

Results for the Q2 2011, Trading Update and Operating Performance

30th August 2011

- 122k Households have chosen bundles of telecom and payTV services
- Broadband Subscribers top the half million mark
- 472k active LLU customers
- 358k active payTV subs, a Y-o-Y increase of 32k digital subs in Greece
- Consolidated revenues of €105.8M vs. €101.9M in 2010 (+3.8%)
- Consolidated adjusted EBITDA of €23.7M vs. €17.6M in 2010 (+35.2%) with an EBITDA margin of 22.4% (+5.2 pp vs. Q2 2010)
- Reprofiting of the Group's debt maturities successfully completed
- Renewal and extension of SuperLeague rights until 2015

Q2 Overview

Focused management initiatives are improving operational efficiency for the Group and are accelerating integration of the payTV and telecom businesses, offering major opportunities for cost containment. At the same time the demand for bundled telecom and payTV services remains strong.

Bundled Services

In Q2 2011 the Group continued to attract customers that bundle telecom and payTV services. By the end of Q2 the Group served 730k unique households, among which, 122k have chosen bundled services. The penetration of Bundled Services in the subscriber base is expected to increase over time.

	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Households with Bundled Services	121,582	111,613	99,932	76,697	56,586
Households in Greece with Bundled Services as % of Total	16.7%	14.6%	13.1%	10.3%	7.9%
New Households with Bundled Services	9,969	11,681	23,235	20,111	17,491

The majority of the customers that chose Bundled Services in 2010 already had a billing relationship with the group. In 2011 and especially in Q2 2011 most of the customers that chose Bundled Services were new additions to both telecom and payTV.

Telecom Services

Forthnet continues to extend its telecom customer base. The number of Broadband subs at the end of June 2011 stood at 501,705 customers, with 5,401 additions in Q2 2011. ULL is the key growth driver, while demand for these services is expected to remain strong.

Broadband Customers	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Broadband subscribers¹	501,705	496,304	483,163	461,343	438,966
Quarterly net additions	5,401	13,141	21,820	22,377	30,124
Active LLU customers	472,142	459,626	445,343	415,662	391,297
Unbundling Ratio	94%	93%	92%	90%	89%
New LLU customers	12,516	14,283	29,681	24,365	33,371
Market share in new LLU customers	18.0%	18.5%	30.4%	33.0%	34.0%
LLU market share	31.3%	31.9%	32.6%	32.8%	32.6%

Forthnet is the leading unbundler in Greece with an estimated market share of 31.3% at the end of June with 12.5k net additions in Q2. It is estimated that Forthnet's market share in ULL net additions in Q2 was 18%.

PayTV Services

Satellite payTV subscribers in Greece reached 340,705 at the end of June 2011, an all times Q2 high. The analogue subscriber base in Greece and the digital subscriber base in Cyprus declined.

PayTV Customers	Q2 2011	Q2 2010	Δ
Digital Platform Greece	340,705	308,283	32,422
Analogue Platform Greece	9,283	22,853	-13,570
Digital Platform Cyprus	8,104	10,479	-2,375
Total	358,092	341,615	16,477

By the end of Q2 2011 payTV had 358,092 customers, a y-o-y increase of 16,477. The lower than expected competitiveness of the Greek SuperLeague during the second round of the championship impeded a further increase of the subscriber base.

¹ Active & pending activation wholesale ADSL and 2Play customers, plus active & pending activation unbundled Customers.

Consolidated Q2 2011 financial results

The Group reported total revenues of €105.8M, an increase of 3.8% compared to the same period in 2010. Revenue from ULL services grew by 10.9% driven by an increase in residential subs.

Revenue Analysis (in €'000)	Q2 2011	Q2 2010	Δ (%)
Residential LLU services	41,221	37,186	10.9%
Residential Wholesale Services	2,130	2,336	-8.8%
Business Services and Applications	15,194	14,486	4.9%
PayTV Revenue	47,272	47,979	-1.5%
Total Revenue (incl. other income)	105,817	101,987	3.8%

The decrease in payTV revenue by 1.5% is attributed mostly to Group's Cyprus Operations and Analogue Services in Greece.

The combined result of cost cutting initiatives and the incremental revenue boosted Q2 2011 adjusted EBITDA to €23.7M, up 35.2% on a y-o-y basis. The adjusted EBITDA margin for the quarter was 22.4%, an increase of 5.2pp over Q2 2010.

(in € '000)	Q2 2011	Q2 2010
Revenue (including other income)	105,817	101,987
Reported EBITDA	-14,492	17,463
Adjusted EBITDA ²	23,732	17,553
Adjusted EBITDA margin	22.4%	17.2%

The new round of downgrades of the credit ratings of the Greek sovereign debt during the first half of 2011 had a material bearing on the valuation of the Group's intangible assets. Specifically a significant increase in the discount factors used for asset valuation purposes (from 12.06% as at 31.12.2010 to 13.60% as at 30.06.2011) has resulted in an impairment charge of €38.2M against goodwill previously recognized for the payTV segment.

Recent Developments

Sports Rights

Forthnet Group has renewed its cooperation with SuperLeague (the organizing authority of the Greek 1st Division Professional Football Championship), until the end of the 2014/15 football season for total consideration of €177.4 M. The Group now holds the broadcasting rights for TV, internet, mobile and radio transmission, covering the territory of Greece, Cyprus and Albania, and roping in all sixteen SuperLeague teams (including the home games of current champion Olympiakos). The previous SuperLeague arrangement was priced at €176M and covered fourteen teams - excluding Olympiakos – without broadcasting rights for Albania and radio broadcasting in Greece.

² Non- Cash Adjustment

Telco Infrastructure

The first part of the fiber ring that covers the west part of mainland Greece has been completed. The project will result in further financial and operational efficiencies and is expected to be concluded in 2011.

New Satellite Services

Forthnet Group has signed a regional agreement, covering Greece and Cyprus, with Eutelsat for the provision of broadband services over satellite. Hence, Forthnet becomes the first pan-european provider of triple play services using a single satellite dish.

Cost-cutting

Extensive cost cutting initiatives addressing operations on a Group-wide scale are being deployed since the beginning of 2011. Focusing on recurring, long-term cost savings, these initiatives seek to improve operational efficiencies and extract maximum value out of existing tangible and intangible assets. The benefits of these initiatives have already brought visible bottom line results in Q2, while the trend is projected to continue.

Liquidity and Debt

As of June 30th 2011, Forthnet Group's cash and cash equivalents amounted to € 22.5m. Total net bank debt for the Group at the end of June 2011 stood at € 312.5m. In July 2011 Forthnet Group issued two long-term, secured bond facilities totalling €90 million as part of the overall renegotiation of the Group's outstanding debt. The bonds were subscribed in full by the banking syndicates that have financed Forthnet's growth initiatives to date. The proceeds have been used to pre-pay the Group's entire principal repayment obligations through the end of 2012. As a result of this arrangement the Group has no contractual principal repayments due until 31.03.2013.

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