Forthnet

Interim Financial Report

For the period
1 January 2017 to 30 June 2017

According to Law 3556/2007

Forthnet S.A.
Registration Number S.A. 34461/06/B/95/94
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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

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, 2017 to June 30, 2017, 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 7, 2017

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

The report of the Board of Directors of the Hellenic Company for Telecommunications and Telematic Applications S.A. (hereafter refer to as "Forthnet" or the "Company") has been prepared in accordance with the article 5, law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and) for the period January 1, 2017 to June 30, 2017.

The Board of Directors report includes an analysis of the Company's financial performance for the period ended June 30, 2017, the significant events which took place in the first half of 2017, a presentation of the principal risks and uncertainties for the first half of 2017, and the Group's and the Company's significant transactions with related parties.

1. Performance and Key Financial Highlights

- Total (normalized) revenues stood at 149,5 million euro and EBITDA at 16.1 million euro.
- 3Play/bundled subscribers at 296k.
- Broadband subscribers at 572k.
- Pay TV subscribers at 423k.
- The subscriber base declined as a result of the cautious commercial policy, the imposition of a 10% tax on Pay-TV and 5% tax on fixed telephony and because of the conservative commercial policy followed by the company as well.
- The underperformance of the Super League has contributed decisively to the decline in financial figures - The company has exhausted all negotiation without result and has filed a lawsuit for price reduction of the collective management agreement.
- Total Business revenue increased by 7,0% while Advertising revenue increased by 18.1%.

	6M 2017	6M 2016	Variance
Total Subscriptions	**995,585**	**1,073,067**	**-7,2%**
Unique Households	699,435	744,606	-6,1%
Households with 3play/Bundled Services	296,150	328,461	-9,8%
Broadband subscribers	572,306	612,815	-6,6%
Pay TV Customers in Greece	423,279	460,252	-8,0%

(.000€)	6M 2017	6M 2016	Variance
Revenue (including other income)	149,353	165,294	-9.6%
Revenue (normalized)*	149,535	165,510	-9.7%
EBITDA	16,099	26,815	-40.0%

**Normalization relates to a reclassification in business revenues which presented in expenses, based on accounting policy.*

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

«The continuing recession of the Greek Economy coupled with the 10% tax on pay-TV and 5% tax on fixed telephony had a negative impact on the purchasing power of households in the first half of 2017. At the same time, the continuing low performance of the Super League has a negative effect not only In our subscription base, but also in our basic financial figures. In this unfavorable macroeconomic environment, we continue to implement a conservative commercial policy and take actions to further improve our costing model.»

Bundling/3Play

At the end of the first half of 2017, Forthnet served 296,2K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base is over 42.3%.

	6M 2017	6M 2016	Variance
Households with 3play/Bundled Services	296,150	328,461	-9.8%
Households with 3play/Bundled Services as % of total	42.3%	44.1%	-1.8p.p.

Telco

At the end of the first half of 2017 our LLU customers decreased to 557,1K.

	6M 2017	6M 2016	Variance
Broadband subscribers3	572,306	612,815	-6.6%
Active LLU customers	557,106	596,743	-6.6%
Unbundling Ratio	97.3%	97.4%	-0,1p.p.
LLU market share	26,5%	29,0%	-2,5%

Pay TV

At the end of the first half of 2017, the Pay TV subscriber base reached 423,3K customers.

	6M 2017	6M 2016	Variance
Pay TV customers in Greece	423,279	460,252	-8.0%

Financial Highlights for the first half of 2017

Consolidated normalized revenues for the first half of 2017 amounted to € 149.5 million, decreased from the first half of 2016, due to the decline in consumer spending and a conservative approach to our commercial policy. Revenue from advertising improved by 18.1% as a result of the continuously upgraded content of Nova's TV program, and revenue from Corporate customers increased by 7.0%.

	6M 2017	6M 2016	Variance
Total Retail	**110,583**	**128,880**	-14.2%
Telco Retail	59,083	66,849	-11.6%
Pay TV Retail	51,500	62,031	-17.0%
Total Business	**28,227**	**26,372**	**7.0%**
Total Business (normalized)*	**28,408**	**26,590**	**6.8%**
Telco Business	18,940	17,180	10.2%
Pay TV Business (normalized)1	19,121	17,396	9.9%
Pay TV Business	9,287	9,193	1.0%
Advertising	4,888	4,140	18.1%
Other revenues	5,656	5,901	-4.2%
Total revenues	149,353	165,294	-9.6%
Total revenues (normalized)	149,535	165,511	-9.7%

**Normalization relates to a reclassification in business revenues which presented in expenses, based on accounting policy.*

- EBITDA for the first half of 2017 amounted to €16.1 million, compared to €26.8 million in the first half of 2016, mainly driven from the price depression and the adverse economic climate.

	6M 2017	6M 2016	Variance
Revenues including other income	149,353	165,294	-9.6%
Revenues (normalized)	149,535	165,510	-9.7%
EBITDA	16,099	26,815	-40.0%
EBITDA margin	10.8%	16.2%	-5.4%

- Total Bank debt as at June 30, 2017 amounted to € 255 million.

2. Significant events for the 1st half of 2017

Refinancing of the Group's loan obligations

1. Following negotiations with lending banks, the Group came to an agreement with regard to the key terms of refinancing of the Group's current loan obligations deriving from the contracts of existing ordinary bond loans issued by the Company and Forthnet Media S.A. ("F.M.") of a total amount of € 255 million, concluded by the Company and its subsidiary, with the lending banks ("Existing OBLs"). In particular, on 15.6.2016 lending banks sent the detailed refinancing key terms to the Company (hereafter referred to as the "Refinancing"), which were approved by the Company's BoD on 21.6.2016. According to the agreement on the key terms, refinancing is foreseen on the following:

(i) Forthnet's existing loan obligations, with the issue of a new ordinary, with collaterals in rem, bond loan, of a total amount of € 78,461,538, co-organised by the National Bank of Greece, Piraeus Bank and Attica Bank, following their binding proposal dated 15.06.2016. Said bond loan shall have an eight-year term, variable interest rate and shall be issued under the guarantee of the Company's subsidiary, Forthnet Media S.A., and

(ii) FM's existing loan obligations, with the issue of a new ordinary, with collaterals in rem, bond loan, of a total amount of € 176,538,462 co-organised by the National Bank of Greece, Piraeus Bank and Alpha Bank, following their binding proposal dated 15.06.2016. Said bond loan shall have an eight-year term, variable interest rate and shall be issued under the guarantee of the Company.

The issue of the above new ordinary bond loans ("New OBLs") and their coverage by concerned 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 million, in payment of their respective existing ordinary bond loans obligations of a total amount of € 325 million.

2. Subsequently, the Company, following a relevant resolution by its Board of Directors dated 21.6.2016 granting approval, and by virtue of relevant authorization granted by the Ordinary General Assembly of Company shareholders dated 28.06.2011, proceeded in the issue of a convertible bond loan of a total amount of up to €99,087,466.50 with pre-emption right in favor of its older bond holders, in accordance with C.L. 2190/1920 article 3a, L. 3156/2003 and other provisions of applicable Law (hereafter referred to as the "Convertible Bond Loan"). The Company, through the Convertible Bond Loan raised in total the amount of € 70,124,680 and certified partial coverage thereof. Following that, the minimum amount of €70,000,000 required and set as a key condition for the Refinancing was raised, and was paid to the lending banks. Consequently, the key condition for the Refinancing of the Existing OBLs was fulfilled.

3. The Group, having fulfilled the key obligation to repay the € 70 million, is currently in advanced discussions with the lending Banks with regard to the signing of relevant contracts and finalization of the Refinancing process of the Existing OBLs. The Group recently received, from the lending banks, drafts of the above mentioned contracts and is currently reviewing them.

Content Rights

During the 1st half of 2017, the Company:

- Maintained and strengthened all of its existing agreements for the exclusive broadcasting of all the important properties, which constitute part of its sports content portfolio, such as the Greek Super League Championship, the leading European basketball teams' competition «Euroleague Basketball», the newly formed basketball competition of FIBA «Basketball Champions League», the most renowned and iconic tennis tournament of The Wimbledon Championships etc..
- Furthermore, the Company extended its partnership for the airing of the top international summer football tournament "International Champions Cup 2017", as well as for the broadcasting for two additional years of the four (4) major golf tournaments.
- Further to the above, the Company secured certain qualifying games of Greek teams participating in the European football organizations.
- It has successfully concluded a renewal for exclusive 1st pay tv rights, in Greece & Cyprus, with Twentieth Century Fox, one of the greatest studios from the big 6 in Hollywood, who every year produces some of the highest blockbusters in the American, but also in the Greek, Box Offices.

- The company continues to offer to its subscribers a variety of 1st pay tv Films & Series, on an exclusive basis, from other Major Studios & productions companies of Hollywood, as well as from several mini-majors & other international content providers, as well as local distributors.
- Renewed its multi-year partnership with the famous & popular Fox channels (FOX & FOXLIFE), as well as with the E! Entertainment & Travel Channel.
- Especially for summer 2017, launched an additional channel, the Novasummer channel, offering a variety of movies for the whole family.
- For the 1st time in Greece, the company secured the rights to offer to its subscribers on an on demand basis and at the same period of time, all episodes from all previous seasons of the phenomenon series, Game of Thrones.
- In addition, special focus has been given on the enrichment of the content offered through the NovaOnDemand service, by adding new categories, like monthly tributes, kids zone, box sets of series, etc.

New services, Network Development and Investments
During the 1st half of 2017 Forthnet:

- Completed the activation of twenty two (22) Electro Generators (EG) and replace batteries in fourteen (14) critical Local Exchanges (OTE)
- Completed the activation of two (2) new 10G peerings with Facebook in Sophia. Total interconnection capacity with Facebook: 40G (20G Content Distribution Network (CDN), 20G Peering)
- Upgraded the Distributed Denial of Service security system (DDoS) from 5G to 10G, enforcing the protection of customer services from 89% to 97%.
- Delivered the 3rd phase of the IMS project: interconnection with OTE and other operators over IMS. In parallel the procedure for migrating the interconnections has started.
- Developed, in cooperation with Wind, the 3G over Multiprotocol Label Switching service (MPLS), for VPN Business & Corporate services.

3. Prospects for the 2nd half of 2017

For the second half of 2017, 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 2017 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 the 2nd half of the year will 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 2017 Forthnet will continue cost savings initiatives seeking improving operational efficiencies and extract maximum value out of existing tangible and intangible assets.

4. Principal risks and uncertainties for the 2nd half of 2017

Risks associated with macroeconomic developments

- Economic and political conditions and uncertainty in Greece have adversely affected the Group and may continue to have a negative effect on the Group's business activity, financial situation, operating results and prospects.

- The ongoing economic crisis may adversely affect both the Group's ability to raise capital and its borrowing costs, which could have an adverse effect on the Group's business activity, financial situation and prospects.

- Changes in consumer behavior, which depends on the prevailing economic conditions, could adversely affect demand for the Group's products and services, which could have an adverse impact on the Group's business activity, financial situation and operating results.

- Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment in Greece in order to ensure that all necessary actions and measures are taken to minimize any impact on the Group's operations in Greece. Management is not in a position to accurately predict possible developments in the Greek economy, but based on its assessment, management has concluded that no additional impairment provisions are required for the Group's financial and non-financial assets as at 30 June 2017 .

Risks associated with the business activity of the Group and its area of activity

- The inadequacy of the Group's working capital for the 12 months following the date of this report by the Board of Directors and the uncertainty concerning the efficacy of the actions intended to remedy this inadequacy indicate substantial uncertainty concerning the possibility of continuation of the activity carried out by the Company and the other members of the Group.

  In the view of the Group's Management, considering the current data and the requirement of successful completion of the Refinancing of the group's borrowings deriving from the contracts of the ordinary bond loans issued by the Company and FM, amounting to EUR 255 million in total, concluded by the Company and its subsidiary, Forthnet Media S.A. ("FM") and lending banks ("Existing OBLs", see also Note 3 of current financial statements, Continuation of Activity), cash needs in working capital for the 12 months following the signing of these financial statements will amount to approximately EUR 51,6 million. Management will aim at covering this amount by further reducing the Group's operating cost, extending the repayment time of its suppliers, taking out a new short-term loan and, finally, raising new capital from the Shareholders and/or any interested third-party investors.

  If the above actions by Management do not succeed or prove inadequate due to the instability and uncertainty prevailing in Greece and internationally, as well as uncertainty concerning the implementation of these actions (particularly those not exclusively dependent on the Group's Management), resulting in the total or partial coverage of cash needs in working capital being impossible, then the results, operation and prospects of the Group may be adversely affected.

- The financial condition, prospects and the possibility of the Company and the other members of the Group to continue their activity depend on the completion of the Refinancing.

  As stated in Note 6 of these financial statements (Going Concern), the group reached an agreement with the lending banks concerning the main terms of the refinancing of Existing OBLs amounting to EUR 255 million in total. In order for the Refinancing to take place, the deposit of a necessary minimum sum of EUR 70 million is required, inter alia. Through the recently issued convertible bond loan, the Company raised the sum of EUR 70,124,680 in total (hereinafter "CBL", see also Note 6, Going Concern), certified its partial subscription and paid the lending banks the necessary minimum sum of EUR 70 million. Thus, the main requirement undertaken by the Company to the lending banks for the Refinancing of the Existing OBLs was fulfilled. Having fulfilled the main obligation of repaying the sum of EUR 70 million, the Group is in advanced discussions with its lending Banks in order to sign the relevant contracts and complete the Refinancing of the Existing OBLs.

If the Refinancing is not completed, the lending banks will have the right to terminate the Existing OBLs and claim their immediate repayment. In this case, the Company and Forthnet Media will not be able to repay the Existing OBLs, resulting in substantial uncertainty concerning the possibility of the Company and the other companies of the Group to continue their activity.

Until the completion of the Refinancing, breach of the contractual terms of the Existing OBLs by the Company and Forthnet Media and any non-compliance with their requests to the Lending Banks in question concerning the adjustment or addressing of its consequences could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

In the past, the Company and Forthnet Media had requested and received from the Lending Banks in question either adjustments, such as time extensions for the discharge of their obligations, or their consent or tolerance concerning non-compliance with material terms of the Existing OBLs. If the Company and/or Forthnet Media do not comply with material terms required under the Existing OBLs and the Lending Banks in question do not accept ending or new requests by the Company and Forthnet Media regarding their non-compliance with such terms of the Existing OBLs and terminate these loans before the Refinancing is complete, the Refinancing may be cancelled, while the Company and Forthnet Media will not be able to repay the Existing OBLs; these prospects could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

- The smooth operation of the Company's activity, its financial situation and prospects also depend on its ability to duly comply with the terms of the CBL, as well as its high bank borrowing following the completion of the Refinancing, and to comply with the financial indexes and other terms of the New OBLs, which will be determined and specified at a subsequent stage, during the negotiation of the contractual texts for the issuance and subscription of the new ordinary bond loans to be issued by the Company and FM in the context of the Refinancing. More specifically, the structure of the Refinancing consists of the following: (i) The issuance of an in rem secured ordinary bond loan by the Company for the total sum of EUR 78,461,538, jointly organised under the National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, for eight years with a three-year grace period and with 31/12/2018 as the date of deposit of the first debt service instalment, bearing a floating six-month Euribor interest rate plus spread, to be issued with collateral security provided by FM; (ii) The issuance of an in rem secured ordinary bond loan by FB for the total sum of EUR 176,538,462, jointly organised under the National Bank of Greece, Piraeus Bank and Alpha Bank, for eight years with a three-year grace period and with 31/12/2018 as the date of deposit of the first debt service instalment, bearing a floating six-month Euribor interest rate plus spread, to be issued with collateral security provided by the Company. Breach of any contractual obligations agreed upon in the context of the New OBLs could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

- Any early expiration or non-renewal of the content rights expiring or inability to enrich the current program of the Group will have a substantially adverse impact on its financial situation, operating results and prospects. The Group maintains important collaborations for the acquisitions of exclusive television rights to broadcast appealing audiovisual content.

  The Group takes the actions necessary for the timely renewal of content rights and their enrichment with new rights over a variety of content in order to remain up to date and competitive. Any early expiration or non-renewal of the Group's important collaborations with producers, beneficiaries or distributors of sports, entertainment, news, educational or other content or inability to enrich the content of its current programming either generally or under commercially reasonable terms could have a substantially adverse impact on the business activity, financial situation, operating results and prospects of the Group.

- The Group does not have significant concentration of credit risk, as its receivables originate from a broad customer base. The Group's exchange rate risk fluctuates during the year, depending on the volume of transactions in foreign currency. Furthermore, the risk of an increase in loans bearing a floating interest rate could have an adverse effect on the Group's business activity, financial situation and operating results.

- The Group relies on its executives and its personnel. Its ability to remain competitive and effectively implement its business strategy greatly depends on the services provided by its executives and personnel in general.

- Frequent changes in taxation and insurance legislation increase uncertainty, decrease programming capability and may have a substantially adverse impact on the Group's business activity, financial situation and operating results.
- Major Shareholders may affect important decisions made in relation to the Group and any conflict of interest concerning them could have a substantially adverse impact on the Group's activities, financial situation, operating results and prospects. Due to their participation percentage, Major Shareholders may exert substantial influence over decisions made on matters that come under the competency of the General Meeting, particularly matters that require a qualified quorum and majority under Codified Law 2190/1920 and the Articles of Association, such as, among others, increasing and decreasing the share capital, issuing convertible bonds, changing the Company's nationality and purpose, merger, split, dissolution, alterations to the profit distribution method and other corporate acts.

- The operation and development of the Group and its ability to provide services to subscribers depends on the provider with Significant Market Power.

  The Group utilizes numerous regulated Wholesale Products & Services marketed in Greece by the provider with Significant Market Power appointed by the EETT (in this case, OTE), in order to assemble and provide telecommunications services to its subscribers. These products and services include Unbundled Access to the Local Loop, Wholesale Broadband Access, Wholesale Leasing of Lines, Interconnection, etc. As a result, the provision of the above by the Group is directly dependent on OTE. The improper operation of the processes and wholesale products and services provided by OTE could have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The Group's ability to maintain its existing customers and to attract new ones depends on its own ability to successfully respond to the requirements of the market and possibly on other factors beyond its control.

  The Group's success in maintaining its existing customers and attracting new ones greatly depends on the capability of offering products and services that are attractively priced in relation to the competition and the financial capabilities of Greek households and enterprises, on the ability to invest in the quality of the services offered (including the provision of effective services to its customer base) and on its ability to maintain the level of its technical infrastructure and the appeal of its TV content.

  If the Group does not succeed in attracting new customers and/or maintaining its existing ones, does not ensure or renew television programs with appealing content and cannot respond to support requests from new or existing customers in a timely and consistent manner, its revenue and cash-flow may decrease and this may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- If the Group does not succeed in efficiently or otherwise interconnecting with other telecommunication service providers, it may not be able to offer its services.

  The Group's ability to provide high-quality and cost-effective services greatly depends on the direct interconnection of its networks to those of third party operators of telecommunications services in Greece - including OTE and alternative providers of broadband services - and internationally. It cannot be ensured that these third-party operators will respond to access request in an effective or timely manner, or that there will be no further disruptions regarding the Group's interconnection with their networks. The Group's subscription television programming is broadcast to its customers via various satellite transmitters. The Group has concluded satellite capacity leasing contracts for the broadcast of its programming. If commercial or technological developments show that the satellite space available for the Group is inadequate, the Group may be forced to incur major expenditure in order to lease additional access to satellite broadcast space. Any inability of, problems with or hindrances to interconnection with the above-mentioned networks could affect the Group's ability to provide its services, which could, in turn, have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The Group depends on the reliability of its own networks or of third-party networks, and any system failure or breach of security and non-authorized access to its programme signals may result in a loss of customers and revenue.

  The Group is able to provides services only to the extent to which it can maintain and support its network systems facing failures due to connection problems or blackouts, natural disasters, terrorist actions or sabotage, computer viruses and unauthorized access. Furthermore, should a disruption or breach of security lead to loss or destruction of data or client applications or to improper disclosure of confidential information, the Group could incur major expenditure, including liability and the cost of restoring the losses caused by the disruptions or security breaches in question. System failures, accidents, security breaches that cause the Group's work to cease and the loss or destruction of data or customer applications or improper disclosure of confidential information could lead to loss of customers and have a substantially adverse impact on the Group's business activity, financial situation and operating results. Furthermore, the operation of satellite is beyond the Group's control. Satellites are subject to substantial risks, such as defects, incorrect orbital position, destruction and/or damage that could block or hinder proper business activities.

  In the case of satellite failure, the Group would be forced to conclude alternative agreements in order to secure transmitters. If the group is forced to acquire alternative transmitters, customers may have to adjust their satellite antennae anew in order to receive broadcast signals, which could prove difficult and costly to implement. As such, if the Group does not secure adequate satellite transmission capacity in a timely manner and under financially acceptable conditions, this could have a substantially adverse impact on the Group's business activity, financial situation, operating results and prospects.

  Any substantial damage, failure or obsolescence of the equipment, blackout, natural disaster, terrorist action or sabotage or breach of the network or security of the computer system affecting the connected systems and networks on which the Group relies and depends, as well as unauthorized access to the Group's programming signals could lead to loss of customers and revenue, having a substantially adverse impact on the Group's business activity, financial situation and operating results.

- Additionally, the Group faces the risk of access to its programming signal by unauthorized users. The provision of a subscription programme requires the use of encryption technology to prevent unauthorized access to the programme, i.e. 'piracy'. The Group uses encryption technology of high specifications for the secure transmission of its subscription TV signal. However, no technology can fully prevent piracy, and essentially all subscription TV markets are characterized - each to a varying extent - by piracy, which takes on various forms. Moreover, encryption technology cannot fully block illegal retransmission or joint use of a television signal once it has been decoded. If the Group does not continue to use suitable means and measures to prevent unauthorized access to television broadcasts, the Group's ability to conclude contracts for the provision of programming services could be adversely affected and, in any case, will result in loss of revenue from customers receiving pirated signals.

  Furthermore, the Group faces a severe risk of provision of services to the public by third party interference in the satellite frequencies it uses. Although the Group has included relevant provisions in the satellite capacity provision contract, as a result of the above, it could suffer a substantially adverse impact on its business activity, financial situation, operating results and prospects.

- The Group's ability to provide services to its subscribers and maintain the high level of quality of services depends on the ability to maintain and support critical equipment.

- The Group relies on third parties for the sale of its products and services to retail customers. Any failure by the Group to effectively manage the network of its commercial collaborators may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The occurrence of non-insured incidents / risks and/or the inability of the Company and/or any insured party of the Group to be immediately and fully indemnified could have an adverse effect on the Group's operation, results and financial situation.

- The Greek telecommunications and subscription television sector is characterized by intense competition. If the Group does not utilize capabilities in order to successfully compete against other participants in the telecommunications and subscription television market, as well as new and/or existing platforms for the distribution of subscription content (satellite alternatives) such as the Internet (using IPTV, VoD, SVoD and other services) by offering appealing services at favorable prices, it may lose customers and fail in attracting new customers, leading to an adverse impact on the Group's business activity, financial situation and operating results.

- The Group may be adversely affected by the consequences of continuous technology changes. The business sector of provision of telecommunication services and subscription television is of high capital intensity and is subject to rapid and important technology changes. Continuous technological progress could force the Group to engage in extensive capital investment in order to maintain its competitiveness, either due to the cost of integrating new technologies (e.g. next generation access [NGA] networks) or improving or replacing its systems in order to keep them compatible, or due to the possibility of obsolescence of its infrastructure. Furthermore, the Group's ability to invest or adequately invest to new technologies (such as new generation network NGAs and / or to successfully adapt to technology changes and to provide new or improved services in a timely and financially efficient manner, or the ability to successfully predict customer requirements will determine the Group's ability to maintain and improve its market share to a great extent. Any failure by the Group to effectively respond to technology changes may have a substantially adverse impact on its business activity, financial situation, operating results and prospects.

- The legislative and regulatory environment is constantly evolving and is uncertain. The regulatory framework in place, as well as future changes in laws, regulations, government policy or the interpretation of the legislation in force may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The provision of electronic communications services in Greece is subject to regulatory rules based on the principles established by the regulatory framework of the European Union concerning, among other things, numbering, licensing, competition, prices, local loop and sub-loop unbundling, interconnection and leased lines, next generation access (NGA) networks, protection and security of personal data. Despite the existence of a legislative framework in Greece governing the sector of electronic communications and subscription television, it is hard at times, also due to the rapid evolution of technology, to predict with any certainty the precise manner in which new laws and regulations will be interpreted and/or applied by the regulatory authorities or the Courts, the impact that these new laws and regulations may have on the Group and its business activity, or the specific actions that the Group may have to take or the extent of expenditure and resources that may be required for the Group's compliance. The regulatory framework in place, as well as future changes in laws, regulations, government policy or the interpretation of the legislation in force may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- Breaches of the law on consumer protection and the relevant sanctions may adversely affect the Group's business activity and reputation.

- The Group could lose some of its more important programme rights if the European Commission or the national authorities for protection of competition do not allow the acquisition of long-term exclusive broadcasting rights. The enactment of regulatory or legislative measures concerning the provision of sports rights or movies could preclude or limit the Group's acquisition of long-term exclusive broadcasting rights and, therefore, hinder the implementation of its strategy for expanding its customer base; such a development could have an adverse effect on the Group's financial situation, operating results and prospects.

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 Group'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	30.06.2017	925,887	1,511,891
		30.06.2016	665,635	1,599,124
Vodafone – Panafon S.A.	Shareholder	30.06.2017	483,748	1,065,129
		30.06.2016	423,232	1,297,261
Technology and Research Foundation	Shareholder	30.06.2017	30,708	410
		30.06.2016	30,301	34,554
Vodafone Ltd.	Related Party	30.06.2017	779,901	884,421
		30.06.2016	1,295,849	1,206,430
Cablenet Ltd	Related Party	30.06.2017	2,815	35,250
		30.06.2016	-	-
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		30.06.2016	-	-
Total 30.06.2017			**2,223,059**	**3,497,101**
Total 30.06.2016			**2,415,017**	**4,137,369**

Related Party	Relation with Forthnet	Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2017	435,078	363,767
		31.12.2016	540,142	649,847
Vodafone – Panafon S.A.	Shareholder	30.06.2017	172,857	263,160
		31.12.2016	252,164	495,557
Technology and Research Foundation	Shareholder	30.06.2017	41,367	945
		31.12.2016	47,751	4,761
Lumiere Productions S.A.	Shareholder	30.06.2017	-	6,378
		31.12.2016	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2017	-	10
		31.12.2016	-	10
Vodafone Ltd.	Related Party	30.06.2017	1,367,162	1,414,984
		31.12.2016	587,260	530,563
Cablenet Ltd	Related Party	30.06.2017	1,020	7,650
		31.12.2016	1,265	15,250
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		31.12.2016	-	598,544
Hellas Online	Related Party	30.06.2017	11	117
		31.12.2016	11	117
Telemedicine Technologies S.A.	Associate	30.06.2017	3,734	-
		31.12.2016	3,734	-
Athlonet S.A.	Associate	30.06.2017	11,502	8,060
		31.12.2016	11,502	8,060
Total 30.06.2017			**2,032,731**	**2,065,071**
Total 31.12.2016			**1.443.829**	**2,309,087**

- 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 revenues and costs from Vodafone S.A., Vodafone Ltd and its subsidiary Hellas Online S.A. are related to interconnection fees and leased lines.
- Emirates International Telecommunications LLC, a related party up until 31 December 2016, provides technical and other services to support various operations and functions of the Forthnet Group's business.
- The cost from Cablenet Ltd. is related to interconnection leased lines services to customers.

The Company's transactions 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	30.06.2017	925,887	1,474,679
		30.06.2016	665,635	1,559,547
Vodafone – Panafon S.A.	Shareholder	30.06.2017	465,566	1,063,240
		30.06.2016	404,865	1,295,778
Technology and Research Foundation	Shareholder	30.06.2017	30,708	410
		30.06.2016	30,301	34,554
Vodafone Ltd.	Related Party	30.06.2017	779,901	884,421
		30.06.2016	1,295,849	1,206,430
Cablenet Ltd	Related Party	30.06.2017	2,815	35,250
		30.06.2016	-	10,297
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		30.06.2016	-	-
Forth CRS S.A.	Subsidiary	30.06.2017	42,597	61,771
		30.06.2016	53,341	87,715
Forthnet Media S.A.	Subsidiary	30.06.2017	3,869,588	467,578
		30.06.2016	4,157,208	546,079
NetMed S.A.	Subsidiary	30.06.2017	57,556	-
		30.06.2016	49,966	-
Total 30.06.2017			**6,174,618**	**3,987,349**
Total 30.06.2016			**6,657,165**	**4,740,400**

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

Related Party	Relation with Forthnet	Period ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2017	435,059	355,670
		31.12.2016	540,123	644,375
Vodafone – Panafon S.A.	Shareholder	30.06.2017	163,839	263,052
		31.12.2016	238,637	495,451
Technology and Research Foundation	Shareholder	30.06.2017	35,595	980
		31.12.2016	41,979	4,796
Vodafone Ltd.	Related Party	30.06.2017	1,367,161	1,414,984
		31.12.2016	587,260	530,563
Cablenet Ltd	Related Party	30.06.2017	1,020	7,650
		31.12.2016	1,265	15,250
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		31.12.2016	-	598,544
Telemedicine Technologies S.A.	Associate	30.06.2017	3,734	-
		31.12.2016	3,734	-
Athlonet S.A.	Associate	30.06.2017	11,502	8,060
		31.12.2016	11,502	8,060
Forth CRS S.A.	Subsidiary	30.06.2017	-	72,689
		31.12.2016	-	64,387
Forthnet Media S.A.	Subsidiary	30.06.2017	96,946,188	8,256,260
		31.12.2016	94,230,374	2,589,725
NetMed S.A.	Subsidiary	30.06.2017	815,686	91,791
		31.12.2016	744,316	42,394
Intervision Services BV	Subsidiary	30.06.2017	93,963	-
		31.12.2016	93,963	-
Total 30.06.2017			**99,873,747**	**10,471,136**
Total 31.12.2016			**96,493,153**	**4,993,545**

- 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.

- 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.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group for the six months ended 2017 and 2016 are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2017	01.01-30.6.2016	01.01-30.6.2017	01.01-30.6.2016
Salaries and fees for executive members of the BoD	244,116	147,638	244,116	147,638
Salaries and fees for non-executive members of the BoD	163,587	130,014	163,587	130,014
Salaries and fees for senior managers	1,084,798	896,490	670,566	567,867
Total	**1,492,501**	**1,174,142**	**1,078,269**	**845,519**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 29,558 for the Group and € € 27,511 for the Company respectively (June 30, 2016: € 40,287 for the Group and € 31.316 for the Company), whereas benefits relating to leaving indemnities amounted to € 46,699 for both the Group and the Company (June 30, 2016: € 107,317 for both the Group and the Company).

Iraklio, 7 August 2017

Deepak Srinivas Padmanabhan

President

Of the Board of Directors

ERNST & YOUNG (HELLAS)
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Building a better working world

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
(THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK)

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, 2017, 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 applicable 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 6 to the interim condensed separate and consolidated financial statements which indicates that, at June 30, 2017, (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 loan installments of € 255.0 million that were due through to the statement of financial position date and, as a result, this amount has been classified by the Group and the Company in current liabilities and, (c) 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 loan agreements.

As further discussed in Note 6, (i) the Company's and Group's ability to complete the refinancing of their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency, cannot be assured, 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, 7 August 2017

The Certified Auditor Accountant
Chris Pelendridis
R.N. ICA 17831

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
SOEL REG. 107

INTERIM CONDENSED FINANCIAL STATEMENTS

(consolidated and separate)

For the period ended June 30, 2017

In accordance with the International Financial Reporting Standards
as adopted by the European Union

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group		The Company	
		01.01-30.6.2017	01.01-30.6.2016	01.01-30.6.2017	01.01-30.6.2016
Revenues	8	148,445,539	164,517,409	82,581,556	89,514,598
Telecommunication costs		(42,731,451)	(46,150,592)	(42,731,450)	(46,150,591)
Royalties and licenses		(40,597,129)	(39,427,019)	-	-
Cost of sales of inventory and consumables		(1,305,784)	(1,457,842)	(790,990)	(726,803)
Advertising and promotion costs		(2,852,551)	(2,928,817)	(553,344)	(382,047)
Payroll and related costs		(19,069,260)	(19,279,489)	(10,562,605)	(10,834,034)
Other expenses	9	(26,087,752)	(28,616,185)	(16,014,974)	(16,564,547)
Impairment of investments in subsidiaries		-	-	(9,133,000)	(29,929,199)
Other income		907,694	776,681	1,105,364	669,196
Depreciation and amortisation		(30,281,723)	(33,603,264)	(13,811,936)	(15,234,198)
Financial income		1,780,898	874,775	14,552	266,058
Financial expenses		(9,140,234)	(9,003,937)	(3,505,422)	(2,146,878)
Loss before income taxes		**(20,931,753)**	**(14,298,280)**	**(13,402,249)**	**(31,518,445)**
Income taxes	10	2,358,047	992,858	(162,111)	25,854
Loss after taxes		**(18,573,706)**	**(13,305,422)**	**(13,564,360)**	**(31,492,591)**
Loss for the period attributable to:					
Shareholders of the Parent Company		(18,430,314)	(13,171,979)	(13,564,360)	(31,492,591)
Non-controlling interests		(143,392)	(133,443)		
		(18,573,706)	**(13,305,422)**	**(13,564,360)**	**(31,492,591)**
Loss per share (Basic and diluted)		**(0.1674)**	**(0.1196)**		
Weighted Average Number of Shares (Basic and Diluted)		110,097,328	110,097,185		

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	The Group		The Company	
		01.01-30.6.2017	01.01-31.12.2016	01.01-30.6.2017	01.01-31.12.2016
ASSETS					
Non-current assets					
Property, plant and equipment	11	107,838,991	118,199,200	62,839,063	69,095,072
Intangible assets	12	100,614,308	105,943,344	14,645,230	14,042,278
Goodwill	13	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries	14	-	-	31,612,650	40,745,650
Other non-current assets		8,692,543	9,090,962	6,761,624	7,098,215
Available for sale financial assets		374,600	392,005	248,394	248,394
Deferred tax assets		8,987,435	8,296,236	1,714,843	1,889,479
Total non-current assets		**309,676,689**	**325,090,559**	**118,334,373**	**133,631,657**
Current assets					
Inventories		2,890,438	4,552,272	813,747	1,478,710
Programme and film rights	15	13,984,133	39,564,634	-	-
Trade accounts receivable	16	53,072,458	51,900,344	26,892,394	24,691,053
Prepayments and other receivables		9,110,421	7,587,906	4,242,845	3,687,530
Due from related companies		2,032,731	1,443,829	99,873,747	96,493,153
Cash and cash equivalents		1,802,147	4,922,740	878,961	1,741,988
Restricted cash		8,966,329	8,930,486	8,963,673	8,927,834
Total current assets		**91,858,657**	**118,902,211**	**141,665,367**	**137,020,268**
Total Assets		**401,535,346**	**443,992,770**	**259,999,740**	**270,651,925**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	17	33,036,893	33,029,156	33,036,893	33,029,156
Share premium		300,499,045	300,499,045	300,499,045	300,499,045
Other reserves		195,580,465	195,582,560	194,912,589	194,914,684
Accumulated deficit		(719,786,751)	(701,356,437)	(489,278,503)	(475,714,143)
Total		**(190,670,348)**	**(172,245,676)**	**39,170,024**	**52,728,742**
Non-controlling interests		(2,795,954)	(2,652,562)	-	-
Total equity		**(193,466,302)**	**(174,898,238)**	**39,170,024**	**52,728,742**
Non-current liabilities					
Long-term borrowings	18	52,188,530	51,038,984	52,188,530	51,038,984
Long-term transponder leases		47,062,351	52,819,897	-	-
Other long-term leases		362,895	469,727	362,895	469,727
Other long-term liabilities		28,464,568	29,199,725	7,601,795	7,998,938
Reserve for staff retirement indemnities		4,530,692	4,527,751	2,389,278	2,405,961
Government grants		4,962,479	5,572,026	4,962,479	5,572,026
Deferred tax liability		21,936,888	23,715,556	-	-
Total non-current liabilities		**159,508,403**	**167,343,666**	**67,504,977**	**67,485,636**
Current liabilities					
Trade accounts payable		100,178,720	96,318,531	38,383,995	36,820,396
Due to related companies		2,065,071	2,309,087	10,471,136	4,993,545
Short-term borrowings	18	1,299,118	1,298,566	-	-
Current portion of long-term borrowings	18	255,000,000	254,887,959	78,461,538	78,461,538
Deferred income		20,805,286	24,359,964	12,079,560	13,072,870
Current portion of transponder leases		10,544,147	9,399,194	-	-
Current portion of other leases		213,218	211,607	213,218	211,607
Current portion of programmes and film rights obligations	19	21,051,252	41,351,244	4,905,483	11,557,261
Income tax payable		2,468,725	2,065,441	972,503	784,160
Accrued and other current liabilities		21,867,708	19,345,749	7,837,306	4,536,170
Total current liabilities		**435,493,245**	**451,547,342**	**153,324,739**	**150,437,547**
Total liabilities		**595,001,648**	**618,891,008**	**220,829,716**	**217,923,183**
Total Equity and Liabilities		**401,535,346**	**443,992,770**	**259,999,740**	**270,651,925**

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Attributable to equity holders of the parent company						
The Group	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***	***Non-controlling interests***	***Total Equity***
Total Equity beginning at 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 year	-	-	-	(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)**
Total Equity beginning at January 1, 2017	33,029,156	300,499,045	195,582,560	(701,356,437)	**(172,245,676)**	(2,652,562)	**(174,898,238)**
Share capital increase	7,737	-	(2,095)	-	**5,642**	-	**5,642**
Total comprehensive loss after income taxes of the year	-	-	-	(18,430,314)	**(18,430,314)**	(143,392)	**(18,573,707)**
Total Equity at June 30, 2017	**33,036,893**	**300,499,045**	**195,580,465**	**(719,786,751)**	**(190,670,348)**	**(2,795,954)**	**(193,466,302)**

The Company	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***
Total Equity beginning at 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 year	-	-	-	(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**
Total Equity beginning at January 1, 2017	33,029,156	300,499,045	194,914,684	(475,714,143)	**52,728,742**
Share capital increase	7,737	-	(2,095)	-	**5,642**
Total comprehensive loss after income taxes of the year	-	-	-	(13,564,360)	**(13,564,360)**
Total Equity at June 30, 2017	**33,036,893**	**300,499,045**	**194,912,589**	**(489,278,503)**	**39,170,024**

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

INTERIM CONDENSED CASH FLOW STATEMENT

	Notes	The Group		The Company	
		01.01-30.6.2017	**01.01-30.6.2016**	**01.01-30.6.2017**	**01.01-30.6.2016**
Cash flows from Operating Activities					
Loss before income taxes		(20,931,753)	(14,298,280)	(13,402,249)	(31,518,445)
Adjustments for:					
Depreciation and amortization		30,281,723	33,603,264	13,811,936	15,234,198
Amortization of subsidies		(609,547)	(619,078)	(609,547)	(619,078)
Gain from the sale of tangible and intangible assets		(78,014)	-	(202,475)	-
Financial (income) / expenses		7,359,336	8,129,162	3,490,870	1,880,820
Impairment of investments in subsidiaries		-	-	9,133,000	29,929,199
Πρόβλεψη για επισφαλείς απαιτήσεις		3,492,294	4,119,694	1,816,631	1,648,438
Provision for staff retirement indemnities		674,427	179,226	-	107,992
Other provisions		12,847	158,279	7,283	58,964
Operating profit before working capital changes		20,201,313	31,272,267	14,045,449	16,722,088
(Increase)/Decrease in:					
Inventories		1,648,987	1,714,591	657,680	(13,917)
Trade accounts receivable & amounts due from related companies		(5,244,127)	(4,719,521)	(6,100,090)	9,587,976
Programme and film rights		25,580,501	25,130,044	(6,651,778)	-
Prepayments and other receivables		(1,240,235)	(338,879)	(354,448)	(163,453)
Decrease in other non-current assets		398,419	606,408	336,590	557,264
(Increase)/Decrease in:					
Trade accounts payable and amounts due from related companies		(14,498,716)	(28,001,716)	7,061,073	(15,631,529)
Deferred income		(3,554,678)	(3,441,449)	(993,310)	(771,987)
Accrued and other current liabilities		(145,337)	6,002,521	2,514,408	1,091,346
Payment of staff retirement indemnities		(671,486)	(560,621)	(16,683)	(366,171)
Decrease in other long-term liabilities		(1,164,293)	(2,468,396)	(397,143)	(709,011)
Net cash from Operating Activities		21,310,348	25,195,249	10,101,748	10,302,606
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(14,685,631)	(14,641,600)	(9,254,879)	(9,206,513)
Sale of tangible and intangible assets		171,166	-	-	-
Interest and related income received		14,769	13,294	14,552	12,997
Restricted cash		(35,843)	(14,068)	(35,839)	(14,063)
Net cash used in Investing Activities		(14,535,539)	(14,642,374)	(9,276,166)	(9,207,579)
Cash flows from financing activities					
Interest rate swap paid		(106,616)	(232,811)	-	-
Interest and other finance costs paid		(2,858,730)	(8,617,167)	(1,578,550)	(2,296,473)
Net change in leases		(6,930,056)	(4,387,426)	(110,059)	(103,650)
Net cash used in financing activities		(9,895,402)	(13,237,404)	(1,688,609)	(2,400,123)
Net decrease in cash and cash equivalents		**(3,120,593)**	**(2,684,529)**	**(863,027)**	**(1,305,096)**
Cash and cash equivalents at the beginning of the period		4,922,740	6,719,669	1,741,988	3,889,231
Cash and cash equivalents at the end of the period		**1,802,147**	**4,035,140**	**878,961**	**2,584,135**

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.

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.

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

Companies participating directly (by more than 5%) in the share capital of the Company at June 30, 2017 and December 31, 2016 are as follows:

	% Participation 30.06.2017	% Participation 31.12.2016
Wind Hellas Telecommunications S.A.	33.00%	33.00%
GO PLC	22.61%	22.61%
Massar Investments LLC	22.61%	22.61%
Vodafone Panafone S.A.	6.51%	6.51%

The Group's number of employees at June 30, 2017, amounted to 1,167, while that of the Company to 691. At June 30, 2016, the respective number of employees was 1,196 for the Group and 721 for the Company.

The consolidated financial statements include the financial statements of Forthnet S.A. and the following subsidiaries which Forthnet controls directly or indirectly:

Name of the Entity	Incorporation Date	Main Operations	Country	Group % ownership	
				30.06.2017	30.06.2016
Forth-CRS S.A.	18/02/2000	Electronic Reservation Services	Greece	99.31%	99.31%
Forth-CRS ITALIA S.R.L.	29/9/2015	Electronic Reservation Services	Italy	100%	100%
Forthnet Media S.A.	23/04/2008	Pay-TV services	Greece	98.97%	98.97%
NetMed N.V.	12/1/1996	Holding Company	Holland	100%	100%
NetMed S.A.	12/1/1996	Customer Support Services	Greece	100%	100%
Intervision Services B.V.	12/1/1996	Content acquisition Services	Holland	100%	100%
Dimoko Investment Sarl	12/1/1996	Holding Company (under liquidation)	Luxembourg	100%	100%
Tiledrasi S.A	18/6/2003	Holding Company (under liquidation)	Luxembourg	100%	100%

- The subsidiary 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.

- The subsidiary Forthnet Media S.A. was incorporated in April 2008. Its principal activities is 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, as well as the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors.

  In 2014 Forthnet Media S.A. received by the Greek authorities 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.

The Board of Directors of Forthnet approved the separate and consolidated interim condensed financial statements for the period ended at June 30, 2017, on August 7, 2017.

2. 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, 2017, have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available-for-sale financial assets and derivative financial instruments which have been measured at fair values in accordance with IFRS.

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 31, 2016, which are available on the internet in the address www.forthnet.gr.

3. 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.

Profit or 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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Recognizes the fair value of any investment retained
- Recognizes 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.

4. 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, 2016, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2017.

New standards, interpretation and amendments adopted by the Group and the Company

The new standards and amendments applicable for the first time in 2017 (annual periods beginning on or after January 1, 2017) which however, 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 are analyzed as follows:

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**: The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. These amendments have not yet been endorsed by the EU.

- **IAS 7: Disclosure Initiative (Amendments): IAS 7: Disclosure Initiative (Amendments):** The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. These Amendments have not yet been endorsed by the EU.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs.** The following annual improvement has not yet been endorsed by the EU.

  - **IFRS 12 Disclosure of Interests in Other Entities:** The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

Standards issued but not yet effective and not early adopted:

- **IFRS 9 Financial Instruments: Classification and Measurement :** The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

- **IFRS 15 Revenue from Contracts with Customers:** The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

- **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.

- **IFRS 16: Leases:** The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard has not been yet endorsed by the EU.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:** The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- **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.

- **IAS 40: Transfers to Investment Property (Amendments):** The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration:** The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle,** which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU.

    - ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
    - ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments:** The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

In relation to the abovementioned standards, the Group and the Company are in the process of assessing their impact on their financial position or performance.

In particular**, for IFRS 15 Revenue from Contracts with Customers**, it will be applied by the Group on 1 January 2018. In addition, with regard to the effect of contracts remaining open on 1 January 2018 from previous periods, a cumulative catch- Up adjustment will be made to the Group's equity on 1 January 2018.

The underlying principle is that an entity recognizes revenue in a way that reflects the transfer of the goods or services to customers to the amount it expects to be entitled to in exchange for those goods or services. IFRS 15 provides a single model based on five steps to identify and recognize revenue to be applied to all customer contracts. It requires entities to allocate contract revenue to individual promises, i.e. performance obligations, at a relative standard selling price, based on the five-step model.

The management of the Group is in the process of quantifying the impact of the application of the standard, which is expected to affect the operating results and the financial position of the Group and the Company. Although at this stage the impact of the new standard on the financial statements cannot be estimated accurately, the Group and the Company have already carried out an initial diagnostic test to identify the main revenue streams affected by the application of the new standard. They have already examined a sample of contracts with customers focusing on the performance obligations arising from the contracts in question, on the costs of concluding contracts and on changes to the agreements with customers, drawing up preliminary accounting conclusions. In addition, the Group and the Company have held so far several meetings with the participation of the IT department and internal audit to examine the effect of the new standard on the IT systems and internal processes of the organization as well as the definition of any new data requirements in order to fully support the new revenue recognition process and preparation of disclosures in the financial statements.

5. 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, 2016.

6. Going Concern

As of June 30, 2017 the Company and its subsidiary Forthnet Media S.A. (hereinafter FM) continued not to be in compliance with certain financial covenants set out in their existing agreements for the ordinary bond loans issued by the Company and FM amounting to € 255 million (note 18) (hereinafter the Existing OBLs) and had not repaid matured loan instalments of € 255 million from the Existing OBLs by the date the financial statements were approved. Consequently, on 30.06.2017 all Existing OBLs continued to be classified as short-term liabilities. As a result of bond loans being presented as short-term liabilities on 30.06.2017, total short-term liabilities of the Group and Company exceeded by about € 343.6 million and about € 11.7 million, respectively, the short-term assets.

Noted that the following significant developments have occurred in relation to the Existing OBLs and the related liabilities arising from them:

1. After negotiating with the lending banks, the Group reached agreement on the key refinancing terms for the Existing OBLs. More specifically, on 15.6.2016 the lending banks sent to the Company the detailed key refinancing terms (hereinafter the Refinancing) which the Company’s Board of Directors approved on 21.6.2016. Under the agreement on key terms which was reached, there will be refinancing of:
   (i) Forthnet’s existing loan obligations by issuing a new ordinary bond loan for € 78,461,538 secured with collateral in rem , arranged by National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, following a

binding proposal they made on 15.6.2016. That bond loan will be for 8 years with a floating interest rate, and will be issued with a guarantee from the subsidiary Forthnet Media S.A. and

(ii) FM's existing loan obligations by issuing a new ordinary bond loan for € 176,538,462 with collateral in rem, arranged by National Bank of Greece, Piraeus Bank and Alpha Bank, following a binding proposal they made on 15.6.2016. That bond loan will be for 8 years, with a floating interest rate and will be issued with a guarantee from the Company.

Those ordinary bond loans are to be issued and subscribed by the arranging banks under normal terms and conditions, plus Forthnet's obligation to repay € 21,538,462 and FM's obligation to repay € 48,461,538, or € 70 million in total, to pay off part of the existing loan obligations which amounts to € 325 million.

2. Following approval by the Board of Directors on 21.6.2016, relying on authorization given to it by the Company's Ordinary General Meeting of Shareholders on 28.6.2011, the Company issued a convertible bond loan for up to € 99,087,466.50 with a pre-emptive right for existing shareholders in accordance with Article 3a of Codified Law 2190/1920, Law 3156/2003 and the other provisions of the applicable legislation (hereinafter the CBL). The Company raised through the CBL a total of € 70,124,680 and confirmed its partial coverage .That meant that the minimum sum of € 70 million which was a key condition for refinancing had been raised and that amount was paid over to the lending banks. Consequently, the key commitment the Company had assumed towards the lending banks to refinance the Existing OBLs was met.

3. Having fulfilled the key obligation to pay € 70 million, the Group is now in advanced discussions with the lending banks to sign the relevant agreements and complete the refinancing process of the Existing OBLs. The Group recently received, from the lending banks, drafts of the above mentioned contracts and is currently reviewing them.

Group Management estimates that based on current circumstances and provided that the Refinancing of the Existing OBLs is successfully completed, the working capital cash needs is for the next 12 months from the signing of these financial statements will amount to approximately € 51.6 million. Management will pursue to cover above cash needs through further Group's cost reduction, improvement of suppliers credit terms, new sort term loans, capital increase and/or any interested third party investors.

If the above intended Management actions are not implemented or proved to be insufficient due to the instability and uncertainty which prevail in Greece and internationally as well as the implementation uncertainty of the above actions (especially those which don't exclusively depend on the management) with the result not to cover the working capital cash needs, then Group results, operations and prospects could be negatively affected.
Moreover, due to the current adverse and fluid economic situation in Greece, the Company and Group's operations are exposed to certain risks that could potentially have negative impacts on their activities. These are set out below:

- The recent economic crisis may adversely affect both the Company and Group's ability to raise capital, either through borrowing or through a share capital increase, and its borrowing costs.
- The uncertainty which springs from the Greek fiscal crisis could possibly have a negative impact on the Company and Group's business activity, operating results and financial situation to an extent which cannot be determined at this present time.
- Changes in consumer behavior due to the recession, the implementation of austerity policies by the Greek government, the imposition of subscriber television levies and fixed telephony and internet levies, as well as rising unemployment could affect demand for the Company and Group's services, negatively impacting on their activities, financial situation, results and prospects.

In order to make sure that use of the 'going concern' assumption is suitable in the context of these developments in the Greek economy, Management examined a wide range of factors associated with the current and expected customer base, profitability and cash flows. Moreover, it took into account the repayment of € 70 million which fulfils a key requirement for completing the Refinancing of the Group's loan obligations under the Existing OBL as well as the above mentioned intended Management actions to cover the working capital cash needs for the next 12 months. In light of the above, the annual separate and consolidated financial statements for the Company and Group have been prepared on a going concern basis. Consequently, the attached financial statements do not include adjustments relating to the recoverability and classification of assets, the size and classification of liabilities or other adjustments which would have been required if the Company and Group were not in a position to continue as a going concern.

However the potential failure to complete the process for the Refinancing of the Existing OBLs, the uncertainty about the adequacy and effectiveness of the intended Management actions to cover the Company's and Group's working capital cash needs as well as the uncertainty associated with the current economic situation in Greece , indicate the existence of a material uncertainty about the ability of the Company and Group to continue as a going concern.

7. 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.

8. Revenues

Revenues are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2017	**01.01-30.6.2016**	**01.01-30.6.2017**	**01.01-30.6.2016**
Operating Revenues				
Direct Retail Services	**120,962,251**	**138,837,639**	**58,305,626**	**66,026,974**
Bundled services (2play)	21,486,769	23,578,215	21,486,769	23,578,215
Bundled services (3play)	27,736,998	31,707,273	27,736,998	31,707,273
Telephony	2,636,606	3,488,759	2,644,872	3,497,412
ADSL	4,937,979	5,343,692	4,919,100	5,549,736
Pay-TV Revenues	62,646,012	73,025,362	-	-
Other	1,517,887	1,694,338	1,517,887	1,694,338
Indirect Retail Services	**766,123**	**1,037,099**	**766,123**	**1,037,099**
Telephony	122,546	171,914	122,546	171,914
ADSL	520,810	749,821	520,810	749,821
Other	122,767	115,364	122,767	115,364
Direct Business Services	**18,386,606**	**16,686,532**	**18,386,606**	**16,686,532**
E-business	**553,116**	**493,573**	**553,116**	**493,573**
Pay-TV Advertising Revenue	**4,887,829**	**4,139,546**	**-**	**-**
Forth CRS services	**1,940,261**	**1,751,469**	**-**	**-**
Equipment	**554,824**	**376,765**	**195,337**	**107,407**
Other services	**394,529**	**1,194,786**	**4,374,748**	**5,163,013**
Total	**148,445,539**	**164,517,409**	**82,581,556**	**89,514,598**

- Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company at June 30, 2017, amounted to € 27,939,751 and € 19,214,025 respectively, of which amount of € 7,134,465 for both the Group and the Company relates to the long-term portion which has been included in to other long term liabilities while the short term portion is included in deferred revenue (at December 31, 2016, amounted to € 31,832,892 and 20,545,797 for the Group and the Company, respectively of which € 7.472.928 for both the Group and the Company relates to the long-term portion).

- Unbilled revenues amounted to € 2,715,526 for the Group and € 1,945,008 for the Company at June 30 2017, (at December 31, 2016, amounted to € 1,499,231 and € 1,354,757 for the Group and the Company respectively) .

9. Other Expenses

Other expenses are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2017	01.01-30.6.2016	01.01-30.6.2017	01.01-30.6.2016
Third party fees and services	9,599,567	10,988,064	6,099,850	6,373,556
Taxes and duties	511,493	484,102	449,888	425,134
Other sundry expenses	3,231,640	2,698,553	1,832,288	1,314,227
Allowance for doubtful accounts receivable	3,543,271	4,119,694	1,864,455	1,648,438
Repairs and maintenance	2,511,976	3,358,556	1,484,797	2,176,767
Rentals	1,147,094	1,195,320	422,059	440,900
Commissions	4,308,365	4,432,936	2,961,774	3,232,787
Office functional costs	1,234,346	1,338,960	899,863	952,738
Total	**26,087,752**	**28,616,185**	**16,014,974**	**16,564,547**

Other sundry expenses mainly included transportation, insurance, postage, travel , consumables and hosting costs.

10.Income taxes

Income taxes reflected in the accompanying statements of comprehensive income are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2017	01.01-30.6.2016	01.01-30.6.2017	01.01-30.6.2016
Current income taxes	98,252	140,884	-	-
Income taxes from prior years	13,567	-	(12,524)	-
Deferred income taxes	(2,469,866)	(1,133,742)	174,635	(25,854)
Income taxes debit/ (credit)reported in the statement of profit and loss:	**(2,358,047)**	**(992,858)**	**162,111**	**(25,854)**

The Company has not been audited for the fiscal years 2007 through to 2010. A decision of the Ministry of Finance has been issued in relation to the tax audit of the financial years 2007 through 2010.

Forthnet's subsidiaries have not been audited for the following periods:

Subsidiary Companies	Unaudited Tax Periods	
	From	To
Forthnet Media S.A.	1/1/2010	31/12/2010
Forth-Crs S.A.	1/1/2010	31/12/2010
NetMed S.A.	1/1/2010	31/12/2010
Syned S.A. (absorbed by Forthnet Media)	1/1/2010	30/9/2010
Multichoice Hellas S.A. (absorbed Forthnet Media)	1/1/2010	31/12/2010

A decision of the Ministry of Finance regarding a tax audit for the absorbed(by Forthnet Media) company Multichoice Hellas S.A for the financial year 2010 has been issued.

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.

In relation to the fiscal year 2016, the Greek entities of the Group have been subject to the tax audit of its Auditors in accordance with the Article 65A of Law 4174/2013. This audit is in progress and the relevant tax compliance report is expected to be issued after the publication of the condensed financial statements for the period ended

June 30, 2017. If additional tax liabilities arise until the completion of the tax audit, the Group and the Company assume that they will not have a significant effect 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 € 1.2 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.

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.

11.Property, plant and equipment

During the period from January 1, 2017 until June 30, 2017, the total investments of the Group's tangible assets amounted to € 2,713,744 and those of the Company's amounted to € 2,451,526 and refer mainly to the expansion of Forthnet's private network (at June 30, 2016 amounted to € 3,590,238 for the Group and € 3,403,018 for the Company).

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, 2017 and at December 31, 2016, amounted to € 44,501,209 and € 49,308,327, respectively. For the Company the related amounts are € 2,219,092 and € 2,328,107 at June 30, 2017 and at December 31, 2016, respectively.

12.Intangible Assets

During the period from January 1, 2017 until June 30, 2017, the total investments of the Group's intangible assets amounted to € 11,971,887 and those of the Company amounted to € 6,923,370 and refer mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at June 30, 2016, amounted to € 11,051,363 for the Group and € 5,803,494 for the Company).

13.Goodwill

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

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
MBA S.A.	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
	286,502,340	**286,502,340**	**512,569**	**512,569**
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.

As at June 30, 2017, 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, 2016 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 10,5% (December 31, 2016: 10.5%), while growth rate to perpetuity (beyond the eight-year period) is 2.0% (December 31, 2016: 2.5%) 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, as of June 30, 2017 no impairment loss was recognized (December 31, 2016: no impairment loss was recognized).

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:

- **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.

14.Investment in Subsidiaries

Investments in subsidiaries (which are included in the accompanying consolidated financial statements) are analyzed as follows:

Entity	Country of Incorporation	Participation Relationship	Equity Interest %		Carrying Value	
			30.06.2017	31.12.2016	30.06.2017	31.12.2016
Forth-CRS S.A.	Greece	Direct	99,31%	99,31%	4,314,749	4,314,749
Forthnet Media S.A.	Greece	Direct	98,97%	98,97%	27,297,901	36,430,901
					31,612,650	**40,745,650**

As at December 31, 2016, 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 € 45,339,199 and, consequently, an impairment loss was recognised by an equivalent amount as at December 31, 2016.
As at June 30, 2017, 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 € 9,133,000 and, consequently, an impairment loss of an equivalent amount was recognised.

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%. More specifically, an increase in of 0.25% in the discount rate (keeping the growth rate stable) would result in an additional impairment loss of approximately € 13.7 million, while a decrease in growth rate by 0.25% (keeping the discount rate stable) would result to an additional impairment loss of approximately € 10.8 million.

15.Programme and film rights

Programme and film rights receivables are analyzed as follows:

	The Group	
	30.6.2017	**31.12.2016**
Cost		
Sports rights	37,601,836	86,235,719
Licensed film rights	5,320,214	6,690,694
Cost of Sports and Film Rights	**42,922,050**	**92,926,413**
Amortization		
Sports rights	(27,137,725)	(49,738,951)
Licensed film rights	(1,800,192)	(3,622,828)
Sports and Film Rights Amortisation	**(28,937,917)**	**(53,361,779)**
Net Value		
Sports rights	10,464,111	36,496,768
Licensed film rights	3,520,022	3,067,866
Sports and Film Rights, net value	**13,984,133**	**39,564,634**

The variance of the programme and file rights between June 30, 2017 and December 31, 2016 is due to seasonality.

16.Trade Accounts Receivable

Trade accounts receivable are analyzed as follows:

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
Domestic customers	112,672,220	109,928,688	63,547,648	60,812,481
Foreign customers	5,814,331	5,320,339	1,864,241	1,236,123
Receivables from Greek State	1,764,902	1,670,972	1,534,882	1,439,018
Cheques and notes receivable	2,336,350	2,228,875	1,301,524	1,332,952
Unbilled revenue (Note 8)	2,715,526	1,499,231	1,945,008	1,354,757
Total	**125,303,329**	**120,648,105**	**70,193,303**	**66,175,331**
Less: Allowance for doubtful accounts receivable	(72,230,871)	(68,747,761)	(43,300,909)	(41,484,278)
Total	**53,072,458**	**51,900,344**	**26,892,394**	**24,691,053**

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

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
Beginning balance	68,747,760	61,053,453	41,484,278	38,542,590
Provision for the period	3,534,087	7,890,245	1,855,271	3,118,258
Less: Utilization	(50,976)	(195,937)	(38,640)	(176,570)
Ending balance	**72,230,871**	**68,747,761**	**43,300,909**	**41,484,278**

17.Share Capital

The Company's share capital as at December 31, 2016 amounted to € 33,029,156 divided into 110,097,185 ordinary registered shares, each having a nominal value of € 0.30.

By the decision of the Board of Directors dated May 29, 2017, the Company increased its share capital by € 7,730.30 due to the conversion of 25.791 convertible bonds with a nominal value of € 0.30 each, from the company's existing bond loan facility amounted to € 70,124,680.

Following the above, the share capital of the Company amounts to € 33.036.892,80 and is divided into 110,122,976 common registered shares of a nominal value of € 0.30 each. Similarly, the total number of voting rights of the Company amounts to 110,122,976.

18.Long-term and Short-term borrowings

a) Long –term borrowings

Long-term loans for the Group and the Company at June 30, 2017 and December 31, 2016, are analyzed as follows:

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
Convertible bond loan	52,188,530	51,038,984	52,188,530	51,038,984
Other bond loans	255,000,000	254,887,959	78,461,538	78,461,538
Total	**307,188,530**	**305,926,943**	**130,650,068**	**129,500,522**
Less short term portion:				
Other bond loans	255,000,000	254,887,959	78,461,538	78,461,538
Total short term portion	**255,000,000**	**254,887,959**	**78,461,538**	**78,461,538**
Long term portion	**52,188,530**	**51,038,984**	**52,188,530**	**51,038,984**

Convertible bond loan:

Forthnet has issued a convertible bond loan and raised a total amount of € 70,124,680, with the issuance of 233.748.933 convertible bonds (CB) on 10.11.2016 and trading in the Securities Market (Main Market) of the Athens Exchange on 21.10.2016. The duration of the bond is nine years from the date of issue. The interest rate was set at one percent (1%) per annum and the interest payment period is quarterly, starting from the date of issue and payment of 31.03, to 30.06, the 30.09 and 31.12 each year from the date of issue. On the repayment date, Forthnet will pay to each bond holder, upon presentation of this certificate of nominal EL.K.A.T. amount € 0.33 per CB, namely 110% of the issue price and corresponding interest from the last interest payment until the expiration date.

The convertible bond was initially recognized at cost, being the fair value less attributable transaction costs mounted to € 840,267 and valued at amortized cost using the effective interest method. The present value of the obligation of the convertible bond amounted to € 50,536,179 and the difference from the value of the issue, amounting to € 18,748,234, minus the deferred tax amounted to € 5,259,249 , i.e. € 13,488,985 has been included in other reserves.

Furthermore, the bondholders have the option to convert one (1) bond note for one (1) 'new' share, at a nominal value of € 0,30 per convertible bond, four (4) times a year within 30 days from the end of a calendar quarter (other than the issue date) up to the date of maturity of the convertible bond loan.

During the period January 1, 2017 to June 30, 2017, some bondholders converted 25,791 bonds into Company shares (Note 17: Share Capital). Following the above conversion, the remaining bonds of the convertible bond amounted to 233,723,142 with a value of € 70,116,943.

Other Bond loans:
Existing Group bonds relate to two bond loans of the Company signed on June 29, 2007 and July 22, 2011 and two bond loans of Forthnet Media SA (FM), which were signed on 14 May 2008 and 22 July 2011. The terms and obligations under the loan agreements described in detail in the published financial statements of December 31, 2015 and the interim financial statements of June 30, 2016.

The exiting bond loans are classified as short-term due to non-compliance with certain conditions and obligations under the existing loan agreements.

Moreover the Company has submitted waiver requests to its lending banks, requiring to further extend 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 which have been accepted by the lending banks up until April 30, 2017. On June 6, 2017 the Company submitted a new request to the lending banks to extent the repayment of these obligations until September 30, 2017.

The Group negotiated with the lending banks 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:

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.

The Group has issued a convertible bond (see below) and has fulfilled that obligation to repay loan obligations amounting € 70 million.

Moreover, on July 28, 2017, the Group has received from the lending banks the drafts of the new syndicate loan agreements, as part of the implementation of the refinancing arrangement, and is currently in the process of reviewing them.

As at June 30, 2017 the Group has not made contractual payments of € 255 million required by its bond loan agreements.

Total interest expenses on long-term loans for the period ended June 30, 2017 , amounted to € 5,052,393 for the Group (June 30, 2016: € 5,895,031) and € 3,211,161 for the Company (June 30,2016: € 2,140,522) and are included in financial expenses , in the accompanying financial statements. The amount of interest due is included in accrued and other current liabilities in the statement of financial position.

b) Short-term borrowings

Forth CRS has short-term borrowings with annual variable interest rate of Euribor plus interest margin of 6%. The table below presents the credit lines available to the Group as well as the utilized portion.

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
Credit lines available	1,299,118	1,298,566	-	-
Unused portion	-	-	-	-
Used portion	**1,299,118**	**1,298,566**	**-**	**-**

The total interest expense for short-term borrowings for the period ended June 30, 2017 amounted to € 43.089 (June 30, 2016: € 55.927) for the Group and are included in the financial expenses, in the accompanying financial statements.

19.Programme and film rights obligations

Programme and film rights obligations are analyzed as follows:

	The Group		The Company	
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.2016**
Programme and film rights	21,051,252	41,351,244	4,905,483	11,557,261
Less: Short-term portion	(21,051,252)	(41,351,244)	(4,905,483)	(11,557,261)
Long term portion	**-**	**-**	**-**	**-**

The obligations of programme and film rights relate to the unpaid amount of the respective rights as at June 30, 2017 and December 31, 2016. The movement between the periods is due to seasonality.

20.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 Group's transactions 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	30.06.2017	925,887	1,511,891
		30.06.2016	665,635	1,599,124
Vodafone – Panafon S.A.	Shareholder	30.06.2017	483,748	1,065,129
		30.06.2016	423,232	1,297,261
Technology and Research Foundation	Shareholder	30.06.2017	30,708	410
		30.06.2016	30,301	34,554
Vodafone Ltd.	Related Party	30.06.2017	779,901	884,421
		30.06.2016	1,295,849	1,206,430
Cablenet Ltd	Related Party	30.06.2017	2,815	35,250
		30.06.2016	-	-
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		30.06.2016	-	-
Total 30.06.2017			**2,223,059**	**3,497,101**
Total 30.06.2016			**2,415,017**	**4,137,369**

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

Related Party	**Relation with Forthnet**	**Period ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2017	435,078	363,767
		31.12.2016	540,142	649,847
Vodafone – Panafon S.A.	Shareholder	30.06.2017	172,857	263,160
		31.12.2016	252,164	495,557
Technology and Research Foundation	Shareholder	30.06.2017	41,367	945
		31.12.2016	47,751	4,761
Lumiere Productions S.A.	Shareholder	30.06.2017	-	6,378
		31.12.2016	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2017	-	10
		31.12.2016	-	10
Vodafone Ltd.	Related Party	30.06.2017	1,367,162	1,414,984
		31.12.2016	587,260	530,563
Cablenet Ltd.	Related Party	30.06.2017	1,020	7,650
		31.12.2016	1,265	15,250
Emirates International Communication	Related Party	30.06.2017	-	-
		31.12.2016	-	598,544
Hellas Online	Related Party	30.06.2017	11	117
		31.12.2016	11	117
Telemedicine Technologies S.A.	Associate	30.06.2017	3,734	-
		31.12.2016	3,734	-
Athlonet S.A.	Associate	30.06.2017	11,502	8,060
		31.12.2016	11,502	8,060
Total 30.06.2017			**2,032,731**	**2,065,071**
Total 31.12.2016			**1,443,829**	**2,309,087**

- 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 revenues and costs from Vodafone S.A., Vodafone Ltd and its subsidiary Hellas Online S.A. are related to interconnection fees and leased lines.
- Emirates International Telecommunications LLC, a related party up until 31 December 2016, provides technical and other services to support various operations and functions of the Forthnet Group's business.
- The cost from Cablenet Ltd. is related to interconnection leased lines services to customers.

The Company's transactions 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	30.06.2017	925,887	1,474,679
		30.06.2016	665,635	1,559,547
Vodafone – Panafon S.A.	Shareholder	30.06.2017	465,566	1,063,240
		30.06.2016	404,865	1,295,778
Technology and Research Foundation	Shareholder	30.06.2017	30,708	410
		30.06.2016	30,301	34,554
Vodafone Ltd.	Related Party	30.06.2017	779,901	884,421
		30.06.2016	1,295,849	1,206,430
Cablenet Ltd	Related Party	30.06.2017	2,815	35,250
		30.06.2016	-	10,297
Forth CRS S.A.	Subsidiary	30.06.2017	42,597	61,771
		30.06.2016	53,341	87,715
Forthnet Media S.A.	Subsidiary	30.06.2017	3,869,588	467,578
		30.06.2016	4,157,208	546,079
NetMed S.A.	Subsidiary	30.06.2017	57,556	-
		30.06.2016	49,966	-
Total 30.06.2017			**6,174,618**	**3,987,349**
Total 30.06.2016			**6,657,165**	**4,740,400**

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

Related Party	**Relation with Forthnet**	**Period ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2017	435,059	355,670
		31.12.2016	540,123	644,375
Vodafone – Panafon S.A.	Shareholder	30.06.2017	163,839	263,052
		31.12.2016	238,637	495,451
Technology and Research Foundation	Shareholder	30.06.2017	35,595	980
		31.12.2016	41,979	4,796
Vodafone Ltd.	Related Party	30.06.2017	1,367,161	1,414,984
		31.12.2016	587,260	530,563
Cablenet Ltd	Related Party	30.06.2017	1,020	7,650
		31.12.2016	1,265	15,250
Emirates International Telecommunications	Related Party	30.06.2017	-	-
		31.12.2016	-	598,544
Telemedicine Technologies S.A.	Associate	30.06.2017	3,734	-
		31.12.2016	3,734	-
Athlonet S.A.	Associate	30.06.2017	11,502	8,060
		31.12.2016	11,502	8,060
Forth CRS S.A.	Subsidiary	30.06.2017	-	72,689
		31.12.2016	-	64,387
Forthnet Media S.A.	Subsidiary	30.06.2017	96,946,188	8,256,260
		31.12.2016	94,230,374	2,589,725
NetMed S.A.	Subsidiary	30.06.2017	815,686	91,791
		31.12.2016	744,316	42,394
Intervision Services BV	Subsidiary	30.06.2017	93,963	-
		31.12.2016	93,963	-
Total 30.06.2017			**99,873,747**	**10,471,136**
Total 31.12.2016			**96,493,153**	**4,993,545**

- 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.

- 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.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group for the six months ended 2017 and 2016 are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2017	**01.01-30.6.2016**	**01.01-30.6.2017**	**01.01-30.6.2016**
Salaries and fees for executive members of the BoD	244,116	147,638	244,116	147,638
Salaries and fees for non-executive members of the BoD	163,587	130,014	163,587	130,014
Salaries and fees for senior managers	1,084,798	896,490	670,566	567,867
Total	**1,492,501**	**1,174,142**	**1,078,269**	**845,519**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 29,558 for the Group and € € 27,511 for the Company respectively (June 30, 2016: € 40,287 for the Group and € 31,316 for the Company respectively), whereas benefits relating to leaving indemnities amounted to € 46,699 for both the Group and the Company (June 30, 2016: € 107,317 for both the Group and the Company).

21.Commitment and Contingencies

Contingencies:
Litigation and Claims: The Group and the Company is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. The Group and the Company have made appropriate provisions in relation to litigations and claims, when it is probable that an outflow of resources will be required to settle the obligations and it can be reasonably estimated. There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2016.

On August 4, 2017, Forthnet S.A. and Forthnet Media S.A. filed a lawsuit (No 566689/2017 & 2866/2017) against Super League Greece requesting the adjustment (reduction) of the prices of the four Central agreements for the TV and sponsorship rights. The requested reduction of the prices is based on a report prepared by an independent consultant. The hearing is pending.

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 to approximately € 0.74 million for the Company at June 30, 2017 (December 31, 2016: approximately € 0.85 million for the Group and approximately € 0.74 million for the Company).

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, 2017 and December 31, 2016 are as follows:

	The Group		The Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Within one year	2,297,974	2,118,450	874,509	695,775
2-5 years	3,763,572	4,381,737	1,510,748	1,443,238
Over 5 years	111,430	192,018	32,728	90,953
Total	**6,172,976**	**6,692,205**	**2,417,985**	**2,229,966**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at June 30, 2017 and December 31, 2016 are analyzed as follows:

	The Group		The Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Good execution of agreements	5,117,350	5,405,600	109,826	398,076
Participation in bids	2,558,915	2,599,975	2,558,915	2,599,975
Guarantees for advance payments received	5,446,485	6,591,515	5,446,485	6,591,515
Total	**13,122,750**	**14,597,090**	**8,115,226**	**9,589,566**

Contractual Commitments: The outstanding balance of the contractual commitments as at June 30, 2017 for the Group amounted to approximately € 165.5 million and for the Company amounted to approximately € 46.4 million (December 31, 2016: € 167.2 million and € 48.1 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 € 10.2 million at June 30, 2017 both for the Group and the Company (December 31, 2016: € 12 million both for the Group and the Company).

22.Financial Instruments and Financial Risk Management

Fair Value and fair value hierarchy of financial instruments

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 Group categorized 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 ended June 30, 2017, 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, 2017 and December 31, 2016 the Group held the following financial instruments, the fair value of which is measured as follows:

Fair Value- 30.06.2017	The Group			
	Level 1	Level 2	Level 3	Total
Interest rate swaps	-	218,731	-	**218,731**
Long term loans (Note 18)	-	307,188,530	-	**307,188,530**
Long-term financial liability towards the Greek Government	-	11,024,210	-	**11,024,210**
Short-term financial liability towards the Greek Government	-	3,083,412	-	**3,083,412**
Long-term financial liability towards foreign Creditor	-	9,838,564	-	**9,838,564**
Short-term financial liability towards foreign Creditor	-	413,399	-	**413,399**
Total	**-**	**331,766,846**	**-**	**331,766,846**

Fair Value - 31.12.2016	The Group			
	Level 1	Level 2	Level 3	Total
Interest rate swaps	-	209,403	-	**209,403**
Long term loans (Note 18)	-	305,926,943	-	**305,926,943**
Long-term financial liability towards the Greek Government	-	11,343,554	-	**11,343,554**
Short-term financial liability towards the Greek Government	-	3,157,369	-	**3,157,369**
Long-term financial liability towards foreign Creditor	-	9,647,569	-	**9,647,569**
Short-term financial liability towards foreign Creditor	-	405,374	-	**405,374**
Total	**-**	**330,690,212**	**-**	**330,690,212**

The value of the aforementioned financial instruments as shown in the interim condensed financial statements is the fair value stated in the above table.

As at June 30, 2017 and December 31, 2016 the Company held the following financial instruments, the fair value of which is measured as follows:

Fair Value- 30.06.2017	The Company			
	Level 1	Level 2	Level 3	Total
Long term loans (Note 18)	-	130,650,068	-	**130,650,068**
	-	**130,650,068**	**-**	**130,650,068**

Fair Value - 31.12.2016	The Company			
	Level 1	Level 2	Level 3	Total
Long term loans (Note 18)	-	129,500,522	-	**129,500,522**
Total	**-**	**129,500,522**	**-**	**129,500,522**

The fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position. Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The impact of own non-performance risk as at June 30, 2017, would not lead to a significantly different fair value.
The fair values of the interest rate swaps are based to mark to market evaluation.

Financial Risk Management
Credit Risk: Credit risk is the risk of financial loss to the Group and the Company if a counterparty fails to meet its contractual obligations. The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at June 30, 2017, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Group has no significant concentrations of credit risk with any single counter party.

Liquidity Risk: Liquidity risk is the risk that the Group or the Company may not be able to meet their financial obligations when required**.** 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.

Foreign Currency Risk: Foreign Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes . The Group is active internationally and is exposed to variations in foreign currency exchange rate which arises mainly from the US Dollar. This type of risk arises mainly from transactions in foreign currency. The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange.

Interest Rate Risk: Interest rate risk is the risk that the fair value of future cash flows of a financial asset will fluctuate due to changes in market interest rates. The Group's and Company's exposure to interest rate risk is mainly related to long-term borrowing. Management continuously monitors interest rate fluctuations and assesses the need to take relevant positions to offset the risks arising from them.

Capital Management: The Group monitors capital with one of the financial covenants of its bond loans: Net Debt/EBITDA. The Group includes within net indebtness, interest bearing loans and borrowings, less cash and cash equivalents. EBITDA is defined as earnings before interest taxes, depreciation and amortisation as well as any non-cash adjustments associated with impairment of goodwill charges and deducting transponder costs.

	The Group	
	30.06.2017	**31.12.2016**
Long-term borrowings	(52,188,530)	(51,038,984)
Short-term borrowings	(256,299,118)	(256,186,525)
Total Debt	**(308,487,648)**	**(307,225,509)**
Less: Cash and cash equivalents	1,802,147	4,922,740
Total net debt	**(306,685,501)**	**(302,302,769)**
Adjusted EBITDA (non-cash adjustments)	**9,279,759**	**40,396,176**

23.Subsequent Events

There are no other significant events subsequent to June 30, 2017 which would influence materially the Group's and the Company's financial position.

Iraklio, 7 August 2017

The President of the BoD.	Vice President of the BoD and CEO
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