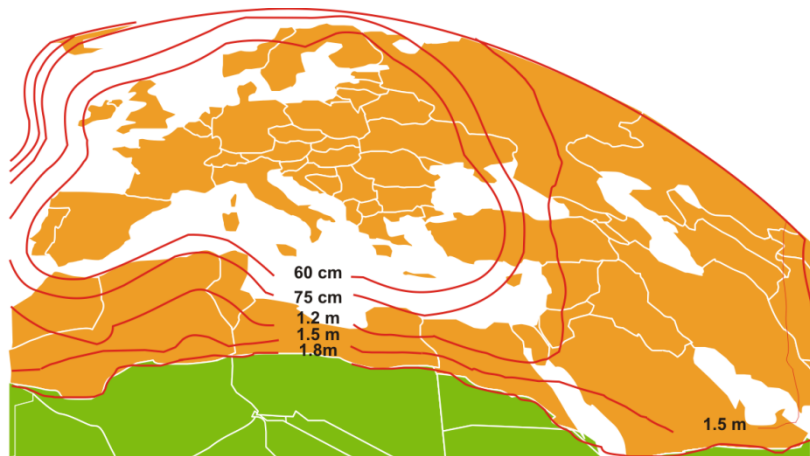
- Best of breed and complementary IP based and Satellite infrastructure
- Will provide optimal coverage to the challenging Greek landscape
- Will make ULL infrastructure more profitable

Realise cost savings and other benefits from Acquisition

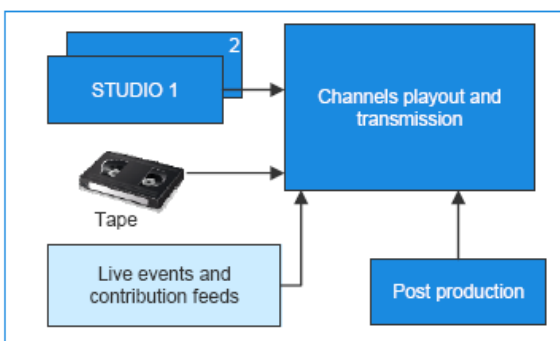
- Focus on integration of Nova to realise cost savings from central functions and sales & marketing
- Benefits to come from economies of scale as well as from integrating and optimising platforms, systems and processes

Nova Infrastructure

HotBird Satellite Coverage



Broadcast Centre



DTH

- 100% national coverage
- NetMed currently leases 5 HotBird transponders from Eutelsat

Analogue Terrestrial Network

- Analogue terrestrial footprint population coverage: 77%
- 60 analogue rebroadcast sites and 2 UHF frequencies
- Outside Athens, Ymittos and Parnitha NetMed facilities are collocated with state broadcaster
- Network owned, operated and controlled by NetMed
- DTT opportunity

Content Production

- Two production studios
- Editing and graphics equipment
- Signal contribution and recording facilities
- Channel play-out, monitoring and transmission suites
- Latest generation tapeless technology
- Mobile TV and VOD capability

Transmission Facilities

- Five digital Multiplexers with uplinks to HotBird Satellites, more than 40 DTH TV channels
- DTH distribution to Greece and Cyprus
- Optimized picture quality with latest MPEG, statistical multiplex technology
- IP and MPEG-4 infrastructure for IPTV pilot
- Irdeto conditional access
- 24/7 monitoring and network management

Pay-TV Offering - Premium Sports

<p>Greek Football Rights</p>	<ul style="list-style-type: none"> ○ Superleague contract has been extended to 2013/14 	
<p>UEFA Champions League/UEFA & Europa League</p>	<ul style="list-style-type: none"> ○ Both major European soccer events until 2012 	
<p>UK Premier League</p>	<ul style="list-style-type: none"> ○ World's leading football competition until 2012/13 	
<p>International Football</p>	<ul style="list-style-type: none"> ○ Major leagues and cups <ul style="list-style-type: none"> ■ French League, Spanish & Italian Cups, Argentinian League 	
<p>European Basketball (EuroLeague)</p>	<ul style="list-style-type: none"> ○ Euroleague Contract until 2013/14 .Final 4 2011 in HD 	
<p>Other Top Events</p>	<ul style="list-style-type: none"> ○ Copa America 2011, ATP Tour Masters 1000 renewal until 2013 	

Pay-TV Offering – Premium Movies and Thematic Content

Established Studio Relationships

Comprehensive Coverage of all Major Studios



Typical Contract Terms

- Three to five years
- Exclusive Pay-TV rights, covering IPTV & SVOD right
- Distribution rights for multiple platforms for Independent suppliers
- Balanced mix of current & non-current studio product
- Rights for multiple runs
- Spread of termination dates up to 2014

Illustrative Greek Film Release Window



Key TV Rights

Targeted Approach for Popular TV Series

- Selective approach
- 1st on TV in Greece
- Strong performers The Mentalist, NCIS, Burn Notice, Boardwalk Empire
- Majority of renewal on the basis of renegotiation
- All series subtitled



Broad Portfolio of Thematic Channels



Launch of High Definition

- Preserve leading position, and innovative character
- Secure and/or produce premium content in HD
- Block exclusivities with key HD thematic channels
- Soft Launch in August 25th with the Dream Game (USA vs Greece)

Nova HD



Nova STB



Universal studios renewal

Pay tv catch up & HD rights
45 Hollywood titles



nova sports HD



nova cinema HD

NATIONAL GEOGRAPHIC CHANNEL HD

August 26th



September 1st



December 22nd



March 17nd, 2011

NAT GEO WILD HD

Discovery HD SHOWCASE

- Nova introduced High definition channels for the first time in Greece, including the most premium product in high quality
- Leader in the technological developments & Enhancing viewership experience

Backhaul Infrastructure

National Backbone

Completed

- C.5,189km of fibre optic MAN, and WAN and 495 nodes of physical and remote collocations to OTE's local exchanges for offering ULL services, covering Athens, Thessaloniki and a number of other Greek cities
- 53G international connectivity. Direct ip peering at Frankfurt's exchange (DE-CIX)
- Proprietary network allows high-speed broadband and telephony as well as further services in the future, including IPTV

Impact

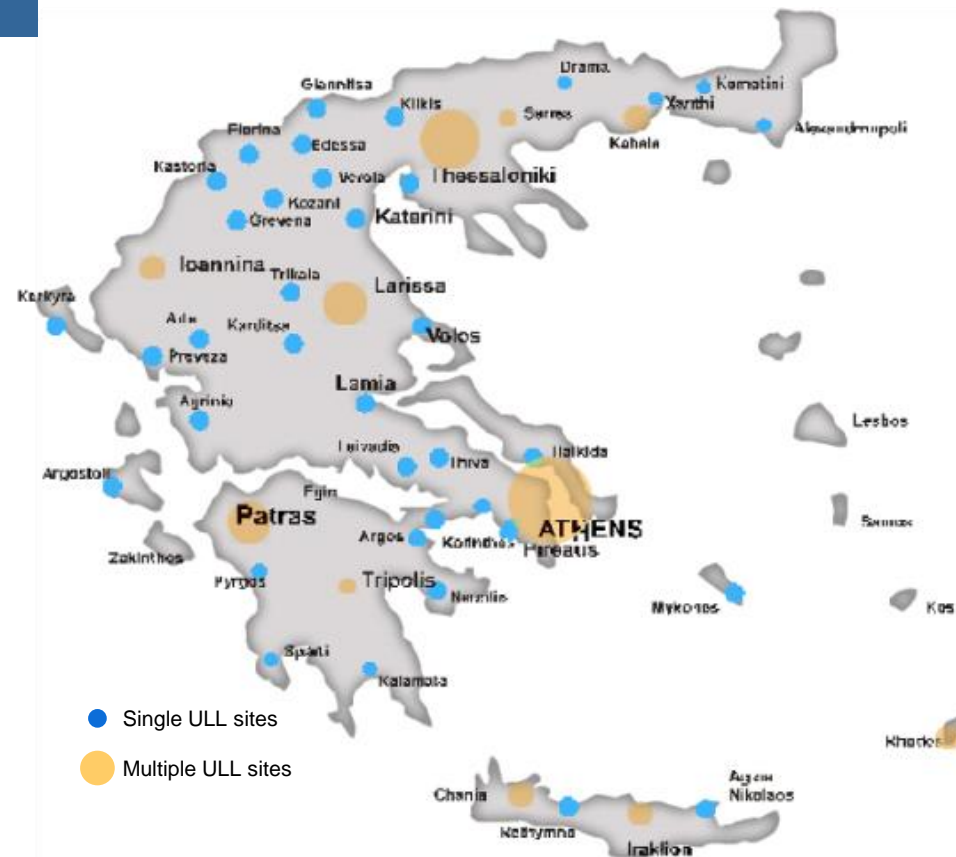
- Reduce operating reliance on the OTE network and related expenses
- Reduce Opex and improve financial performance
- Improve control, service quality and reliability
- Roll out increasingly advanced products faster and more efficiently



Unbundling of Local Exchanges








Forthnet's Coverage with Unbundling¹

- Offering LLU services through 495 Local Exchanges
- It corresponds to ULL coverage of 73% of total lines



(1) Source: Forthnet data

Telecom and Pay-TV Offerings

PRIVILEGE PRICELIST WITH CURRENT OFFERS							
							
		Regular Price	€ 61.92	€ 51.68	€ 52.20	€ 30.90	€ 20.56
	Regular Price	Price with 20% discount	€ 49.54	€ 41.34	€ 41.76	€ 24.72	€ 16.45
forthnet2play unlimited	€ 49.90	€ 39.92	€ 89.46	€ 81.26	€ 81.68	€ 64.64	€ 56.37
forthnet2play ¹	€ 41.24	€ 32.99	€ 82.53	€ 74.33	€ 59.90	€ 57.71	€ 41.24
forthnet2play economy	€ 34.90	€ 27.92	€ 77.46	€ 69.26	€ 69.68	€ 52.64	€ 44.37
forthnetADSL	€ 25.74	€ 20.59	€ 70.13	€ 61.93	€ 62.35	€ 45.31	€ 37.04
forthnetTelephony ²	€ 19.90	€ 15.92	€ 65.46	€ 57.26	€ 57.68	€ 40.64	€ 32.37
forthnetTelephony economy ³	€ 17.90	€ 14.32	€ 63.86	€ 55.66	€ 56.08	€ 39.04	€ 30.77
forthnetProfessional economy	€ 36.00	€ 28.80	€ 78.34	€ 70.14	€ 70.56	€ 53.52	€ 45.25

The combined offering is adding more opportunities for households to join our customer base or expand the number of services they take from Forthnet

Other Offerings

Other Retail Offerings

- o Largest WiFi network in Greece with more than 351 hotspots
- o Nova services to Bars, Cafes and Restaurants
- o Bulk Data Centre Services
 - o Domain names registration
 - o E-mail Hosting
 - o Web Hosting
 - o SaaS Hosting



Corporate Product Offerings

- o MPLS VPN
- o Internet Leased Line
- o Forthnet Leased Lines
- o Direct Link (LMDS)
- o IN Services
- o Corporate Data Centre Services
- o Public Sector Contracts

Forthnet Stores and Call Centres

Forthnet Stores

- Forthnet is also developing its own Commercial Network of shops
 - Combination of owned, franchised and shop-in-a-shop
 - 131 stores to date
 - Covering Athens, Thessaloniki and all major cities
- Forthnet already has presence in all major retail chains
- Already NOVA services are available in all Forthnet shops



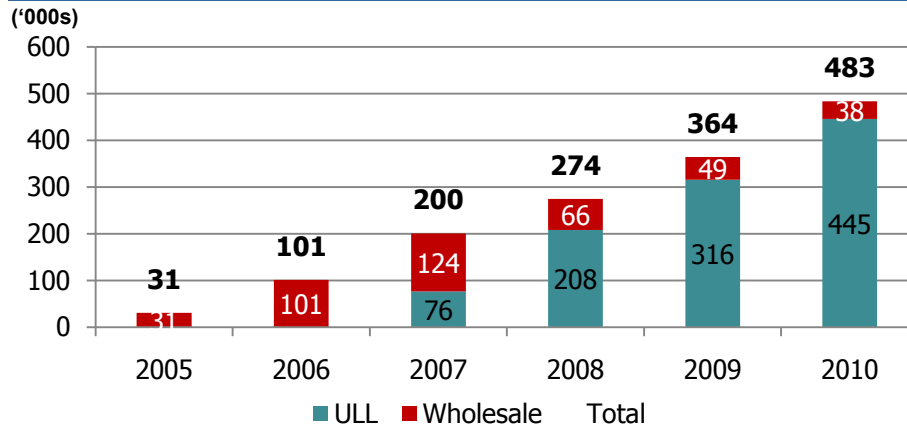
Forthnet Call Centre

- 2 Call Centres
- 212 full-time employees equivalent for Nova
- 295 full-time employees equivalent for Forthnet



Growing Customer Base, Strong Cross-Selling Potential

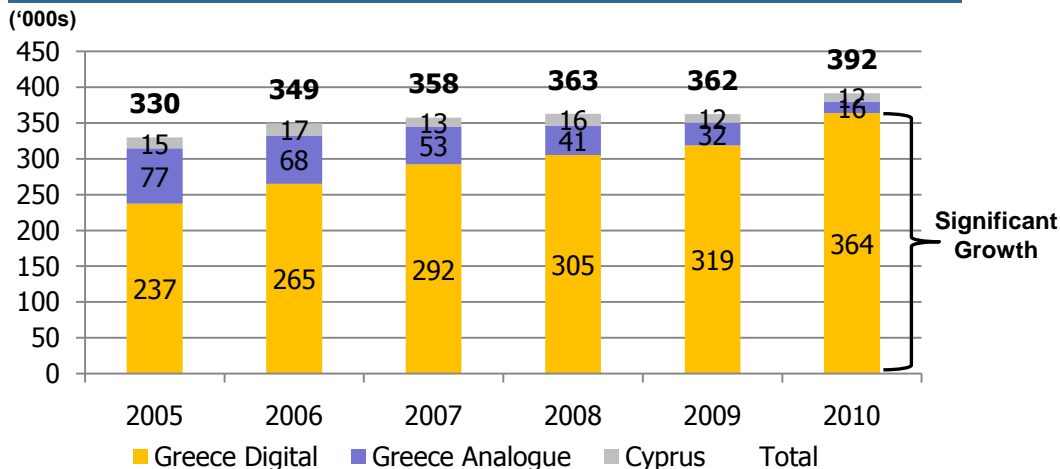
Forthnet Broadband & ULL Subscribers



Comments

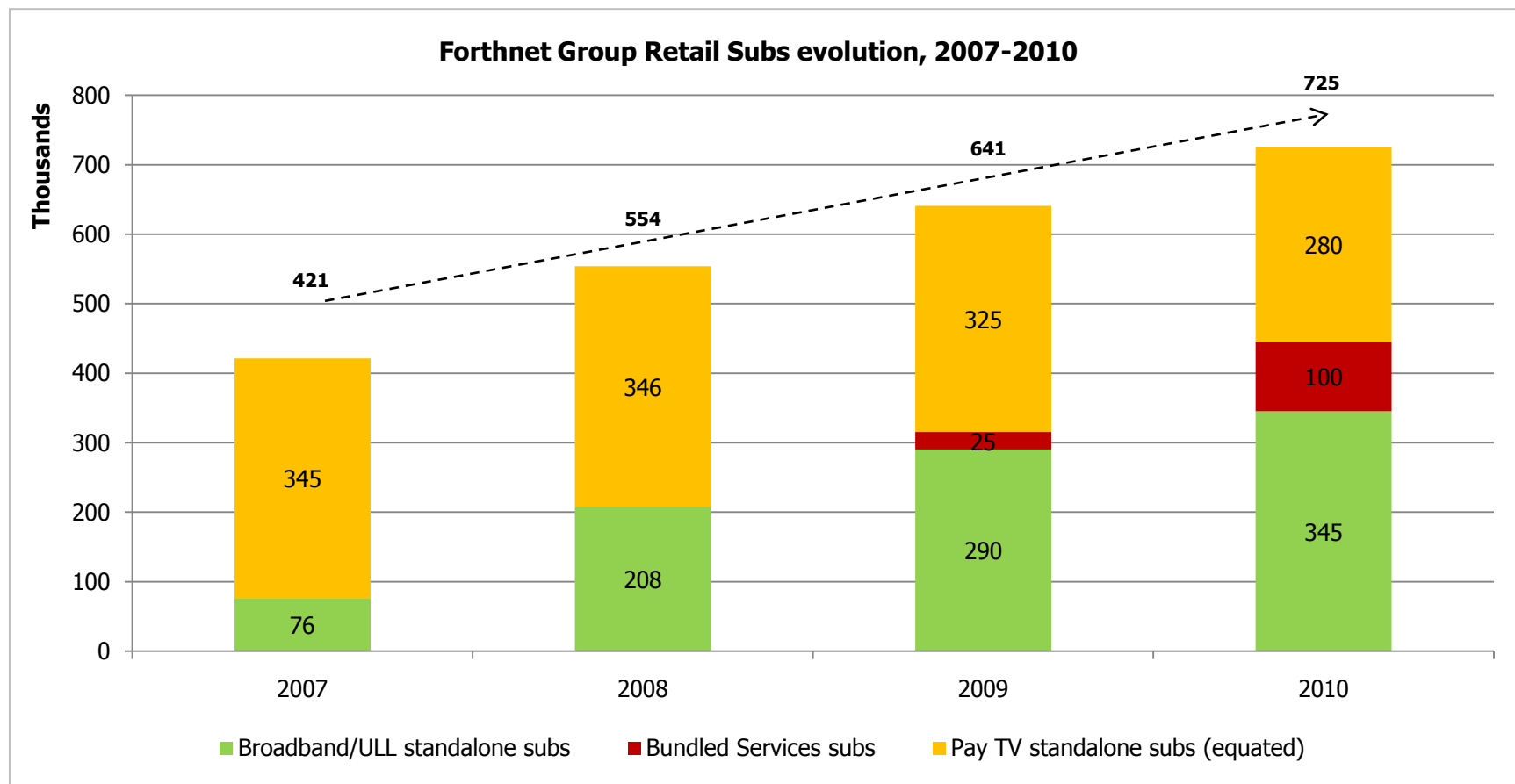
- Access to Nova's high growth customer base
- Opportunity to provide the best of Fortchnet's (ULL 2Play) and Nova's premium (digital Pay-TV) offerings

Nova Pay-TV Customers



Triple-Play Offering

Consistent Growth



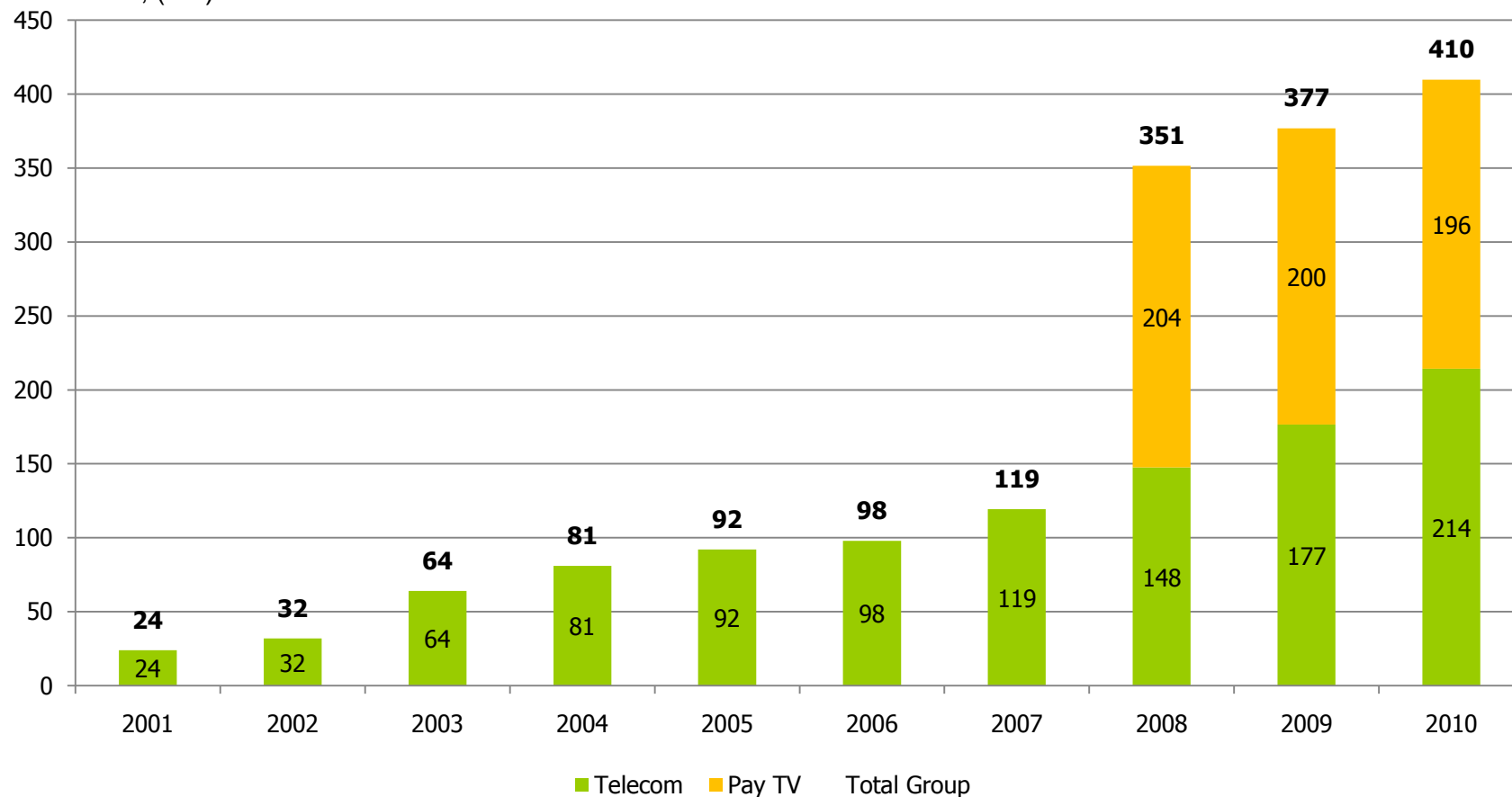
Maintain ULL & Pay TV leadership and identify growth opportunities
increasing bundling services

Financial Review

Consistent Revenue Growth

Strong Year on Year Organic Growth

Revenues, (€m)



Selected Forthnet Financials: Group Results

2010 Results

<i>(in € '000)</i>	2010 Group	2009 Group
Revenue(inc. other income)	409,852	376,985
Reported EBIDTA	46,284	64,025
Adjusted EBIDTA(non cash)	65,662	64,938
Adjusted EBIDTA margin	16.0%	17.2%

Selected Forthnet Financials: Pay-TV Results

2010 Results

<i>(in €'000)</i>	2010	2009
Revenue	195,522	200,339
Adjusted EBITDA*	36,383	45,720
EBITDA Margin	18.6%	22.82%

* Non- Cash Adjustments

Selected Forthnet Financials: Telecom Results

2010 Results

<i>(in '€'000)</i>	2010	2009
Revenues	214,330	176,646
Adjusted EBITDA*	29,279	19,218
EBITDA Margin	13.7%	10.9%
Capital Expenditure	52,631	69,049

* Non- Cash Adjustments

Strong Telecom Growth continues in 2010

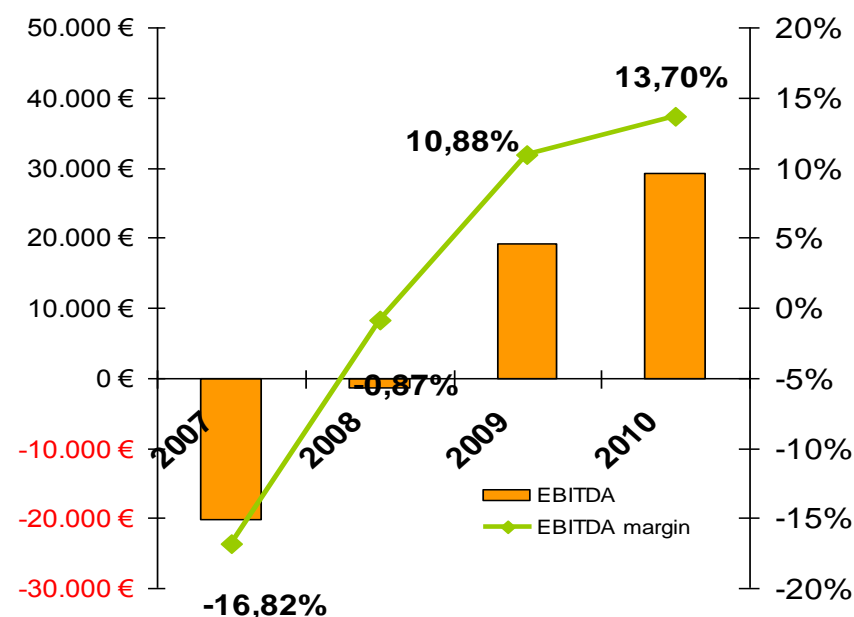
Revenue Analysis <i>(in €'000)</i>	2010	2009	Δ (%)
Residential LLU services	150,553	111,347	35.2%
Residential Wholesale Services	8,209	19,011	-56.8%
Business Services and Applications	55,568	46,287	20.05%
Total Revenue (incl. other income)	214,330	176,646	21.3%

Selected Forthnet Financials: Telecom improvement

Revenue Growth based on ULL

(in '000,000 euro)	2007	2008	2009	2010
Direct Retail Services	11.5	65.2	111.3	150.6
Indirect Retail Services	67.4	35.5	19.0	8.2
Business Services & Applications	40.6	46.9	46.3	55.6
Total Revenues	119.4	147.6	176.7	214.3

Telecom EBITDA Improvement



Attractive Financing Secured

Forthnet Financing Facilities

		€m	
Cash		36.4	as of December 2010
Acquisition Facility	Telco Facility Drawn	120	Senior unsecured amortising facility maturing on 30 March 2015
	Tranche A Drawn	150	<ul style="list-style-type: none"> Senior secured amortising facility maturing 7.5 years from drawdown Euribor + 2.00%
	Tranche B Drawn	50	<ul style="list-style-type: none"> Senior secured bullet facility maturing 8 years from drawdown Euribor + 2.25%
	Tranche C Drawn	45	<ul style="list-style-type: none"> Senior secured bullet facility maturing 9 years from drawdown Euribor + 3.00%

Debt and Liquidity

As of December 2010

Cash and cash equivalent: €36.4m

Net Debt: €296.6 m

Refinancing

The Group has initiated discussions with its lending syndicates with a view to refinance its maturing stock of debt for 2011 and 2012 and extend the repayment profiles beyond 2013. The process was formally launched in early February and is already at an advanced stage.

Wrapping Up

Value Drivers Summary

Broadband growth opportunity

- Low broadband penetration relative to Europe
- Forthnet in strong position to benefit from market growth

Pay-TV growth opportunity

- Forthnet will own the leading pay-TV provider in under-penetrated market, following the Acquisition
- New tiering policy to ignite growth
- Nova brand and content portfolio provide competitive advantage

Triple play offering

- Strong prospects for growth in Greece
- Nova content provides attractive differentiating factor for Forthnet offering

ULL uptake will facilitate growth and enhance profitability

- Migration of subscribers to ULL key to Forthnet strategy
- Forthnet already has strong market position in ULL with 32,1% market share
- ULL migration and uptake will drive profitability

Synergies expected to generate value through expanding sources of revenues and streamlining costs

Churn reduction from bundling

Thank You for Your Attention