Forthnet

INTERIM CONDENSED
FINANCIAL STATEMENTS
(SEPARATE AND CONSOLIDATED)
FOR THE PERIOD
JANUARY 1 – JUNE 30, 2016
OF
HELLENIC COMPANY FOR TELECOMMUNICATIONS
AND TELEMATIC APPLICATIONS S.A. (Forthnet S.A.)

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors (in accordance with article 5 par. 2 of L. 3556/2007)

The following statements, which are effected in accordance with article 5 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. Deepak Srinivas Padmanabhan of Velaidam, resident of Dubai, UAE, President of the Board of Directors
2. Panagiotis Papadopoulos of George, resident of Pallini Attica, Vice-President of the Board of Directors and CEO and
3. Mohsin Majid of Khawaja Abdul, resident of Dubai, UAE, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, and in particular as specifically appointed by the Board of Directors of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” (hereinafter referred to as “Company” or as “Forthnet”), we state and we assert that to the best of our knowledge:

(a) the interim condensed financial statements of the Company and the Group of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2016 to June 30, 2016, which were compiled according to the applicable International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the six-month Report of the Board of Directors of the Company provide a true and fair view the evolution, the achievements and the financial position of the Company, as well as the companies’ which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraph 6 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklion, August 28, 2016

Deepak Srinivas Padmanabhan	Panagiotis Papadopoulos	Mohsin Majid
President of the Board of Directors	Vice-President of the Board of Directors and Chief Executive Officer	Member of the Board of Directors

BOARD OF DIRECTORS' REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS of «Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.» (according to the regulations of par. 6 of article 5 of L. 3556/2007)

Regarding the consolidated and separate interim condensed Financial Statements
for the six month period ended June 30, 2016

1. PERFORMANCE AND KEY FINANCIAL DATA

- Total (normalized) revenues stood at €165.5m and adjusted EBITDA at €26.8m
- Total subscriptions stood at 1.1m
- 3Play/bundled subscribers at 328k
- Broadband subscribers at 613k
- Pay TV subscribers at 460k
- Refinancing term sheet agreed with the lending banks
- Launch of a €99M convertible bond loan approved by BoD

	6m 2016	6m 2015	Δ
Total Subscriptions	1,073,067	1,173,314	-8.5%
Unique Households	744,606	808,587	-7.9%
Households with 3play/Bundled Services	328,461	364,727	-9.9%
Broadband subscribers	612,815	664,226	-7.7%
Pay TV Customers in Greece	460,252	509,088	-9.6%

(€ '000)	6m 2016	6m 2015	Δ
Revenue (normalized)	165,510	182,826	-9.5%
Reported EBITDA	26,815	26,922	-0.4 %
Adjusted EBITDA	26,815	29,172	-8.1%

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

« In a prolonged recessionary environment, that decreases disposable income, we continue to focus on optimizing our cost base and on improving the quality of our services. By entering into new agreements we are enriching our content and available channels. We are also contining to improve the experience of our subscribers, under the Nova brand for all services, by offering to all of our customers high definition image quality and new ways of experiencing on demand content. The refinancing agreement reached with the banks and the upcoming issuance of the convertible bond are important developments towards improving the company's financial position. ».

Bundling/3Play

At the end of June 2016, Forthnet served more than 328.4k households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base is over 44.1%.

	6m 2016	6m 2015	Δ
Households with 3play/Bundled Services	328,461	364,727	-9.9%
Households with 3play/Bundled Services as % of Total	44.11%	45.09%	-0.98pp

Telco

Mostly due to the conservative commercial approach for the first six months of 2016, LLU customers decreased to 596.7K

	6m 2016	6m 2015	Δ
Broadband subscribers[1]	612,815	664,226	-7,7%
Active LLU customers	596,743	641,970	-7,0%
Unbundling Ratio	97.4%	96.6%	0.8pp
LLU market share	29.0%	31.4%	-2.40pp

Pay TV

The Pay TV subscriber base reached 460.2 households as a result of our conservative commercial approach. Pay TV market continues to be dominated by bundled/3play services.

	6m 2016	6m 2015	Δ
Pay TV customers in Greece	460,252	509,088	-9.6%

[1] *Active and pending activation customers*

Consolidated Results

Consolidated normalized Revenue for H1 2016 reached €165.5m, decreased compared to 2015, due to a decline in consumer spending and the more conservative commercial approach by the company. The advertising revenue increased by 12% as a result of constantly upgraded content of TV program of Nova.

***Revenue Analysis** (€ '000)*	**6m 2016**	**6m 2015**	**Δ**
Total Retail	**128,880**	**142,509**	**-9.6%**
Telco Retail	66,849	72,856	-8.2%
Pay TV Retail	62,031	69,653	-10.9%
Total Business	26,373	28,761	-8.3%
Total Business (Normalized) [2]	**26,590**	**28,914**	**-8.0%**
Telco Business	17,180	18,727	-8.3%
Telco Business (Normalized)[2]	17,396	18,880	-7.9%
Pay TV Business	9,193	10,033	-8.4%
Advertising	4,140	3,711	11.6%
Other	5,901	7,693	-23.3%
Total Revenue	165,294	182,674	-9.5%
Total Revenue (Normalized) [2]	**165,510**	**182,826**	**-9.5%**

The cost optimization efforts increased EBITDA margin from 16.0% to 16.2%. Adjusted EBITDA of H1 2016 reached €26.8m versus €29.2m in 2015, mainly as a result of pricing pressure and the unfavorable macroeconomic environment.

***EBITDA Analysis** (€ '000)*	**6m 2016**	**6m 2015**	**Δ**
Revenue (including other income)	165,294	182,674	-9.5%
Revenue (normalized) [2]	165,510	182,826	-9.5%
Reported EBITDA	26,815	26,922	-0.4 %
Adjusted EBITDA[3]	26,815	29,172	-8.1%
Adjusted EBITDA margin	16.2%	16.0%	0.2pp

Total bank debt in Jun 2016 stood at €325m.

2 *Normalization relates to a reclassification in business revenue which presented in expenses due to accounting treatment*
3 *One –off or Non- cash adjustment*

2. MAJOR EVENTS FOR THE CURRENT HALF YEAR

The Board of Directors, on 21.06.2016, approved a) the term sheet on the basic terms for the refinancing of existing bonds with the lending banks, and b) the issue by the Company of a convertible bond loan of a total amount of up to € 99,087,466.50 with a preemption right in favor of its existing shareholders, in accordance with art. 3a of cod. law 2190/1920, law 3156/2003 and the other provisions of applicable

During the 1st semester of 2016, the Company:

- Concluded an agreement with PAE AEK, according to which it acquired, on an exclusive and global basis, the broadcasting rights for the home qualifier matches of the above mentioned team in the context of UEFA Champions League and/or UEFA Europa League for the next two seasons, 2016-2017 and 2017-2018. Furthermore, basis the same agreement, Nova also, acquired, on an exclusive and global basis, the media rights for the home friendly matches of PAE AEK for the seasons 2016-2017 and 2017-2018.
- In addition to the above, Nova extended for an additional season (2016-2017) its cooperation with ESAP, the organizing authority of Men's A1 Division Volleyball Championship, according to which, Nova retains the right to broadcast the matches of the Greek Men's Volleyball Championship, on an exclusive basis.
- Moreover, the Company renewed for two (2) additional seasons (2016-2017 and 2017-2018) the agreement for the exclusive broadcasting in Greece and Cyprus of the French Football League matches, while it further strengthened its sports content portfolio by obtaining, on an exclusive basis, until 2018, the media rights for: i) the English FA Cup, ii) the Italian Football Cup as well as the Italian Super Cup, iii) the German Football (DFB-Pokal) Cup and iv) the Final of the Spanish (Copa del Rey) Cup, as well as the Spanish Super Cup.
- Further to the above, Nova continues to hold the exclusive rights for a number of additional athletic events for Greece and/or Cyprus, enhancing in this way its strategic plan to promote and support Greek Sport, as underlined by its advertisement logo "All for your team".
- Nova renewed its long & exclusive relationship with Columbia, one of the big 6 of the movies industry, who every year produces great movies and series that climb up on the US & European BO, thus securing for its subscribers a full variety of movies & series, exclusively, for their 1st pay tv window in the Territory, and very close to US.
- Concurrently, Nova continues its relationships with other Major Hollywood Studios (like Disney, FOX, Warner, HBO), as well many mini-majors & other international program providers, offering 1st run feature films & series, on an exclusive basis.
- Furthermore, Nova renewed for an additional 2 years its exclusive cooperation with Odeon, a content local distributor in Greece, securing this way a great variety of 1st pay tv Feature Films from the American & European cinema industry, for the Nova subscribers. Apart from the cooperation on the content side, there is also a very close relationship between the 2 companies in a few other levels (e.g. a sponsorship on the cinemas, on avant premieres, on co-productions, etc.)
- At the same time, Nova continues its cooperation with other local distributors (e.g. Spentzos, Rosebud.21, etc.), always on an exclusive basis & for their 1st pay tv window.
- Nova secured for 2017 & 2018, the live & exclusive transmission of the Golden Globe Awards & the Screen Actors Guild Awards, which have been offered successfully and on an exclusive basis to Nova subscribers in Greece & Cyprus for many years now.
- Given the great success of Game of Thrones' simulcast with US transmission, which was a significant first for Greece, Nova made sure to secure the same pattern for many popular series, satisfying this way a great number of its subscribers.
- As a co-producer, Nova continued to support the Greek cinema and to offer its subscribers exclusive broadcasting of Greek theatrical films from Greek producers.
- Further to the above, Nova renewed its cooperation with the well-known Discovery channel, Animal Planet & Eurosport channels, so at to continue offering its subscribers the best documentaries and the most important international sports events with Greek commentary.
- In addition, Nova renewed its cooperation with the MTV, Nickelodeon & VH1 channels, for the non-stop entertainment of its subscribers, and most importantly of the youngest viewers, while it enriched its bouquet with 2 more music channels: MTV Hits & MTV Live HD.
- Nova has also secured the renewal of the erotic adult channels offered to its adult audience, and in addition Nova added one more erotic channel: RedlightHD.

- Moreover, Nova continued to enrich its new on demand services. On one hand by enriching NovaGo service with content of high interest, and on the other hand by launching the new NovaOndemand service, where subscribers can have access to major blockbusters, 1st run series, as well as, a variety of entertaining content, documentaries, kids, etc, on their big screen.

New services, Network Development and Investments

During H1 2016 Forthnet:

- Increased the capacity of international link, with total 160Gbps at the end of June 2016. Two new international connections: 10Gbps with Google in Sophia (TPN) and 10Gbps with Akamai.
- Continued the deployment of the new voice platform IMS, completing the migration of more 51% of retail customer base. Also, completed the migration of business customers to IMS.
- Ceasedthe LMDS network and completed the migration of customer LMDS services to other technologies (LLU, LL, PtP).
- Upgraded the DDoS security system, enforcing the protection of customer services.
- Upgraded the Nova Go platform and its applications for PC, iOS and Android devices. New services available to subscriber, such as alerts in LiveTV programs, My Nova Go, devices management and new user interface.
- Launched the new satellite services "Forthnet Business-SAT", for business customer's needs (Telephony PRI & SIP Trunk, Internet, MPLS VPN and Lan-to-Lanservices).
- Designed & implemented the new service "3play (professional) hotspot", for WiFi coverage in Forthnet professional sites.
- Completed the cooperators network consolidation nationwide. More tools and applications to technicians, better service to customers.

3. PROSPECTS FOR THE 2ND HALF OF THE YEAR

For the second half of 2016, Management's main priorities and strategic directions remain unchanged, supporting Company's successful strategy that emphasizes on the value of services rather than on aggressive offering or reduced pricing. To this end, Forthnet's main focus remains the growth of its subscriber base by targeting higher value customers.

In particular, regarding Residential Services, the Company for the 2nd half of the year will continue to focus its interest in the retention of its existing customer base through actions that will improve the overall customer experience both in terms of service quality and in terms of support.

At the same time the growth of the subscription base will be continued by allocating qualitative services adapted in the needs of Greek family for communication and in home entertainment. More specifically:

- enhancing Nova 3play services with add-ons which will improve the overall customer experience
- launching new innovative services for reliable communication and quality entertainment at an affordable price.

Regarding the Business and SME services the emphasis during the2nd half of the yearwill be given on further developing SMEs and advertising market. In parallel, the Company will focus on promoting bundle services targeted the specific needs of small and large enterprises.

Finally, during the 2nd half of the year Forthnet will continue cost savings initiatives seeking improving operational efficiencies and extract maximum value out of existing tangible and intangible assets.

4. MAJOR RISKS AND CONCERNS FOR THE 2ND HALF OF THE YEAR

Macroeconomic risks

- The uncertainty arising from the Greek financial and political circumstances have had and is likely to continue to have a negative impact on business activity, operating results and the financial situation of the Company and Group.
    - The recent economic crisis may adversely affect the Group's ability to raise capital, either through borrowing or through a share capital increase, and its borrowing costs.
    - Possible exit of Greece from the eurozone or the EU and transition to the national currency is expected to materially adversely affect the country's GDP, the financial results of the Group and the market value of the Shares and the Convertible Bonds
    - The potential impact of the outcome of the referendum June 23 for the UK exit of the EU can not be predicted for Greece and could prove important adversely affecting key sectors of Greek economy.
    - The implementation of the austerity policy adopted by the Greek government, the increasing unemployment and the uncertain climate prevailing in Greek society, which have negatively affected the consumers' disposable income and mood, could affect the demand for the Group's products and services adversely affecting the Group's activity, financial situation, results and prospects.

Business-related risks

- The proper conduct of its business, financial condition and prospects depend on its ability to properly serve the high bank loans, and must comply with the conditions governing, and the completion of the Refinancing of bonds and the successful coverage of the Convertible Bond Loan (CBL), according to the decision of the Board of the Company on 21.06.2016.
- Potential changes in insurance and taxation laws, as well as the increase in VAT and recently imposition of pay television duties and fixed telephony subscriber duties may have a material adverse effect on the business, financial position and operating results of the Group. More specifically, with regard to this last issue, by virtue of articles 54 and 55 of L. 4389/2016, a 10% proportional duty was levied as of 1.6.2016 on the monthly bill of each subscription on pay television and from 1.1.2017 a 5% proportional duty shall be levied on the monthly bill of each fixed telephony subscription with access to voice and/or broadband (internet) services.

Market risks

- The Group's revenue and profitability depend on the degree of broadband penetration together with the constant increase of demand for broadband services. Future demand for broadband services in Greece may not increase according to forecasts, and this may have a material adverse impact on Forthnet's and the Group's business activity, financial situation, operating results and prospects. Intense competition on the telecommunications and subscription television market in Greece may have a material adverse impact on the Group's business activity, financial situation and operating results.
- The sector of telecommunication services is of high capital intensity and is subject to rapid and important technology changes. Any failure by the Group to effectively respond to technology changes may have a material adverse impact on the Group's business activity, financial situation and operating results.

5. RELATED PARTIES

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Company's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ended at	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	665,635	1,559,547
		30.06.2015	524,853	1,282,482
Vodafone S.A.	Shareholder	30.06.2016	404,865	1,295,778
		30.06.2015	142,215	1,018,113
Vodafone Ltd.	Related Party	30.06.2016	1,295,849	1,206,430
		30.06.2015	2,170,637	1,830,787
Hellas Online	Related Party	30.06.2016	-	-
		30.06.2015	218,176	249,133
Technology and Research Foundation	Shareholder	30.06.2016	30,301	34,554
		30.06.2015	33,086	24,692
Forth CRS S.A.	Subsidiary	30.06.2016	53,341	87,715
		30.06.2015	50,938	123,518
Interoute Spa (Italy)	Subsidiary	30.06.2016	-	-
		30.06.2015	86,171	-
Cablenet Ltd	Related Party	30.06.2016	-	10,297
		30.06.2015	-	-
Interoute Bulgaria Js Co	Related Party	30.06.2016	-	-
		30.06.2015	124,800	250,807
Interoute Czech Sro	Related Party	30.06.2016	-	-
		30.06.2015	844	90,754
NetMed S.A.	Subsidiary	30.06.2016	49,966	-
		30.06.2015	47,024	4,639
Forthnet Media S.A.	Subsidiary	30.06.2016	4,157,208	546,079
		30.06.2015	5,423,162	1,162,441
	Total	**30.06.2015**	**6,657,165**	**4,740,400**
	Total	**30.06.2016**	**8,821,906**	**6,037,366**

Related Party	Relation with Forthnet	Year/Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	449,354	583,812
		31.12.2015	431,995	595,596
Vodafone S.A.	Shareholder	30.06.2016	228,482	548,547
		31.12.2015	51,654	442,232
Vodafone Ltd.	Related Party	30.06.2016	3,164,817	3,128,840
		31.12.2015	1,868,968	2,548,950
Hellas Online	Related Party	30.06.2016	-	-
		31.12.2015	100,290	101,395
Emirates International Telecommunications	Indirect Shareholder	30.06.2016	-	895,085
		31.12.2015	-	895,085
Technology and Research Foundation	Shareholder	30.06.2016	34,457	27,124
		31.12.2015	26,086	20,239
Forth CRS S.A.	Subsidiary	30.06.2016	120,057	127,623
		31.12.2015	54,358	39,753
Telemedicine Technologies S.A.	Associated	30.06.2016	-	-
		31.12.2015	3,734	-
Athlonet S.A.	Associated	30.06.2016	11,502	8,060
		31.12.2015	11,502	8,060
Forthnet Media S.A.	Subsidiary	30.06.2016	102,487,437	20,030,069
		31.12.2015	114,293,574	23,646,425
NetMed S.A.	Subsidiary	30.06.2016	678,537	46,984
		31.12.2015	616,827	174,856
	Total	**30.06.2016**	**107,174,643**	**25,396,144**
	Total	**31.12.2015**	**117,458,988**	**28,472,591**

Revenues and receivables from Forthnet Media S.A. are mainly related to the 3 play commission re-charged to the subsidiary by the Company, as well as, charges for the re-sale of the Super league and UEFA football rights.

During the second trimester of 2015, Interoute Managed Services Netherlands, Interoute Spa (Italy), Interoute Bulgaria Js Co and Interoute Czech Sro, were no longer considered as related parties, as Emirates International Telecommunications notified that it sold its participation to Interoute.

The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

The Company's revenues and costs from Vodafone Ltd, Vodafone S.A.and its subsidiary Hellas Online S.A. are related to interconnection fees and leased lines.

The Company's revenues and costs from Wind Hellas Telecommunications S.A. are related to interconnection fees, swaps of fiber optic network and leased lines.

The Company's cost from Cablenet Ltd is related to interconnection fees.

The Group's transactions and account balances with related companies are as follows:

Related Party	Relation with Group	Period ended at	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	665,635	1,599,124
		30.06.2015	524,853	1,322,914
Vodafone S.A.	Shareholder	30.06.2016	423,232	1,297,261
		30.06.2015	177,709	1,020,520
Vodafone Ltd.	Related Party	30.06.2016	1,295,849	1,206,430
		30.06.2015	2,170,637	1,830,787
Hellas Online S.A.	Related Party	30.06.2016	-	-
		30.06.2015	218,176	249,133
Interoute Spa (Italy)	Related Party	30.06.2016	-	-
		30.06.2015	86,171	-
Interoute Bulgaria JsCo	Related Party	30.06.2016	-	-
		30.06.2015	124,800	250,807
Interoute Czech Sro	Related Party	30.06.2016	-	-
		30.06.2015	844	90,754
Technology and Research Foundation	Shareholder	30.06.2016	30,301	34,554
		30.06.2015	33,086	24,692
	Total	**30.06.2016**	**2,415,017**	**4,137,369**
	Total	**30.06.2015**	**3,336,276**	**4,789,607**

Related Party	Relation with Group	Yea/Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	449,372	590,430
		31.12.2015	432,013	596,783
Vodafone S.A.	Shareholder	30.06.2016	237,463	548,653
		31.12.2015	60,465	442,242
Vodafone Ltd.	Related Party	30.06.2016	3,164,81788	3,128,840
		31.12.2015	1,868,968	2,548,950
Hellas Online	Related Party	30.06.2016	11	117
		31.12.2015	100,301	101,512
Emirates International Telecommunications	Indirect Shareholder	30.06.2016	-	895,085
		31.12.2015	-	895,085
Technology and Research Foundation	Shareholder	30.06.2016	34,457	27,124
		31.12.2015	26,086	20,239
Telemedicine Technologies S.A.	Associated	30.06.2016	-	-
		31.12.2015	3,734	-
Athlonet S.A.	Associated	30.06.2016	11,502	8,060
		31.12.2015	11,502	8,060
Lumiere Productions S.A.	Shareholder	30.06.2016	-	6,378
		31.12.2015	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2016	-	10
		31.12.2015	-	10
	Total	**30.06.2016**	**3,897,622**	**5,204,697**
	Total	**31.12.2015**	**2,503,069**	**4,619,259**

Emirates International Telecommunications LLC, a related party – indirect shareholder, provides technical and other services to support various operations and functions of the Forthnet Group's business.

Salaries and fees for the members the Board of Directors and the General Managers of the Group and the Company for the six-month period ended June 30, 2016 and 2015 are analysed as follows:

	The Group		The Company	
	30.06.2016	**30.06.2015**	**30.06.2016**	**30.06.2015**
Salaries and fees for executive members of the BoD	147,638	147,611	147,638	147,611
Salaries and fees for non executive members of the BoD	130,014	133,014	130,014	133,014
Salaries and fees for Senior Managers	896,490	1,013,272	567,867	637,590
Total	**1,174,142**	**1,293,897**	**845,519**	**918,215**

Furthermore, benefits provided by the Group and the Company for the current period to members of the Board of Directors and Management relating to social security amounted to € 40,287 and € 31,316 for the Group and the Company respectively (June 30, 2015: € 154,471 for both the Group and the Company), whereas benefits relating to leaving indemnities amounted to € 107,317 for both the Group and the Company (June 30, 2015: € 0 and € 0, respectively).

Iraklion, August 28, 2016

Deepak Srinivas Padmanabhan

President of the
Board of Directors

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of
HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (Forthnet S.A.)

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") and its subsidiaries (the "Group"), as at June 30, 2016, and the related interim condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applies to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

Without qualifying our review report we draw attention to Note 3 to the interim condensed separate and consolidated financial statements which indicates that, at June 30, 2016, (a) the Group and the Company were not in compliance with certain financial covenants and undertakings under their bond loan agreements, (b) the Group has not proceeded with the payment of scheduled installments of € 260.0 million that were due up to the date of this review report, (c) their long-term borrowings were all classified as current and, (d) the Group's and Company's current liabilities exceeded their current assets and, accordingly, they will not be able to meet their contractual obligations under their bond loans. As further discussed in Note 3, (i) the Company's and Group's ability to refinance their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency, cannot be assured and are depended on the successful issuance of the convertible bond loan in full and the completion of the refinancing of their borrowings with their lending banks while, an additional uncertainty exists associated with the current economic situation in Greece. Accordingly, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. The accompanying interim condensed financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company and the Group be unable to continue as a going concern.

Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying interim condensed financial information.

Athens, August 29, 2016

The Certified Auditors Accountants

CHRIS PELENDRIDIS
R.N. ICA (GR) 17831

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
SOEL REG. No: 107

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		The Group		The Company	
	Notes	01.01-30.6.2016	01.01-30.6.2015	01.01-30.6.2016	01.01-30.6.2015
Revenues	4	164,517,409	181,574,574	89,514,598	99,314,333
Telecommunications costs		(46,150,592)	(47,731,993)	(46,150,591)	(47,731,992)
Royalties and licenses		(39,427,019)	(47,288,743)	-	-
Cost of sales of inventory and consumables		(1,457,842)	(2,618,683)	(726,803)	(1,206,646)
Advertising and promotion costs		(2,928,817)	(3,979,423)	(382,047)	(915,794)
Payroll and related costs	6	(19,279,489)	(19,461,443)	(10,834,034)	(11,212,284)
Sundry expenses	8	(28,616,185)	(33,914,522)	(16,564,547)	(21,621,421)
Other income		776,681	1,098,958	669,196	975,332
Depreciation and amortisation		(33,603,264)	(41,106,467)	(15,234,198)	(19,551,651)
Financial income	7	874,775	265,343	266,058	16,336
Financial expenses	7	(9,003,937)	(11,050,215)	(2,146,878)	(2,213,982)
Share of profits of associates accounted for under the equity method		-	13,569	-	-
Profit/(Loss) before income taxes		**(14,298,280)**	**(24,199,045)**	**(31,518,445)**	**(4,147,769)**
Income taxes	9	992,858	4,541,904	25,854	642,042
Profit/(Loss) after tax (A)		**(13,305,422)**	**(19,657,141)**	**(31,492,591)**	**(3,505,727)**
Profit/(Loss) for the period attributable to:					
Shareholders of the Parent Company		(13,171,980)	(15,386,408)	(31,492,591)	(3,505,727)
Non-controlling interests		(133,443)	(4,270,733)	-	-
		(13,305,423)	**(19,657,141)**	**(31,492,591)**	**(3,505,727)**
Loss per share (Basic and diluted)		(0.1196)	(0.1398)		
Weighted Average Number of Shares (Basic)		110,097,185	110,097,185		
Weighted Average Number of Shares (Diluted)		110,097,185	110,097,185		

The accompanying notes are an integral part of the Interim Condensed Financial Statements

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		The Group		The Company	
	Notes	30.6.2016	31.12.2015	30.6.2016	31.12.2015
ASSETS					
Non current assets					
Property, plant and equipment	11	129,768,737	140,423,321	75,835,493	81,525,112
Intangible assets	12	112,814,856	121,172,096	13,898,653	14,237,003
Goodwill	10	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries	10	-	-	7,694,112	37,623,311
Investments in associates accounted under the equity method		-	332,789	-	123,506
Other non-current assets		9,150,449	9,756,857	7,435,805	7,993,069
Available for sale financial assets		392,006	167,589	248,394	124,888
Deferred tax assets	9	13,782,657	14,427,580	7,745,725	7,719,872
Total non current assets		**349,077,517**	**369,449,044**	**113,370,751**	**149,859,330**
Current assets					
Inventories	14	5,023,615	6,896,485	853,584	898,631
Programme and film rights	13	12,956,351	38,086,395	-	-
Trade receivables	15	57,078,329	57,707,602	29,819,305	30,242,844
Prepayments and other receivables	16	7,589,917	7,566,044	4,171,562	4,015,203
Due from related companies	23	3,897,622	2,503,069	107,174,643	117,458,988
Cash and cash equivalents	17	4,035,140	6,719,669	2,584,135	3,889,231
Restricted cash	17	3,058,379	3,044,311	3,055,731	3,041,668
Total current assets		**93,639,353**	**122,523,575**	**147,658,960**	**159,546,565**
TOTAL ASSETS		**442,716,870**	**491,972,619**	**261,029,711**	**309,405,895**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital		33,029,156	33,029,156	33,029,156	33,029,156
Share premium		300,499,045	300,499,045	300,499,045	300,499,045
Other reserves		182,093,575	182,093,575	181,425,699	181,425,699
Accumulated deficit		(689,864,613)	(676,692,634)	(458,195,109)	(426,702,518)
Total		**(174,242,837)**	**(161,070,858)**	**56,758,791**	**88,251,382**
Non-controlling interests		(3,087,928)	(2,954,485)	-	-
Total equity		**(177,330,765)**	**(164,025,343)**	**56,758,791**	**88,251,382**
Non current liabilities					
Long-term transponder leases	19	57,606,497	62,122,934	-	-
Other long-term leases		575,969	681,190	575,972	681,190
Other long-term liabilities	4, 21	21,774,941	24,243,337	8,455,884	9,164,895
Reserve for staff retirement indemnities		3,548,111	3,529,229	1,891,551	1,869,684
Government grants		6,185,912	6,804,990	6,185,912	6,804,990
Deferred tax liability	9	25,494,222	27,272,888	-	-
Total non-current liabilities		**115,185,652**	**124,654,568**	**17,109,319**	**18,520,759**
Current liabilities					
Trade accounts payable	21	106,856,757	109,286,021	37,808,822	39,038,105
Due to related companies	23	5,204,697	4,619,259	25,396,144	28,472,591
Short-term borrowings	18	1,418,000	1,418,000	-	-
Current portion of long-term borrowings	18	324,888,542	324,793,168	100,000,000	100,000,000
Deferred income	4	22,969,048	26,410,497	13,380,816	14,152,803
Current portion of transponder leases	19	9,057,661	8,824,997	-	-
Current portion of other leases		210,042	208,474	210,042	208,474
Current portion of programmes and film rights obligations	20	13,898,422	40,443,214	4,268,008	15,593,807
Income tax payable	9	1,359,390	1,347,658	200,000	200,000
Accrued and other current liabilities	22	18,999,424	13,992,106	5,897,769	4,967,974
Total current liabilities		**504,861,983**	**531,343,394**	**187,161,601**	**202,633,754**
Total liabilities		**620,047,635**	**655,997,962**	**204,270,920**	**221,154,513**
TOTAL LIABILITIES AND EQUITY		**442,716,870**	**491,972,619**	**261,029,711**	**309,405,895**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

		Attridutable to equity holders of the parent company					Non-controlling interests	Total Equity
The Group	**Notes**	**Share capital**	**Share premium**	**Other reserves**	**Accumulated deficit**	**Total**		
Total Equity beginning at the period January 1, 2015		**33,029,156**	**300,499,045**	**182,261,248**	**(628,008,964)**	**(112,219,515)**	**1,700,586**	**(110,518,929)**
Total comprehensive loss after income taxes of the period		-	-	-	(15,386,408)	(15,386,408)	(4,270,733)	(19,657,141)
Legal Reserve		-	-	(167,673)	167,673	-	-	-
Total Equity at June 30, 2015		**33,029,156**	**300,499,045**	**182,093,575**	**(643,227,699)**	**(127,605,923)**	**(2,570,147)**	**(130,176,070)**
Total Equity beginning at the period January 1, 2016		**33,029,156**	**300,499,045**	**182,093,575**	**(676,692,634)**	**(161,070,858)**	**(2,954,485)**	**(164,025,343)**
Total comprehensive loss after income taxes of the period		**-**	-	**-**	**(13,171,979)**	(13,171,979)	**(133,443)**	(13,305,422)
Total Equity at June 30, 2016		**33,029,156**	**300,499,045**	**182,093,575**	**(689,864,613)**	**(174,242,837)**	**(3,087,928)**	**(177,330,765)**

The Company	**Share capital**	**Share premium**	**Other reserves**	**Accumulated deficit**	**Total**
Total Equity beginning at the period January 1, 2015	**33,029,156**	**300,499,045**	**181,593,372**	**(390,385,651)**	**124,735,922**
Total comprehensive loss after income taxes of the period	-	-	-	(3,505,727)	(3,505,727)
Special Reserve	-	-	(167,673)	167,673	-
Total Equity at June 30, 2015	**33,029,156**	**300,499,045**	**181,425,699**	**(393,723,705)**	**121,230,195**
Total Equity beginning at the period January 1, 2016	**33,029,156**	**300,499,045**	**181,425,699**	**(426,702,518)**	**88,251,382**
Total comprehensive loss after income taxes of the period	-	-	-	(31,492,591)	(31,492,591)
Total Equity at June 30, 2016	**33,029,156**	**300,499,045**	**181,425,699**	**(458,195,109)**	**56,758,791**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

INTERIM CONDENSED CASH FLOW STATEMENT (INDIRECT METHOD)

		The Group		The Company	
	Notes	01.01-30.6.2016	01.01-30.6.2015	01.01-30.6.2016	01.01-30.6.2015
Cash flows from Operating Activities					
Loss before income taxes		(14,298,280)	(24,199,045)	(31,518,445)	(4,147,769)
Adjustments for:					
Depreciation and amortisation		33,603,264	41,106,467	15,234,198	19,551,651
Amortisation of subsidies		(619,078)	(756,692)	(619,078)	(755,573)
Financial (income)/expenses	7	8,129,162	10,784,872	1,880,820	2,197,646
Share of profits of associates accounted for under the equity method		-	(13,569)	-	-
Impairment of investments in subsidiaries		-	-	29,929,199	-
Allowance for doubtful accounts receivable	15	4,119,694	3,795,393	1,648,438	1,721,763
Provision for staff retirement indemnities	6	179,226	593,843	107,992	462,755
Other provisions	24.14	158,279	1,968,594	58,964	1,985,145
Operating profit before working capital changes		**31,272,267**	**33,279,863**	**16,722,088**	**21,015,618**
(Increase)/Decrease in:					
Inventories		1,714,591	1,293,973	(13,917)	294,827
Trade accounts receivable & amounts due from related companies		(4,719,521)	(3,109,177)	9,587,976	2,797,550
Programme and film rights		25,130,044	30,954,918	-	-
Prepayments and other receivables		(338,879)	(722,066)	(163,453)	(1,646,009)
Decrease in other non-current assets		606,408	510,194	557,264	552,691
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		(28,001,716)	(44,747,998)	(15,631,529)	(6,968,889)
Deferred income		(3,441,449)	(3,295,324)	(771,987)	(1,043,280)
Accrued and other current liabilities		6,002,521	(1,973,110)	1,091,346	(4,077,408)
Income taxes paid		-	(230,611)	-	-
Payment of staff retirement indemnities		(560,621)	(555,602)	(366,171)	(396,300)
Decrease in other long-term liabilities		(2,468,396)	12,951,640	(709,011)	(706,816)
Net cash from Operating Activities		**25,195,249**	**24,356,700**	**10,302,606**	**9,821,984**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(14,641,600)	(17,125,842)	(9,206,513)	(10,534,788)
Interest and related income received		13,294	16,834	12,997	16,336
Restricted cash	17	(14,068)	244,297	(14,063)	(41,594)
Net cash used in Investing Activities		**(14,642,374)**	**(16,864,711)**	**(9,207,579)**	**(10,560,046)**
Cash flows from Financing Activities					
Interest rate swap paid		(232,811)	(400,868)	-	-
Interest paid		(8,617,167)	(8,789,578)	(2,296,473)	(1,258,763)
Net change in leases		(4,387,426)	(4,076,149)	(103,650)	(102,147)
Net cash from financing activities		**(13,237,404)**	**(13,266,595)**	**(2,400,123)**	**(1,360,910)**
Net decrease in cash and cash equivalents		**(2,684,529)**	**(5,774,606)**	**(1,305,096)**	**(2,098,972)**
Cash and cash equivalents at the beginning of period	17	**6,719,669**	**10,283,640**	**3,889,231**	**5,555,352**
Cash and cash equivalents at the end of period	17	**4,035,140**	**4,509,034**	**2,584,135**	**3,456,380**

The accompanying notes are an integral part of the Interim Condensed Financial Statements

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (hereinafter referred to as the "Company" or "Forthnet"), was incorporated in Greece in November 1995 (Government Gazette 6718/27.11.1995) as a société anonyme by the Technology and Research Foundation and "Minoan Lines S.A.".

The Company's registered office is in Vassilika Vouton, Iraklion, Crete, while its administrative headquarters are in Pallini, Attica at Manis Street, 153 51 Kantza. The life of the Company, according to its Articles of Incorporation, has been determined to be 40 years from the date of its incorporation with a possible extension permitted following a decision of the General Meeting of the Company's Shareholders.

Effective October 2000, Forthnet's shares were listed on the Athens Exchange.

The Company's principal activities, in accordance with article 3 of its Articles of Incorporation, are the provision of telecommunications services and electronic information systems, the development and use of any telecommunications and network technique and infrastructure in Greece and overseas, the provision of digital radio-television and/or audiovisual services, by any technical mean, median or method, the operation of which requires or does not require frequencies and the development of any other associated activity,.

The Company is licensed under a regime of general licenses, by the National Telecommunications and Post Commission (EETT), by virtue of the "General Licenses Regulation" (No. 390/3/13.6.2006 EETT Resolution) for the operation of a fixed public telephone network, a fixed network of wireless access, a fixed network of electronic communications consisting of cordless micro-links, a fiber optics network and for the provision of services regarding Broadband Access, Data Transfer, Value Added Data, Telematic /Telemetry-radiolocation, audiotex, voice and data integration for intrabusiness networks and closed user groups, telephone services as well as Voice services through IP Protocol and via the internet.

On January 8, 2014, Forthnet S.A. announced that the increase of its share capital by € 29,143,372.50, approved by the Extraordinary General Meeting of its shareholders held on August 23, 2013, which took place from December 10, 2013 up to and including January 3, 2014, was successfully completed through the payment of € 29,143,372.50 by existing shareholders and persons who acquired pre-emption rights during their trading period. According to the above resolution of the Extraordinary General Meeting, 97,144,575 new shares were issued at a subscription price of € 0.30 per share. As a result of the above, the Company's share capital increased by € 29,143,372.50 through the issuance of 97,144,575 new registered ordinary shares, each having a nominal value of € 0.30. Therefore, the Company's share capital amounts to € 33,029,155.50, divided into 110,097,185 ordinary registered voting shares, each having a nominal value of € 0.30.

Forgendo Ltd., participates directly in Forthnet's share capital with a participation percentage of 41.27% as at June 30, 2016 (December 31, 2015: 41.27%) and at the ultimate level of the parent company with a participation percentage of 45.21% (December 31, 2015: 45.21%). The ultimate parent company of Forgento Ltd. is the Emirates International Telecommunications. Wind Hellas Telecommunications S.A. also participates in Forthnet's share capital. As at June 30, 2016, the participation percentage was 33.00% (December 31, 2015: 33.00%). Vodafone PANAFON Greek Telecommunications Company on June 30, 2016, participated in the share capital of the Company with an interest of 6.51% (December 31, 2015: 6.51%). In addition, under the terms of the contract signed on June 4, 2014, between Vodafone Panafon Greek Telecommunications Company and Wind Hellas Telecommunications S.A., the first acquired an option for the acquisition of 13.25% of the total share capital and voting rights of Forthnet from the second.

Plus, this right, based on the announcement of 06.06.2016 regulated the Company information of L.3556 / 2007 received from Vodafone Panafon SA Greek Telecommunications Company to extend the exercise period, which may be exercised by completing twenty-seven (27) most months of the signing of the agreement between them, namely on 04.09.2016.

On July 1, 2014, the Company announced that OTE S.A. submitted a non binding offer to the Company's Board of Directors for the possible acquisition of the NOVA business. In addition, on July 17, 2014 the Company announced that Vodafone Group Service Ltd and Wind Hellas Telecommunication S.A. submitted a joint non binding offer to the Company's Board of Directors for the possible acquisition of all shares of Forthnet which are not owned by them. The non binding offers have been presented to the Board for consideration, while the independent due diligence process from the interested parties has been concluded. Until the approval date of the financial statements there was no further progress.

The accompanying interim condensed financial statements for the six-month period ended June 30, 2016, as well as the annual separate and consolidated financial statements of 2015, include the financial statements of Forthnet S.A. and its subsidiaries, Forth CRS S.A., Forth CRS Italia S.R.L., Forthnet Media S.A. (renamed from Forthnet Media Holdings S.A.), NetMed N.V., Intervision (Services) B.V., Dikomo Investment Sarl (Luxembourg)(under liquidation), Tiledrasi S.A. (Luxembourg)(under liquidation), Multichoice Holdings (Cyprus) Ltd. (liquidated on April 29, 2015), Multichoice (Cyprus) Public Company Ltd. (liquidated on December 29, 2014), Multichoice Hellas S.A. (absorbed by Forthnet Media S.A. at October 30, 2014) and NetMed S.A., Telemedicine Technologies S.A. (up to March 2013 consolidated under the full consolidation method and then with the equity method until December 31, 2015).

Forth CRS S.A.'s principle activities are to provide integrated tourism services through the research, development, use and sale of modern, high convergent technological electronic products and services for the distribution and management of tourism material, such as reservations, ticketing and other related material, produced by entities such as shipping companies, airlines and other transportation enterprises, hotel enterprises, promotion and entertainment enterprises, enterprises relating to sports, hospitals and all other electronic reservation organizations. At September 29, 2015 the company established to Italy a subsidiary under the name "Forth-CRS ITALIA SRL.", with the same scope of work. Up to the approval of the accompanying annual condensed financial statements, the subsidiary of Forth CRS S.A. has not started its activity. The company's share capital which amounts to € 10,000, was paid on October 20, 2015.

Telemedicine Technologies S.A.'s principle activities are to create, implement and sell services and products associated with the acquisition, transmission and dissemination of information, particularly electronically, in the health sector. The company aims to implement and sell services in the health sector, with emphasis on business-to-business medical services. On April 11, 2013 the Board of Directors of the parent company-Forthnet decided and unanimously approved the transfer of 54,031 common shares of the subsidiary, i.e. 36.48%, for a consideration of € 1. Following the above transfer of shares of the Company's participation in Telemedicine Technologies SA. amounts to 24.90%, thus it is considered as an investment in associate and is accounted for using the equity method in the consolidated financial statements. Based on the sale and purchase agreement a contingent consideration of € 346 thousands was recognized as at December 31, 2013 and December 31, 2014, which is included in other non-current assets as at December 31, 2014 and 2013 respectively. The Company did not take part in the successive increases and consequently its shareholding reduced to 15.15% (December 31, 2015 21,84%), as a result the relevant investment has been reclassified from "investments in associates under the equity method" to "available for sale financial assets".

Forthnet Media S.A. is a holding company which was incorporated in April 2008 and its principle activities are the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors. Additionally, other activities of the company including the following:
The acquisition, administration and exploitation of holdings in enterprises of any nature, which are activated in the field of the electronic communications and the media, the provision of administrative, supportive and other services to these enterprises, as well as to other members of the Company's group, the provision of satellite services to any natural or legal person of private or public law, for the transfer of radio and television signals and data or of any combination or texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs. The company's Board of Directors decided to absorb its subsidiary Multichoice Hellas S.A. with balance sheet date as of June 30, 2014. The final approval of the absorption from the competent authorities was obtained on October 30, 2014.

In 2014 Forthnet Media S.A. received by the Greek authority's authorization for pay television and radio services and signed the Concession Agreement with the Greek State, according to Law 2644/1988. Under this license, and for a period of 15 years, the Company was authorized to provide directly to the subscribers radio and television broadcasting services via satellite, in processing digital TV signal (Note 13). The cost of the license amounted to € 2,176,375. As at May 21, 2015 the outstanding cost to provide pay-TV was amounting to € 362,792 and was settled in 100 installments under the L. 4321/2015 (Note 21).

Forthnet Media S.A. and its subsidiaries which are consolidated are analysed as follows:

Entity name	Date of incorporation	Country of incorporation	Operating activities
NetMed N.V.	January 12, 1996	Netherlands	Holding company
Multichoice Hellas S.A. (absorbed by Forthnet Media S.A. at October 30, 2014)	September 14, 1994	Greece	The Company compiles and operates the Nova bouquet, distributes decoders, manages the analogue and digital subscriber base and markets and sells NetMed Group's digital Pay-TV services in Greece.
NetMed S.A.	February 14, 1996	Greece	The Company provides customer services (including telephone helpdesk, technical support, information regarding TV programmes and management of subscription services contracts) to Pay-TV subscribers on behalf of MultiChoice Hellas S.A.
MultiChoice Holdings (Cyprus) Limited (liquidated)	December 20, 1999	Cyprus	Holding company
MultiChoice (Cyprus) Public Company Limited (liquidated)	November 13, 1993	Cyprus	The Company acted as an agent for MultiChoice Hellas S.A. in Cyprus by entering into subscriber agreements, collecting subscriptions and providing SMS to subscribers to a digital Nova Cyprus bouquet on behalf of MultiChoice Hellas S.A. until its liquidation.
Dikomo Investment Sarl (under liquidation)	June 18, 2003	Luxembourg	Holding company
Tiledrasi S.A. (under liquidation)	June 18, 2003	Luxembourg	Holding company
Intervision (Services) B.V.	January 1996	Netherlands	Content acquisition services

On June 9, 2011, the Extraordinary General Meeting of the shareholders of the subsidiary Multichoice (Cyprus) Public Company Ltd, which together with the Forthnet Group held a contractual relationship with regard to the management of Multichoice Hellas S.A.'s subscribers in Cyprus, decided its voluntary liquidation by its creditors pursuant to the provisions of the Cypriot Companies Law. Multichoice (Cyprus) Public Company Ltd was delisted from the Cyprus Stock Exchange company on June 28; 2011.The management of the subscribers as well as the further development of the Forthnet Group’s activities in Cyprus is continued by Forthnet Media S.A. The Company resolved on December 29, 2014 and its liquidation was posted in the Official Gazette of Cyprus on January 21, 2015.

The Board of Directors of the subsidiary company, Multichoice Holdings (Cyprus) Limited, decided its liquidation on July 11, 2012. The Company resolved on March 5, 2015 and its liquidation was posted in the Official Gazette of Cyprus on April 29, 2015.

The Group’s number of employees at June 30, 2016, amounted to 1,196, while that of the Company to 721. At June 30, 2015, the respective number of employees was 1,213 for the Group and 732 for the Company.

On November 24, 2011 the Board of Directors of the Athens Exchange decided to place the Company’s shares “Under Surveillance Segment” based on the fact that the fiscal year 2010 losses were greater than 30% of its equity.

The Board of Directors of Forthnet approved the separate and consolidated interim condensed financial statements for the period ended at June 30, 2016, on August 28, 2016.

2.1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The accompanying separate and consolidated interim condensed financial statements that relate to the six-month period ended on June 30, 2016, have been prepared in accordance with the International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The accompanying separate and consolidated interim condensed financial statements do not include all the information required in the annual financial statements and, therefore, should be read in conjunction with the published annual financial statements for the year ended December 2015, which are available on the internet in the address www.forthnet.gr.

2.2 BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. The Group reassesses whether it exercises effective control over investments, at each reporting period, in case where events and circumstances point out a change in the indications of effective control. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Losses of subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents’ share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

2.3. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies adopted in the preparation of the interim condensed financial statements, are consistent with those followed in the preparation of the annual financial statements of the Group and the Company for the year ended December 31, 2015, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2016.

New standards, interpretation and amendments adopted by the Group and the Company
New standards and amendments apply for the first time in 2016 (annual periods beginning on or after January 1, 2016). However, they do not have a significant impact on the annual financial statements or the interim condensed financial statements of the Group and the Company or they are not applicable for the Group and the Company.

- **IAS 1: Initiative on disclosures (Amendment)**
- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**
- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**
- **IAS 19 Employee benefits (Amended): Employee Contributions**

The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs.

- ***IFRS 2 Share-based Payment***
- ***IFRS 3 Business combinations***
- ***IFRS 8 Operating Segments***
- ***IFRS 13 Fair Value Measurement***
- ***IAS 16 Property Plant & Equipment***
- ***IAS 24 Related Party Disclosures***
- ***IAS 38 Intangible Assets***

The **IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle**, which is a collection of amendments to IFRSs.

- ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations***
- ***IFRS 7 Financial Instruments***
- ***IAS 19 Employee Benefits***
- ***IAS 34 Interim Financial Reporting***

There are no new standards, amendments / improvements or interpretations, which are applied in the accounting periods beginning after December 31, 2016, in addition to those that have been disclosed in the financial statements for the year ended at December 31, 2015, apart from the below mentioned amendments:

IFRS 15: Revenue from Contracts with Customers (Clarifications)
The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. These Clarifications have not yet been endorsed by the EU. . The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)
The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on their financial position or performance.

The Group and the Company have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES:

The preparation of financial statements, in accordance with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as, revenue and expenses as of the reporting period. Actual results may differ from those estimates.

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended December 31, 2015.

3. GOING CONCERN:

As at June 30, 2016, the Company and its subsidiary Forthnet Media S.A. (hereinafter "Forthnet Media") continue not to meet certain financial covenants under their respective existing common bond loans amounting to 324.9 million (Note 18) (hereinafter "Existing Bond Loans") and have not made contractual overdue payments of € 260.0 million from the Existing Bond Loans through the date that the financial statements were authorized for issue. Accordingly, as at June 30, 2016, the Group and the Company have retained the classification of all outstanding balances of the Existing Bond Loans as current. The classification of the outstanding balances of the Existing Bond Loans as current has, among others, led to the Group's and the Company's current liabilities exceeding their current assets by approximately € 411.2 million and € 39.5 million, respectively, as at June 30, 2016.

In addition, due to the Group's insufficient working capital, the Group estimates that it will not be able to meet its contractual obligations under its Existing Bond Loans up to June 30, 2017, which include € 325.0 million in principal repayments. Following extensive negotiations with its lending banks and after an Independent Business Review of the Group's business plans and a financial due diligence which was conducted by them, on June 21, 2016, the Company's and its subsidiary's, Forthnet Media, Boards of Directors, approved the refinancing framework of the Existing bond loans (hereinafter the "Refinancing") and the main terms thereof depicted in the term sheets proposed to the Company and to Forthnet Media by its coordinating banks on June 15, 2016. In particular, the Refinancing structure consists of the following:

(a) the issue of a new common bond loan by the Company, with collaterals in rem, of a total amount of €78,461,538 syndicated by the National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank. The new common bond loan will expire in eight (8) years, with a three-year grace period and first instalment payable on December 31, 2018, will bear a variable interest rate and will be issued under the guarantee of Forthnet Media S.A.

(b) the issue of a new common bond loan by Forthnet Media S.A., with collaterals in rem, of a total amount of €176,538,462 syndicated by the National Bank of Greece, Piraeus Bank and Alpha Bank. The new common bond loan will expire in 8 years, with a three-year grace period and first instalment payable on December 31, 2018, will bear a variable interest rate and will be issued under the guarantee of the Company.

The implementation of the Refinancing is conditional upon, among others, the obligation of the payment to the lending banks (hereinafter the "Lending Banks") of the Existing Bond Loans of an amount of € 70 million (hereinafter the "Minimum Necessary Amount") and, more specifically the repayment of € 21,538,462 by the Company and €48,461,538 by Forthnet Media (hereinafter the "Repayment Obligation").

Furthermore, on June 21, 2016, by virtue of the power granted by the Ordinary General Meeting of the Company's Shareholders dated June 28, 2011, its Board of Directors approved the issuance by the Company of a convertible bond loan of a total amount of up to € 99,087,466.50 with pre-emption right in favor of its existing shareholders (hereinafter the "CBL") aiming (i) to finance the Repayment Obligation, and (ii) to cover the Company's and the Group's working capital requirements.

The completion of the Refinancing constitutes a necessary condition for the going concern of the Group's activities. In case the CBL funds are partially raised but without covering the Minimum Necessary Amount of€ 70 million, the Company's and the Group's management (hereinafter as "the Management") shall initially pursue reduction of the Minimum Necessary Amount and the renegotiation of the Refinancing terms with the coordinating Banks for the repayment of the contractual obligations arising from the Existing Bond Loans of € 325 million, however, the results of this renegotiation cannot be assured.

If, for any reason, the issuance of the CBL is cancelled, the Management shall pursue initially to achieve, indicatively, the postponement of the payment of the Company's and Forthnet Media's debts (whether due or not) arising from the Existing Bond Loans and the further suspension of the exercise of the Lending Banks' rights arising from the Existing Bond Loans (waiver), while simultaneously to renegotiate the terms and the implementation period of the refinancing with the coordinating banks. It will also examine the possibility to raise funds through alternative funding sources and actions, such as, indicatively, Company's share capital increase, international lending and Group's assets development, in order to fund the payment of any amount required for the implementation of the new refinancing agreement, if such an event occurs, as well as the coverage of the Company's working capital needs, as they will be formed taking into consideration the current conditions. In case the Management's efforts prove ineffective and the Refinancing (under the existing or any eventual new terms) is not completed, the Lending Banks shall have the right to terminate any Existing Bond Loans and request their immediate payment. In that case, the Company and Forthnet Media will not have the ability to pay the Existing Bond Loans and, as a consequence, the Company's and the Group's results, operation and perspectives could be adversely affected, since various measures may be taken, such as enforcement through the Group's asset liquidation, and/or other measures within the existing institutional solvency framework against the Company, Forthnet Media and possibly the rest of the Group's members, such as declaration of bankruptcy, submission to special liquidation or special administration.

In addition, due to the current economic situation in Greece, the activities of the Company and the Group are subject to certain risks that have potentially negative effects on their activities, which are listed below:

- The recent economic crisis may adversely affect both the Company's and the Group's ability to raise capital, either through borrowings or through a share capital increase and also affect the related borrowing cost.
- The uncertainty arising from the Greek financial crisis is likely to adversely affect the Company's and the Group's business activity, operating results and financial position to an extent that cannot currently be assessed.
- Changes in consumer behavior due to recession, the implementation of austerity policy by the Greek government and the rising unemployment could impact demand for the Company's and the Group's services, adversely affecting their business activity, financial position, operating results and perspectives. More specifically, the recent imposition of a pay TV duty and a fixed telephony and internet duty in conjunction with the limited ability to absorb relevant cost which ultimately will be borne by consumers, may adversely affect the Company's and the Group's results.

In order to ensure that the use of the going concern assumption is appropriate in the context of these developments in the Greek economy, the Management examined a wide range of factors relating to the existing as well as the expected customer base, profitability and cash flows thereof, and in conjunction with the successful issuance of the CBL that will ensure the completion of the Refinancing and the working capital sufficiency for the next 12 months, no significant negative effect is expected on the Company's and the Group's business activity, financial position and results.

In light of the above, the Company's and the Group's interim condensed separate and consolidated financial statements have been prepared assuming that the Company and the Group will continue as a going concern. As a result, the accompanying financial statements do not include adjustments relating to recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company and the Group be unable to continue as a going concern.

Nonetheless, since the coverage of the CBL is not ensured, the likelihood that capital is not raised through the CBL or that the Minimum Necessary Amount is not raised, which will lead to the non-completion of the Refinancing, the uncertainty, in that case, of the ability to renegotiate the Refinancing terms with the lending banks, as well as the adequacy and effectiveness of Management's actions to cover the Company's and the Group's working capital deficit, as well as, the uncertainty associated with the current economic situation in Greece, indicate the existence of significant uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

4. REVENUES:

Revenues are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2016	2015	2016	2015
Operating Revenues				
Direct Retail Services	**138,837,639**	**152,778,064**	**66,026,974**	**71,498,489**
Bundled services (2play)	23,578,215	26,141,270	23,578,215	26,141,270
Bundled services (3play)	31,707,273	33,054,365	31,707,273	33,054,365
Telephony	3,488,759	4,335,294	3,497,412	4,377,947
ADSL	5,343,692	5,154,707	5,549,736	5,360,516
Pay-TV Revenues	73,025,362	81,528,037	-	-
Other	1,694,338	2,564,391	1,694,338	2,564,391
Indirect Retail Services	**1,037,099**	**1,606,049**	**1,037,099**	**1,606,049**
Telephony	171,914	259,717	171,914	259,717
ADSL	749,821	1,201,722	749,821	1,201,722
Other	115,364	144,610	115,364	144,610
Direct Business Services	**16,686,532**	**18,076,091**	**16,686,532**	**18,076,091**
E-business	**493,573**	**651,359**	**493,573**	**651,359**
Pay-TV Advertising Revenue	**4,139,546**	**3,710,891**	**-**	**-**
Forth CRS	**1,751,469**	**1,545,730**	**-**	**-**
Equipment	**376,765**	**1,298,372**	**107,407**	**475,300**
Other services	**1,194,786**	**1,908,018**	**5,163,013**	**7,007,045**
Total	**164,517,409**	**181,574,574**	**89,514,598**	**99,314,333**

Billed revenue which has been deferred and will be recognised as income in subsequent periods / years for the Group and the Company as at June 30, 2016, amounted to € 30,907,811 and € 21,319,579, respectively, of which, amount of € 7,938,763 for both the Group and the Company relates to the long-term portion which has been included in other long term liabilities while the short term portion is included in deferred revenue (at December 31, 2015, amounted to € 35,086,463 and € 22,828,769 for the Group and the Company respectively, of which € 8,675,966 for both the Group and the Company relates to the long-term portion).

Unbilled revenues for the Group and the Company at June 30, 2016, amounted to € 4,925,277 and € 4,344,241, respectively (at December 31, 2015, amounted to € 3,625,768 and € 3,427,413, for the Group and the Company respectively) (Note 15).

5. GROUP SEGMENT INFORMATION:

The Group's business approach is to review the telecommunication and pay-tv services as a whole considering that the whole business philosophy is focusing on triple play services. As the financial information obtained by the chief operating decision makers ("CODM") for this single segment is in line with the IFRS figures, no separate disclosures are made in this note.

6. PAYROLL AND RELATED COSTS:

Payroll and related costs are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2016	2015	2016	2015
Wages and salaries	16,706,288	17,107,239	9,706,358	9,961,946
Social security costs	3,057,509	3,142,244	1,911,314	1,942,424
Staff retirement indemnities	679,782	593,843	329,800	462,755
Other staff costs	452,801	379,775	315,972	268,883
	20,896,380	**21,223,101**	**12,263,444**	**12,636,008**
Less: Amounts capitalised	(1,616,891)	(1,761,658)	(1,429,410)	(1,423,724)
Total	**19,279,489**	**19,461,443**	**10,834,034**	**11,212,284**

7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2016	2015	2016	2015
Interest on long-term borrowings (Note 18)	(5,895,031)	(6,191,586)	(2,140,522)	(2,189,586)
Interest on short-term borrowings (Note 18)	(55,927)	(62,402)	-	-
Finance charges paid under finance leases	(2,542,576)	(3,254,197)	(6,348)	(8,200)
Bond loan costs	(95,374)	(234,328)	-	(832)
Other financial costs (Note 22)	(415,029)	(1,307,702)	(8)	(15,364)
Total financial expenses	**(9,003,937)**	**(11,050,215)**	**(2,146,878)**	**(2,213,982)**
Interest earned on cash at banks and on time deposits (Note 17)	13,294	16,834	12,977	16,336
Other financial income (Note 21)	861,481	248,509	253,061	-
Total financial income	**874,775**	**265,343**	**266,058**	**16,336**
Total financial income/(expenses), net	**(8,129,162)**	**(10,784,872)**	**(1,880,820)**	**(2,197,646)**

8. SUNDRY EXPENSES:

Sundry expenses are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2016	2015	2016	2015
Third party fees and services	10,988,064	11,815,303	6,373,556	6,856,866
Taxes and duties	484,102	640,419	425,134	568,970
Sundry expenses (Note 26)	2,698,553	5,045,208	1,314,227	3,798,384
Allowance for doubtful accounts receivable (Note 15 and 16)	4,119,694	3,795,393	1,648,438	1,721,763
Maintenance	3,358,556	4,225,264	2,176,767	2,739,305
Rentals	1,195,320	1,144,542	440,900	398,819
Commissions	4,432,936	5,854,400	3,232,787	4,493,383
Building function costs	1,338,960	1,393,993	952,738	1,043,931
Total	**28,616,185**	**33,914,522**	**16,564,547**	**21,621,421**

9. INCOME TAXES:

According to the new Greek tax law L.4334/GG A' 80/16.07.2015, the tax rate for the Societies Anonymes in Greece, was raised from 26% to 29%, for the fiscal years beginning January 1, 2015.

Income taxes reflected in the accompanying interim condensed statements of comprehensive income are analysed as follows:

	The Group		The Company	
	January 1-June 30		January 1-June 30	
	2016	2015	2016	2015
Current income taxes	140,884	190,840	-	-
Income taxes from prior years	-	24,389	-	-
Deferred income taxes	(1,133,742)	(4,757,133)	(25,854)	(642,042)
Total income taxes (credit) / debit reflected in the statements of total comprehensive income	**(992,858)**	**(4,541,904)**	**(25,854)**	**(642,042)**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

Forthnet has not been audited for the fiscal years 2007 through to 2010. Forthnet's subsidiaries have not been subject to a tax audit for the following fiscal years:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media S.A.	01/01/2010 – 31/12/2010
Forth-Crs S.A.	01/01/2010 – 31/12/2010
NetMed S.A.	01/01/2010 – 31/12/2010
Syned S.A.	01/01/2010 – 30/09/2010
Multichoice Hellas S.A.	01/01/2010 – 31/12/2010

For the subsidiaries which are located abroad there is no mandatory tax audit. Tax audits are performed exceptionally, if deemed necessary by the tax authorities based on specific criteria. The tax liabilities of the companies remain open to be audited by the tax authorities for a certain period of time according to each country's applicable tax legislation.

For the Greek companies of the Group, the tax compliance certificate for the financial year 2015 is still in progress based on the provisions of article 65[a] of L. 4174/2013. No significant additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the financial statements.

In a future tax audit of the unaudited tax fiscal years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 0.4 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

Following notification from the Dutch Tax authorities, Intervision Services B.V. recognized a tax credit for income taxes previously recognized for the fiscal year 2007 – 2013. This credit relates to the excess of Greek withholding taxes over the Dutch tax liability and has no expiry date.

Deferred income taxes are provided using the liability method for all temporary difference arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial position date.

10. GOODWILL- INVESTMENT IN SUBSIDIARIES:

Goodwill in the accompanying consolidated financial statements arose from various business combinations as follows:

	The Group		**The Company**	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	285,965,176	285,965,176	-	-
NetMed N.V. Group and Intervision B.V.				
Impairment of goodwill - NetMed N.V. Group and Intervision B.V.	(203,333,528)	(203,333,528)	-	-
Total	**83,168,812**	**83,168,812**	**512,569**	**512,569**

Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate the carrying value may be impaired.

At December 31, 2015, the Group performed its annual impairment test at group level (a single cash generating unit "CGU"). The carrying value of the Group was lower than its recoverable amount and, consequently, no impairment loss was recognized.

As at June 30, 2016, the Group's management, taking into consideration the comparison between the Group's budgeted and actual results through to the date of the financial statements, as well as, various developments in the market in which it operates, such as the recent imposition of a pay TV duty and fixed telephony and internet duty which ultimately will be borne by the consumers in conjunction with the prolonged austerity policy implementation, concluded that there have been changes in the assumptions which relate to the Group's results, that were used for the most recent impairment testing which was performed as at December 31, 2015 and, accordingly, management proceeded with goodwill impairment testing exercise.

The recoverable amount of the single operating segment (the Group) has been determined based on a value in use calculation using cash flow projections from financial budgets covering an eight-year period, which were based on the, approved by the management, four-year financial budgets. The use of more than a five-year period is justified by the fact that the expected normalization of the market and the consumption will take place throughout the eight year period. The pre-tax discount rate applied to cash flow projections is 12.0% (December 31, 2015: 11.5%), while growth rate to perpetuity (beyond the eight-year period) is 2.5% (December 31, 2015: 2.25%) growth rate after taking into account the long-term prospective of the Group.

The carrying value of the Group was lower than its recoverable amount and, consequently, no impairment loss was recognized.

Sensitivity to changes in assumptions
A sensitivity analysis was performed on positive or negative discount rate changes of 0.25% and on positive or negative growth rate to perpetuity changes of 0.25%. The carrying amount of the Group appears much lower than the estimated Value in Use and, therefore, it is not probable that an impairment issue will arise in case of a reasonably possible change in the above assumptions.

The calculation of value-in-use is most sensitive to the following assumptions:

a) Margin of earnings before interest, taxes, depreciation and amortisation
b) Discount rates
c) Market share during the forecast period
d) Growth rate to perpetuity

Margin of earnings before interest, taxes, depreciation and amortisation (EBITDA margin) - Margin of earnings before interest, taxes, depreciation and amortisation is based on past performance and estimations during the eight year forecast period and is increased during the forecast period to incorporate future changes in the Group's profitability as anticipated by the management.

Discount rates - Discount rates reflect the current market assessment of the risks specific to the Group. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

Market share during the forecast period- These assumptions are important as, except for using industry data for growth rates, management assesses how its market share, relative to its competitors, might change over the forecast period. Management expects pressure in the market it operates, while it expects to maintain its position relative to its competitors by launching new products and making special offers of combined services in order to attract new customers.
Growth rate to perpetuity - Rates are based on long-term prospective of the Group and in line with industry expectations.

Impairment test of investments (separate financial statements)

As at December 31, 2015, the Company proceeded with an impairment testing exercise of its investments in subsidiaries and, more specifically, its investment in the subsidiary, Forthnet Media S.A.. The carrying value of the Company's investment in the subsidiary was higher than the recoverable amount by € 28,825,000 and, consequently, an impairment loss was recognised by an equivalent amount as at December 31, 2015.

As at June 30, 2016, the Company proceeded with an impairment testing exercise of its investment in subsidiary, due to the same impairment indicators mentioned above in the goodwill impairment test.

For the purposes of the impairment testing of the investment in subsidiary, the recoverable amount was determined based on the value in use calculation using cash flow projections from financial budgets covering an eight-year period which were based on the approved, by the management, four-year financial budgets. The use of more than a five-year period is justified by the fact that the expected normalization of the market and the consumption will take place throughout the eight year period.. The cash generating unit ("CGU") tested for the purpose of investment impairment testing is the same as that used for the goodwill impairment testing and the disclosures for the assumptions included above in the goodwill impairment test apply for the investment impairment test as well.
The carrying value of the Company's investment in subsidiary was higher than the recoverable amount by € 29,929,199 and, consequently, an impairment loss of an equivalent amount was recognised.

After the recognition of the aforementioned impairment loss, the value of the investment in subsidiary as at June 30, 2016, amounted to € 3.379.363 (31 December 2015: € 33.308.562).

Sensitivity to changes in key assumptions

A sensitivity analysis was performed on positive or negative discount rate changes of 0.10% and on positive or negative growth rate to perpetuity changes of 0.10%, which would lead to the full impairment of such investment. More specifically, an increase in of 0.10% in the discount rate (keeping the growth rate stable) would result in an impairment loss of approximately € 36.9 million, while a decrease in growth rate by 0.10% (keeping the discount rate stable) would result to an impairment loss of approximately € 35.3 million.

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2016 until June 30, 2016, the total investments of the Group's tangible assets amounted to € 3,590,238 and those of the Company's amounted to € 3,403,018 and refer mainly to the expansion of Forthnet's private network (at June 30, 2015 amounted to € 3,375,838 and € 3,208,114 for the Group and the Company, respectively).

There is no property, plant and equipment that have been pledged as security. The title of the capitalized leased assets has been retained by the lesser. The net book value of the Group's capitalized leased assets at June 30, 2016 and at December 31, 2015, amounted to € 54,115,363 and € 58,922,400, respectively. For the Company the related amounts are € 2,437,121 and € 2,546,135 at June 30, 2016 and at December 31, 2015, respectively.

12. INTANGIBLE ASSETS:

During the period from January 1, 2016 until June 30, 2016, the total investments of the Group's intangible assets amounted to € 11,051,363 and those of the Company amounted to € 5,803,494 and refer mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at June 30, 2015, amounted to € 13,760,435 and € 7,326,808 for the Group and the Company, respectively).

13. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables are analysed as follows:

	The Group	
	30.06.2016	**31.12.2015**
Sports rights	35,080,152	96,286,401
Licensed film rights	4,493,616	6,819,121
Cost of Sports and Film Rights	**39,573,768**	**103,105,522**
Sports rights	(24,704,200)	(61,096,276)
Licensed film rights	(1,913,217)	(3,922,851)
Sports and Film Rights Amortisation	**(26,617,417)**	**(65,019,127)**
Sports rights	10,375,952	35,190,125
Licensed film rights	2,580,399	2,896,270
Sports and Film Rights, net value	**12,956,351**	**38,086,395**
Less: Programme and film rights short-term	12,956,351	38,086,395
Programme and sports film rights, long-term	-	-

14. INVENTORIES:

Inventories are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Merchandise	6,258,181	7,993,100	1,412,395	1,398,478
Consumables	91,011	70,683	-	-
Obsolete & slow moving provision	(1,325,577)	(1,167,298)	(558,811)	(499,847)
Total	**5,023,615**	**6,896,485**	**853,584**	**898,631**

The movement in the obsolete inventories is analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Beginning balance	**1,167,298**	**1,470,939**	**499,847**	**796,753**
Provision for the period/ year	161,042	4,048	61,727	4,048
Less: Utilisation	(2,763)	(307,689)	(2,763)	(300,954)
Ending balance	**1,325,577**	**1,167,298**	**558,811**	**499,847**

The provision of the period for obsolete and slow moving inventories is included in cost of sales of goods and supplies in the accompanying financial statements.

15. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Domestic customers	110,728,195	107,385,020	62,211,252	60,969,628
Foreign customers	2,012,893	2,739,619	956,239	1,365,353
Receivables from Greek State	1,233,941	1,793,613	1,003,937	1,563,609
Cheques and notes receivable	3,050,067	3,217,035	1,351,918	1,459,431
Unbilled revenue (Note 4)	4,925,277	3,625,768	4,344,241	3,427,413
	121,950,373	**118,761,055**	**69,867,587**	**68,785,434**
Less: Allowance for doubtful accounts receivable	(64,872,044)	(61,053,453)	(40,048,282)	(38,542,590)
Total	**57,078,329**	**57,707,602**	**29,819,305**	**30,242,844**

The movement in the allowance for doubtful accounts receivable is analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Beginning balance	**61,053,453**	**49,924,119**	**38,542,590**	**33,517,914**
Provision for the period/ year (Note 8)	3,954,243	11,206,051	1,641,344	5,101,309
Less: Utilisation	(135,652)	(76,717)	(135,652)	(76,633)
Ending balance	**64,872,044**	**61,053,453**	**40,048,282**	**38,542,590**

Trade receivables are non-interest bearing and are normally settled on Group and Company 30-360 days' terms.

The Company's and Group's trade accounts receivable are pledged as collateral for the related new bond loans for an amount equal to 50% of the outstanding balances of the related new bond loans (Note 18).

16. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Receivables due from the Greek State	1,429,060	1,627,857	430,637	624,914
Credit due from Dutch tax authorities	572,469	722,024	-	-
Prepaid expenses	4,146,282	3,746,796	1,879,686	1,729,253
Value Added Tax	7,529	54,111	-	-
Advances to suppliers	604,436	472,477	365,464	231,730
Other debtors	3,594,262	3,541,449	2,353,215	2,279,652
	10,354,038	**10,164,714**	**5,029,002**	**4,865,549**
Less: Allowance for doubtful other receivables	(2,764,121)	(2,598,670)	(857,440)	(850,346)
Total	**7,589,917**	**7,566,044**	**4,171,562**	**4,015,203**

The movement in the allowance for doubtful other receivable is analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Beginning balance	**2,598,670**	**2,624,329**	**850,346**	**913,832**
Provision for the period/ year (Note 8)	165,451	57,188	7,094	19,361
Less: Utilisation	-	(82,847)	-	(82,847)
Ending balance	**2,764,121**	**2,598,670**	**857,440**	**850,346**

Following notification from the Dutch Tax authorities, Intervision Services B.V. recognised a tax credit for income taxes previously recognised for the fiscal year 2007 – 2013. This credit relates to the excess of Greek withholding taxes over the Dutch tax liability and has no expiry date.

The Company's and the Group's prepaid expenses include € 1,105,182 (December 31, 2015: € 1,105,182), relating to billings from other providers under a mutual concession for the use of optical fiber infrastructure for a period of 20 years (with various expiration dates ending up to June 17, 2035). An amount of € 6,887,839 (December 31, 2015: € 7,440,430) which relates to the invoiced amount for the period from July 1, 2016 until September 17, 2035 is included in other non-current assets. Amounts billed by the Company to the other provider for the mutual concession for the use of its optical fibre infrastructure are reported as deferred income € 1,105,182 (December 31, 2015: € 1,105,182) and other long-term liabilities € 6,887,839 (December 31, 2015: € 7,440,430). The amounts billed to other providers are included in Note 4.

17. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Cash in hand	54,942	43,568	16,122	11,850
Cash at banks	3,974,798	6,670,729	2,568,013	3,877,381
Time deposits	5,400	5,372	-	-
Total	**4,035,140**	**6,719,669**	**2,584,135**	**3,889,231**
Restricted cash	3,058,379	3,044,311	3,055,731	3,041,668
Total	**7,093,519**	**9,763,980**	**5,639,866**	**6,930,899**

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended June 30, 2016, amounted to € 13,294 and € 12,997 for the Group and the Company, respectively, (for the period ended June 30, 2015, € 16,834 and € 16,336 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 7).
The restricted cash relates to pledged deposit contracts for the issuance of letters of guarantee to third parties (Note 24).

18. LONG-TERM AND SHORT-TERM BORROWINGS:

a) Long-term Loans:

Long-term loans for the Group and the Company at June 30, 2016 and at December 31, 2015, are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Bond loan	324,888,542	324,793,168	100,000,000	100,000,000
Less current portion:				
Bond loan	324,888,542	324,793,168	100,000,000	100,000,000
Total	-	-	-	-
Long-term portion	-	-	-	-

Forthnet - Bond Loan 2007:

On June 29, 2007, Forthnet entered into a bond loan agreement with a syndicate of banks for a principle amount up to € 150,000,000 (the “Existing Bond Loan” or “EBL”) which bore interest at three-month Euribor plus a margin ranging from 1.15% to 1.75%. The purpose of the bond loan was the financing of its investment plan for the years 2006-2009. The bond issuance of up to € 120,000,000 was divided in three tranches to be drawn from the signing of the Agreement through March 31, 2010.

The repayment of the bond at December 31, 2011 and following the pre-payment of the contractual principal obligations for the fiscal years 2011 and 2012 (see below), is in five variable semi-annual installments from June 30, 2013 through June 30, 2016. This last installment is equal to 43% of the outstanding balance at December 31, 2011.

In accordance with the bond loan agreement certain undertakings are made including but not limited to: (i) Forthnet is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognised insurance company on its assets at their current commercial value and shall not assign to third parties its claims arising out of the insurance contracts, (ii) within 3 months from the period ended, Forthnet is obliged to submit to the Paying Agent the annual and the semi-annual consolidated financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet is obliged to maintain throughout the term of the Bond facility financial covenants based on the annual and semi-annual consolidated financial statements audited by certified auditors accountants throughout the term of the bond facility.

At August 6, 2009, the Company reached an agreement to amend the financial covenants by accepting the increase in interest margin to 2.5%.

As at December 31, 2011, December 31, 2012, December 31, 2013 and December 31, 2014, and December 31, 2015 the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity) and as a consequence the outstanding balance of the EBL was classified as current. Additionally, as at December 31, 2013, the Group remained non-compliant in these financial covenants and with one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification was maintained for the outstanding balance of the EBL.

Forthnet - Bond Loan 2011:

On July 22, 2011, Forthnet entered into a secured bond loan agreement (the “New Bond Loan” or “NBL”) with a syndicate of banks for a principle amount up to € 40,000,000 which bears a floating interest rate equal to Euribor for the applicable interest period plus a margin of seven per cent (7%). The purpose of the NBL was to finance the investing and other activities of the Company.

The bond loan was subscribed in full by the banking syndicates, as in the 2007 bond loan and the proceeds of the above loan were applied towards the pre-payment of the contractual principal obligations of the 2007 bond loan as at July 31, 2011.

The repayment of the bond is in 5 quarterly variable instalments from December 31, 2013, through December 31, 2014. The first, third and last instalments are each equal to 30% of the total amount.

The bond loan is secured by (i) a second ranking pledge over the shares held by the Company in Forthnet Media S.A. (“FM”), (ii) a third ranking pledge over the shares held by FMH in Intervision B.V. and Netmed N.V., (iii) a floating charge over the Company's business receivables, (iv) an assignment of claims arising from the Company's insurance agreements and, (v) a bank account pledge over a Company's bank account.

In accordance with the bond loan agreement the Company has made certain undertakings including but not limited to the maintenance of an all-risks-insurance contract on its assets, the submission of the semi-annual and annual audited or reviewed consolidated financial statements along with the Certificate of Compliance, the proposal to the General Assembly of a share capital increase of € 30 million to be completed no later than
January 31, 2012, the trading of the Company's shares on the Athens Exchange cannot be terminated or suspended, to maintain the number of its active LLU subscribers between the range applicable for each of the fiscal years 2011-2014 and the maintenance throughout the term of the bond facility financial covenants based on the annual and semi-annual consolidated financial statements.

The agreed set of financial covenants is as follows:

1. EBITDA / Net interest expenses greater or equal to 3.0 to 4.0 for the fiscal years 2011-2014.
2. Total net bank borrowing / EBITDA less or equal to 5.5 to 4.0 for the fiscal years 2011-2014.
3. Total net bank borrowing / Total equity less or equal to 1.65 to 1.2 for the fiscal years 2011-2014.
4. Cash Flow / Debt Service greater or equal to 1.02 for the fiscal years 2011-2014.

As at December 31, 2011 the Group was not in compliance with the "Net Debt/Equity" financial covenant under its NBL and, as a consequence, the outstanding balance of the NBL was classified as current. As at December 31, 2012, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA, Net Debt/Equity), and the same classification was maintained for the outstanding balance of the NBL. In addition, as at December 31, 2012, the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement. As at December 31, 2013, the Group was also not in compliance with three of its financial covenants under the EBL (Net Debt/EBITDA, Net Debt/Equity and Normalised EBITDA/Total Interest) and as a consequence the same classification has been maintained for the outstanding balance of the EBL. Moreover, as at December 31, 2013, the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement. As at December 31, 2014, the Group remained non-compliant with the above mentioned financial covenants along with an additional one (Cashflow/Debt Service) and as a consequence the same classification has been maintained for the outstanding balance of the NBL.

<u>Other Group Bond Loans</u>

Forthnet Media S.A. - Bond Loan 2008:

On May 14, 2008, Forthnet's wholly owned subsidiary, "Forthnet Media S.A.", issued a secured common bond loan of a principal amount of up to € 245 million (the "Existing Bond Loan" or "EBL"). Forthnet has guaranteed the obligations of Forthnet Media S.A. under the bond loan and provided a pledge over the total share capital of Forthnet Media S.A. owned.

The term of the bond loan will be for up to 9 years and the funds were utilised in order to, among other purposes, partially finance the acquisition of the total share capital of each of NetMed N.V. and Intervision (Services)B.V.

The repayment of the bond at December 31, 2011 and following the pre-payment of the contractual principal obligations for fiscal years 2012 and 2013 (see below), is in eight variable instalments from June 30, 2013 to June 30, 2017.

In accordance with the bond loan agreement certain undertakings for the Group's subsidiary Forthnet Media S.A. are made including but not limited to: (i) it is obliged to maintain throughout the term of the bond facility an all-risks-insurance contract through a recognised insurance company on its assets at their current commercial value, (ii) within 120 days from the period ended, Forthnet Media S.A. is obliged to submit the annual and the semi-annual financial statements audited by certified auditors accountants along with the Certificate of Compliance, and (iii) Forthnet Media S.A. is obliged to maintain throughout the term of the Bond facility the financial covenants based on the annual and semi-annual financial statements audited by certified auditors accountants throughout the term of the bond facility.

As at December 31, 2011, December 31, 2012, December 31, 2013 and December 31, 2014, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity) and as a result the outstanding balance of the EBL was classified as current. Additionally, as at December 31, 2013, the Group remained non-compliant with these financial covenants and with one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification was maintained for the outstanding balance of the EBL. As at December 31, 2015, the Group remained non-compliant with the first two financial covenants (Net Debt/EBITDA and Net Debt/Equity) and the same classification has been maintained for the outstanding balance of the EBL.

Forthnet Media S.A - Bond Loan 2011:
On July 22, 2011, Forthnet Media S.A. entered into a long-term secured bond loan agreement with a syndicate of banks for a principle amount up to € 50,000,000 which bears floating interest rate equal to Euribor for the applicable interest period plus a margin of seven per cent (7%). The purpose of the loan was to finance the investing and other activities of the company.

Forthnet has guaranteed the obligations of Forthnet Media S.A. under the bond loan and provided a pledge over the total share capital of Forthnet Media S.A.

The bond loan was subscribed in full by the banking syndicates, as in bond loan 2008 and the proceeds of the above loan were applied towards the pre-payment of the contractual principal obligations of the 2008 bond loan as at July 31, 2011.

The repayment of the bond is in 8 quarterly variable instalments from December 31, 2013, through to December 31, 2017. The last 2 instalments are equal to 40% of the total amount.

The bond loan is secured by (i) a second ranking pledge over the shares held by Forthnet Media (“FM”) in Intervision B.V. and Netmed N.V., (ii) a floating charge over the FM’s business receivables, (iii) an assignment of claims arising from the FM’s insurance agreements and, (iv) pledge over FM’s bank accounts.

In accordance with the bond loan agreement the company has made certain undertakings including but not limited to the maintenance throughout the term of the bond facility of an all-risks-insurance contract on its assets, the submission of the semi-annual and annual audited or reviewed consolidated financial statements, by certified auditors accountants along with the Certificate of Compliance, the proposal of the Guarantor, Forthnet, to the General Assembly of a share capital increase of € 30 million to be completed no later than January 31, 2012, the trading of the Guarantor (Forthnet)’s shares on the Athens Exchange cannot be terminated or suspended, the maintenance of the number of its active PAY TV subscribers between the range applicable for each of the fiscal years 2011-2017 and the maintenance throughout the term of the bond facility financial covenants based on the annual and semi-annual consolidated financial statements.

The agreed set of financial covenants is as follows:

1. EBITDA / Net interest expenses greater or equal to 3.0 to 4.5 for the fiscal years 2011-2017.
2. Total net bank borrowing / EBITDA less or equal to 5.5 to 3.0 for the fiscal years 2011-2017.
3. Total net bank borrowing / Total equity less or equal to 1.65 to 1.0 for the fiscal years 2011-2017.
4. Cash Flow / Debt Service greater or equal to 1.02 for the fiscal years 2011-2017.

As at December 31, 2011 the Group was not in compliance with the “Total net bank borrowing / Total equity” financial covenant under its NBL and as a result the outstanding balance of the NBL was classified as current. As at December 31, 2012, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA and Net Debt/Equity), and the same classification was maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2012 the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. As at December 31, 2013 and 2014, the Group was not in compliance with three of its financial covenants under the EBL (Net Debt/EBITDA, Net Debt/Equity and Normalised EBITDA/Total Interest) and as a consequence the same classification has been maintained for the outstanding balance of the EBL. Moreover, as at December 31, 2013 and 2014, the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. Additionally, as at December 31, 2014, the Group was not in compliance with an additional financial covenant (Cashflow/Debt Service) and as a consequence the same classification has been maintained for the outstanding balance of the NBL.

Additionally, as at December 31, 2014, the Group the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. As at December 31, 2015, the Group remained non-compliant with the above mentioned financial covenants along with an additional one (Cashflow/Debt Service) and as a consequence the same classification has been maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2015, the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement and as a consequence the same classification has been maintained for the outstanding balance of the NBL.

In December 17, 2014, the Group was granted a waiver from its lending banks, on the following:

1. Postpone the payments of € 25.0 million and € 2.5 million installments on the Forthnet Media S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013), to be paid on December 31, 2014.

2. Postpone the payments of € 12.5 million and € 2.5 million installments on the Forthnet Media S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013) to be paid on December 31, 2014.

3. Postpone the payment of a € 12.0 million installment on the Forthnet S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013) to be paid on December 31, 2014.

4. Postpone the payments of € 10.0 million and € 2.0 million installments on the Forthnet S.A. bond loan, which were due as at March 31, 2014, to be paid on December 31, 2014.

5. Postpone the payments of € 12.0 million installments on the Forthnet S.A. bond loan, which were due as at June 30, 2014, to be paid on December 31, 2014.

6. Postpone the payments of a € 2.0 million and € 10.00 million installments on the Forthnet S.A. bond loan, which were due as at September 30, 2014, to be paid on December 31, 2014.

7. Postpone the payments of € 10.0 million installments on the Forthnet S.A bond loan, which were due as at December 31, 2013, to be paid on December 31, 2014.

The above waivers were granted by the syndicated banks without calculating interest on late payments of the protracted installments.

In addition, at February 12, 2015, the Group send a waiver to its lending banks, requiring to further extend until June 30, 2015 the maturity of the loans, along with all the obligations for repayment of capital installments, with up to date interest rate, for the period from December 31, 2014 and June 30, 2015, which was accepted by lending banks at July 28, 2015.

In addition, at June 30, 2015, the Group send a waiver to its lending banks, requiring to further extend until December 30, 2015 the maturity of the loans, along with all the obligations for repayment of capital installments, payable either on extensions or in accordance with the original repayment schedule, for the period from July 1, 2015 and December 31, 2015.

At December 29, 2015, the waiver was accepted by the lending banks, according to which an extention was given up to December 31, 2015, for all the obligations for repayment of capital installments, for the period from December 31, 2014 up to December 31, 2015.

At March 7, 2016, the Group sent a waiver to its lending banks, requiring to further extending until June 30, 2016 the maturity of the loans, along with all the obligations for repayment of capital installments, payable either on extensions or in accordance with the original repayment schedule. At March 30, 2016, the waiver was accepted by the lending banks, according to which an extention was given up to March 31, 2016.

At May 17, 2016, the Group sent a waiver to its lending banks, requiring to further extending until October 31, 2016 the maturity of the loans, along with all the obligations for repayment of capital installments, payable either on extensions or in accordance with the original repayment schedule. At June 27, 2016, the waiver was accepted by the lending banks, according to which an extention was given up to June 30, 2016.

The Company has sent, on July 21, 2016, a newer requirement to its lending banks for a further extend of the maturity of the loans until November 30, 2016.

In this context, the Group negotiated with the lending banks (National Bank of Greece, Piraeus Bank, Alpha Bank and Bank of Attica) reaching an agreement on the basic terms of the refinancing of existing bonds, and took on binding 15/06/2016 proposal adopted on 21/06/2016 by the Company's Board of Directors. Specifically, the Board of Directors took the following decisions:

(a) It approved term sheets for the refinancing (hereinafter the “Refinancing”) of:

(i) existing loan obligations of Forthnet, through the issue of a new common, with collaterals in rem, bond loan of a total amount of € 78,461,538 organized by the banks National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, following their binding proposal dated 15.06.2016. The said bond loan shall have an 8-year term, floating interest rate and shall be issued under the guarantee of the Company’s affiliate, Forthnet Media SA (hereinafter “FM”) and

(ii) existing loan obligations of FM, through the issue of a new common, with collaterals in rem, bond loan of a total amount of € 176,538,462 organized by the banks National Bank of Greece, Piraeus Bank and Alpha Bank, following their binding proposal dated 15.06.2016. The said bond loan shall have an 8-year term, floating interest rate and shall be issued under the guarantee of the Company. The issue of the above common bond loans and their coverage by the organizing banks are under the usual terms and conditions, plus Forthnet’s obligation to repay € 21,538,462 and FM’s obligation to repay € 48,461,538, thus in total € 70 mil., in partial payment of their respective aforementioned loan obligations.

(b) Following the agreement achieved on the main Refinancing terms, the Board of Directors, on the grounds of the authorization granted to the Board by the Ordinary General Assembly of the Company’s Shareholders of 28.06.2011, approved the issue by the Company of a convertible bond loan of a total amount of up to € 99,087,466.50 with a preemption right in favor of its existing shareholders, in accordance with art. 3a of cod. law 2190/1920, law 3156/2003 and the other provisions of applicable legislation (hereinafter the «CBL»), and, more specifically, the issue of up to 330,291,555 registered convertible bonds (hereinafter the «CB») with maturity of nine years after their issue date, nominal value and issue price of € 0.30 per CB, conversion rate one (1) CB to one (1) new common registered share of the Company, of a nominal value of € 0.30 and a conversion price of € 0.30 per CB. Furthermore, it approved the CBs to be issued dematerialized and to submit an application for their listing for trading in the Athens Exchange Securities Market (Main Market). The CBL objective is to fund the total amount of € 70 mil. that the Company and FM shall pay in the context of the Refinancing, as per the aforementioned, while the remaining amount shall be used for the coverage of the Company’s and its group’s needs in working capital. Last, the Board of Directors also approved the other concise terms of the CBL which shall be included and specified in the CBL program, following art. 1, par. 4 of law 3156/2003. The CBL issue and the CB disposal through a public offer requires the approval of the prospectus by the Capital Market Commission and its publication in accordance with law 3401/2005 and EU Regulation 809/2004, as currently in force. The Company has already begun to prepare the prospectus.

As at June 30, 2016 the Group has not made contractual payments of € 260,0 million required by its bond loan agreements and thus all loans have been classifies as short-term.

Total interest expenses on long-term loans for the period ended June 30, 2016 and 2015, amounted to € 5,895,031 and € 6,191,586, respectively for the Group and € 2,140,522 and € 2,189,586, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements. The amount of interest due at June 30, 2016 and December 31, 2015 is included in accrued and other current liabilities (Note 22).

b) Short-term borrowings:

The subsidiary Forth CRS has short-term borrowings with annual variable interest rates of 6%. The table below presents the credit lines available to the Group as well as the utilised portion.

	The Group	
	30.06.2016	**31.12.2015**
Credit lines available	1,418,000	1,418,000
Unused portion	-	-
Used portion	**1,418,000**	**1,418,000**

The total interest expense for short-term borrowings for the period ended June 30, 2016 and June 30, 2015, amounted to € 55,927 and € 62,402 for the Group and € 0 and € 0 for the Company, respectively, and is included in the financial expenses (Note 7), in the accompanying interim condensed financial statements.

19. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Group leases transmission equipment of a total value of € 123,739,891 with duration of twelve years (which has been extended for one more year), repayable in equal monthly instalments bearing interest at 0,43% - 0,67% since June 2013 (previously 6,5% to 9,57%).

The finance lease transponders obligations are analysed as follows:

	The Group	
	30.06.2016	**31.12.2015**
Obligation under finance lease of transponders	66,664,158	70,947,931
Less: Current portion	(9,057,661)	(8,824,997)
Long-term portion	**57,606,497**	**62,122,934**

20. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Programmes and Rights	13,898,422	40,443,214	4,268,008	15,593,807
Less: Current portion	(13,898,422)	(40,443,214)	(4,268,008)	(15,593,807)
Long-term portion	**-**	**-**	**-**	**-**

21. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Domestic suppliers	68,337,474	69,482,078	32,878,522	34,434,339
Foreign suppliers	37,569,743	38,660,853	4,021,113	3,480,670
Post dated cheques payable	949,540	1,143,090	909,187	1,123,096
Total	**106,856,757**	**109,286,021**	**37,808,822**	**39,038,105**

According to L.2644/1998, in order to provide subscription, radio and television services, Forthnet Media S.A. is obliged to give part of its subscription services. The Group, during the second quarter of 2015, received notice from the General Secretariat of Information and Communication for the payment of the part related to years 2011, 2012 and 2013, amounting to € 14,864,862, and which was set to be paid in 100 installments until the year 2023, under the L. 4321/2015. At October 15, 2015, POL 1226/2015 was announced by the General Secretariat for Public Revenue, as an amendment to articles 1 to 17 of the L. 4321/2015, regarding the regulation of 100 installments for debts exceeding € 5,000. According to the new circular, the interest rate charged to the debts that have been settled under the above mentioned regulations, was adjusted from 3% to 5%. This charge will be calculated on the remaining amount of the debt as at October 15, 2015 (i.e. two months after the publication of L. 4336/2015). The effect of this change in the interest rate, the implementation of which is applicable from October 15, 2015 onwards, has resulted in an increase in the present value of the total obligation for the Group, amounted to € 15,274,986 on that date. At November 2, 2105 Forthnet Media S.A. settled its obligation to give part of its subscription services for the year 2014 amounted to € 3,221,291 in 24 installments. The present value of this obligation at June 30, 2016, amounted to € 16,176,208 (December 31, 2015: € 17,823,750). The long-term portion of € 12,797,426 (December 31, 2015: € 14,500,923) of the amount due has been transferred from the Domestic Suppliers in Other current liabilities.

22. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities are analysed as follows:

	The Group		The Company	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Social security payable	782,674	1,630,613	477,457	1,006,002
Value added tax	3,978,304	1,632,313	1,440,974	474,294
Other taxes and duties (Note 1)	3,092,130	2,876,749	670,534	1,189,023
Customer advances	90,245	78,660	-	-
Interest accrued (Note 18)	55,853	-	-	-
Interest rates swaps (Note 25)	667,680	882,357	-	-
Liabilities from rights & licences	4,476,481	3,283,590	-	-
Other current liabilities	5,856,057	3,607,824	3,308,804	2,298,655
Total	**18,999,424**	**13,992,106**	**5,897,769**	**4,967,974**

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 31.0 million (December 31, 2015: € 31.0 million). The interest rate swap agreements are payments of fixed interest rate against receipts of floating rates.

Nominal Value of IRS	Maturity	Interest Rate
31,000,000	30/06/2017	3months EURIBOR
31,000,000		

The fair values of the interest rate swaps are based on market valuations (mark to market).

Gains for the Group from the valuation of the fair values of the swaps at June 30, 2016, were € 447 thousand (at June 30, 2015: € 584 thousand) and are included in other financial costs (Note 7), in the accompanying financial statements.

Realised losses from the interest rate swap transactions during the period ended June 30, 2016 for the Group were € 477 thousands (at June 30, 2015: € 634 thousands) and are included in other financial costs (Note 7), in the accompanying financial statements.

The net amount of € 30 thousands (loss) for the six-month period ended June 30, 2016, is included in other financial costs (Note 7), in the accompanying financial statements (at June 30, 2015: net amount of € 50 thousands (loss) were included in other financial costs) (Note 7).

23. RELATED PARTIES:

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Company's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Period ended at	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	665,635	1,559,547
		30.06.2015	524,853	1,282,482
Vodafone S.A.	Shareholder	30.06.2016	404,865	1,295,778
		30.06.2015	142,215	1,018,113
Vodafone Ltd.	Related Party	30.06.2016	1,295,849	1,206,430
		30.06.2015	2,170,637	1,830,787
Hellas Online	Related Party	30.06.2016	-	-
		30.06.2015	218,176	249,133
Technology and Research Foundation	Shareholder	30.06.2016	30,301	34,554
		30.06.2015	33,086	24,692
Forth CRS S.A.	Subsidiary	30.06.2016	53,341	87,715
		30.06.2015	50,938	123,518
Interoute Spa (Italy)	Subsidiary	30.06.2016	-	-
		30.06.2015	86,171	-
Cablenet Ltd	Related Party	30.06.2016	-	10,297
		30.06.2015	-	-
Interoute Bulgaria Js Co	Related Party	30.06.2016	-	-
		30.06.2015	124,800	250,807
Interoute Czech Sro	Related Party	30.06.2016	-	-
		30.06.2015	844	90,754
NetMed S.A.	Subsidiary	30.06.2016	49,966	-
		30.06.2015	47,024	4,639
Forthnet Media S.A.	Subsidiary	30.06.2016	4,157,208	546,079
		30.06.2015	5,423,162	1,162,441
	Total	**30.06.2015**	**6,657,165**	**4,740,400**
	Total	**30.06.2016**	**8,821,906**	**6,037,366**

Related Party	Relation with Forthnet	Year/Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	449,354	583,812
		31.12.2015	431,995	595,596
Vodafone S.A.	Shareholder	30.06.2016	228,482	548,547
		31.12.2015	51,654	442,232
Vodafone Ltd.	Related Party	30.06.2016	3,164,817	3,128,840
		31.12.2015	1,868,968	2,548,950
Hellas Online	Related Party	30.06.2016	-	-
		31.12.2015	100,290	101,395
Emirates International Telecommunications	Indirect Shareholder	30.06.2016	-	895,085
		31.12.2015	-	895,085
Technology and Research Foundation	Shareholder	30.06.2016	34,457	27,124
		31.12.2015	26,086	20,239
Forth CRS S.A.	Subsidiary	30.06.2016	120,057	127,623
		31.12.2015	54,358	39,753
Telemedicine Technologies S.A.	Associated	30.06.2016	-	-
		31.12.2015	3,734	-
Athlonet S.A.	Associated	30.06.2016	11,502	8,060
		31.12.2015	11,502	8,060
Forthnet Media S.A.	Subsidiary	30.06.2016	102,487,437	20,030,069
		31.12.2015	114,293,574	23,646,425
NetMed S.A.	Subsidiary	30.06.2016	678,537	46,984
		31.12.2015	616,827	174,856
	Total	**30.06.2016**	**107,174,643**	**25,396,144**
	Total	**31.12.2015**	**117,458,988**	**28,472,591**

Revenues and receivables from Forthnet Media S.A. are mainly related to the 3 play commission re-charged to the subsidiary by the Company, as well as, charges for the re-sale of the Super league and UEFA football rights.

During the second trimester of 2015, Interoute Managed Services Netherlands, Interoute Spa (Italy), Interoute Bulgaria Js Co and Interoute Czech Sro, were no longer considered as related parties, as Emirates International Telecommunications notified that it sold its participation to Interoute.

The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

The Company's revenues and costs from Vodafone S.A., Vodafone Ltd and its subsidiary Hellas Online S.A. are related to interconnection fees and leased lines.

The Company's revenues and costs from Wind Hellas Telecommunications S.A. are related to interconnection fees, swaps of fiber optic network and leased lines.

The Company cost from Cablenet Ltd related to interconnection fees.

The Group's transactions and account balances with related companies are as follows:

Related Party	Relation with Group	Period ended at	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	665,635	1,599,124
		30.06.2015	524,853	1,322,914
Vodafone S.A.	Shareholder	30.06.2016	423,232	1,297,261
		30.06.2015	177,709	1,020,520
Vodafone Ltd.	Related Party	30.06.2016	1,295,849	1,206,430
		30.06.2015	2,170,637	1,830,787
Hellas Online S.A.	Related Party	30.06.2016	-	-
		30.06.2015	218,176	249,133
Interoute Spa (Italy)	Related Party	30.06.2016	-	-
		30.06.2015	86,171	-
Interoute Bulgaria JsCo	Related Party	30.06.2016	-	-
		30.06.2015	124,800	250,807
Interoute Czech Sro	Related Party	30.06.2016	-	-
		30.06.2015	844	90,754
Technology and Research Foundation	Shareholder	30.06.2016	30,301	34,554
		30.06.2015	33,086	24,692
	Total	**30.06.2016**	**2,415,017**	**4,137,369**
	Total	**30.06.2015**	**3,336,276**	**4,789,607**

Related Party	Relation with Group	Yea/Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2016	449,372	590,430
		31.12.2015	432,013	596,783
Vodafone S.A.	Shareholder	30.06.2016	237,463	548,653
		31.12.2015	60,465	442,242
Vodafone Ltd.	Related Party	30.06.2016	3,164,81788	3,128,840
		31.12.2015	1,868,968	2,548,950
Hellas Online	Related Party	30.06.2016	11	117
		31.12.2015	100,301	101,512
Emirates International Telecommunications	Indirect Shareholder	30.06.2016	-	895,085
		31.12.2015	-	895,085
Technology and Research Foundation	Shareholder	30.06.2016	34,457	27,124
		31.12.2015	26,086	20,239
Telemedicine Technologies S.A.	Associated	30.06.2016	-	-
		31.12.2015	3,734	-
Athlonet S.A.	Associated	30.06.2016	11,502	8,060
		31.12.2015	11,502	8,060
Lumiere Productions S.A.	Shareholder	30.06.2016	-	6,378
		31.12.2015	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2016	-	10
		31.12.2015	-	10
	Total	**30.06.2016**	**3,897,622**	**5,204,697**
	Total	**31.12.2015**	**2,503,069**	**4,619,259**

Emirates International Telecommunications LLC, a related party – indirect shareholder, provides technical and other services to support various operations and functions of the Forthnet Group's business.

Salaries and fees for the members the Board of Directors and the General Managers of the Group and the Company for the six-month period ended June 30, 2016 and 2015, are analysed as follows:

	The Group		**The Company**	
	30.06.2016	**30.06.2015**	**30.06.2016**	**30.06.2015**
Salaries and fees for executive members of the BoD	147,638	147,611	147,638	147,611
Salaries and fees for non executive members of the BoD	130,014	133,014	130,014	133,014
Salaries and fees for Senior Managers	896,490	1,013272	567,867	637,590
Total	**1,174,142**	**1,293,897**	**845,519**	**918,215**

Furthermore, benefits provided by the Group and the Company for the current period to members of the Board of Directors and Management relating to social security amounted to € 40,287 and € 31,316 for the Group and the Company respectively (June 30, 2015: € 154,471 for both the Group and the Company), whereas benefits relating to leaving indemnities amounted to € 107,317 for both the Group and the Company (June 30, 2015: € 0 and € 0, respectively).

24. COMMITMENTS AND CONTINGENCIES:

Litigation and Claims: The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (Refer to Note 26).

Compensation of Senior Executives: According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation at the end of their employment term which liability has been included in the provision for staff retirement indemnities. In addition, in case of early termination of their contracts by the Company without grounds or in case of forced resignation, the Company shall pay to them an additional compensation. The amount of the additional compensation amounted to approximately € 0.85 million for the Group and € 0.74 million for the Company at June 30, 2016 (approximately € 0.88 million for the Group and € 0.68 million for the Company, at December 31, 2015).

License Terms and Obligations: The Fixed Wireless Access Telecommunications infrastructure license granted to one of the absorbed subsidiaries. Mediterranean Broadband Access S.A. is subject to a number of commercial and technical conditions which require that Mediterranean Broadband Access S.A. meet certain coverage and technical criteria and attains population coverage of 20% within two years from the date of the grant. By the end of 2002, MBA's network covered in excess of 20% of the Greek population.

Commitments:

Rentals: The Group has entered into commercial operating lease agreements for the lease of a building, office space and offices used as points of presentation for dealers. These lease agreements have an average life of 5 to 10 years with renewal terms included in certain contracts. Future minimum rentals payable under non-cancellable operating leases as at June 30, 2016 and at December 31, 2015, are as follows:

	The Group		**The Company**	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Within one year	2,148,154	2,201,708	726,252	780,572
2-5 years	5,372,538	6,455,214	1,747,754	2,143,518
Over 5 years	280,863	376,951	157,606	231,428
Total	**7,801,555**	**9,033,873**	**2,631,612**	**3,155,518**

Guarantees: Letters of guarantee are issued by the Group to various beneficiaries and, as at June 30, 2016 and at December 31, 2015, are analysed as follows:

	The Group		**The Company**	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Performance Guarantee	535,572	533,577	528,048	526,053
Participation in tender Guarantee	2,719,231	2,684,766	2,719,231	2,684,766
Guarantees for good execution of agreements	13,800	50,496	13,800	50,496
Total	**3,268,603**	**3,268,839**	**3,261,079**	**3,261,315**

Performance guarantees were decreased at June 30, 2016, mainly due to the performance guarantee to the Ministry of Press.

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 170.2 million and for the Company amounted to approximately € 55.1 at June 30, 2016 (December 31, 2015: € 162.2 million and € 55.1 million, respectively).

In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges) which have been acquired through long-term lease (IRU), amounted to approximately € 17.2 million for the Group and the Company (December 31, 2015: € 18.7 million for the Group and the Company).

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group's management believes that the fair value of floating rate loans approximate their carrying amounts reflected in the statements of financial position.

The fair values of available for sale financial assets and assets held for trading are reflected in the accompanying statements of financial position.

The financial liability towards the Greek Government has been calculated based on the method of discounting future cash flows at the weighted average cost of the Group's debt.

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:
Level 1: Quoted market prices
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non-market observable)

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period.

The Group establishes policies and procedures for repeated measures (Derivatives). At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at June 30, 2016 and December 31, 2015, the Group and the Company held the following financial instruments measured at fair value:

	The Group			
	Fair value 30.06.2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Interest rate swaps (Note 22)	-	667,680	-	**667,680**
Long - term loans (Note 18)	-	324,888,542	-	**324,888,542**
Long-term financial liability towards the Greek Government (Note 21)	-	12,797,426	-	**12,797,426**
Short-term financial liability towards the Greek Government (Note 21)	-	3,378,782	-	**3,378,782**

	The Group			
	Fair value 31.12.2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Interest rate swaps (Note 22)	-	882,357	-	**882,357**
Long - term loans (Note 18)	-	324,793,168	-	**324,793,168**
Long-term financial liability towards the Greek Government (Note 21)	-	14,500,923	-	**14,500,923**
Short-term financial liability towards the Greek Government (Note 21)	-	3,322,827	-	**3,322,827**

	The Company			
	Fair value 30.06.2016			
	Level 1	**Level 2**	**Level 3**	**Σύνολο**
Financial liabilities				
Long - term loans (Note 18)	-	100,000,000	-	**100,000,000**

	The Company			
	Fair value 31.12.2015			
	Level 1	**Level 2**	**Level 3**	**Σύνολο**
Financial liabilities				
Long - term loans (Note 18)	-	100,000,000	-	**100,000,000**

Liquidity risk: The Group in its effort to manage the risks that may arise from the lack of sufficient liquidity has reached an agreement with banks to achieve the refinancing of existing loans . The finalization of the refinancing agreement requires the successful issue of the CBL , through which will be obtained and the coverage of the Group 's working capital.

26. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

a) JUDICIAL CLAIMS OF FORTHNET AGAINST THIRD PARTIES

Forthnet's outstanding judicial claims against third parties amount to approximately € 38.4 million. The following cases are included among others:

i) An amount of approximately € 26.7 million concern a claim of the Company against OTE regarding the incidental loss the Company suffered by EPAK case (unjustifiable discrimination for OTE in favor of its subsidiary, OTEnet). The hearing of the lawsuit is pending.

ii) An amount of approximately € 293 thousand concern a claim of the Company against OTE for the non-material damage that the Company has suffered for the same cause (EPAK). A judgment was issued on the aforementioned lawsuit, by which the Court partially accepted the lawsuit of the Company and awarded an amount of € 80 thousands to the company, which has been already appealed by OTE (at the Court of Appeals). The Company has also filed a cross-appeal. The appeal and cross-appeal were heard and a decision is issued which accepted OTE's appeal and annulled the judgment of first instance. The Company is considering filing a cassation against the judgment of the Court of Appeal before the Supreme Court of Cassation (Arios Pagos).

iii) There is a lawsuit of the Company against OTE, for the amount of approximately € 698 thousand, of which (a) the amount of € 548 thousand corresponds to illegitimate charges to the Company during the years 2009 and 2010 for wasteful travel fees of OTE technical crews for the fixing of local loop failures as well as (b) the amount of € 150 thousand as a compensation for moral damage. The hearing of the lawsuit is pending.

iv) There are outstanding opposing applications before the Council of State and the Administrative Court of Appeals of Athens for the annulment of EETT decisions that concern: (a) volume discounts by OTE, (b) low margin between retail and wholesale prices of leased lines, (c) the level of interconnection fees, (d) the fees for leased lines, (e) the fees for wholesale services and (f) the cost accounting model of OTE. The Company's position is founded, though, the significance of the cases and the circumstances make it difficult for a prediction of any positive outcome of the above cases in the event of a dismissal of the applications filed by OTE and the acceptance of the applications filed by the Company. It is impossible to predict the impact (positive) on the Company's financial results as, it is estimated that even if any or all of the applications were to be accepted, the case will be brought to the Authorities which will have to evaluate again the critical fees. There are still outstanding appeals, in the Court of Appeal of Athens, against the decision of EETT for the regulation of pre-selection.

Furthermore, No. 700/019/29.08.2013 EETT's Decision concerning the complaint of the company Hellas on Line dated March the 7th 2013, along with other companies, including Forthnet S.A., regarding the occurrence of significant delays in the implementation of requests and the management of failures in the Local Loop service. By this decision, a fine of € 300 thousand was imposed to OTE for violations of the legislation regarding electronic communications and a fine of € 700 thousand for the abuse of dominant position. OTE lodged an appeal against the aforementioned decision of the EETT before the Court of Appeals of Athens. A decision on this appeal is pending.

In addition, there are pending decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE' s denial to recognize wholesale volume discounts and the second one to the illegal invoicing of circuits of the Company and the obligation of OTE regarding the return of amounts unduly paid.

For the above mentioned judicial claims no related provision of income has been made by the Company and the Group in its financial statements.

v) The remaining judicial claims of the Company against third parties amount to approximately € 4.0 million.

A relevant provision has been recorded for the above claims (allowance for doubtful accounts receivable) in the financial statements of the Company.

vi) Furthermore, there is a claim of the Company against the Greek State amounting to € 3.3 million approximately, for the project of the Ministry of Internal Affairs "National Public Administration Network - SYZEFXIS", for which claim, the Company has already filed respective Applications of Acknowledgment of Claim against the State for the provision of electronic services for the aforementioned project. Specifically, for 2013, the Company filed a relevant application of acknowledgment of claim, by which it has requested the amount of € 2.3 million inclusive of the corresponding VAT, to be acknowledged to it. Furthermore, for the time period from January 1, 2014 - May 31, 2014, the Company has also filed a respective application of acknowledgment of claim, the level of which amounts to € 969 thousand, inclusive of the corresponding VAT. By relevant expert opinions of the State Legal Council THE Company's above applications have been partially accepted and a Company's claim against the Greek State has been acknowledged of an amount of 1.250.633,23€ and 521.189,32€ for the year 2013 and for the first five months of 2014 respectively.

For the project ("SYZEFXIS") the Company and the Group have recorded unbilled revenue of € 1,771,822.55 in their financial statements.

vii) During an audit that was conducted, the Company discovered the abuse of a significant amount of money by an employee of its accounting department together with her spouse, of approximately € 2.37 million. Consequently, the Company filed immediately charges against the above persons for the criminal acts of counterfeiting and fraud while at the same time took the necessary legal actions before the civil courts for compensation for the damages suffered. Upon issue of a judgment of the first instance, the amount of € 2.0 million was awarded in favor of the Company, while the hearing of the appeal on the criminal fraud, for which the defendants had been found guilty at first instance, is pending. In any event, the Company and the Group have recorded the necessary provisions in their financial statements.

viii) Also, there is a claim of the Company against TSPEATH for the return of undue amounts paid, amounting to € 685 thousand, regarding advertisements tax ("aggeliosimo"): for the year 2002 amounting to € 252 thousand, whereas for the year 2003 amounting to € 433 thousand plus interest and related legal expenses. For the aforementioned claim, the Company had appealed before the Administrative Courts, instituting a relevant Administrative Action and filing a relevant Lawsuit. On the aforementioned administrative action, the Administrative Court of the First Instance of Athens rejected the aforementioned action of the Company. The Company lodged an APPEAL before the Administrative Court of Appeals of Athens, against the aforementioned judgment that has rejected the administrative action, on which no. 5106/2014 Decision of the Administrative Court of Appeals of Athens was issued, by which the Court rejected the appeal of the Company.

On the aforementioned lawsuit, a postponing judgment of the Administrative Court of First Instance of Athens was issued, by which the Court postponed the adoption of a judgment on the lawsuit, until the issuance of a final judgment on the aforementioned APPEAL (and administrative action). Given the rejecting judgments (at first and second instance) on the Administrative Action, it is estimated that the chances are limited for the success of the relevant Lawsuit.

ix) Finally, there is a claim of the Company and Mr. Panayiotis Papadopoulos against the owner company "VOICENET" as well as against the editing team of the webpages www.fmvoice.gr and www.fmvoice.eu before the Multimember Court of First Instance of Athens, through which, the total amount of € 300 thousand is demanded to be awarded to the Company and the amount of € 200 thousand to Mr. Papadopoulos. The case was heard and no. 4073/2015 judgment was issued by which the defendants were sentenced to jointly and severally pay each one, as a monetary satisfaction to the Company, the amount of 8,000 €, they were ordered with the threat of a fine of one thousand Euro (€1,000) for each time of delay, to proceed at their own expenses, to the complete publishing of the issued pecuniary judgment of the aforementioned Court on their webpages (www.fmvoice.gr and www.fmvoice.eu) and were sentenced to the payment of a judicial expense of € 700.

(b) JUDICIAL CLAIMS OF THIRD PARTIES AGAINST FORTHNET

The total liabilities and pending judicial cases of Third Parties against Forthnet amount to approximately € 10.7 million. The following cases are included among the judicial claims:

i) Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of the Code of Ethics on the Provision of Telecommunications Activities (article 11 par. 3), articles 57-59C.C. regarding the protection of personality, as well as the provisions of Law 146/1914 regarding prohibited and unfair advertising. With its legal action, OTE claims amongst others the payment of compensation amounting to € 5.0 million due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action and until payment thereof. At the hearing date, the hearing of the case was cancelled, and thenceforth it has not been reopened with a summoning of the litigant party for a new hearing date. The outcome of the case cannot be safely estimated, despite the fact that the unfair competition legal basis of the claim has been fallen into prescription during lis pendens (during litigation proceedings). The prescription may also carry along in prescription the long-term prescription on the other legal base, yet such a thing remains to be judged in court, if OTE returns with a new summoning.

ii) The case of the inquiry of the Commission for the Protection of Competition of the Republic of Cyprus (C.P.C) against Forthnet Group companies (Forthnet Media Holdings S.A. and Multichoice Hellas S.A) and Cyprus Telecommunication Authority S.A. ("CYTA") for the ascertainment of reported violations of the provisions regarding the protection of the competition (articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), from the terms of the effective content supply agreement between the aforementioned contracting parties, was heard before the C.P.C. during the oral hearing of September 9th, 2014. During the hearing, the Company presented its pleas in law and pieces of evidence for the refutation of the objections set forth in the preliminary conclusion of C.P.C's inquiry, setting forth and extending all the points that had already notified to the C.P.C. through its written memo of August the 8th 2014. The C.P.C. notified its opinion, according which the alleged violations are ascertained.

The Company submitted its written attestation on the sanctions, further to the ascertainments of the C.P.C. CPC issued its no. 13/2015 decision, by which a fine of the amount of 2.25 million Euro was imposed only to Forthnet S.A., as a parent company of Forthnet Media S.A, for reported violations of the free competition in the Republic of Cyprus, which must be paid within nine months from the notification of the decision to the Company (June 2015). FORTHNET S.A. lodged an appeal before the Courts of Cassation of the Republic of Cyprus, aiming at the cassation of the issued decision and its hearing is expected. The outcome of the case cannot be foreseen**.**

For this case a relative provision has been formed in the financial statements of the Company.

iii) Furthermore, fines of a total amount of approximately € 990 thousand have been imposed to the Company by the individual competent Independent Administrative Authorities, for several reasons. The Company has appealed before the competent administrative courts for the cancellation or otherwise modification (review) of the above imposed fines, which so far have been successfully reduced to a total amount of € 390 thousand.

iv) There is a counterclaim of the company "VOICENET", as well as of the editing team of the webpages www.fmvoice.gr and www.fmvoice.eu against the Company and against Mr. Panayiotis Papadopoulos, before the Multimember Court of First Instance of Athens for the amount of € 300 thousand to the counter plaintiffs, members of the editing team, and of € 200 thousand to the counter plaintiff company, the hearing of which took place in October 2015. The lawsuit was rejected by no. 4072/2015 decision of the Multimember Court of First Instance of Athens, as the plaintiffs were judged as procedurally absent.

v) Furthermore, the following EETT's Decisions have been issued and served to the Company:
(a) EETT's Decision No. 695/60/27.06.2013 that concerns the March 26, 2010 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this decision, OTE was ordered to credit Forthnet in 3,316 cases that totally correspond to the amount of € 178 thousand while a fine of approximately € 331 thousand was additionally imposed to OTE. OTE has appealed to the competent courts against this decision of EETT.

(b) EETT's Decision No. 692/36/30.05.2013 that concerns the September 5, 2011 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE.
With this decision, OTE was ordered to credit Forthnet in 1,492 cases that totally correspond to the amount of € 79 thousand, while a fine of € 149 thousand was additionally imposed to OTE. OTE has appealed to the competent courts against this decision of EETT. However, DEFA issued a decision by which the Court dismissed OTE's appeal in its entirety.
(c) EETT's Decision No. 640/50/21.02.2012 that concerns the November 15, 2011 complaint of Forthnet for charges of OTE wasteful travels fees for the fixing of local loop failures with the justification "non-accessible building", which charges were not in accordance with the legislative framework. With this decision, OTE was ordered to credit to Forthnet the imposed charges during the time period from October 2010 up to June 2011, which charges amounted to € 78 thousand an amount that was refunded by OTE to Forthnet. With the same decision, a fine of € 250 thousand had been imposed to OTE for its illegitimate conduct. OTE has appealed to the competent courts against this decision of EETT. The Administrative Court of Appeals partially upheld OTE's appeal under EETT's decision, only as far as it concerns the fine setting, and accepting the violation for the rest.
(d) For the same matter of the charges of OTE wasteful travel fees with the justification "non-accessible building", which charges were not in accordance with the legislative framework, Forthnet filed a new complaint to EETT on February the 11, 2012, further to which, EETT's Decision No. 695/62/27.06.2013 was issued, by which a fine of € 125 thousand was imposed to OTE for its illegitimate conduct and the latter was ordered to refund to Forthnet the relevant fees that had collected during the time period from July 2011 up to August 2012, which amount to € 206 thousand. OTE has appealed to the competent courts against this decision of EETT.
(e) Finally, No. 653/11/22.05.2012 decision of EETT has been issued, regarding unwarranted charges of electricity on places of Natural Collocation, according to which OTE was obliged to liquidate invoices which have been issued against providers and related to electricity charges on that places for the period from February 2007 to August 2009, using the formula specified on that decision. In December 2012, OTE returned to the Company an amount of € 842 thousand. However, it has recourse to the competent administrative court against the decision of EETT.

The results of the above judicial claims cannot be foreseen, and thus no provision of expense has been made by the Company and the Group in its financial statements, except for case (ii) and partly case (iii), for which the Company has formed an equal in amount provision during the first semester of 2015 and is included in the Other Expenses (Note 8).

B. FORTHNET MEDIA S.A.

(a) The outstanding judicial claims of third parties against the subsidiary, Forthnet Media S.A. (hereinafter FM, which absorbed the companies NetMed Hellas S.A., SYNED S.A. and Multichoice Hellas S.A.) amount to € 13.6 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) A claim of approximately € 0.81 million, plus interest and legal expenses concerns a lawsuit by the Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED, as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRASI S.A. (prior to its absorption by FM) of 828 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. A judgment that dismissed the lawsuit as unsubstantiated was issued. The litigant party has lodged an appeal, the hearing of which took place on April the 30th 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens. .

For the aforementioned case, the Management of the Group estimates that it will not have a significant impact on the financial statements and consequently a provision of expense has not been formed.

ii) Amount of € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years (of the company Multichoice Hellas S.A.). Appeals have been lodged against the above actions, which have been heard and court judgments have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to € 0.34 million, while for the fiscal year 1999 to €0.18 million and the due taxes will be computed on the said amounts. The total amount, amounts along with the interests to approximately € 832 thousand out of which the company has already paid in advance the amount of € 786 thousand as a precondition for the filing of the appeals. The Greek State filed appeals before the Supreme Court, the hearing date of which has been scheduled on December 7, 2016. For the final amount of tax that is going to be charged according to the above, a related provision of expense has been made by the Group in its financial statements.

iii) Amount of € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial disputes between FM (arising by the absorbed Netmed Hellas S.A.)/Multichoice Hellas S.A.) and against the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit as unsubstantiated, but the lawyer-plaintiff lodged an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgment.
The lawyer-plaintiff has filed an appeal before the Supreme Court of Cassation (Arios Pagos). The scheduling of the hearing date is expected. It is pointed out that the judgment of the Court of Appeals of Athens is sufficiently and properly substantiated (both legally and on its merits) and it does not seem to have been fallen into any substantial error in law.

iv) Amount of € 0.30 million approximately concerns a lawsuit of a third party against the company and a former chief executive officer of its, by which he demands that the aforementioned amount is paid to him as damages for an alleged offence of personality and defamation to his detriment, by allegations included in a complaint lodged by the company against him, due to the -on his part- performance of illegitimate activities, aiming at and with the result of piracy in the pay TV signal of the company and the violation of its intellectual property. The lawsuit has been scheduled for hearing before the Multimember Court of First Instance of Athens on the 8th of December 2016. It is mentioned that during the hearing of the criminal case (at first instance) in which the plaintiff had been the defendant, against whose legal proceedings have been brought for the alleged illegitimate actions set forth in the complaint of the Company, the Court found the defendant guilty and imposed to him a suspended imprisonment sentence for the illegitimate actions he committed. The defendant has appealed against the conviction (criminal) case, the hearing of which has been scheduled, following postponements, for 19.10.2016.

v) Amount of 0,59 million concerns a lawsuit of third parties against the company THEON CONSTRUCTIONS SA (hereinafter “THEON”), the Company and other natural persons and legal entities, as allegedly liable, jointly and in whole with each other, by which they ask for damages for suffering caused by the death – in a road accident – of a relative of theirs, due to alleged improper signage and security standards of projects that, in the applicants’ allegations, THEON was carrying out also for the Company (construction of technical works for the construction of optical fibers network) in Filothei Arta. The hearing has been scheduled before the One-Member Court of First Instance on 18.11.2016.

For the above case under (ii), the Group’s Management has made a sufficient provision of expense.

For the remaining cases the Group’s Management estimates that they will not have a material impact on the financial statements or/and that they will have a positive outcome for the Company and therefore has not formed a provision of expense.

(b) The outstanding judicial claims of the subsidiary FM (arisen by the absorbed NetMed Hellas S.A. and Multichoice Hellas S.A.) against third parties amount to € 35 million approximately, plus interest and expenses. From the abovementioned amount:

i) An amount of € 12.0 million approximately, plus interest and expenses, relates to the company’s claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damages incurred by FM due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FM for the TV/radio broadcast of their football matches. Several of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim of the company against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 18.6 million, ultimately the court decided on a compensation of € 0.2 million. However, the said companies are apparently not in a financial position to reimburse the Company.

Similarly, the outstanding judicial claims of the absorbed Multichoice against third parties amount to € 8.83 million approximately, plus interest and expenses. These claims predominately relate to claims of the Company against various PAE for the restitution of (pecuniary and moral) damages incurred by the Company due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FM for the television broadcast of their games. Several of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim of the company (former Multichoice) against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverably and from the initial claim of € 23.4 million, ultimately the court decided on a compensation of € 200 thousand. However, the said companies are apparently not in a financial position to reimburse the Company.

ii) A lawsuit against the company ERT S.A. and the banks Alpha Bank and Piraeus Bank by which it is requested to be acknowledged that our company does not owe the minimum guaranteed consideration of € 2.9 million per year from November 10, 2008 or, alternatively if it does not apply for 2008, from November 10, 2010, but instead, a percentage on the real basis of its terrestrial analogue subscribers. With the abolition of ERT, the Greek State replaced the former in its rights and obligations, consequently it will be the litigant party in this case. The claim on the main and supportive basis consists of the acknowledgment of the non existence of a payment right, accordingly it is not evaluated as an actual monetary claim. The hearing of the lawsuit had been scheduled for April 2015, when it was postponed, upon request of the Greek State. With a new summoning, the case was scheduled for 17.12.15, when it was anew postponed for 8.2.2018 due to insurmountable impediment of the witness of the plaintiff.

iii) A lawsuit against the Greek Football Federation (EPO), by which the cancellation of a BoD decision is required. By virtue of the said BoD decision, EPO rejected the company's participation in the tender for the acquisition of the TV rights of the Greek Soccer Cup for the football seasons 2013-2014 to 2015-2016 and awarded the tender to a third company. The reason for the cancellation is based on legal grounds (the company to which the tender was awarded is not a TV entity, as required by article 84 of L. 2725/1999). The case was heard and no. 731/2014 judgment was issued, that accepts the lawsuit. EPO lodged an appeal (as well as the company that a certain part of the judgment's rationale concerns it), the hearing of which had been scheduled for February 19, 2015 when it was heard. No. 2026/2015 final judgment of the Court of Appeals of Athens was issued, which rejected the appeal of EPO (as well as of the company) as unsubstantiated and ratified the validity of no. 731/2014 judgment of the court of first instance. EPO filed cassation appeal to the Supreme Court of Cassation (Arios Pagos). The trial date of the said lawsuit has been scheduled, upon postponement for 16.1.2017. Within the framework of the same case, Media Goal, the company to which EPO assigned the TV rights of Greek Soccer Cup, by virtue of the invalid decision of its Board of Directors, initiated third-party proceedings against FM and EPO, alleging that it has a legal interest due to its non-participation in the under judgment trial between FM and EPO, for the annulment and elimination of no. 731/2014 judgment of the One-Member Court of First Instance of Athens, aiming at the rejection of the lawsuit of FM. The third-party proceedings have been scheduled to be heard before the Multimember Court of Appeals of Athens, following postponements, on 8.12.2016. Finally, the Company filed an application for interim measures against EPO, through which it demands that EPO as well as any other third party is not permitted to draw rights to proceed to the TV broadcast of the games of Greek Soccer Cup for the year 2015-2016, until the announcement of a new invitation for tenders. The hearing of the case took place on 13.10.2015 and no. 8660/2015 judgment was issued, which accepted the request of FM, prohibiting the TV coverage and broadcast of the games until the issuance of a new legal decision of the BoD of EPO for the anew grant of the said TV rights. The case does not contain any compensational claim as to the specific part of the litigation.

iv) Lawsuit before the Multimember Court of the First Instance of Athens against Greek Football Federation (EPO), with the request of the payment of compensation, for the reinstatement of the non-material damage as well as by virtue of loss of profits of the company due to the illegitimate-on the part of EPO-grant of the TV rights of the Greek Soccer Cup, of the three-year period 2013-2016 to a third, non TV entity, of the total amount of € 5,101,397.13, including any statutory interest from the service of the lawsuit. The hearing of the lawsuit has been scheduled for 1.2.2018.

v) A lawsuit against "ALPHA DORYFORIKI TILEORASI", by which it is demanded that the defendant is prohibited to proceed to actions of unfair competition and infringe the absolute right of FM, as it arose by the TV Broadcasting Rights Assignment Agreement that FM had concluded with PAE AKRATITOS and the defendant is obliged to pay to FM the amount of € 0.5 million as a compensation for the non-material damage that has been caused to the latter by the unfair and tortuous conduct of "ALPHA DORYFORIKI TILEORASI". The hearing date for the aforementioned lawsuit had been scheduled for the 7th of June 2006, a date on which it was postponed for the 22nd of November 2006, where it was cancelled and rescheduled for April 2, 2008, when it was anew postponed for the 4th of June 2008. After successive postponements, the case was heard on December 12, 2012 and no. 6288/2013 judgment of the Multimember Court of First Instance of Athens was issued, which accepted the lawsuit, awarding in favor of the company the amount of € 0.3 million, including any statutory interest from the service of the lawsuit, as a non-material damage due to the illegitimate, insolvent and opposed to the moral ethics conduct of the defendant. The defendant has lodged an appeal and its hearing has been scheduled for 16.2.2017.

vi) An amount of totally € 5.57 million plus interest and expenses, concerns a claim of the Company (former Multichoice) against ERT S.A., with a lawsuit that has filed before the Multi-Member Court of First Instance of Athens, as a consideration for the provision, by Multichoice, of services related to the distribution and transmission –through satellite- of the signal of three TV (ET1, NET, ET3) and four radio (NET, ERA 2, ERA 3 and ERA SPORT) ERT channels within the entire Greek territory during the years 2008, 2009, 2010, 2011 and 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case. The hearing of the case is pending and has been scheduled for May of 2015. The hearing of the lawsuit had been scheduled, following postponements, for 9.2.2017.

vii) A claim of € 0.3 million concerns a claim of the Company (former Multichoice) against the companies PASSPOINT S.A. (as the principal debtor) and LANNET COMMUNICATIONS S.A. (as a guarantor) for non-payment to Multichoice Hellas S.A. of the amounts of subscription fees received by PASSPOINT S.A. We note that LANNET Communications S.A. is under bankruptcy proceedings (during which Multichoice Hellas S.A. has notified its claims to the creditors' team and its claim has been approved as substantiated), while PASSPOINT S.A. remains inactive without evident assets.

For the above mentioned judicial claims, no related provision of income has been made in the financial statements of the Group.

C. Forth-CRS S.A.

The outstanding judicial claims of the subsidiary Forth-CRS S.A. against third parties amount to approximately € 794 thousand. Among the aforementioned claims, the following three significant claims are also included:

(a) A claim of € 205 thousand against the Joint Venture GA FERRIES. Regarding the said claim, Forth-CRS filed a relevant LAWSUIT against the Joint Venture GA FERRIES and the seafaring members that constitute members of the former, before the Multimember Court of First Instance of Piraeus. On the aforementioned Lawsuit, no. 4507/2011 Judgment was issued, which accepted the lawsuit of Forth-CRS. Given that the debts of the aforementioned companies are too high, the chances for the collection of the adjudicated claim are limited.

(b) A claim of € 131 thousand against the Shipping Company SAOS SHIPPING SOCIETE ANONYME OF SAMOTHRAKI (SAOS FERRIES). By virtue of no. 114/30.06.2009 and 151/21/10/2009 Judgments of the Multimember Court of First Instance of Alexandroupoli (ex-parte proceedings of Multimember Court), the opening of the conciliation procedure (article 99 and following ones of the Bankruptcy Code) for the company SAOS FERRIES was ordered. Within the framework of the conciliation procedure, FORTH-CRS agreed to receive all the amount of the debt via recurrent payments within the following six years from the ratification of the conciliation agreement by the Competent Court. Upon relevant petition of SAOS FERRIES before the Multimember Court of First Instance of Alexandroupoli, the relevant achieved Intercreditor Agreement was ratified by the competent Court by its no. 107/2010 Judgment.

c) An initial claim of approximately € 259 thousand against the Shipping Company LESVOS SHIPPING COMPANY S.A. (NEL LINES) was limited –by 80% of the capital-to the amount of approximately € 52 thousand, according to the provisions of no. 124/2013 Judgment of Northern Aegean Court of Appeals, which validated no. 13/09/2012 Restructuring Agreement between NEL-as debtor-and the majority of its documentary and unconfirmed creditors, according to article 106[a] of Law 3588/2007. According to the aforementioned judgment, the amount of approximately € 52 thousand will be paid, without interests and expenses of any nature, in 48 equal in amount monthly installments of € 1,1 thousand each, with 12/06/2014 as the date of commencement of the aforementioned payments. Already the debtor has made five equal in amount payments of the total amount of € 5.4 thousand and 43 installments remain to be paid.

A provision of expense has been made for the above claims in the financial statements of the Group (allowance for doubtful accounts receivable).

D. NETMED N.V.

The outstanding judicial claims of third parties against the subsidiary Netmed N.V. amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development B.V. (before merging by Netmed NV) of 3,528 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens. .

Furthermore, an extrajudicial notice of third party was served against the subsidiary Netmed NV, by which a claim of obligation nature of a third party is notified to the company, arising from a document that bears, according to the assertion of the third party/rights holder, a nature of a procedural guarantee of the company against the third party. The company disputes the validity, effect and binding nature of the specific document. Furthermore, the company, even if it is obliged to pay any amount, is entitled to turn against third parties and seek any paid amounts. Due to the complexity of the issue, we cannot predict whether a litigation will occur, and in the event of a judicial claim, the possible content of its.

E. DIKOMO INVESTMENT SARL

The outstanding judicial claims of third parties against the subsidiary DIKOMO INVESTMENT SARL amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by DIKOMO INVESTMENT SARL of 1,272 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which took place on April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens. .

F. TILEDRASI S.A.

The outstanding judicial claims of third parties against the subsidiary TILLEDRASI S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRASI S.A. of 2,872 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, which was heard on April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens.

For the above mentioned judicial claims no related provision of expense has been made by the Group in its financial statements as the outcome of these judicial claims cannot be estimated.

G. INTERVISION S.A.

The company Intervision Services B.V. has filed a lawsuit dated November 20, 2003 before the Multi-Member First Instance Court of Athens, , against the Greek Football Federation (EPO), by virtue of which the Company requests the fair readjustment/decrease of the fees, that the Company had agreed to pay for the period 2003-2004 with relation to the acquisition of the TV rights of the Greek Soccer Cup, to the amount of 4.4 million €, plus VAT, instead of the amount of 6.4 million € plus VAT, which the Company actually paid.

The hearing of the case took place on November 27, 2013, and a judgment was issued, which rejected the lawsuit, as unfounded on its merits, judging that in the under judgment case the preconditions of the unforeseen change of circumstances as well as the ones of article 288 of the Civil Code, which justify the readjustment-decrease of the fee, do not concur. The outcome of the case was not positive, as expected. The company is entitled to lodge an appeal, but with limited chances of success.

27. SUBSEQUENT EVENTS:

a. The Company Forthnet SA, on July 6, 2016, as part of the official of the Prime Minister's visit to China, signed a Cooperation Agreement with ZTE in order to draw up a business plan for the joint funding and development of new generation networks in Greece.

b. On July 28, 2016 Forthnet S.A. informs the investing public that on 28.7.2016 "Emirates International Telecommunications LLC" (hereinafter "EITL") notified Forthnet of the following, according to the Law 3556/2007:

   1. Forgendo Limited (hereinafter "Forgendo"), in which the company Go Plc (hereinafter "Go") participates by 50% and the company Emirates International Telecommunications (Malta) Limited (EITML) participates by 50%, has transferred all the voting rights that it directly held in Forthnet, namely 45,440,473 voting rights in total, which corresponded to a percentage of 41.273% of the total number of Forthnet's shares, to the above companies Go & EITML, and in particular 22,720,237 voting rights to Go and 22,720,236 voting rights to EITML (hereinafter "Share Transfer").

2. That, following the above Share Transfer, EITL indirectly controls a percentage of 45,213%, which corresponds to 49.775.473 voting rights of Forthnet through the companies:

- EITML, which directly holds 22.720.236 voting rights in Forthnet corresponding to a percentage of 20,636% of the total shares of Forthnet,
- GO Plc, which directly holds 22.720.237 voting rights in Forthnet corresponding to a percentage of 20,636% of the total shares of Forthnet and
- Giradena Limited, which directly holds 4.335.000 voting rights in Forthnet corresponding to a percentage of 3,94% of the total shares of Forthnet.

c. On August 2, 2016 makes public the following transactions on shares of its issuance by Forgendo Limited (hereinafter “Forgendo”), Emirates International Telecommunications (Malta) Limited (hereinafter “EITML”) and Go Plc (hereinafter “Go”), which are closely associated (within the scope of Regulation 596/2014 of the European Parliament and of the Council (hereinafter the “Regulation 596/2014”) with the non-executive President of its Board of Directors, Mr. Deepak Padmanahaban, and the non-executive member of its Board of Directors, Mr. Yiannos Michaelides, following the relevant notification it received by the above legal entities on 28.7.2016:

1. On 25.7.2016, Forgendo transferred Over the Counter to EIMTL and EIMTL acquired by Forgendo 22,720,236 shares issued by Forthnet and identifier GRS406003004 against zero price. The value of this transaction is equal to € 7,134,154.10 based on the closing price of the said shares on the above date.

2. On 25.7.2016, Forgendo transferred Over the Counter to GO and GO acquired by Forgendo 22,720,237 shares issued by Forthnet and identifier GRS406003004 against zero price. The value of this transaction is equal to € 7,134,154.10 based on the closing price of the said shares on the above date. The above transactions took place in the framework of the dissolution and liquidation of Forgendo.

d. In July 2016, a settlement agreement with Group’s suppliers was achieved As a result an amount of € 10.7 million will be classified from”current liabilities (trade payables)” to “long term liabilities”.

e. On August 16, 2016 the Company announced the following:

1. On 10.8.2016, the company Emirates International Telecommunications (Malta) Limited (hereinafter “EITML”), a legal entity controlled by EITL, transferred 22,720,236 shares which were the total amount of EITML’s direct participation in Forthnet and were equal to a percentage of 20.636% of the Company’s share capital and voting rights, to Massar, which is a legal entity controlled by Mr. Abdulaziz Al Ghurair.

2.On 11.8.2016, after transactions on shares of Giradena Limited (hereinafter “Giradena”) by (i) Forgendo Limited (hereinafter “Forgendo”) to its direct shareholders, EITML andGO p.l.c (hereinafter “GO”), and (ii) Massar to EITML and GO. Giradena indirectly became EITL’s subsidiary in whole, directly and equally (50/50) controlled by EITML and GO.

3.On 11.8.2016, Giradena transferred the total number of the shares it held in Forthnet, that is 4,335,000 shares which were equal to a percentage of 3.94% of the Company’s share capital and voting rights as below: (i) 2,167,500 shares which were equal to a percentage of 1.97% of the Company’s share capital and voting rights were transferred to EITML and (ii) 2,167,500 shares which were equal to a percentage of 1.97% of the Company’s share capital and voting rights were transferred to GO.

Following the above transactions, on 11.8.2016:

(a) Giradena holds no shares of Forthnet

(b) EITL holds indirectly through the companies controlled by it, EITML and GO, 27,055,237 shares of Forthnet in total which are equal to a percentage of 24.576% of the Company’s share capital and voting rights. From these 27,055,237 shares of Forthnet, EITML directly holds a total amount of 2,167,500 shares which are equal to a percentage of 1.97% of the Company’s share capital and voting rights and GO, which is directly controlled by EITML, directly holds a total amount of 24,887,737 shares, which are equal to a percentage of 22.606% of the Company’s share capital and voting rights, and

(c) Mr. Abdulaziz Al Ghurair indirectly holds through Massar, controlled by him, 22,720,236 shares of Forthnet, which are equal to a percentage of 20.636% of the Company’s share capital and voting rights.

It is noted that, according to EITL's notification, the transactions mentioned under 3 above, were being made within the framework of the process of the sale by EITML of its stake in GO (namely 60%). During this sale process, EITML and GO are taking all necessary steps in order to ensure that upon completion of the said sale, EITML and GO (under new owners) will be able to manage and take all decisions with regard to their participation in Forthnet entirely independently from one another. Moreover, according to the same notification, Forgendo and Giradena will in the coming weeks be dissolved and liquidated.

Lastly, for the purposes of article 19 of the Regulation 596/2014 and any other applicable provisions of the national legislation, given that the non-executive President and the non-executive member of the Company's Board of Directors, Mr. Deepak Padmanahaban and Mr. Yiannos Michaelides, respectively, are persons that are closely associated (within the meaning of Regulation 596/2014) with EITML and GO the first one and the second one with GO, the Company makes public the below:

(i) The above mentioned under 1 transaction on Forthnet's shares (identifier GRS406003004) was made against gross price 1,012,019.10 Euro (that is net price 1,004,200 Euro plus 7,819.10 for seller's transaction expenses (taxes, commissions, fees).

(ii) The above mentioned under 3 transactions on Forthnet's shares (identifier GRS406003004) were made against zero price in the framework of Giradena's dissolution and liquidation. The value of each of these transactions on the basis of the closing price of the Company's share on the date they were carried out amounts to 769,462.50 Euro.

f) The Company is in the process of issuing a stand-by letter of credit on behalf of its subsidiary Intervision SA over third-party supplier of the latter, which requires a restriction on Company's cash, a pledge over bank account and pledge over the receivables from the "Koinonia tis Pliroforias SA", total amount of appr. 4.8 million euros .

g) On August 18, 2016 announced that EITML on 16.8.2016, transferred over the counter 2,167,500 shares issued by Forthnet, which were equal to a percentage of 1.97% of Forthnet's share capital and voting rights. The above transaction on Forthnet's shares (identifier GRS406003004) was made against gross price 95,800.00 Euro (that is net price 94,857.36 Euro plus 962.64 for seller's transaction expenses (taxes, commissions, fees).

h) On August 26, 2016 announced, by virtue of the notifications dated as of August 25, 2016 according to Law 3556/2007, the company under the name Emirates International Telecommunications LLC (hereinafter "EITL") and the Tunisian State through its Minister of Technology, Communication and Digital Economy (hereinafter "the Tunisian State") have notified accordingly Forthnet on the following:
1. On August 23, 2016, the company under the name Emirates International Telecommunications (Malta) Limited (hereinafter «EITML»), subsidiary in whole of EITL, has transferred its total participation (of a percentage of 60%) in Go Plc share capital (hereinafter "Go"), direct shareholder of Forthnet, to the company under the name TT ML limited, subsidiary in whole of Tunisie Télécom (hereinafter "Participation Transfer"). Tunisie Télécom is controlled by the Tunisian State, which holds a percentage of 65% of the company's share capital and voting rights, while the remaining percentage of 35% belongs to an EITL's subsidiary, which does not have control over Tunisie Télécom.
2. Further to the Participation Transfer:
(a) The Tunisian State, Tunisie Télécom and TT ML Limited, indirectly hold, through Go, 24.887.737 shares and voting rights in Forthnet which are equal to a percentage of 22,605%of the Company's total shares, while
(b) EITL and EITML do not anymore hold, directly or indirectly, any voting rights in Forthnet's share capital.

As a consequence of EITL's disinvestment due to (i) the transfers of 22.720.236 and 2.167.500of the Existing Shares owned by EITML which took place on 10.8.2016 and 16.8.2016 respectively as well as (ii) the completion of the acquisition of GO on 23.8.2016 (which owns directly 24.887.737 of the Existing Shares) by TT LM Limited, Tunisie Telecom's affiliate, a "Change in Control" has occurred, as defined in the program issuance terms of Forthnet's Common Bond Loan dated as of 22.7.2011 as well as FM's Common Bond Loans dated as of 14.5.2008 and 22.7.2011 and thus there was an activation of the Lending Banks' right to terminate said loans due to lack of prior consent to said change from their end. The Company, by virtue of the letter dated as of 25.8.2016 has already requested the Lending Banks' waiver from the above right and their answer is pending.

Iraklion, August 28, 2016

President of the Board of Directors	**Vice President of the Board of Directors and Chief Executive Officer**
Deepak Srinivas Padmanabhan Passport No. Z 2918778	Panagiotis Papadopoulos I.D. Σ676330
Group Financial Director	**Deputy Financial Director**
Michalis Ramakis ID Number AI 611898 License Number O.E.E. 0004719 A' Class	George Mantzoros ID Number AK 231579 License Number O.E.E. 0005375 A' Class
Group Financial Reporting Manager	**Group Accounting Manager**
Georgia Gali ID Number X 091299	Polychronis Katsaris ID Number AK 012888 License Number O.E.E. 0001049 A' Class

REPORT FOR THE APPROPRIATION OF RAISED CAPITAL ARISING BY SHARE CAPITAL INCREASE

It is notified, according to the 25/17-07-2008 resolution of the BoD of the Athens Exchange and the 7/448/11-10-2007 decision of the BoD of the Hellenic Capital Markets Commission, that from the Company's share capital increase with public offering in favor of the existing shareholders, an amount of Euro 29,143,372.50 was raised, less expenses of Euro 651,677.45, totaling to the net amount of Euro 29,078,205.05.

The share capital increase was performed according to the 23.08.2012 resolution of the Extraordinary General Meeting of the Company Shareholders, the 21.08.2013 resolution of the Board of Directors and the Prospectus approved during the 1/665/29.11.2013 meeting of the BoD of the Hellenic Capital Market Commission, as supplemented and approved by the 23.12.2013 meeting of the BoD of the aforementioned Commission. As a result of the share capital increase 97,144,575 new common registered shares were issued, of nominal value of Euro 0,30 each one.

The proceeds from the share capital increase, as mentioned in the Prospectus for the share capital increase, after its supplement and in connection to the 29.05.2014 and 28.5.2015 resolutions of the BoD of the Company regarding the change in the use of the raised capital in order for the Company to implement its targets, to meet its operational and development needs and to materialize its investment plan, and the approval of the aforementioned change in the use, by the 24.06.2014 and 26.6.2015 resolutions of the Ordinary General Meeting of the Company shareholders, were used through 30/06/2016 as follows:

Category of Use of Capital Raised (amounts in thd of €)	Category of Use of Capital Raised	Change in Use	New Category of Use of Capital Raised as of G.A. 24.6.2014	Change in Use	New Category of Use of Capital Raised as of G.A.26.6.2015	Time schedule from the date of Issuance (months)	Use of proceeds in thd euros				Unused proceeds
							Y2013	Y2014	Y2015	1H 2016	
Development of the client base of the Company (provision of router, activation fees, commission of cooperators for acquisition of new clients and expenses for the first installation of the equipment)	12.000	-5.000	7.000		7.000	18	0	7.000	0		0
Furtherance of current and any long term liabilities of the Company arising by loan agreements	10.000		10.000		10.000	30	0	4.419	4.247	1.334	0
Repayment of suppliers of the Company	4.743	5.000	9.743	1.750	11.493	21	0	9.743	1.750		0
Coverage of own contribution of the Company in the under examination investment plan of Law 3908/2011, provided that the file regarding the participation of the Company in the aforementioned investment plan is approved	1.750		1.750	-1.750	0		0	0	0		0
Issuance expenses	651		651		651		0	651	0		0
Total Raised Capital	**29.143**	**0**	**29.143**	**0**	**29.143**		**0**	**21.813**	**5.997**	**1.334**	**0**

Iraklion, August 28, 2016

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer	Group Finance Director
Deepak Srinivas Padmanabhan	Panagiotis Papadopoulos	Michalis Ramakis
Passport No. Z 2918778	I.D. Σ 676330	ID Number AI 611898 License Number O.E.E. 0004719 A’ Class

Deputy Finance Director	Group Financial Reporting Manager	Group Accounting Manager
George Mantzoros	Georgia Gali	Polychronis Katsaris
ID Number AK 231579 License Number O.E.E. 0005375 A’ Class	ID Number X 091299	ID Number AK 012888 License Number O.E.E. 0001049 A’ Class