ANNUAL

FINANCIAL REPORT

for the year

ended December 31, 2013

According to Law 3556/2007

In accordance with the International Financial Reporting

Standards as adopted by the European Union

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
G.E.M.I. 77127927000
Scientific Technological Park of Crete
Vassilika Vouton, Iraklion Crete 71003
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Index to the Financial Statements

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors (in accordance with article4 par. 2 of L. 3556/2007)

The following statements, which are effected in accordance with article 4 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. Panos Papadopoulos of George, resident of Glyfada 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 the third 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 financial statements of the Company and the Group of the society anonym company under the name of “Hellenic Company of Telecommunications and Telemetric Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2013to December 31, 2013, which were compiled according to the applicable International Financial Reporting Standards, as adopted by the European Union provide a true and fair view of the assets and the liabilities, the equity and the results 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 annual Report of the Board of Directors of the Company provide a true and fair view of 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 to 8 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklio, March 27, 2014

Deepak Srinivas Padmanabhan	Panos 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 FINANCIAL STATEMENTS
of
«Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.»
(according to the regulations of par. 6 of article 5 of L. 3556/2007)

Regarding the consolidated and separate Financial Statements
for the year ended December 31, 2013

1. PERFORMANCE AND KEY FINANCIAL DATA

HIGHLIGHTS

- Strong 3play demand continued in Q4
- All time high of 1,085k subscriptions
- Market share in Q3 LLU net adds at 55.3%
- Overall LLU market share at 31.3% (+2.7pp in 2013)
- All time high in PayTV subs (452k)
- Retail revenue declining in Q4 2014 slowed at 0.4%

	12M 2013	12M 2012	Δ
Total Subscriptions	1,084,693	962,263	12.7%
Unique Households	799,378	800,021	-0.1%
Households with Bundled Services	285,315	162,242	75.9%
Broadband subscribers	632,353	564,982	11.9%
Pay TV Customers in Greece	452,340	397,281	13.9%
Total Revenue (Normalized)	384,338	408,066	-5.8%
Adjusted EBITDA *(,000€)*	64,640	73,859	-12.5%

According to CEO Panos Papadopoulos:

«In 2013 Forthnet redefined its commercial policy to cover all the entertainment and communication needs of the Greek household. Using Nova's unique content it launched Nova 3Play, a service that is enjoying great commercial success, while it is the first operator that offers 'unlimited' fixed to mobile calls. At the beginning of 2014 the company successfully concluded a capital increase of €29.1M strengthening its position. In a challenging period Forthnet is increasing its customer base, improves its cost structure and reverses retail revenue decline. For 2014 the focus will be on further expanding the customer base and preserving liquidity, while the company will continue to invest in innovative products and services that meet customer needs».

Business Review

3play/Bundling

At the end of 2013, Forthnet served more than 285 thousands 3play/bundled households – a 75.9% increase compared to 2012. This significant increase can be attributed to the strong demand for Nova 3Play products that enhanced the Forthnet's appeal to the Greek Households. For Q4 the 3play net additions were 33.4k, a significant increase compared to 20.5k for the same period last year. The share of 3play in Forthnet's customer base is continuously increasing and this trend is improving overall ARPU and Churn.

	Q4 2013	Q4 2012	Δ
Households with Bundled Services	285,315	162,242	75.9%
Households with Bundled Services as % of Total	35.7%	20.3%	+15.4pp
New Households with Bundled Services	33,423	20,508	63.0%

Telco

By the end of Q4 2013 the telecom services subscriber base increased by 11.9% y-o-y and reached 632 thousand subscribers. For Q4 2013, the overall LLU market grew by 47k lines while Forthnet LLU customer base grew by 26k. As a result Forhtnet's market share in LLU net additions was 55.3%, because of the strong demand in 3play.

Broadband Customers	Q4 2013	Q4 2012	Δ
Broadband subscribers[1]	632,353	564,982	11.9%
Net additions	22,483	39,244	-42.7%
Active LLU customers	**596,978**	**513,340**	**16.3%**
Unbundling Ratio	94%	91%	+3.0pp
New LLU customers	25,542	17,138	49.0%
Market share in new LLU customers	55.3%	42.1%	+13.2pp
LLU market share	31.3%	28.6%	+2.7pp

Over the last 12 months, Forthnet market share in ULL increased by 2.7pp.

Pay TV

The subscriber base grew by 13.9% y-o-y, reaching 452 thousands households that is an all time high. The acceptance of Nova 3Play offers continued in Q4 2013. The rollout of 3play services is expected to be the main growth driver for the Pay TV market.

Pay TV customers in Greece	Q4 2013	Q4 2012	Δ
Digital Platform	452,340	397,281	13.9%

[1] *Active and pending activation customers*

Recent Business Developments

- Forthnet's capital increase of €29.1M was successfully completed as it was covered by 2.2 times. The capital increase has strengthened the company and improved liquidity. The funds will be used to further develop the company 3play strategy.
- Nova GO, an internet based platform that can deliver Nova content on multiple devices (smartphones, tablets, laptops), was successfully launched with more than 25k customers participating the pilot phase.
- During Q4 2013 Forthnet upgraded the encoding of all its transponders to Mpeg4. Now the company is able to reduce transmission costs and improve the quality of program transmission.

Financial Results

Profitability

Consolidated Revenue for 2013 reached €382.4M, down against 2012, mostly because of pricing pressure. Adjusting for the accounting treatment of business revenues for which the company acts as an agent, the revenue decreased by 5.8%.

Revenue Analysis*(€ '000)*	**12M 2013**	**12M 2012**	**Δ**
Total Retail	**298,181**	**314,215**	**-5.1%**
Telco Retail	162,276	170,767	-5.0%
Pay TV Retail	135,905	143,447	-5.3%
Total Business (Normalized)	**57,061**	**63,930**	**-10.7%**
Telco Business	38,329	49,437	-22.5%
Telco Business (Normalized)	40,309	49,437	-18.5%
Pay TV Business	16,752	14,494	15.6%
Advertising	10,190	9,613	6.0%
Other	18,906	20,308	-6.9%
Total Revenue	382,359	408,066	-6.3%
Total Revenue (Normalized)	**384,338**	**408,066**	**-5.8%**

While the revenue in 2013 contracted compared to 2012, the decline is slowing down. In Q4 normalized revenue decreased by 2.4% y-o-y while in the first 9 months of 2013 the decline was 6.3%. This trend is more visible in Retail Revenues because of the commercial success of Nova 3Play. The increased customer base is starting to impact Retail Revenue with Q4 showing the lowest revenue decline for the year so far. The effect of new customers joining in Q4 is not fully reflected in company's financials.

Retail Revenue trends	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**
Total Retail revenue y-o-y change	-0.4%	-3.6%	-7.3%	-8.9%

Adjusted EBITDA of 2013 reached €64.6 million versus €73.9 million in 2012, mainly as a result of the pricing pressure, increased customer acquisition, ARPU decline, as well as the cost of swapping previous generation Pay TV decoders impacted 12M EBITDA.

EBITDA Analysis(€ ‘000)	**12M 2013**	**12M 2012**	**Δ**
Revenue (including other income)	382,359	408,066	-6.3%
Revenue (Normalized)	384,338	408,066	-5.8%
Reported EBITDA	55,895	17,644	216.8%
Adjusted EBITDA[2]	64,640	73,859	-12.5%
Adjusted EBITDA margin	16.9%	18.1%	-1.2pp

Total bank debt in December 2013 stood at €325 million - €10 million lower than the beginning of the year.

[2] *One –off or Non- cash adjustment*

2. MAJOR EVENTS FOR THE CURRENT YEAR

Content Rights

Forthnet Group renewed for two (2) additional seasons its cooperation with Super League (the organizing authority of the Greek 1st Division Professional Football Championship) and consequently continues to broadcast exclusively all matches and highlights of the Super League championship until the end of the 2016-2017 football seasons. Following an agreement with the organizing authority, the Group achieved a further reduction of the cost for above mentioned rights for the seasons 2013-2014 and 2014-2015, in comparison to the cost of the season 2012-2013. The Group holds the broadcasting rights for TV, internet, mobile and radio transmission, covering the territory of Greece, Cyprus and Albania, and roping in all matches of all Super League teams.

Moreover, Forthnet Group continues the successful execution of the agreement with UEFA, according to which it broadcasts exclusively 128 live matches of the teams that participate in the CHAMPIONS LEAGUE in total, inclusive of the first pick of Tuesday (UCL 2nd-16th pick incl. Tuesday First Pick Match), 190 live matches of the teams that participate in EUROPA LEAGUE in total, and specifically of the 2nd up to 24th pick (Picks 2-24) every Thursday, for the three football seasons 2012-2013, 2013-2014 and 2014-2015.

Furthermore, Pay-TV platform NOVA renewed and extended the agreements for the broadcasting, on one hand, of the most competitive basketball competition in Europe (“Euroleague Basketball Competition”) and on the other hand of the most renowned tennis tournament (“Wimbledon Tournament”), while at the same time it acquired the exclusive broadcasting rights for all home matches of 12 out of 14 teams of the domestic Men’s 1st Division Basketball championship. Finally, Nova continues to hold the exclusive rights for a number of additional athletic events for Greece and/or Cyprus.

The Company continues offering the 1st pay tv window of feature films and series, on an exclusive basis, by renewing the output deal agreements with the Major Studios (Disney, Sony, Paramount) which expired within the year, as well as with the ongoing output deals with the remaining Majors (Fox, Warner, Universal, Dreamworks Animation, MGM). Furthermore, it renewed its output deal with Odeon, as well as its agreements with the remaining local distributors (e.g. Spentzos, Audiovisual, Feelgood, etc.), as well as with independent international content providers (e.g. CBS, Starz, BetaFilm, Lionsgate), always offering content on an exclusive basis. Also, and for the first time in its history, it secured an exclusive output deal for the 1st pay window with the big US pay tv channel and international content provider, HBO. Finally, the Company managed, after several years of absence, to secure in the agreement with WARNER, the exclusive 1st pay tv window rights for Cyprus as well. The Company continues to offer exclusively in Greece and Cyprus, the most glamorous film Awards, from the Golden Globe Awards, to the Screen Actors Guild Awards and finally to the Academy Awards.

The Company continues to broadcast, in SD or HD, the most important international thematic channels (Fox, Fox Life, Nat Geo & Nat Geo Wild, Discovery & Animal Planet, CNN, Boomerang, History Channel, Travel Channel, MTV, Nickelodeon, etc.), as well as renewing the channels which expired within the year (Disney Channel & Disney XD, E! Entertainment, Eurosport).

Also, the Company launched a new Nova branded channel, Novalife, in order to support the Nova triple play/Start pack offer. This channel includes everything that was missing from the entry level subscriber (e.g. feature films, series, Greek productions, talk shows, cinema news with Greek hosts, etc.).

Finally, the Company continues to secure in all contracts/renewals/amendments of content, the broadcast rights on the Internet, on live streaming and/or catch up/svod basis, for all ip-enabled devices (i.e. pcs, tablets, smartphones, etc.). At the same time the Company achieved significant cost reduction (whether in relation with the pay tv license fees, or with the fees and/or the technical costs which are triggered by the above mentioned new ways of delivery).

Investments
During 2013 Forthnet:

- Succeeded the replacement of previous generation decoders with latest MPEG4 technology decoders throughout the Nova subscriber base. Once the replacement is completed the company will be able to reduce transmission costs and improve platform security.
- Completed two (2) new collocations, reaching total 495 collocations in LEs, covering more than 76% of Greek household
- Increased capacity of international link, with total: 100Gbps at the end of 2013. New peerings in AMS-IX (Internet exchange), in Amsterdam (10Gbps) and in BIX (Sophia) with Google (10Gbps). Forthnet also, upgraded the national peerings with OTE, HOL and Wind to 31Gbps and upgraded to 66 Gbps the Content Delivery Network (CDN) in Athens & Thessaloniki (Google, Akamai, web-streaming).
- Expansion of optical fiber for connecting to private network collocations, total length 5.820 km, reaching 94%coverage of Forthnet subscribers. Ring protection implemented in order to increase network availability.
- Finalize construction and full operation of the new Data Center in Thermi, Thessaloniki and Heraklio, Crete
- Forthnet in the top10 IPv6-enabled ISPs in the world. Also, significant investments spend in the modernization of IP & Metro Ethernet Network, in order to support the new routing protocol IPv6.
- Certified as «Cisco Cloud & Managed Services Master Certification». Unique telecom operator in Greece with this certification. According to Cisco Partner Locator, in 2013 Forthnet certified with three Cisco Powered services: MPLS VPN, Metro Ethernet (ME) and Managed Internet Services.
- Upgraded all 4 transponders of the Hotbird family. On this basis, we completed the conversion to the broadcast standard DVBS-2 and we changed the video encoding using the standard H.264 or Mpeg4. The upgrade of the broadcast standard, as well as of the method of video compression bore excellent results, as there has been an important improvement on the quality of the program transmission and a rise of the available bandwidth capacity.

New Services
- Pilot operation to +25,000 Forthnet subscribers of NovaGo (Over the Top platform)**.**
- Pilot operation of the Fiber-to-the-home (FTTH) network in the municipality of N. Smirni.
- Commercial launch of the new telephony (VoIP) service over satellite. The new service is offered with Satellite Broadband (Forthnet 2play SAT) and Nova (3play SAT).
- Offer cloud service to business clients (cloud storage & backup, Infrastructure as a Service).

Forthnet Shops
Forthnet has a wide range distribution network consisted of 132 Forthnet Stores, 6 chains and a great number of independent stores and wholesalers.

3. CORPORATE GOVERNANCE DECLARATION On the basis of article 43a, par. 3 section d' of c.l. 2190/1920

A) CORPORATE GOVERNANCE CODE

The Company has resolved on its own will to apply a Corporate Governance Code, which is available at the main offices of the Company, at the extension of Manis street, location of Kantza, Pallini, P.C. 15351.

B) CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY IN ADDITION TO THE PROVISIONS OF THE LAW

The Company applies certain corporate governance practices in addition to the provisions of the Law, which concern the operation of the Purchasing Committee and the Strategy Committee, as they are specifically provided for in the Corporate Governance Code, as well as in the General Security Policy and its individual sub-policies.

C) COMPANY'S INTERNAL CONTROL SYSTEM REGARDING THE PREPARATION OF FINANCIAL STATEMENTS

The Internal Control System (ICS) of the Company refers to the auditing mechanisms and procedures in place to ensure the completeness and reliability of the data and information required for the exact and timely preparation of the financial statements.

The basic elements of the internal control system are, inter alia, the following:

- the specific detailed procedure describing the preparation of the annual and interim financial statements,
- the specific organizational structure of the finance department that ensures the separation of operations between the accounting department and the department of reporting, which is responsible for the preparation of the financial statements,
- The internal audit department, which examines and evaluates the Company's internal control system in the context of reviewing the implementation of the Internal Corporate regulation and the Articles of Association of the Company, as the law dictates.

Finally the framework of the ICS includes the appropriate communication and cooperation among the legal department, the finance department and the internal audit department, ensuring the effective supervision and constant compliance with the legal obligations concerning the preparation and presentation of the financial statements of the Company.

D) INFORMATIVE DATA OF THE DIRECTIVE 2004/25/EC (art. 10) REGARDING THE TAKE OVER BIDS.

The Company does not fall into the field of implementation of the directive 2004/25/EC, however the informative data required according to article 10 par. 1, under c), d), f), h) and i) of it, is provided for as information in the Explanatory Report of the B.o.D, according to article 4, par, 7 of Law 3556/2007.

E) INFORMATIVE DATA FOR THE OPERATION OF THE GENERAL ASSEMBLY OF THE SHAREHOLDERS AND THE BASIC AUTHORITIES, AS WELL AS DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND OF THE MODE OF THEIR EXERCISE.

I. Operation of the General Assembly

Preamble

According to Article 9 of the Company's Articles of Association, the General Assembly of Shareholders is the Company's supreme body and is entitled to decide on any issue concerning the Company. It is composed and operates in accordance with the law and its' articles of association, and its decisions are equally binding for all shareholders, even those who are absent or disagree.

Convening the General Assembly

- The General Assembly of shareholders, when convened by the Board of Directors, shall meet regularly at the Company's registered seat or in the region of another municipality within the prefecture of the seat or another municipality neighboring to the seat or in the region of the municipality where the Stock Exchange is located once a year, in the first semester after closure of each financial year. The Board of Directors may convene extraordinary General Assemblies as often it judges necessary.
- General Assemblies, except repeat and other similar assemblies, shall be noticed at least twenty (20) calendar days prior to the assembly date.

Notice to the General Assembly

- The notice to shareholders for the General Assembly shall state the date, time and venue of the assembly and the items on the agenda clearly, the shareholders entitled to participate, as well as clear instructions concerning the way in which shareholders can participate the assembly and exercise their rights in person or by proxy. This invitation, with the exception of repeat General Assemblies and other similar meetings, shall be published ten (10) days before the Assembly date in the Government Gazette, and twenty (20) days before the assembly date, in a daily political, financial and local newspaper while at all events it shall be posted in a visible location at the Company's offices.
- Furthermore, the invitation to the General Assembly may be published in the press in the form of a summary with specific information mentioning the webpage of the Company, where the full text of the invitation is available. In addition, the invitation is published at the discretion of the B.o.D in national and Pan-European wide electronic media.

Participation in the General Assembly

Each shareholder is entitled to participate and vote in the General Assembly of the Company. The exercise of the said rights presupposes neither the binding of the rights holder's shares nor the observance of any other corresponding procedure that limits the ability of their sale and transfer during the time period that lapses between the Record Date as it is defined below, and the relevant General Assembly. The shareholder participates in the General Assembly and votes either in person or by proxy.

Anyone who appears as a shareholder in the registry of Dematerialized Securities System (managed by the Hellenic Exchanges S.A.), in which the shares of the Company are kept, is entitled to participate in the General Assembly. The proof of the shareholder's capacity is effected with the producing of a relevant written certification of the aforementioned entity, or alternatively, with a direct on-line connection of the Company with the records of the latter.

The shareholder's capacity should exist upon commencement of the fifth day prior to the day of the General Assembly's meeting (Record Date) and the relevant written certificate or electronic authentication regarding the shareholder's capacity should come to the Company the latest on the third day prior to the meeting of the General Assembly. Shareholders under the same formal preconditions may participate in the repeat General Assembly. The shareholder's capacity should exist upon commencement of the fourth day prior to the day of the repeat General Assembly (Record Date of repeat general assemblies), while the relevant written certificate or the electronic authentication regarding the shareholder's capacity should come to the company the latest on the third day prior to the meeting of the General Assembly.

The list of shareholders entitled to vote at the General Assembly shall be posted in a visible location at the Company's offices twenty four (24) hours prior to the General Assembly

The shareholders that do not comply with the provisions may participate in the General Assembly only upon a relevant license of the members that attend the General Assembly.

Regular quorum and General Assembly majority

1. The General Assembly shall be considered to have a quorum when at least twenty percent (20%) of the paid-up share capital is represented therein.
2. If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held, and which shall be considered to have a quorum and convene legally on the items of the initial agenda, irrespective of the percentage of paid-up share capital that is represented in the General Assembly.
3. Decisions in the General Assembly shall be made with an absolute majority of the votes represented at the Assembly.

Extraordinary quorum and General Assembly majority

In exceptional circumstances, the General Assembly shall be considered to have a quorum and convene legally on the items on the agenda when two thirds (2/3) of the paid-up share capital are attending or represented therein, regarding decisions that belong to the exceptional competency of the General Assembly and which are mentioned below and in any other case defined by the law. Furthermore, the relevant decisions of the General Assembly shall be made with a majority of two thirds (2/3) of votes represented in the Assembly.

Chairman-Secretary of the General Assembly

1. The Chairman of the Board of Directors or his/her substitute when the former is not in the position, shall chair the General Assembly temporarily.
2. After the list of shareholders with voting rights has been approved, the assembly shall appoint its Chairman and a Secretary, who shall also act as teller.

Matters discussed – Minutes of the General Assembly

1. The discussions and decisions of the General Assembly shall be limited to the items set forth in the agenda published
2. With particular regard to decision-making by the General Assembly on financial statements approved by the Board of Directors, such statements must be signed by the Chairman of the Board of Directors or his/her substitute, by the Chief Executive Officer and by the Chief Financial Officer.
3. Minutes shall be kept for all discussions and decisions in the General Assembly, and signed by the Chairman and the Secretary.
4. Following a request from a shareholder, the Chairman of the General Assembly shall ensure that that shareholder's opinion is included in the minutes in detail. The list of shareholders attending the General Assembly in person or by proxy shall also be entered in the book of minutes.

II. Basic competencies of the General Assembly

The General Assembly is the only competent instrument to decide for: a) Merger, with the exception of the absorption of a 100% subsidiary according to article 78 of the C.L. 2190/1920 as valid, split, conversion, revival, extension of the term or dissolution of the company, provision or renewal of power to the Board of Directors for the increase of the share capital or the issuance of a bond loan with transferable bonds and subject to par. 2 of article 5 of the articles of association, b) the issuance of a bond loan with transferable bonds according to article 15 of Law 3156/2003 which amended article 3[a] of the C.L. 2190/1920 subject to par.2 of article 5 of the Articles of Association and the issuance of a bond loan with a right of participation in the profits, c) Amendment of the articles of association with the exception of the cases of its amendment by the Board of Directors according to article 11, par. 5, article 13 par. 13, article 13 [a] par. 2 and article 17b par.4 of the C.L. 2190/1920, as valid d) Increase-decrease of the share capital, subject to par. 2 article 5 of the articles of association, par. 1 and 14 of article 13 of the C.L. 2190/1920, as well as the increases imposed by provisions of other laws e) Appointment of members of the Board of Directors according to the provisions of articles 19 and 22 of the Articles of Association, f) Appointment of auditors, g) Appointment of liquidators, h) Disposal of the net annual returns, with the exception of the distribution of returns or voluntary reserves in the current fiscal year upon resolution of the board of directors, provided that a relevant authorization of the regular general assembly exists, i) Approval of the statement of financial position, j) release of the members of the Board of Directors and the auditors from any responsibility, k) approval of the appointments from the Board of Directors according to article 22 of the articles of association, of temporary Members in replacement of the ones that have resigned, deceased or disqualified in any manner from holding their office.

Exceptional competency of the General Assembly

- The General Assembly shall be considered to have a quorum and convene legally for the items of the agenda, when two thirds (2/3) of the paid-up share capital are attending or represented therein and in the last case, the relevant decision shall be made with a majority of two thirds (2/3) of the share capital present, in exceptional cases, when it is about decisions that concern:

  a) Extension of the term, merger, split, conversion, revival or dissolution of the Company;
  b) changes to the company's nationality;
  c) changes to the scope of the company;
  d) increases of the share capital with reserve to the provisions of paragraphs 2 and 3, article 5 of the Articles of Association, and par. 1 and 2, article 13, C.L. 2190/1920, as valid, unless imposed by law or implemented with a capitalization of reserves;
  e) share capital reductions, unless made in accordance with par. 6, article 16, C.L. 2190/1920, as valid;
  f) provision or renewal of powers to the Board of Directors for share capital increases in accordance with par. 1, article 13, C.L. 2190/1920, as valid;
  g) alterations to the profit appropriation method;
  h) increase of the shareholders' obligations;
  i) any other case determined by the law and these articles of association;
  j) amendment of paragraph 24, article 20 concerning the competences of the Chief Executive Officer.

- If the necessary quorum is not achieved in the first meeting, a repeat assembly shall be held within twenty (20) days, to be announced at least ten (10) days in advance. The first repeat assembly shall be considered to have a quorum and convene legally for the items of the initial agenda, when at least the fifty one per cent (51%) of the paid up share capital is represented therein.

- When the necessary quorum is not achieved again, a second repeat assembly shall be held within twenty (20) days, to be announced at least ten (10) days in advance and which shall be considered to have a quorum and convene legally for the items of the initial agenda, when one fifth (1/5) of the paid up share capital is represented therein.

- In case of non achieving the quorum provided for in par. 1 and 2, no subsequent notice is required, if the venue and the date of the repeat assemblies that are provided for by law are defined.

- Regarding the amendment of article 32 of the Articles of Association for the taking of a decision, the majority of the three fourths (3/4) of the paid up share capital is required.

III. Description of the rights of the shareholders and the mode of their exercise

1. The Company has adapted its articles of association to the provisions of Law 3884/2010, which amended the C.L. 2190/1920 regarding Societes Anonymes and applies them.
2. The articles of association of the Company provide that the shareholder's capacity implies legal, ipso jure and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on societes anonymes, the provisions of these articles of association, the decisions of the General Assembly of shareholders and the decisions of the Board of Directors. In particular:
   a) Shareholders shall exercise their rights as regards company's management only through the General Assembly; b) Each share shall provide the right to one (1) vote at the General Assembly;

c) Each shareholder, irrespective of place of residence, shall be subject to Greek Legislation and shall be deemed to reside permanently at company headquarters where the shareholder shall appoint an attorney and shall inform the company of such appointment.

Minority rights

According to C.L. 2190/1920 as valid, the minority rights are the following ones:

1. The Board of Directors shall, following a request from shareholders representing at least one twentieth (1/20) of the paid-up share capital, call an extraordinary General Assembly of shareholders and appoint a meeting date, within no more than forty-five (45) days from the date the request in question was submitted to the Chairman of the Board of Directors. The request shall state the exact item of the agenda. If the Board of Directors does not convene a General Assembly within twenty (20) days of service of the relevant application, convocation shall be carried out by the applicant shareholders at the company's expense, by decision of the court of first instance of the company's seat, issued during the provisions measures session. The decision shall specify the venue and date of the meeting, as well as the agenda.
2. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the general assembly. Any such additional matters shall be published or announced, at the Board of Directors' responsibility, at least seven (7) days prior to the General Assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the general assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders.

   2a. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.

   2b. The Board of Directors is not obliged to proceed to the entry of items on the agenda or their publication or notification along with a justification and draft decisions submitted by the shareholders according to the aforementioned paragraphs 2 and 2a respectively, if their content is obviously opposed to the law and the moral ethics.

3. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the chairman of the General Assembly shall be obliged to postpone decision-making in an ordinary or extraordinary General Assembly for once, for all or specific items on the agenda, and shall determine, as the date of continuation of the meeting for decision-making, the date determined in the shareholders' request, which shall be within thirty (30) days of the postponement date.
4. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers.

Furthermore, following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to disclose to the General Assembly of shareholders, provided that it is regular, all amounts paid by company in the last two years to each member of the Board of Directors or the managers of the company, as well as any other benefit extended to these parties for any reason or any other contract made between them and the company.

5. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes. Following a request from shareholders representing one fifth (1/5) of the paid-up share capital, submitted to the company within the deadline of the previous paragraph, the Board of Directors shall provide the General Assembly with information about the progress of corporate matters and the company's assets.
6. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, decision-making on any item on the agenda of the General Assembly may be implemented by nominal ballot.
7. In all of the above cases, the applicant shareholders shall prove that they are shareholders and the number of shares they hold when exercising the relevant right.
8. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital may ask the competent court to perform an audit of the company if non compliance with the decisions of the General Assembly of the shareholders or breach of the law and the Articles of Association of the Company are ascertained.
9. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital may ask the competent court to audit the company if the progress of company affairs gives rise to suspicions that the company is not being managed prudently.
10. The Board of Directors of the Company is obliged, ten (10) days prior to the Regular General Assembly to provide each shareholder that requests so, with a copy of the financial statements with itemization of the profit and loss account, as well as a with a copy of the report of the Board of Directors and the report of the auditors on the financial statements.

IV. COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AND ANY OTHER BODIES/COMMITTEES OF THE COMPANY

i. Composition of the Board of Directors

The Board of Directors of the Company, according to its articles of association, consists of five (5) up to (9) members. The one third of the Board of Directors of the Company shall at least be non executive members and includes at least two (2) independent non executive members.

As soon as it is appointed, the Board of Directors shall be incorporated into a Body and appoint the Chairman and Vice-chairman and Chief Executive Officer. The current Members of the Board of Directors of the Company, the tenure of office of which ends on 28.06.2016, and is extended until the date of the convocation of the Regular General Meeting of 2016, are the following:

1. Deepak Srinivas Padmanabhan, Chairman (non executive member)
2. Panagiotis Papadopoulos, Vice Chairman and Chief Executive Officer (executive member)
3. Vasilios Dougalis , non executive member
4. Edwin Lloyd, independent non executive member
5. Mohsin Majid, non executive member
6. Bhavneet Sigh, independent non executive member
7. Michael Warrington, non executive member
8. Giannos Michailidis, non executive member

ii. Operation of the Board of Directors

The Chairman of the Board of Directors shall chair the meetings of the Board of Directors and manage its activities. When the Chairman is absent or prevented from attending, he/she shall be replaced, for the entire scope of his/her competences, by the Vice-chairman, who in turn shall be replaced by the Chief Executive Officer.

The executive member of the Board of Directors should deal with the daily management of the Company. Any other member is considered non executive member. The capacity of a member as an executive or non executive, shall be defined by the Board of Directors and validated by the General Assembly of the shareholders.

The independent members are non executive members of the B.o.D that meet at least the independency criteria defined by law and are appointed by the General Assembly of the shareholders according to law 3016/2002.

iii. Replacement of a member of the Board of Directors

In the event of departure of a board member prior to expiry of his/her term, due to death, resignation or loss of his/her capacity in any other manner, the remaining members, who may be no less than three, may appoint a temporary Board Member to replace the departing member for the remainder of their term.

The appointment decision shall be submitted to the publicity formalities of article 7b, L. 2190/1920 as valid, and announced by the Board of Directors at the next general assembly, which may replace the appointed parties, even if the relevant item has not been included on the agenda. However, the actions of the temporary Member, which are implemented as of their appointment and any non-approval thereof by the General Assembly, shall be considered valid.

iv. Convening the Board of Directors

1. The Board of Directors shall be convened by the Chairman or his/her substitute, each time that this required by the law, the articles of association of the company’s needs. The Board of Directors shall convene at the Company's seat, but may also meet validly outside the company's seat, in any Municipality of the Region of Attica.
2. The meeting is announced by the Chairman or his/her substitute, through an invitation notified to the members at least two (2) working days prior to the meeting, on a date, venue and time established by the Chairman. The invitation shall clearly state the items on the agenda, otherwise decision-making shall be permitted only if all members of the Board of Directors are present or represented, and no member objects.
3. Following a request from at least two Members, which shall, on pain of rejection, mention the issues to be discussed by the Board of Directors, the Chairman of the Board or his/her substitute shall be obliged to : a) include the issues mentioned by the request on the agenda of the first meeting of the Board of Directors after submission of the request; b) call a meeting of the Board of Directors, and set the date of the Meeting, no more than seven (7) days after submission of the request.
4. In the latter case, if the Chairman or his/her substitute refuses to call the Board of Directors, or calls it at a later date than required, the members requesting the meeting can convoke the Board of Directors themselves within five days from expiry of the seven-day deadline, notifying the relevant invitation to the other members of the Board of Directors.
5. The Board of Directors may also convene by teleconference. In this case, invitations to the members of the board of directors shall include all necessary information for participation thereof in the meeting.

v. Board of Directors quorum and decision-making

1. Any member who is absent or prevented from attending may appoint another member to represent them at the Board of Directors. Any member attending the meeting may represent only one other member. The Board of Directors shall be considered to have a quorum and meet legally if at least half plus one of the members are present or represented, with at least three (3) Members attending in person.
2. Each Member has one vote. No Member can be represented in the Board of Directors by a person who is not a member thereof. Each member may validly represent only one other Member of the Board.
3. Decisions of the Board of Directors are made with an absolute majority of the members who are present or represented.

vi. Minutes of the Board of Directors

Minutes of the discussions and decisions of the Board of Directors shall be kept in a special book, which is signed by the Chairman or his/her substitute. The Secretary of the Board of Directors shall be selected among persons who need not be members of the Board of Directors. Summary minutes of the discussions and decisions of the Board of directors shall be kept in a special book.

vii. Committees for the support of the Board of Directors

The work of the Board of Directors is supported by three Sub-Committees, the Audit Committee, the Strategy Committee and the Purchasing Committee.

- **Audit Committee**
  - **Composition of the Audit Committee**

    The Audit Committee is composed of at least two (2) non executive members and one non executive - independent member of the Board of Directors. The members of the Audit Committee are appointed by the General Assembly of Company's shareholders.

    The Board shall review the composition of the Committee at least after the lapse of three years and recommend to the General Assembly on possible changes.

  - **Audit Committee's meetings**

    1. The Audit Committee shall meet at least four (4) times annually or more frequently, upon the invitation of the Chairman of the Committee. In addition, the Board of Directors may also ask the Committee to convene further meetings with a view to discuss, review and report on any matters which the Board may consider necessary to deal with.
    2. A quorum is attained when two (2) members are present. Decisions will be taken by majority vote.
    3. The Audit Committee may convene through teleconference. The Head of Internal Audit department participates in the meetings of the Audit Committee. The Audit Committee may request any other officer of the Company to attend its meetings to assist it with its discussions and considerations on any particular matter.
    4. A member of the Legal Department shall be the Secretary of the Audit Committee, responsible to keep records of the respective minutes. The minutes of the Audit Committee will be shared with the Board.

- **Audit Committee's Duties and Responsibilities**

  The Audit Committee serves as an independent and objective party responsible to review and appraise the auditing practices and performance of internal and external auditors. Its primary duty is to assist the Board of Directors in performing its duties by reviewing the Company's internal control system, as well as the financial reporting processes. The responsibilities of the Audit Committee, according to Articles of Association are, inter alia, the following:
  - Oversee the financial reporting process
  - Oversee hiring, performance and independence of external auditors. It shall monitor the Company's internal control process
  - Oversee performance of Internal Audit
  - Monitor the statutory audit of the annual and consolidated accounts and Corporation's financial reporting processes.
  - Review risk management system of the Company

- **The Strategy Committee (SC)**

  The Strategy Committee shall have the following competencies:
  1. To provide oversight and guidance to the Company within the guidelines and framework set by the Board of Directors;
  2. To act instead of the Board in between regularly scheduled meetings of the Board, when authority in this regard is expressly delegated to it by the Board;
  3. To recommend executive management appointments;
  4. To monitor, review and make recommendations on the strategic, business and financial direction and performance of the Company;
  5. To make recommendations on and monitor investments, acquisitions and disposals and business development activities of the Company;
  6. To review and make recommendations on the Company's financial reporting processes;
  7. To review and make recommendations on all contracts proposed to be entered into by the Company, which contracts will be referred to it by the Purchasing Committee from time to time, and which contracts would further imply a financial commitment up to and including certain thresholds as defined by the Financial Authority Matrix approved by the Board of Directors
  8. To forward to the Board of Directors proposed contracts and which imply financial implications exceeding the Strategy Committee's competence in terms of the approved Financial Authority Matrix.
  9. To inspect and monitor the materialization of all TV rights agreements, and the agreements that are relevant to the telecommunications services provision the Company concludes, as well as any other agreement that the Board of Directors considers each time appropriate.
  10. To evaluate the performance of key executives of the Company in the light of predefined goals and objectives and to recommend or approve compensation, as applicable, on the basis of such evaluation; and
  11. To recommend remuneration policy guidelines.

  - **Strategic Committee Membership**

    The Board of Directors shall appoint three (3) Members to sit on the Strategy Committee: two (2) non-executive members of the Board and the Chief Executive Officer. A non-voting Coordinator/Secretary shall further be appointed. The SC Members may, in their discretion, request additional persons to attend any particular SC meeting.

  - **Strategic Committee Meetings**

    The SC shall meet at least once a month and may further meet on an ad hoc basis as necessary if a critical operational issue arises. A quorum shall be achieved with the presence of one non-executive director and the Chief Executive Officer. The SC shall keep minutes of all its meetings, which minutes shall be approved at the subsequent SC meeting.

- **The Purchasing Committee (PC)**
  - **PC Role and Responsibilities**

    The PC shall have the following functions:

    1. To review and approve every purchase and procurement transaction made by the Company, according to the Financial Authority Matrix, approved by the B.o.D
    2. To review existing purchasing and procurement policies and procedures of the Company and ensure consistency in their application;
    3. To approve major purchasing/partnership decisions in such a way as to ensure a link with the Company's strategic partners and to encourage the creation of synergies in the purchasing decision-making process;
    4. To review key risks and business implications of key contracts that are subject to its competency;
    5. To ensure optimisation of capital and operational expenditure;
    6. To participate in the annual evaluation procedure of all suppliers, to suspend, reinstate and exclude the cooperation with suppliers for performance-related reasons when necessary;
    7. To serve as the first reference point to which all contract proposals are to be referred and approved, provided that the financial implication in respect thereof is more than €50,000 excluding VAT;
    8. To review the contract proposals referred to it in terms of the preceding paragraph 7 and to make recommendations in regard to the same, as well as to refer to the Strategy Committee regarding agreements, the value of which exceeds the limit of its competency.
    9. To ensure the suitable materialization of all expenses approved according to the approved Financial Authority Matrix.
    10. To approve the initial formation, as well as any change in the formation of the list of the preferable suppliers.

  - **PC Membership**

    The Board of Directors shall appoint not less than three (3) Members and not more than four (4) Members to sit on the Purchasing Committee, as well as a non-voting expert advisor. A non-voting Secretary shall further be appointed. The PC Members may, at their discretion, request additional persons to attend any particular PC meeting and assist the PC in the accomplishment of its obligations.

  - **PC Meetings**

    The PC shall meet at least once a month and may further meet on an ad hoc basis according to the needs or if it is considered necessary by the members. A quorum shall be achieved with the presence of three members of the P.C.

    All PC approvals and recommendations made at each PC meeting shall be duly minuted by the PC Secretary at each such meeting.

4. RISKS AND UNCERTAINTIES FOR 2013

Macroeconomic risks

- The recent economic crisis may adversely affect both the Group's ability to raise capital, either through borrowing or through a share capital increase, and its borrowing costs.
- The uncertainty arising from the Greek public finance crisis has had and is likely to continue to have a negative impact on business activity, operating results and the financial situation of the Company and Group.
- The implementation of the austerity policy adopted by the Greek government, the increasing unemployment and the uncertain climate prevailing in Greek society, which have negatively affected the consumers' disposable income and mood, could affect the demand for the Group's products and services adversely affecting the Group's activity, financial situation, results and prospects.

Business-related risks

- The Group has a significant level of bank borrowing with important contractual capital repayments in the years to come. Furthermore, the Group's Management has started negotiations with the lending banks so as to refinance the Group's bond loans and agree on an appropriate and mutually accepted waiver from the breach of certain contractual obligations arising from said loans. Failure to reach an agreement in the context of refinancing and to agree on an appropriate and mutually accepted waiver between the Management and the lending banks might put at risk the smooth continuation of the Group's and the Company's activity.
- The Company's Management has initiated talks with the lending banks consortia in order to refinance the Group's loans. It should be noted that, if the initiatives to cover the Group's needs in working capital are not successful, or are only partly successful, there may be significant adverse consequences for the Group's financial situation, results and prospects.

Market risks

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

5. RELATED PARTIES

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

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

Related Party	Relation with Forthnet	Year ended	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	2,265,789	2,981,662
		31.12.2012	3,201,168	3,398,673
Go Plc	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	4,752
Technology and Research Foundation	Shareholder	31.12.2013	73,348	43,022
		31.12.2012	84,739	50,407
Forth CRS S.A.	Subsidiary	31.12.2013	123,376	2,285
		31.12.2012	127,538	2,155
MultiChoice Hellas S.A.	Subsidiary	31.12.2013	13,083,904	1,704,520
		31.12.2012	3,706,532	273,638
Interoute Spa (Italy)	Related Party	31.12.2013	181,789	-
		31.12.2012	195,139	-
Interoute Managed Services Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	1,517,968	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	374,400	529,034
		31.12.2012	374,400	472,872
Interoute CzechSro	Related Party	31.12.2013	2,104	166,661
		31.12.2012	5,228	425,151
NETMED S.A.	Subsidiary	31.12.2013	113,047	-
		31.12.2012	137,455	-
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013	1,617,355	14,254
		31.12.2012	2,534,304	5,105
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	482,901
	Total	**31.12.2013**	**17,835,112**	**5,441,438**
	Total	**31.12.2012**	**11,884,471**	**5,115,654**

Related Party	Relation with Forthnet	Year ended	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	468,922	901,415
		31.12.2012	827,641	697,245
Go Plc	Indirect Shareholder	31.12.2013	4,293	-
		31.12.2012	-	-
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	803,325
		31.12.2012	-	877,986
Technology and Research Foundation	Shareholder	31.12.2013	26,009	3,876
		31.12.2012	32,112	6,142
Forth CRS S.A.	Subsidiary	31.12.2013	616,038	4,613
		31.12.2012	678,695	-
Telemedicine Technologies S.A.	Subsidiary	31.12.2013	3,734	-
		31.12.2012	3,734	-
Athlonet S.A.	Associated	31.12.2013	11,502	8,060
		31.12.2012	11,502	10,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2013	21,103,894	8,467,831
		31.12.2012	5,084,217	32,840,509
Interoute Managed Service Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	657,000	-
Interoute Spa (Italy)	Related Party	31.12.2013	40,876	-
		30.12.2012	29,168	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	62,400	202,033
		31.12.2012	126,000	169,881
Interoute Czech Sro	Related Party	31.12.2013	322	171,455
		31.12.2012	409	64,189
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013	42,773,092	493,174
		31.12.2012	49,102,934	472,658
NetMed S.A.	Subsidiary	31.12.2013	327,390	-
		31.12.2012	188,529	-
	Total	**31.12.2013**	**65,438,472**	**11,055,782**
	Total	**31.12.2012**	**56,741,941**	**35,138,670**

The intergroup revenue from Multichoice Hellas S.A. relates to the recharge of Multichoice Hellas S.A.'s share in joint sell advertising, telecommunications services (telephony, broadband, etc.), as well as, recharge of directors' payroll cost and recharge of Multichoice Hellas S.A. share in associates' commission.

The intergroup costs from Multichoice Hellas S.A. refer mainly to the purchases of decoders for resale in Forthnet stores, and share of Forthnet in joint sell advertising.

The intergroup revenue and receivable from Forthnet Media Holdings S.A. arises mainly from the re-sale of the Superleague and UEFA football rights.

The Company's payable towards Multichoice Hellas S.A. relates to cash collected by its stores on behalf of Multichoice Hellas S.A.

The Group's receivable from Interoute Managed Services Netherlands relates to the use of Forthnet's fiber optic network.

The intergroup revenue and costs from Wind Hellas Telecommunications S.A. relates to a mutual concession for the use of optical fiber infrastructure.

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

Related Party	Relation with Group	Year ended	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	2,265,789	2.981.662
		31.12.2012	3,201,168	3,398,673
Go Plc	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	4,752
Technology and Research Foundation	Shareholder	31.12.2013	73,348	43,022
		31.12.2012	84,739	50,407
Interoute Managed Services Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	1,517,968	-
Interoute Spa (Italy)	Related Party	31.12.2013	181,789	-
		31.12.2012	195,139	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	374,400	529,034
		31.12.2012	374,400	472,872
Interoute Czech Sro	Related Party	31.12.2013	2,104	166,661
		31.12.2012	5,228	425,151
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	482,901
	Total	**31.12.2013**	**2,897,430**	**3,720,379**
	Total	**31.12.2012**	**5,378,642**	**4,834,756**

Related Party	Relation with Group	Year ended	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	468,922	901,415
		31.12.2012	827,641	697,245
Go Plc	Indirect Shareholder	31.12.2013	4,293	-
		31.12.2012	-	-
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	803,325
		31.12.2012	-	877,986
Technology and Research Foundation	Shareholder	31.12.2013	26,009	3,876
		31.12.2012	32,112	6,142
Interoute Managed Service Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	657,000	-
Interoute Spa (Italy)	Related Party	31.12.2013	40,876	-
		31.12.2012	29,168	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	62,400	202,034
		31.12.2012	126,000	169,881
Interoute Czech Sro	Related Party	31.12.2013	323	171,455
		31.12.2012	409	64,189
Lumiere Productions S.A.	Shareholder	31.12.2013	-	6,378
		31.12.2012	-	6,378
Lumiere Cosmos Communications	Indirect Shareholder	31.12.2013	-	10
		31.12.2012	-	10
Athlonet S.A.	Associated	31.12.2013	11,502	8,060
		31.12.2012	11,502	10,060
Telemedicine Technologies A.E.	Subsidiary	31.12.2013	3,734	-
		31.12.2012	3,734	-
	Total	**31.12.2013**	**618,059**	**2,096,553**
	Total	**31.12.2012**	**1,687,566**	**1,831,891**

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

The Group's receivable from Interoute Managed Services Netherlands relates to the use of Forthnet's fiber optic network.

Salaries and fees for the members the Board of Directors and the General Managers of the Group for the years ended 2013 and 2012 are analysed as follows:

	The Group		**The Company**	
	December 31,		**December 31,**	
	2013	**2012**	**2013**	**2012**
Salaries and fees for executive members of the BoD	309,917	298,250	309,917	298,250
Salaries and fees for non executive members of the BoD	121,800	133,400	121,800	133,400

Salaries and fees for senior managers	2,338,469	2,151,482	1,463,169	1,453,956
Total	**2,770,186**	**2,583,132**	**1,894,886**	**1,885,606**

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 € 103,857for both the Group and the Company (December 31, 2012: € 60,165), whereas benefits relating to leaving indemnities amounted to € 563,990 and € 0 respectively (December 31, 2012:€ 30,333 and € 0, respectively).

6. PROSPECTS AND INVESTMENTS

During 2014 Forthnet Group will focus its interest in the growth of its subscribing base, through "targeting" of higher value customers, following strategy with accent in the value of services despite the decreased or aggressive price policy.

Towards this direction, Forthnet Group will enrich the successful offering of bundled services with internet access, telephony and premium content.

Hereinafter, the strategy targeting all activity domains within 2014 is analyzed:

Regarding Residential Servicesthe Group for the year 2014 will 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:

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

For the year 2014 Forthnet stores will constitute the basic distribution network through which retail services will be offered to the customers.

Regarding the Business and SME services the emphasis during 2014 will be given on further approaching SMEs and advertising market. In parallel, the Group will focus on promoting bundle services targeted the specific needs of small and large enterprises.

Finally, the Group will further exploit its private infrastructure by migrating customers from wholesale circuits to our private network, in order to further improve the profit margin.

Investments:

Investments planned for 2014 aim at improving quality of current services as well as at additional infrastructure deployment enabling offering of new services.

More specifically:

- Introduce IMS technology. Replacement of SIP Servers (Phase I)
- NovaGo (Over the Top platform). Upgrade platform with new features (Geo-blocking per asset, Social Network Integration etc, Envivio Encoders Management)
- Prepare Thermi, in Thessaloniki for main DC in North Greece. Deployment of DWDM, Aggregation network and BBRAS
- Network Security DDOS protection and DC services security
- Cloud Services. Hosting Network Modernization.
- New VDSL Services. VPU Services in main Forthnet sites, Kolonos (Athens) and Leontos Sofou (Thessaloniki)

Finally, during 2014 Forthnet Group will continue cost savings initiatives seeking improving operational efficiencies and extract maximum value out of existing tangible and intangible assets.

Iraklio, March 27,2014

Deepak Srinivas Padmanabhan
President of the
Board of Directors

BOARD OF DIRECTORS' EXPLANATORY REPORT

(according to article 4 pars. 7 & 8 of L. 3556/2007)

The present Explanatory Report of the Board of Directors to the Ordinary General Assembly of its Shareholders includes additional detailed information in accordance with paragraphs 7 & 8 of Article 4, L. 3556/2007 and constitutes a unified and integral part of the Annual Board of Directors' Report.

(a) Structure of the Company's Share Capital

The Company's share capital amounts to three million eight hundred and eighty five thousand seven hundred and eighty-three euros (€ 3,885,783.00) and is divided into twelve million nine hundred and fifty two thousand six hundred and ten (12,952,610) common nominal shares with a nominal value of thirty cents (€0.30) each.

The Company's shares are dematerialised, common nominal with voting rights, freely negotiable and transferable and listed for trading on the Athens Exchange and more specifically from November 25th, 2011 in the "Under Surveillance Segment" as, according to the financial statement of 31.12.2010, the loss was larger than 30% of the net worth of the Company whereas there was no provision for the completion of a share capital increase within the term for which the Company was bound.

The quality of shareholder implies the legal, automatic and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on limited companies, the provisions of the Company's Articles of Association, the decisions of the General Assembly of Shareholders and the decisions of the Board of Directors. Shareholders shall exercise their rights as regards to the management of the Company only through the General Assembly and each share shall the right to one (1) vote at the General Assembly.

Moreover, each share shall provide:

- a right to dividend from the Company's annual profits, in accordance with the stipulations of legislation and the articles of association;
- the right to withdraw the contribution after the end of liquidation and the balance of the product of liquidation of company property, in accordance with their participation in the paid-up share capital;
- preference rights to any increase in the Company's share capital in cash and the undertaking of new shares;
- the right to obtain a copy of the financial statements and the reports issued by the auditors and the Company's Board of Directors;
- the right to participate at the General Assembly, which includes the following rights: legalisation, presence, participation at discussions, submission of proposals on issues on the agenda, recording of views in the minutes and voting

The General Assembly of Company shareholders shall reserve all its rights during liquidation.

In addition, any shareholder or shareholders representing 1/20 or 1/5 of the paid-up share capital shall have minority rights, as provided by the Company's Articles of Association and the relevant legislation.

(b) Limitations on the transfer of Company shares

The transfer of Company shares takes place as stipulated by Law and there are no limitations on their transfer, given that these are dematerialised shares listed on the Athens Exchange.

(c) Important direct or indirect holdings in the sense of L. 3556/2007 (articles 9 to 11)

Shareholders (natural or legal persons) who on December 31, 2012 held more than 5% of the total number of shares are presented in the following table:

CORPORATE NAME	SHARES	PERCENTAGE
FORGENDO LIMITED*	5,345,938	41.273%
CYRTE INVESTMENTS GP 1 B.V**.	3,333,073	25.733%

* Controlled by Emirates International Telecommunications LLC
** Controlled by 100% by DELTA Lloyd N.V.

On December 31, 2013, the following shareholders held more than 5% participation in the share capital:

CORPORATE NAME	SHARES	PERCENTAGE
FORGENDO LIMITED*	5,701,939	44.022%
WIND HELLAS TELECOMMUNICATIONS S.A.**	4,178,866	32.26%

* Controlled by Emirates International Telecommunications LLC
** Controlled by 100% by LARGOLIMITED

(d) Shares providing special control rights

There are no Company shares providing special control rights to their holders.

(e) Limitations on voting rights

The Company's Articles of Association do not foresee any limitations on voting rights arising from its shares.

(f) Company shareholders' agreements

1. Within the framework of the Company's share capital increase which was decided by the Extraordinary General dated 14.05.2008 and in order to facilitate the participation and exercise of the respective pre-emptive rights by the Company's Management Executives and personnel, Agreements for the Pledging of Shares were concluded on the 31st July 2008 between the Company's Shareholder, Forgendo Ltd on one hand and on the other, the Managing Director, certain Higher Management Executives and certain employees of the Company, who already participated in the Company's share capital, and had, according to the Decision of the Extraordinary General Assembly dated 14.05.2008, a pre-emptive right in the share capital increase. In particular, in the aforementioned Agreements it is foreseen the pledging of shares acquired by the aforementioned persons during the dated 14.05.2008 share capital increase of the Company, which were concluded as guarantee for the loans received by the aforementioned management executives and personnel of the Company for the exercise of the respective pre-emptive right for the acquisition of company shares. In the said Agreements are foreseen limitations in the right to transfer the as above pledged shares.

2. On 5.12.2013 WIND acquired shares and voting rights in the Company owned by a Company's shareholder, Zesmero Limited, corresponding to 27.04% of the total shares and voting rights in the Company. The said acquisition annulled relevant call option right of WIND as well as relevant put option right of Zesmero regarding the above shares and voting rights that was agreed between WIND and Zesmero on 18.07.2013. The above acquisition took place following the agreement between WIND and Zesmero dated 4.12.2013 regarding the purchase by WIND of 3,503,073 shares and voting rights in Forthnet owned by Zesmero and being subject to the above call option right of WIND.

3. The shareholder, Cyrte Investments GPI B.V., by its Notification dated July 22, 2013 has notified Forthnet S.A. of the transfer of its entire direct participation percentage in the share capital of Forthnet, namely of 3,333,073 voting rights and equal number of shares, that took place on July 17, 2013. Further, Cyrte Investments GPI B.V. has notified Forthnet of the subsequent change of its participation percentage from 25.73% to 0%. The Notification has been made as the voting rights percentage of Cyrte Investments GPI B.V. has, due to the above transfer, fallen below the threshold of art. 9 par. 1 and 4 of L. 3556/2007. The company FINE LIFE GROUP LTD, BVI through its subsidiary company ZESMERO acquired for the first time a direct participation percentage of 27,04% in the share capital of Forthnet, corresponding to 3,503,073 voting rights and equal shares out of the total of 12,952,610.

4. As at 30.12.2013 there was a change in EITL's indirect participation in the share capital of Forthnet from 40.0714% corresponding to 62,283,454 voting rights and equal number of shares to 44.022% corresponding to 5.701.939 voting rights and equal number of shares of Forthnet.

(g) Rules applicable to the appointment and replacement of members of the BoD and amendment of the Articles of Association

The rules set out in the Company's articles of association as regards the appointment and the replacement of members of the Board of Directors and amendments to the provisions of its articles of association do not differ from those stipulated by C. L. 2190/1920, as amended by L. 3604/2007, other than those referred to below:

1. In **Article 15 par. 6** of the Company's Articles of Association, regarding the amendment of Article 32 of the Articles of Association, it is exceptionally provided that for the taking of a decision by the General Assembly, a ¾ majority of the paid-up share capital is required, while in article 31 par. 2 of the C.L. 2190/1920 it is provided that such a decision is taken with a 2/3 majority of the votes represented in the Assembly. It is noted that the increased majority of Article 15 par. 6 of the Articles of Association is legally provided since article 29 par. 6 in combination with article 31 par. 3 of C.L. 2190/1920 allow for the provision by the Articles of Association of increased percentages of quorum and majority for certain issues. Article 32 of the Articles of Association concerns the power of the Board of Directors to subsidize the Institute of Information of FORTH in the development of the telecommunications market and the creation of the Company.
2. In **Article 15 par.1 case k)** of the Company's Articles of Association it is provided that among the Decisions that are taken with an increased quorum and majority are included decisions concerning the amendment of Article 20 par. 24 of the Company's Articles of Association, where the powers of the Managing Director are foreseen.
3. In **Article 15 par. 2 subpar. b)** of the Company's Articles of Association it is provided that "The first repeat assembly shall be considered to have a quorum and convene legally on the items of the agenda, when at least fifty-one percent (51%) of the paid-up share capital is represented therein." According to Article 29 par. 4 of the C.L. 2190/1920 "The first repeat assembly shall be considered to have a quorum and convene legally on the items of the agenda, when at least ½ of the paid-up share capital is represented therein." It is noted that the increased majority of Article 15 par. 2 subpar. B of the Articles of Association is legally provided since article 29 par. 6 in combination with art. 31 par. 3 of the C.L. 2190/1920 allow for the provision by the Articles of Association of increased percentages of quorum and majority for all or certain issues.

(h) Responsibilities of the BoD or certain members of the BoD as regards the issuance of new shares or the purchase of own shares in accordance with article 16 of the C.L. 2190/1920.

a. In accordance with the provisions of **article 13, par. 1 points (b) and (c), C.L. 2190/1920** combined with the provisions of article 5 of its articles of association, the Company's Board of Directors, following a relevant decision of the General Assembly that is subject to the publication formalities of article 7b, C.L. 2190/1920, shall be entitled to increase the Company's share capital in whole or in part, through the issuance of new shares or to issue bond loans with convertible bonds, by a decision taken by a majority of at least two thirds (2/3) of its total number of members. In such case, the share capital may be increased up to the amount of the capital that has been paid-up on the date when the said power was granted by the General Assembly to the Board of Directors. The above power of the Board of Directors may be renewed by the General Assembly for a period that shall not exceed five years for each renewal and its validity starts after the termination of each five-year period. Such decision of the General Assembly is subject to the publication formalities of article 7b, C.L. 2190/1920.

   Within the framework of the above legislative provisions, the Ordinary General Assembly of shareholders dated 28.06.2011 approved the renewal of the power of the Board of Directors, for a five-year period, to decide, with a two-third (2/3) majority of the total number of its members, on

(i) increases of the company's share capital, partially or totally, through the issuance of new shares, for an amount that shall not exceed the paid-up Company share capital on the date of the General Assembly, in accordance with the provisions of the articles of association and the law, and
(ii) to issue, in accordance with article 3a, C.L. 2190/1920 and the articles of association, bond loans, with a right to convert the bonds into shares for an amount that shall not exceed the company's share capital on the date of the General Assembly, in accordance with the provisions of the articles of association and the law.

b. In accordance with the provisions of **article 13, par. 9, C.L. 2190/1920**, prior to its amendment by L. 3604/2007, a share placement plan for members of the Board of Directors and the staff may be established by decision of the General Assembly; this plan shall have the form of an option to purchase shares in accordance with the special terms of the decision. In accordance with article 13 par. 9, C.L. 2190/1920, prior to its amendment by L. 3604/2007, the said decision of the General Assembly had to define, in particular, the highest number of shares to be issued, which according to the law could not exceed 1/10 of existing shares, if the beneficiaries exercise the right to purchase shares, the price and the terms for providing shares to beneficiaries. In addition, and in accordance to prior form of article 13 par. 9, C.L. 2190/1920, the Board of Directors could decide on any other relevant detail, which was not settled by the General Assembly, issued option certificates and in December of each year it issued shares to any beneficiaries exercising their right, by increasing the share capital accordingly and certifying the relevant increase.

Within the framework of the above legislative provisions, as applicable at the time, the General Assembly of shareholders dated 30.06.2006 established a placement plan for 2,800,000 shares, to be implemented during the years 2007-2011, defining the objectives, at the price of € 5.36 and in accordance with the particular provisions of the various decisions of the BoD. On the basis of the authorization received from the General Assembly, the BoD implemented in 2007, a stock option plan, according to which 317,149 options to purchase shares were exercised by the beneficiaries, at the price of € 5.36, while the total capital raised amounted to € 1,699,918.64. On 21.12.2007, the BoD increased the share capital accordingly and certified payment of the share capital.

During the Ordinary General Assembly of Shareholders dated 30.06.2006 and the Extraordinary General Assembly of Shareholders dated 10.08.2007, which amended the Decision dated 30.06.2006, as well as the relevant Article of the Regulation for the operation and participation in the Stock Option Plan, the Company's Shareholders decided that in case of a change in control in the Company based on the provisions of article 4 of L.703/1977, the stock option rights granted to the beneficiaries of the stock option plan decided by the General Assembly dated 30.06.2006 mature, so that the beneficiaries (among which are members of Company's BoD and its affiliated companies, General Directors, Directors, Heads of Services and Departments as well as other company executives) have the right to exercise their rights at an earlier date than the prescribed and agreed dates of exercise, as these are defined at any given time by the BoD.

Such a change in control took place on the 14 February 2008, as a result of the acquisition by Forgendo of 8,158,912 shares with equal voting rights (amounting to 20.997% of the share capital of the Company at that date). With its relevant decision dated 22.04.2008 the Board of Directors asserted the maturity of the total stock option plan of 2,800,000 shares, and the right of its beneficiary to prematurely exercise the total of their rights. In accordance with the relevant decision, the exercise of the said rights by the beneficiaries may be realised every three months, and until the date of termination of the program (i.e. from 1.06.2008 till 20.12.2012). With its decision dated 04.08.2008, and as a result of the share capital increase decided by the Extraordinary General Assembly of Shareholders dated 14.05.2008, the Board of Directors asserted the readjustment of the strike price as well as of the number of options to purchase shares granted to the beneficiaries within the framework of the stock option plan decided by the Ordinary General Assembly of Shareholders dated 30.06.2006, valid as amended by the Extraordinary General Assembly of Shareholders dated 10.08.2007. In particular, the BoD asserted that the strike price was readjusted from 5.32 euros to 3.89 euros, while the number of option shares entitled by each beneficiary is a multiple factor of 1.3663535. Due to the lack of interest until today by the beneficiaries of the above plan to exercise their rights, there was no need for the Board to follow the procedure of share capital increase.

c. In accordance with the provisions of **article 13 par. 14, C.L.2190/1920**, as amended by L. 3604/2007, the General Assembly can decide, in accordance with the provisions of par. 3 and 4 of article 29 and of par. 2 of article 31 and subject to the publication formalities of article 7b, to authorize the Board of Directors to establish a stock option plan in accordance with par. 13 of article 13 of C.L.2190/1920, by increasing if needed the share capital and by taking all relevant decisions. Such authorization is valid for five (5) years, unless the General Assembly defines a shorter time of validity and is independent of the powers of the Board of Directors of par. 1 of article 13. The decision of the Board of Directors is taken under the terms of par. 1 and with the limitations of par. 13 of article 13.

Within the framework of the above legislative provisions, the Extraordinary General Assembly dated 14.05.2008 approved the assignment for a five-year-period from the date of the General Assembly to the Board of Directors of the right, with its decision taken with a 2/3 majority of the total of its members, to establish a stock option plan for the personnel and for the Board of Directors of the Company and the companies of the Group, the nominal value of which (shares) should not exceed the 1/10 of the paid-up capital at the date of the Decision of the Board of Directors, in accordance with the provisions of article 13 pars. 13 and 14, C.L. 2190/1920, as amended.

Further to the 14.05.2008 resolution of the Extraordinary General Assembly of the shareholders, which assigned to the Board of Directors, the right to institute a plan for the disposal of shares to the staff and the Boards of Directors of the Group's companies, the Board of Directors, by its 07.04.2009 resolution, created a stock option plan for the disposal of shares of Forthnet S.A to the staff and the members of the company's Board of Director.

The said stock option plan is divided in two parts, according to the following:

A. <u>SHORT-TERM STOCK OPTION PLAN</u>

Due to, on the one hand the very high exercise price of the former plan in relation to the current market value of the Company's share and on the other hand the increased number of options that arose by the adjustment due to the increase of the capital share, the plan established by the 30.06.2006 General Meeting, resulted to be unattractive and ineffective according to its purposes. Therefore, the Board of Directors unanimously resolved that the following alternatives should be provided to the beneficiaries of the plan:

1a. The Board of Directors proceeded to the Creation of 2,194,812 Stock Options of Forthnet S.A., with exercise price €1.18. Further, these options were disposed pro rata, for the replacement of the 2,992,703 options with exercise price €3.89, that the beneficiaries of the plan 2006-2012 had at their disposal for exercising, on the basis of the 04.08.2008 readjustment in the number of the options and in the exercise price, that was effected as a consequence of the increase of the Share Capital of the Company, on condition of a voluntary waiver of the options held by the beneficiaries from the existing plan.

1b. The Board of Directors defines that the 30% of the above options, proportionately for each beneficiary, will ipso jure mature on 15.10.2009, while the remaining 70% proportionately for each beneficiary, will ipso jure mature on 15.10.2010. The beneficiaries could exercise these options at their discretion, per calendar quarter, with the commencement date of the exercise, the maturity date and the termination date on December 2011. The capacity of the beneficiary is lost in case of termination of the relation that connects him with the Company, as it is detailed in article 8 of the Stock Option Operation Regulation.

2a. The Board of Directors resolved the granting to the beneficiaries of the Plan 2006-2012, alternatively to 1a and 1b, of the choice to voluntarily waive their options and in consideration to receive a Fee that equals to the number of each beneficiary's options, times the value of €0.60 per option.

Finally all the above beneficiaries of the above stock options, decided to waive their rights to the options grants and instead receive the Fee.

B. LONG TERM STOCK OPTION PLAN

The Board of Directors, within the bounds of the guidelines and objectives of the General Assembly of the Shareholders and its resolutions for the creation of motives, in order the targets of the business plan of the Company to be achieved resolved on the following:

I. It proceeded on the 07.04.2009 with the Creation of 5,440,096 Options that correspond to 5,440,096 shares in favour of the Beneficiaries, with an exercise price €1,18 as it is set forth and is defined:

i. For the 2,331,470 Options

1) It defined the year 2011, as the vesting year of 2,331,470 Options, on condition that the criteria-targets for the year 2010 will have been achieved, according to the BoD resolutions for the definition of the criteria-targets. The exercise of these options may be realized during the periods that Law defines until 31.12.2014.

ii. For the 3,108,626 Options

1) It defined the year 2012, as the vesting year of 3,108,626 Options, on condition that the criteria-targets for the year 2011 will have been achieved, according to the BoD resolutions for the definition of the criteria-targets. The exercise of these options may be realized during the periods that Law defines until 31.12.2014.

The beneficiaries may be included in one of the categories below, according to the of the BoD resolutions:

1. The category that includes the members of the Boards of Directors of the Company and the affiliated companies according to the above and General Managers, Managers.

2. The category that includes other executives of the Company, the contribution, duties, critical post and the responsibility of the post of whom, are considered a key factor for the achievement of the Company’s objectives, and their stay in its resources is necessary.

II. The BoD reserved its right to grant 3,552,454 Options for the term of the Plan 2009-2016, as well as of the remaining options that will arise by a voluntary waiver of the beneficiaries of the plan 2006-2012 and any options that will not be disposed from the as above short-term Plan on the basis of the criteria and targets, defined each time by the Board of Directors. The Creation of the Options will be effected through individual resolutions of its and their exercise will be possible, only if the as above targets will have been materialized. The exercise of the Options will be affected according to the provisions in force.

d. The General Assembly of shareholders of 13.06.2008, on the basis of **par. 5 et seq., Article 16, C.L.** 2190/1920, as amended by L. 3604/2007, decided and approved the possibility of purchasing up to 3,885,783 own shares, amounting to 10% of the paid-up share capital, at a minimum price of €0.30 and a maximum of €15; the General Assembly also defined the total time period for purchasing the above own shares at twenty four (24) months from the date of the General Assembly. In addition, the General Assembly dated 13.06.2008 authorized the Board of Directors to decide on the various time periods for purchasing own shares and the respective number of shares, and also to undertake any other acts in accordance with the law and within the framework of the above mandate.

The Board of Directors has not yet exercised this power.

(i) Important agreements coming into force, are being amended or terminate in the case of changes in control following a public offer.

There are no agreements, coming into force, being amended or terminating in the case of a change in the control of the Company, following a public offer.

(j) Agreements with members of the Board of Directors or Company staff

There are no agreements between the Company and the members of the Board of Directors of the Company or its staff, foreseeing payment of compensation especially in the case of resignation or dismissal without justified reasons or termination of their term or employment, due to a public offer.

It is noted, however, that within the contracts of the Chief Executive Officer and certain higher management executives, payment of additional compensation is foreseen upon contract termination, in the case of contract termination for which the aforementioned persons are not liable or in case of forced resignation. The relevant obligation has been adequately disclosed in the financial statements.

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''ForthnetS.A.'' (the "Company") and its subsidiaries (the "Group"), which comprise of the separate and consolidated statement of financial position as at December 31, 2013, and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our audit report we draw attention to Note 3 to the separate and consolidated financial statements which indicates that, at December 31, 2013, (a) the Group and the Company were not in compliance with certain financial covenants and undertakings under their bond loan agreements, (b) the Group has not proceeded with the payment of scheduled installments of € 49.5 million that were due, up to the date of this audit report, (c) their long-term borrowings were all classified as current and, (d) the Group's and Company's current liabilities exceeded their current assets and, accordingly, they will not be able to meet their contractual obligations under their bond loans. As further discussed in Note 3, (i) the Company's and Group's ability to refinance their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency, cannot be assured and are depended on a successful refinancing of their borrowings with their lending banks. 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 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 and Regulatory Requirements

(a) The Directors' Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified Law 2190/1920.

(b) We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, March 27, 2014

The Certified Auditors Accountants

CHRISTODOULOS SEFERIS
R.N. ICA (GR) 23431

SPYRIDON BOUNTAS
R.N. ICA (GR) 11451

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

SOL S.A.
CERTIFIED AUDITORS
SOEL REG No: 125

ANNUAL

FINANCIAL STATEMENTS

for the year ended

December 31, 2013

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

		The Group		The Company	
	Notes	01.01-31.12.2013	01.01-31.12.2012 (RESTATED*)	01.01-31.12.2013	01.01-31.12.2012 (RESTATED*)
Revenues	4	376,147,362	401,313,311	215,862,327	229,764,231
Telecommunications costs		(94,788,493)	(104,665,205)	(94,785,730)	(104,542,584)
Royalties and licenses		(96,564,762)	(97,727,923)	-	-
Cost of sales of inventory and consumables	16	(17,860,171)	(8,981,050)	(1,325,034)	(2,385,951)
Advertising and promotion costs		(13,546,682)	(15,681,439)	(4,701,321)	(5,254,376)
Payroll and related costs	6	(40,879,070)	(43,586,291)	(23,719,597)	(24,372,304)
Sundry expenses	9	(60,597,951)	(60,666,095)	(39,312,982)	(34,070,384)
Impairment of goodwill		-	(56,122,922)	-	-
Impairment of investments in subsidiaries		-	-	(112,499)	(8,739,000)
Other income		6,211,320	6,753,137	3,122,240	4,823,105
Depreciation and amortisation	7	(88,483,327)	(94,320,764)	(48,108,387)	(53,368,969)
Financial income	8	2,313,165	1,408,977	119,573	362,021
Financial expenses	8	(25,258,777)	(29,418,809)	(5,563,582)	(6,128,162)
Share of profits of associates accounted for under the equity method		95,122	-	-	-
Profit/(Loss) before income taxes		**(53,212,264)**	**(101,695,073)**	**1,475,008**	**(3,912,373)**
Income taxes	10	(7,178,894)	1,003,629	(2,527,332)	(1,148,391)
Profit/(Loss) after tax (A)		**(60,391,158)**	**(100,691,444)**	**(1,052,324)**	**(5,060,764)**
Profit/(Loss) for the period attributable to:					
Shareholders of the Parent Company		(59,820,693)	(100,246,113)	(1,052,324)	(5,060,764)
Non-controlling interests		(570,465)	(445,331)	-	-
		(60,391,158)	**(100,691,444)**	**(1,052,324)**	**(5,060,764)**
Loss per share (Basic and diluted)		(4.6184)	(7.7395)		
Weighted Average Number of Shares (Basic)		12,952,610	12,952,610		
Weighted Average Number of Shares (Diluted)		12,952,610	12,952,610		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Remeasurement (losses) / gains on defined benefit plans		226,000	(688,727)	30,288	(387,394)
Income tax effect	10	(58,760)	137,745	(7,875)	77,479
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**167,240**	**(550,982)**	**22,413**	**(309,915)**
Attributable to:					
Shareholders of the Parent Company		166,387	(548,839)	22,413	(309,915)
Non-controlling interests		853	(2,143)	-	-
		167,240	**(550,982)**	**22,413**	**(309,915)**

The accompanying notes are an integral part of Financial Statements
***Restated due to the implementation of IAS 19"Employee benefits" (note 2,3)**

STATEMENT OF FINANCIAL POSITIONAS AT DECEMBER 31, 2013

	Notes	The Group 31.12.2013	The Group 31.12.2012 (RESTATED*)	The Group 1.01.2012 (RESTATED*)	The Company 31.12.2013	The Company 31.12.2012 (RESTATED*)	The Company 1.01.2012 (RESTATED*)
ASSETS							
Non current assets							
Property, plant and equipment	12	191,852,139	226,841,953	281,829,878	111,229,693	132,053,562	154,102,782
Intangible assets	13	145,717,178	155,181,019	172,554,880	16,660,619	14,337,215	15,837,876
Goodwill	11	83,168,812	83,359,167	139,482,089	512,569	512,569	512,569
Investments in subsidiaries	11	-	-	-	74,464,311	75,046,076	83,850,733
Investments in associates accounted under the equity methoc	11	218,628	-	-	123,506	-	-
Other non-current assets		11,737,735	10,035,988	9,526,395	10,184,394	8,623,668	8,050,712
Available for sale financial assets	14	223,304	382,766	402,395	180,603	340,064	340,064
Deferred tax assets	10	15,293,582	16,024,257	16,755,772	12,595,607	15,130,814	16,201,726
Total non current assets		**448,211,378**	**491,825,150**	**620,551,409**	**225,951,302**	**246,043,968**	**278,896,462**
Current assets							
Inventories	16	6,616,709	4,112,411	6,696,679	1,014,751	892,070	2,197,398
Programme and film rights	15	49,357,969	48,544,158	47,988,239	-	-	-
Trade receivables	17	59,280,563	63,089,311	75,208,837	36,562,345	40,822,747	46,343,492
Prepayments and other receivables	18	11,111,638	13,196,303	19,522,993	4,861,265	7,205,204	11,775,821
Due from related companies	33	618,059	1,687,566	50,148	65,438,472	56,741,941	34,230,216
Cash and cash equivalents	19	14,689,747	32,571,829	27,781,179	5,582,295	16,319,853	17,144,169
Restricted cash	19	-	7,000,000	8,214,500	-	7,000,000	8,214,500
Total current assets		**141,674,685**	**170,201,578**	**185,462,575**	**113,459,128**	**128,981,815**	**119,905,596**
TOTAL ASSETS		**589,886,063**	**662,026,728**	**806,013,984**	**339,410,430**	**375,025,783**	**398,802,058**
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent company							
Share capital	20	3,885,783	3,885,783	183,408,963	3,885,783	3,885,783	183,408,963
Share premium		300,981,286	300,981,286	300,981,286	300,981,286	300,981,286	300,981,286
Other reserves	21	194,524,794	194,525,428	14,907,004	193,862,992	193,862,992	14,246,812
Accumulated deficit		(596,930,606)	(537,223,369)	(436,331,434)	(382,460,544)	(381,430,633)	(376,059,954)
Total		**(97,538,743)**	**(37,830,872)**	**62,965,819**	**116,269,517**	**117,299,428**	**122,577,107**
Non-controlling interests		2,371,509	2,771,602	3,122,093	-	-	-
Total equity		**(95,167,234)**	**(35,059,270)**	**66,087,912**	**116,269,517**	**117,299,428**	**122,577,107**
Non current liabilities							
Long-term borrowings	23	-	116,712	219,039	-	-	-
Long-term transponder leases	25	79,065,485	85,300,657	118,280,729	-	-	-
Other long-term leases	24	1,094,811	1,458,047	2,021,389	1,094,811	1,458,047	2,021,389
Other long-term liabilities	4	11,206,780	10,025,746	8,999,519	11,206,780	10,025,746	8,056,557
Long-term obligations of programmes and film rights	26	920,178	765,146	859,605	-	-	-
Reserve for staff retirement indemnities	30	2,450,984	2,494,884	2,260,983	1,319,243	1,235,240	985,530
Government grants	29	10,129,460	12,356,014	15,348,007	10,127,155	12,317,883	15,251,639
Deferred tax liability	10	32,353,674	27,000,841	30,323,710	-	-	-
Total non-current liabilities		**137,221,372**	**139,518,047**	**178,312,981**	**23,747,989**	**25,036,916**	**26,315,115**
Current liabilities							
Trade accounts payable	27	123,059,042	110,917,871	102,834,915	52,230,335	47,800,898	54,809,254
Due to related companies	33	2,096,553	1,831,891	507,019	11,055,782	35,138,670	42,586,334
Short-term borrowings	23	1,418,000	1,633,624	1,418,000	-	-	-
Current portion of long-term borrowings	23	323,543,806	331,755,015	330,842,715	99,850,688	109,487,018	109,246,011
Deferred income	4	34,765,439	37,558,048	41,586,117	18,946,848	18,871,118	22,106,548
Current portion of transponder leases	25	7,466,824	12,993,449	10,923,351	-	-	-
Current portion of other leases	24	363,376	466,732	424,062	363,376	466,732	424,062
Current portion of programmes and film rights obligations	26	32,128,112	33,032,485	32,777,564	9,480,399	14,477,262	13,974,684
Income tax payable		2,059,261	2,458,860	2,528,335	200,000	200,000	200,000
Accrued and other current liabilities	28	20,931,512	24,919,976	37,771,013	7,265,496	6,247,741	6,562,943
Total current liabilities		**547,831,925**	**557,567,951**	**561,613,091**	**199,392,924**	**232,689,439**	**249,909,836**
Total liabilities		**685,053,297**	**697,085,998**	**739,926,072**	**223,140,913**	**257,726,355**	**276,224,951**
TOTAL LIABILITIES AND EQUITY		**589,886,063**	**662,026,728**	**806,013,984**	**339,410,430**	**375,025,783**	**398,802,058**

The accompanying notes are an integral part of Financial Statements
***Restated due to the implementation of IAS 19''Employee benefits'' (note 2,3)**

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITYFOR THE YEAR ENDED DECEMBER 31, 2013

The Group	Notes	Attridutable to equity holders of the parent company					Non-controlling interests	Total Equity
		Share capital	Share premium	Other reserves	Accumulated deficit	Total		
Total Equity beginning at the period January 1, 2012 (initially published)		**183,408,963**	**300,981,286**	**14,907,004**	**(437,628,868)**	**61,668,385**	**3,119,355**	**64,787,740**
Implementation of IAS 19		-	-	-	1,297,434	1,297,434	2,738	1,300,172
Total Equity beginning at the period January 1, 2012 (restated*)		**183,408,963**	**300,981,286**	**14,907,004**	**(436,331,434)**	**62,965,819**	**3,122,093**	**66,087,912**
Total comprehensive loss after income taxes of the period		-	-	-	(100,246,113)	(100,246,113)	(445,331)	(100,691,444)
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	(548,839)	(548,839)	(2,143)	(550,982)
Total comprehensive loss of the period		-	-	-	(100,794,952)	(100,794,952)	(447,474)	(101,242,426)
Stock option plan		-	-	93,000	-	93,000	-	93,000
Legal Reserve		-	-	2,244	-	2,244	-	2,244
Subsidiary's sale of shares		-	-	-	(96,983)	(96,983)	96,983	-
Transfer to non distributable reserve (Special Reserve)		(179,523,180)	-	179,523,180	-	-	-	-
Total Equity at December 31, 2012		**3,885,783**	**300,981,286**	**194,525,428**	**(537,223,369)**	**(37,830,872)**	**2,771,602**	**(35,059,270)**
Total Equity beginning at the period January 1, 2013 (initially published)		**3,885,783**	**300,981,286**	**194,525,428**	**(537,806,322)**	**(38,413,825)**	**2,771,395**	**(35,642,430)**
Implementation of IAS 19		-	-	-	582,953	582,953	207	583,160
Total Equity beginning at the period January 1, 2013 (restated*)		**3,885,783**	**300,981,286**	**194,525,428**	**(537,223,369)**	**(37,830,872)**	**2,771,602**	**(35,059,270)**
Total comprehensive loss after income taxes of the period		-	-	-	(59,820,693)	(59,820,693)	(570,465)	(60,391,158)
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	166,387	166,387	853	167,240
Total comprehensive loss of the period		-	-	-	(59,654,306)	(59,654,306)	(569,612)	(60,223,918)
Transfer to non distributable reserve (Statutory Reserve)		-	-	(634)	-	(634)	-	(634)
Sale of subsidiary shares		-	-	-	(52,931)	(52,931)	169,519	116,588
Total Equity at December 31, 2013		**3,885,783**	**300,981,286**	**194,524,794**	**(596,930,606)**	**(97,538,743)**	**2,371,509**	**(95,167,234)**

The Company	Share capital	Share premium	Other reserves	Accumulated gain/deficit	Total
Total Equity beginning at the period January 1, 2012 (initially published)	**183,408,963**	**300,981,286**	**14,246,812**	**(376,822,517)**	**121,814,544**
Implementation of IAS 19	**-**	**-**	**-**	**762,563**	**762,563**
Total Equity beginning at the period January 1, 2012 (restated*)	**183,408,963**	**300,981,286**	**14,246,812**	**(376,059,954)**	**122,577,107**
Total comprehensive loss after income taxes of the period	-	-	-	(5,060,764)	(5,060,764)
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	(309,915)	(309,915)
Total comprehensive loss of the period	-	-	-	(5,370,679)	(5,370,679)
Stock option plan	-	-	93,000	-	93,000
Transfer to non distributable reserve (Special Reserve)	(179,523,180)	-	179,523,180	-	-
Total Equity at December 31, 2012	**3,885,783**	**300,981,286**	**193,862,992**	**(381,430,633)**	**117,299,428**
Total Equity beginning at the period January 1, 2013 (initially published)	**3,885,783**	**300,981,286**	**193,862,992**	**(381,727,233)**	**117,002,828**
Implementation of IAS 19	**-**	**-**	**-**	**296,600**	**296,600**
Total Equity beginning at the period January 1, 2013 (restated*)	**3,885,783**	**300,981,286**	**193,862,992**	**(381,430,633)**	**117,299,428**
Total comprehensive gain after income taxes of the period	-	-	-	(1,052,324)	(1,052,324)
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	22,413	22,413
Total comprehensive income of the period	-	-	-	(1,029,911)	(1,029,911)
Total Equity at December 31, 2013	**3,885,783**	**300,981,286**	**193,862,992**	**(382,460,544)**	**116,269,517**

The accompanying notes are an integral part of Financial Statements
***Restated due to the implementation of IAS 19''Employee benefits'' (note 2,3)**

CASH FLOW STATEMENTFOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	The Group 01.01-31.12.2013	The Group 01.01-31.12.2012 (RESTATED*)	The Company 01.01-31.12.2013	The Company 01.01-31.12.2012 (RESTATED*)
Cash flows from Operating Activities					
Profit/ (Loss) before income taxes		(53,212,264)	(101,695,073)	1,475,008	(3,912,373)
Adjustments for:					
Depreciation and amortisation		88,483,327	94,320,764	48,108,387	53,368,969
Amortisation of subsidies		(2,226,555)	(2,991,993)	(2,190,729)	(2,933,755)
Gains on disposal of tangible and intangible assets		4,293	(15,603)	(2,265)	(14,603)
Financial (income)/expenses	8	22,945,612	28,009,832	5,444,009	5,766,141
Impairment of goodwill	11	190,355	56,122,922	-	-
Impairment of investment in subsidiaries		-	-	112,499	8,739,000
Allowance for doubtful accounts receivable	17	6,192,304	8,158,770	5,245,350	7,056,088
Provision for staff retirement indemnities	6	1,544,144	1,117,454	976,504	521,251
Other provisions		659,771	475,307	38,968	419,945
Operating profit before working capital changes		**64,580,987**	**83,502,380**	**59,207,731**	**69,010,663**
(Increase)/Decrease in:					
Inventories		(2,421,128)	2,201,961	(148,519)	981,773
Trade accounts receivable and amounts due from related companies		(1,896,799)	3,176,993	(9,625,501)	(23,359,460)
Programme and film rights		(813,811)	(555,919)	-	-
Prepayments and other receivables		1,766,044	4,638,946	2,324,789	3,883,009
Increase in other non-current assets		(1,701,747)	(509,596)	(1,560,726)	(507,299)
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		11,866,336	(16,827,384)	(24,650,315)	(13,953,442)
Deferred income		(2,792,609)	(5,444,194)	75,730	(3,235,430)
Accrued and other current liabilities		(3,145,172)	10,857,939	1,441,958	(683,298)
Income taxes paid		(1,255,379)	(835,849)	-	-
Payment of staff retirement indemnities		(1,387,947)	(1,471,340)	(846,199)	(557,995)
Increase in other long-term liabilities		1,336,066	931,768	1,181,034	1,969,189
Net cash from Operating Activities		**64,134,842**	**79,665,705**	**27,399,982**	**33,547,710**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(44,800,490)	(41,876,577)	(29,637,021)	(29,864,614)
Disposals of property, plant and equipment and intangible assets		24,297	68,005	22,426	68,005
Interest and related income received		155,713	476,137	119,573	362,021
Restricted cash	19	7,000,000	1,214,500	7,000,000	1,214,500
Net cash used in Investing Activities		**(37,620,480)**	**(40,117,935)**	**(22,495,022)**	**(28,220,088)**
Cash flows from Financing Activities					
Net change in long -term borrowings		-	(102,327)	-	-
Repayment of long-term borrowings		(10,000,000)	-	(10,000,000)	-
Net change in short -term borrowings		-	215,624	-	-
Interest paid		(22,168,055)	(23,426,394)	(5,175,926)	(5,631,266)
Net change in leases		(12,228,389)	(11,444,023)	(466,592)	(520,672)
Net cash from financing activities		**(44,396,444)**	**(34,757,120)**	**(15,642,518)**	**(6,151,938)**
Net increase/ (decrease) in cash and cash equivalents		**(17,882,082)**	**4,790,650**	**(10,737,558)**	**(824,316)**
Cash and cash equivalents at the beginning of period	19	**32,571,829**	**27,781,179**	**16,319,853**	**17,144,169**
Cash and cash equivalents at the end of period	19	**14,689,747**	**32,571,829**	**5,582,295**	**16,319,853**

The accompanying notes are an integral part of the Interim Condensed Financial Statements
***Restated due to the implementation of IAS 19"Employee benefits" (note 2,3)**

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED DECEMBER 31, 2013

1. CORPORATE INFORMATION:

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

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

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

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 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.

Forgendo Ltd participates in Forthnet's share capital. As at December 31, 2013, the participation percentage amounted to 44.022% (December 31, 2012: 41.27%). The ultimate parent company of Forgento Ltd. is the Emirates International Telecommunications, Wind Hellas Telecommunications S.A. also participates in Forthnet's share capital. As at December 31, 2013, the participation percentage was 32.26% (December 31, 2012: 0.00%).

The accompanying financial statements for the year ended December 31, 2013 and 2012, include the financial statements of Forthnet S.A. and its subsidiaries, Forth CRS S.A. Telemedicine Technologies S.A. (for 2012 and up to March 2013),Forthnet Media Holdings S.A., Shipping Clearance S.A. (dissolved), NetMed N.V., Intervision (Services) B.V., Dikomo Investment Sarl (Luxembourg)(under liquidation),Tiledrasi S.A. (Luxembourg)(under liquidation), Multichoice Holdings (Cyprus) Ltd(under liquidation), Multichoice (Cyprus) Public Company Ltd(under liquidation),Multichoice Hellas S.A. and NetMed S.A.

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.

Shipping Clearance S.A. (dissolved) was incorporated in Greece in November 2007. Shipping Clearance S.A.'s principle activities are the provision of integrated calculation, settlement and payment of accounts and other services for all types of shipping and other transportation tickets. Upon decision of the General Assembly of its Shareholders dated June 30, 2010, Shipping Clearance S.A., resolved to proceed with its dissolution and liquidation according to the provisions of the C.L. 2190/1920 and its articles of association. The company was dissolved on March 28, 2012.

Telemedicine Technologies S.A.'s principle activities are to create, implement and sell services and products associated with the acquisition, transmission and dissemination of information, particularly electronically, in the health sector. The company aims to implement and sell services in the health sector, with emphasis on business-to-business medical services. On April 11, 2013 the Board of Directors of the parent company-Forthnet decided and unanimously approved the transfer of 54,031 common shares of the subsidiary, i.e. 36.48%, for a consideration of € 1. Following the above transfer of shares of the Company's participation in Telemedicine Technologies SA. amounts to 24.90%, thus it is considered as an investment in associate and is accounted for using the equity method in the consolidated financial statements. Based on the sale and purchase agreement a contingent consideration of €346 thousands was recognized as at December 31, 2013, which is included in other non-current assets.

Forthnet Media Holdings S.A. is a holding company and was incorporated in April 2008 and its principle activities are the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors, provides digital satellite transmission and operates the NOVACINEMA and NOVASPORTS channels. Additionally, other activities of the company including the following:

The acquisition, administration and exploitation of holdings in enterprises of any nature, which are activated in the field of the electronic communications and the media, the provision of administrative, supportive and other services to these enterprises, as well as to other members of the Company's group, the provision of satellite services to any natural or legal person of private or public law, for the transfer of radio and television signals and data or of any combination or texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs.

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

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

The subsidiary Multichoice (Cyprus) Public Company Ltd, which together with the Forthnet Group holds a contractual relationship with regard to the management of Multichoice Hellas S.A.'s subscribers in Cyprus, resolved, on June 9, 2011, at the Extraordinary General Meeting of its shareholders, the voluntary liquidation by its creditors pursuant to the provisions of the Cypriot Companies Law. Multichoice (Cyprus) Public Company Ltd was delisted from the Cyprus Stock Exchange company on June 28, 2011.The management of the subscribers as well as the further development of the Forthnet Group's activities in Cyprus will be continued by Multichoice Hellas S.A.

The Group's number of employees at December 31, 2013, amounted to 1,393, while that of the Company to 842.At December 31, 2012, the respective number of employees was 1,341for the Group and 785for the Company.

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

The Board of Directors of the subsidiary company Multichoice Holdings (Cyprus) Limited decided on July 11, 2012 its liquidation.

The Board of Directors of Forthnet approved the separate and consolidated financial statements for the period ended at December 31, 2013, on March 27, 2014. The abovementioned financial statements are subject to the final approval of the General Assembly of the Shareholders.

2.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.).

These financial statements have been prepared on a historical cost basis except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), at fair value.

Certain line items of the previous year financial statements were reclassified in order to conform to the current year's presentation. These reclassifications are as follows:

- As at December 31, 2012 the amount of € 1,640,218 of the Company and € 1,643,952 the Group was reclassified from trade receivables to due from related parties.

- As at December 31, 2012 the amount of € (687,744) of the Company and the Group was reclassified from trade receivables to prepayments and other receivables.

- As at December 31, 2012 the amount of € 1,000,000 of the Group was reclassified from accrued and other current liabilities to prepayments and other receivables.

- As at December 31, 2012 the amount of € 931,315 of the Company and the Group was reclassified from trade accounts payable to due to related parties.

Furthermore, during 2013 the amount of € 65,656 of the Company and € 112,499 of the Group was reclassified from impairment of investments in subsidiaries to financial expenses.

2.2 BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. 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.

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 GroupA change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Business Combinations and Goodwill: Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (previously minority interests) in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit and loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Investments in Associates: The Group's investments in other entities in which it exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognised at cost and subsequently increased or decreased to recognize the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment.

(c) Foreign Currency Translation: The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position date, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

Gains or losses of the period ended resulting from foreign currency re-measurements are reflected in the accompanying statement of comprehensive income. Gains or losses resulting from transactions are also reflected in the accompanying statement of comprehensive income.

(d) Property, Plant and Equipment: Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalised to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of comprehensive income.

Profit and losses arising from the write-off of assets are included in the statement of comprehensive income this asset is written-off.

(e) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximate average useful lives. The rates used are as follows:

Classification	Annual Rates
Buildings	2.50%
Installations on buildings	11.11% - 20%
Network equipment (Internet and Fixed Telephony)	15%
Network support equipment (LMDS)	10%
Network equipment LLU	20%
Fibre-optic network	7.04%
Transportation assets	10%-20%
Computer hardware	10%-33%
Transmission equipment	6.67% - 20%
Furniture and other equipment	10%-20%

(f) Intangible Assets: Intangible assets include costs of purchased and internally generated software and various licences. Purchased intangible assets acquired separately are capitalised at cost while those acquired from a business combination are capitalised at fair value at the date of acquisition. Such acquired intangible assets are patents, brand names, trademarks, title rights, concession rights, software and other similar intangible assets. Internally generated software includes costs such as payroll, materials and services used and any other expenditure directly incurred in developing computer software which meets the capitalisation criteria and brings the software into its intended use. No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the statement of comprehensive income in the period in which they are incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. The Company's intangible assets include the cost of a license for the provision of Fixed Wireless Access Telecommunications of the absorbed company, Mediterranean Broadband Access S.A. The license was awarded in accordance with the decision No. 203/ 10.01.2001 of EETT for a term of fifteen (15) years at a cost of approximately € 8.5 million. The license is being amortised over a period of thirteen (13) years, representing the remaining period of use from the year that the network was operational up to the completion of 15 years.

In addition, the Group capitalises the subscriber acquisition costs for which the subscribers have been committed with a contract for 12 months. In case the contract is terminated before the lapse of the 12 months, then the net book value of the customer acquisition costs is recognised as an expense in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses. Such intangible assets are adjusted for impairment when the carrying amount exceeds the recoverable amount. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Classification of Intangible asset	Years
Software	5
Fixed wireless access license	13
Subscriber acquisition cost	1
Reputation and customer base	2-5
Brand name	15
Customer Relationships	15
Beneficial Greek Superleague Contractual Rights	3
FTA channels carrying agreement	3.8
Intellectual property rights and patents	15

In 2012 the Group proceeded with further reassessment of the useful life of the FTA channels agreement from 4.3 years to 3.8 years, in order to be fully depreciated by June 30, 2012. The accelerated depreciation of the said change in UL amounted to €6.6 million and is included in amortisation of other intangible assets identified from PPA exercise (Note 7) in the accompanying financial statements.
During 2013, the intangible assets related to FTA channels have been fully amortized.

(g) **Programme and Film Rights:** Purchased programme and film rights are stated at acquisition costs less the amounts recognised in the statements of comprehensive income (current asset). The Group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IAS 39, measured at amortised cost using the effective interest method. Licenses are recorded as assets and liabilities for rights acquired, and obligations incurred under license agreements when the license period begins and the cost of each programme is known or reasonably determinable.

Rights for single sporting events are recognised on initial broadcasting of the event whereas sports rights acquired for an entire sporting season are amortised on a straight line basis over the duration of the season.

Rights for general entertainment and films are amortised either on a straight-line basis over the duration of the license or based on broadcasts where the number of screenings are restricted.

The expenses of programme and film rights are included in the cost of providing services and sale of goods. The costs of in-house programmes are expensed as incurred.

(h) **Research and Development Costs:** Research costs are expensed as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the requirements of IAS 38 “Intangible Assets” are met. Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.

(i) **Impairment of Non-Current Assets:** With the exception of goodwill and other intangible assets with indefinite useful life which are tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost to less is the amount for which the asset could be exchanged in an arm’s length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed.

(j) Financial Assets: Financial assets which fall within the scope of IAS 39 are classified based on their nature and characteristics in the following four categories:

- Financial assets at fair value through profit or loss,
- Loans and receivables,
- Available-for-sale financial assets,
- Held-to-maturity investments.

Financial assets are initially recognised at acquisition cost which represents the fair value and, in certain circumstances, plus directly attributable transaction costs. The purchase and sale of investments is recognised on the date of the transaction which is the date on which the Group commits to purchase or sell the related financial asset.

The classification of the above mentioned financial assets is determined at initial recognition and, where allowed the designation is re-assessed periodically.

(i) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading if they are acquired for the purpose of selling in the near term and financial assets designated upon initial recognition at fair value through profit or loss. Gains or losses on investments held for trading are recognised in profit and loss.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Trade accounts receivable, which generally have 30-180 day payment terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Accounts receivable for pay-tv are collected at the beginning of each month. An estimate for doubtful debts is made when collection is no longer probable. The provision for doubtful debts is charged to the statement of comprehensive income. Bad debts are written-off against the established reserve when identified.

(iii) Available-for-sale financial assets:

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the two preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. The available for sale financial assets for which their fair value cannot be measured reliably, are carried at cost less any impairment in accordance to IAS 39.

(iv) Held-to-maturity investments:

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment.

The financial assets, for which the fair value cannot be measured reliably, are valued at cost less any impairment in accordance with the provisions of IAS 39.

(k) Financial Liabilities: Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income either through the amortisation process or where the liabilities are written-off.

(l) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired.

- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement. The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(m) Inventories: Inventories are valued at the lower of cost or net realisable value. Cost is determined based on a first-in, first-out method and the monthly weighted average price for a specific category (ADSL in a box). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A reserve is established when such items are determined to be obsolete or slow moving.

(n) **Cash and Cash Equivalents:** The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(o) **Borrowing Costs:** All borrowing costs incurred during the construction period of a qualifying asset are capitalized as part of the cost of these assets. All other borrowing costs are recognised as an expense in the statement of comprehensive income when incurred.

(p) **Stock Option Plan:** The Group has established stock option plans for its employees. The cost of the respective transactions is measured at the fair value of the stock or stock options as of the date of the approval of the plans by the management which is considered the granting date. The fair value is measured through the application of the appropriate valuation models.

The cost of the stock option plans is recognised during the period the requirements are gradually fulfilled and which ends at the date the executives participating in the plan have vested their rights of exercise/purchase of stock (vesting date). For options that are not vested, no expense is recognised except for the options whose vesting depends on the fulfilment of specific external market parameters. Options are considered to be vested when all the performance requirements have been fulfilled independent of the fulfilment of the external market parameters.

In case of cancellation of any stock option plans, these are accounted for as if they were vested at the date of cancellation and the non-recognised expenses to date are immediately recognised to the statement of comprehensive income. In case a cancelled stock option plan is substituted by a new one, it is treated as an amendment of the cancelled plan.

(q) **Leases:** Finance leases, that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased item, or if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised equally as an expense during the lease agreement in the statement of comprehensive income.

(r) **Government Grants***:* The Group obtains grants from the European Union (E.U.) in order to fund specific projects for the acquisition of tangible and intangible assets.

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to assets are recognised as deferred income and amortised in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(s) **Provisions and Contingencies:** Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(t) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

For transactions recognised directly in equity, any related tax effects are also recognised directly in equity and not in the statement of comprehensive income.

(u) Derivatives: The Group uses derivatives to reduce its exposure to variations in foreign currency exchange rates and interest rates. The forward exchange contracts protect the Group from these variations. It is the Group's policy not to deal with derivatives for speculative purposes.

Derivatives are recognised on the statement of financial position at fair value.

Although the forward exchange contracts offer effective financial hedging according to the Group's policy regarding risk management, they do not meet with the accounting standards for effective hedging. Accordingly the changes in fair value are recognised in the statement of comprehensive income immediately.

(v) Revenue Recognition: Revenue is accounted for on an accrual basis and is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues mainly consist of fixed telephony usage charges, internet access services, internet data services and pay-tv services.

Unbilled revenues from the billing cycle dating to the end of each month are estimated based on airtime and are accrued at the end of the month.

Revenues from internet services (Internet Access, Internet Leased Lines, Data Connectivity Services, LMDS etc.) are recognised at the time such services are provided to subscribers – customers.

Revenues from pay-tv are recognised during the period the service is provided. Revenues from subscription come from the monthly charge of the subscribers of the pay-tv services provided by the Group. Any other revenue from subscription services received in advance before the service is provided is registered as deferred revenue and it is recognised when the service is provided.

Revenues from advertisement come from advertisement transmission from pay-tv platforms. Revenues from advertisement from pay-tv are recognised with the transmission.

Revenues from services provided to subscribers managed by the Group on behalf of content providers (mainly premium rate numbers) are accounted for gross, or net of the content providers' fees depending on whether the Group acts as a principal or as an agent based on the relevant agreements signed with the content providers. The Group is considered to act as an agent when the provider is responsible for the content and for setting the price payable by subscribers and the Group does not bear the customer's credit risk for the amount receivable from the subscribers.

(w) Earnings/(Loss) per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year, excluding the average number of shares purchased as treasury shares.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding each year as adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

(x) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method. From January 1, 2013 the Group has implemented the revised IAS 19 "Employee Benefits" which initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

(y) Operating Segment Reporting: The Group mainly provides telecommunication services and pay-tv services and operates in Greece. The two segments of telecommunication and pay-tv services are presented as a single reportable segment. This resulted from business changes undertaken to integrate the steering of these services.

The previous reported telecommunication and pay-tv operating segments are combined into a single reportable segment because they are steered and monitored together and they relate to one single service provided by the Group to its customers. The Group's new 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.

(z) Dividend Distribution: Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the General Meeting of the Company's Shareholders.

(aa) Share Capital: Share capital represents the value of the Parent company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognised as the "Share premium" in shareholders' equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

Changes in accounting policies and disclosures

(a) Changes in accounting policies

IAS 19 Employee Benefits (Revised)

IAS 19 initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

From January 1, 2013 the Group has implemented the revised IAS 19 "Employee Benefits" and recognised the unrecognised actuarial losses directly to other comprehensive income of the related fiscal years.

As a result of this change in accounting policy, the following adjustments were made to the comparative information of the Group's consolidated financial statements:

SHAREHOLDERS EQUITY (including non-controlling interests)	**The Group**		**The Company**	
	31.12.2012	**01.01.2012**	**31.12.2012**	**01.01.2012**
Initial balance (published)	**(35,642,430)**	**64,787,740**	**117,002,828**	**121,814,544**
Effect of revised IAS 19	728,952	1,625,216	370,750	953,204
Effect of deferred income taxes	(145,792)	(325,044)	(74,150)	(190,641)
Restated balance	**(35,059,270)**	**66,087,912**	**117,299,428**	**122,577,107**

<u>RESERVE FOR STAFF LEAVING INDEMNITIES</u>	**The Group**	**The Company**
	31.12.2012	
Initial balance (published)	3,223,836	1,605,990
Effect of revised IAS 19	(728,952)	(370,750)
Restated balance	**2,494,884**	**1,235,240**

<u>DEFERRED TAX ASSET</u>	**The Group**	**The Company**
	31.12.2012	

Initial balance (published)	**16,169,664**	**15,204,964**
Effect of revised IAS 19	(145,407)	(74,150)
Restated balance	**16,024,257**	**15,130,814**

DEFERRED INCOME TAX LIABILITY	**The Group**
	31.12.2012
Initial balance (published)	27,000,456
Effect of revised IAS 19	385
Restated balance	**27,000,841**

The implementation of IAS 19 'Employee Benefits' during the year has the following effect for the Group and the Company:

	The Group	**The Company**
	31.12.2013	
Shareholders equity (including non-controlling interests)	167,240	22,413
Deferred tax asset	(58,760)	(7,875)
Reserve for staff leaving indemnities	226,000	30,288

(b) New and amended standards and interpretations

IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance.

IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The effect of the amendment is not material for the Group and the Company.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group/Company. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. The effect of this standard is not material for the Group and the Company.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. This interpretation is not applicable to the Group and the Company.

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effect of these improvements are not material for the Group and the Company.

- ***IAS 1 Presentation of Financial Statements:*** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.
- ***IAS 16 Property, Plant and Equipment:*** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- ***IAS 32 Financial Instruments, Presentation:*** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.
- ***IAS 34 Interim Financial Reporting:*** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

(c) Standards issued but not yet effective and not early adopted

IAS 28 Investments in Associates and Joint Ventures (Revised)
The Standard is effective for annual periods beginning on or after 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
The amendment is effective for annual periods beginning on or after 1 January 2014.These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39
IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The subsequent package of amendments issued in November 2013 initiate further accounting requirements for financial instruments. These amendments a) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; b) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments; and c) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. These standard and subsequent amendments have not yet been endorsed by the EU. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IFRS 11 Joint Arrangements

The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IFRS 12 Disclosures of Interests in Other Entities

The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The guidance is effective for annual periods beginning on or after 1 January 2014.The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IFRS 14 Regulatory Deferral Accounts

The standard is effective for annual periods beginning on or after 1 January 2016. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This interpretation is not applicable to the Group and the Company.

IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets
This amendment is effective for annual periods beginning on or after 1 January 2014. These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IAS 19 Defined Benefit Plans (Amended): Employee Contributions
The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

IFRIC Interpretation 21: Levies
The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

The IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 2 Share-based Payment:** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
- **IFRS 3 Business combinations:** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- **IFRS 8 Operating Segments:** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- **IFRS 13 Fair Value Measurement:** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and

payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

- **IAS 16 Property Plant & Equipment:** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- **IAS 24 Related Party Disclosures:** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- **IAS 38 Intangible Assets:** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTSAND 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 that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) ***Allowance for doubtful accounts receivables***: The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

(b) ***Provision for income taxes:*** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(c) ***Depreciation:*** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

(d) ***Impairment of property, plant and equipment***: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 2.3i).

(e) ***Impairment of goodwill and intangible assets***: The Group tests annually (or more frequently if there are indications of impairment) whether goodwill has been impaired and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment (Note 11). In case of existence of such impairment indicators, the recoverable amount (which the higher of Fair Value and Value in Use) of the respective cash generating unit to which goodwill has been allocated, needs to be estimated. The Value in Use is assessed by using the discounted projected cash flows. The application of this methodology is based on the actual operating results, future business plans, as well as market data (statistic and non) which are estimated by the Group's management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is changed to the statement of comprehensive income.

The Group tests annually whether goodwill has been impaired (Note 11). The recoverable amounts of cash-generating units have been determined on the basis of value-in-use calculations, which require the use of estimates.

Moreover, other recognisable intangible assets of infinite useful lives not subject to amortisation are tested annually for any impairment by comparing the carrying amount with the recoverable amount. Intangible assets of finite useful lives are tested for impairment whenever an impairment indicator exists.

(f) ***Deferred tax assets:*** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

(g) ***Measurement of intangible assets of the purchase price allocation exercise*****:** The Company's Management recognize intangible assets based on the business plans of the acquired companies and takes into consideration the average cost of capital in combination with assumptions relating to the non-risk interest rate, the most optimal capital structure of the sector, the cost of capital, as well as the borrowing cost.

(h) ***Capitalization of subscriber acquisition costs*****:** The Group capitalises subscriber acquisition costs for which the related subscribers have been committed with a contract for 12 months, in licenses and other intangibles. Management's judgement is required in order to conclude as to whether such costs meet the criteria of IAS 38 (i.e. the asset it is separable, it arises from a contractual or other legal right and the Group expects that future economic benefits will arise from the assets).

(i) ***Finance vs. Operating Leases*****:** Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently changed. To a certain extent, the classification depends on estimates based on conditions in the contract. In the judgement, a "substance over form" approach is used. The value of assets held under finance leases recognised in the statement of financial position is based on the discounted value of the contractual lease payments. No conditional lease payments are included and the value can therefore be determined with relative certainty.

(j) ***Going Concern*****:** The Group's management performs its going concern assessment based on the Group's approved business plans covering a five year period. The estimates and associated assumptions used for the preparation of such business plans are based on historical experience and various other factors that are believed to be reasonable under the circumstances; and are reviewed on an ongoing basis considering the current and expected future market conditions. The preparation of the business plans also involves long-term assumptions for major economic factors and there is a high degree of reasoned judgment involved in establishing these assumptions. Should these judgements be proven through the passage of time to be incorrect management's assessment of going concern may be affected.

3. GOING CONCERN:

As at December 31, 2013, Forthnet S.A. and Forthnet Media Holdings S.A. continue not to meet certain financial covenants under their respective bond loans (see Note 23). Specifically, the Group was not in compliance with its Net Debt to Total Equity, the Net Debt to Normalised EBITDA and the Normalised EBITDA to Total Interest ratios for the existing bond loans ("EBL") and its new bond loans ("NBL"), with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement for the NBL and has not made contractual payments of € 49.5 million through the date of the financial statements were authorized for issue. Accordingly, as at December 31, 2013, the Group has retained the classification of all outstanding balances of such bond loans amounting to € 323.5 million and € 99.9 million for the Group and Company, respectively, as current. The classification of the outstanding balances of the bond loans as current has, among others, led to the Group's and the Company's current liabilities exceeding their current assets by approximately € 406.1 million and € 85.9 million, respectively, as at December 31, 2013.

The share capital increase of € 29.1 million was successfully completed on January 3, 2014 by existing shareholders and persons who acquired pre-emption rights during their trading period.

In addition, due to the Group's insufficient working capital, it will not be able to meet fully its contractual obligations under its bond loans up to December 31, 2014, which include € 130.0 million in principal repayments. To this effect the Company contracted an independent financial advisor to, among others, assist the Management of the Group (i) in formulating a refinancing proposal to be presented to the lending banks and, (ii) coordinate all respective procedures with respect to the refinancing of the bond loans. Management together with the advisor have initiated discussions with the lending banks and submitted a refinancing proposal to such banks on March 19, 2013.

The lending banks requested an Independent Business Review ("IBR") of the Group's business plan and a financial due diligence report covering the Group's historical financial information for the last three financial years. During May 2013 the Company submitted the IBR which, among others, reviewed the refinancing proposal referred to above and the financial due diligence report.

On August 7, 2013, the Group was granted a waiver from its lending banks, covering the period July 1, 2013 to September 30, 2013, on the following:

1. The financial covenants of Forthnet's EBL and NBL and the number of subscribers stipulated in the NBL, that were not in compliance and,

2. The payment of a € 12.5 million installment on the Forthnet Media Holdings S.A. bond loan, which was to be paid as at June 30, 2013, although no waiver was granted for the breach of financial and subscribers covenants of these bond loan for this period

On November 14, 2013, the Group was granted a waiver from its lending banks, covering the period October 1, 2013 to December 31, 2013, on the following:

1. The payment of a € 12.5 million installment on the Forthnet Media Holdings S.A. bond loan, which was to be paid as at September 30, 2013.

2. The payment of a € 10.0 million installment on the Forthnet S.A. bond loan, which was to be paid as at September 30, 2013, with a waiver fee of € 50 thousands, which represents the 0.5% of the postponed installment.

The above waivers were granted by the syndicated banks without any further conditions for entry into force.

Based on the results of the IBR report, the financial due diligence report and the ongoing discussions with the banks, the Management of the Group is confident of a successful outcome of the refinancing negotiations with the lending banks.

In the light of the above, the separate and consolidated financial statements have been prepared assuming that the Company and the Group will continue as a going concern. Accordingly, the accompanying 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.

This fact notwithstanding, the inability of the Group to complete a refinancing of its entire contractual obligations with respect to its bank debt, indicates 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.

4. REVENUES:

Revenues are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2013	2012	2013	2012
Operating Revenues				
Direct Retail Services	**310,647,800**	**327,894,207**	**158,697,868**	**167,228,658**
Bundled services (2play)	103,776,977	120,668,290	105,169,563	120,683,789
Bundled services (3play)	17,478,533	-	17,478,533	
Telephony	16,794,508	22,130,467	16,794,508	22,130,467
ADSL	13,820,129	18,775,296	13,947,675	18,903,091
Pay-TV Revenues	153,470,064	160,808,843	-	-
Other	5,307,589	5,511,311	5,307,589	5,511,311
Indirect Retail Services	**5,098,465**	**3,681,895**	**5,098,465**	**3,681,895**
Telephony	603,216	1,088,065	603,216	1,088,065
ADSL	4,203,233	2,237,350	4,203,233	2,237,350
Other	292,016	356,480	292,016	356,480
Direct Business Services	**36,697,018**	**47,402,440**	**36,986,207**	**47,766,843**
E-business	**1,632,383**	**2,034,079**	**1,632,383**	**2,102,965**
Pay-TV Advertising Revenue	**10,190,448**	**9,613,388**	**-**	**-**
Forth CRS services	**3,056,124**	**2,785,728**	**-**	**-**
Equipment	**6,559,389**	**4,473,479**	**534,253**	**1,039,486**
Other services	**2,265,735**	**3,428,095**	**12,913,151**	**7,944,384**
Total	**376,147,362**	**401,313,311**	**215,862,327**	**229,764,231**

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company at December 31, 2013, amounted to € 44,371,262 and € 28,552,651 respectively, of which amount of € 9,605,823for 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, 2012, amounted to € 47,212,565 and € 28,525,635 for the Group and the Company, respectively of which € 9,654,517 for both the Group and the Company relates to the long-term portion).

Unbilled revenues amounted to € 3,478,154 for the Group and € 3,054,031 for the Company at December 31, 2013, (at December 31, 2012, amounted to € 4,600,766 for the Group and the Company respectively) (Note 17).

5. GROUP SEGMENT INFORMATION:

From March 31, 2013, the two segments of telecommunication and pay-tv services are presented as a single reportable segment. This resulted from business changes undertaken to integrate the steering of these services. The previous reported telecommunication and pay-tv operating segments are combined into a single reportable segment because they are steered and monitored together and they relate to one single service provided by the Group to its customers. The Group's new business approach is to review the telecommunication and pay-tv services as a whole considering that the whole business philosophy is focusing on triple play services. As the financial information obtained by the chief operating decision makers ("CODM") for this single segment is in line with the IFRS figures, no separate disclosures are made in this note.

6. PAYROLL AND RELATED COSTS:

Payroll and related costs are analysed as follows:

	The Group		**The Company**	
	January 1 -December 31		**January 1 -December 31**	
	2013	**2012**	**2013**	**2012**
Wages and salaries	32,927,498	35,643,652	19,459,896	20,688,876
Social security costs(Note 30)	8,177,858	8,585,657	5,060,327	5,073,513
Staff retirement indemnities (Note 30)	1,544,144	1,117,454	976,504	521,251
Stock option plans	-	93,000	-	93,000
Other staff costs	782,180	869,327	478,267	483,776
Total	**43,431,680**	**46,309,090**	**25,974,994**	**26,860,416**
Less: Amounts capitalised	(2,552,610)	(2,722,799)	(2,255,397)	(2,488,112)
Total	**40,879,070**	**43,586,291**	**23,719,597**	**24,372,304**

7. DEPRECIATION AND AMORTISATION:

Depreciation and amortisation are analysed as follows:

	The Group		**The Company**	
	January 1 -December 31		**January 1 -December 31**	
	2013	**2012**	**2013**	**2012**
Depreciation on buildings	4,763,007	6,856,849	4,732,091	6,824,938
Depreciation on network equipment	33,843,830	37,762,499	20,779,086	23,882,208
Depreciation on transportation means	77,353	61,593	14,493	11,745
Depreciation on furniture and equipment	4,601,801	5,761,329	2,576,593	3,540,285
Depreciation on property, plant and equipment (Note 12)	**43,285,991**	**50,442,270**	**28,102,263**	**34,259,176**
Amortisation on fixed wireless access license	659,218	659,219	659,218	659,218
Amortisation on software and other intangible assets	32,271,451	24,299,029	19,346,906	18,450,575
Amortisation of intangible assets identified from PPA exercise	12,266,667	18,920,246	-	-
Amortisation on intangible assets (Note 13)	**45,197,336**	**43,878,494**	**20,006,124**	**19,109,793**
Total	**88,483,327**	**94,320,764**	**48,108,387**	**53,368,969**

8. FINANCIAL INCOME / (EXPENSES):

Financial income/ (expenses) are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2013	**2012**	**2013**	**2012**
Interest on long-term borrowings (Note 23)	(12,800,172)	(14,905,199)	(4,638,730)	(5,465,264)
Interest on short-term borrowings (Note 23)	(115,780)	(155,791)	-	-
Finance charges paid under finance leases	(8,246,887)	(8,144,448)	(50,143)	(67,799)
Amortisation of bond loan costs	(1,789,037)	(1,056,301)	(363,916)	(241,007)
Other financial costs (Note 19, 28)	(2,306,901)	(5,157,070)	(510,793)	(354,092)
Total financial expenses	**(25,258,777)**	**(29,418,809)**	**(5,563,582)**	**(6,128,162)**
Interest earned on cash at banks and on time deposits (Note 19)	155,713	476,137	119,573	362,021
Other financial income (Note 12)	2,157,452	932,840	-	-
Total financial income	**2,313,165**	**1,408,977**	**119,573**	**362,021**
Total financial income/(expenses), net	**(22,945,612)**	**(28,009,832)**	**(5,444,009)**	**(5,766,141)**

9. SUNDRY EXPENSES:

Sundry expenses are analysed as follows:

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2013	**2012**	**2013**	**2012**
Third party fees and services	25,541,529	23,358,766	14,057,530	9,830,169
Taxes and duties	1,296,768	1,470,711	1,132,141	1,234,169
Other sundry expenses	7,703,715	7,739,557	3,981,984	3,399,852
Allowance for doubtful accounts receivable (Note 17, 18)	6,192,304	8,158,770	5,245,350	7,056,088
Repairs and maintenance	6,742,313	6,585,135	4,347,762	4,638,498
Rentals	2,465,372	3,002,770	896,254	997,472
Commissions	7,809,227	7,622,086	7,695,013	5,133,800
Office functional costs	2,846,723	2,728,300	1,956,948	1,780,336
Total	**60,597,951**	**60,666,095**	**39,312,982**	**34,070,384**

10. INCOME TAXES:

According to the new Greek tax law 4110/2013, the tax rate for the Societies Anonymes in Greece has changed from 20% to 26%, for the fiscal years beginning January 1, 2013.

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

	The Group		The Company	
	January 1 -December 31		January 1 -December 31	
	2013	2012	2013	2012
Current income taxes	270,319	652,961	-	-
Income taxes from prior years	883,827	797,019	-	-
Deferred income taxes	6,024,748	(2,453,609)	2,527,332	1,148,391
Income taxes debit/ (credit)reported in the statement of profit and loss	**7,178,894**	**(1,003,629)**	**2,527,332**	**1,148,391**
Statement of Comprehensive income				
Net (loss)/gain on actuarial gains and losses	58,760	(137,745)	7,875	(77,479)
Total income taxes debit/ (credit)reflected in the statements of income	**58,760**	**(137,745)**	**7,875**	**(77,479)**

The reconciliation of income taxes reflected in statements of comprehensive income and the amount of income taxes determined by the application of the Greek statutory tax rate to pre-tax income is summarized as follows:

	January 1 -December 31	
	2013	2012
<u>**The Group**</u>		
Loss before tax	**(53,212,264)**	**(101,695,073)**
Income tax calculated at the nominal applicable tax rate (26% and 20% respectively)	(13,835,189)	(20,339,015)
Tax effect of non tax deductible expenses and non-taxable income	1,330,588	1,633,244
Tax losses for which no deferred tax asset was recognised	12,024,329	4,322,916
Utilization of previously unrecognised tax losses	-	(1,290,053)
Impairment of deferred tax asset	5,890,033	2,647,676
Recognition of deferred tax asset on prior years' tax losses	(1,700,000)	-
Income taxes from prior years	883,827	797,019
Tax effect of change in tax rates	2,585,306	-
Tax effect of non-tax deductible impairment of goodwill	-	11,224,584
Income tax reported in the statements of comprehensive income	**7,178,894**	**(1,003,629)**
<u>**The Company**</u>		
Loss before tax	**1,475,008**	**(3,912,373)**
Income tax calculated at the nominal applicable tax rate (26% and 20% respectively)	383,502	(782,475)
Tax effect of non tax deductible expenses and non-taxable income	571,334	825,443
Utilization of previously unrecognised tax losses	-	(1,290,053)
Tax effect of change in tax rates	(4,317,537)	-
Tax effect of non-tax deductible impairment of investments in subsidiaries	-	1,747,800
Impairment of deferred tax asset	5,890,033	647,676
Income tax reported in the statements of comprehensive income	**2,527,332**	**1,148,391**

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

Tax Compliance certificate
From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to have their statutory financial statementsaudited must in addition obtain an “Annual Tax Certificate” as provided for by paragraph 5 of Article 82 of L.2238/1994. This “Annual Tax Certificate” must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the date of approval of the financial statements by the General Meeting of Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

Forthnet has not been audited for the fiscal years 2007 through to 2010.Forthnet’ssubsidiaries have not been audited for the following fiscal years:

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media Holdings S.A.	01/01/2010 – 31/12/2010
Forth-Crs S.A.	01/01/2010 – 31/12/2010
NetMed S.A.	01/01/2010 – 31/12/2010
Syned S.A.	01/01/2010 – 30/09/2010
Ad Value S.A.	01/04/2008 – 31/12/2009
Multichoice Hellas S.A.	01/01/2010 – 31/12/2010
RPO S.A.	16/01/2006 – 31/12/2008

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

For the Greek companies of the Group, the tax compliance certificate for the financial year 2012 was concluded by its auditors, based on the provisions of §5, article 82 of L.2238/1994. No significant additional tax liabilities arose, in excess of those provided for and disclosed in the financial statements.
For the Greek companies of the Group, the tax compliance certificate for the financial year 2013is still in progress based on the provisions of §5, article 82 of L.2238/1994. No significant additional tax liabilities are expected to arose, in excess of those provided for and disclosed in the financial statements.

In April 2012 the subsidiary company, Syned S.A., accepted the tax clearance (L. 3888/2010) concerning unaudited fiscal years 2008 and 2009. According to tax clearance, the total tax for the above fiscal years amounted to € 226 thousands for which the Group had recorded an equal provision in prior years.

In May 2012, the tax audit of the subsidiary company, NetMed Hellas S.A. regarding the fiscal years from April 1, 2004 to July 30, 2010was concluded. According to the tax audit, the total tax for the above fiscal years amounted to € 1.8million for which the Group had recorded an equal provision in prior years.

In September 2013, the tax audit of the subsidiary company, Multichoice Hellas S.A., was concluded regarding the fiscal years from April 1, 2007 to December 31, 2009. According to the tax audit, the total tax for the above fiscal years amounted to € 0.7 million for which the Group had recorded an equal provision in prior years.

In a future tax audit of the unaudited tax fiscal years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€

0.4 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

Deferred taxes are defined as timing differences that exist in assets and liabilities between the accounting records and tax records and are calculated by applying the official tax rates.

The movement of the deferred tax asset/ (liability) is as follows:

	December 31,	
	2013	**2012**
The Group		
Beginning balance	**(10,976,584)**	**(13,242,894)**
Implementation of revised IAS 19	-	(325,044)
Restated Beginning balance	**(10,976,584)**	**(13,567,938)**
Income taxes [(debit)/ credit]	(6,024,748)	2,453,609
Income taxes [(debit)/ credit] through OCI	(58,760)	137,745
Ending balance	**(17,060,092)**	**(10,976,584)**

For reporting purposes in the statement of financial position the deferred tax is analysed as follows:

Deferred tax asset	15,293,582	16,024,257
Deferred tax liability	(32,353,674)	(27,000,841)
	(17,060,092)	**(10,976,584)**

The Company		
Beginning balance	**15,130,814**	**16,392,365**
Implementation of revised IAS 19	-	(190,639)
Restated Beginning balance	**15,130,814**	**16,201,726**
Income taxes [debit/(credit)]	(2,527,332)	(1,148,391)
Income taxes [(debit)/ credit] through OCI	(7,875)	77,479
Ending balance	**12,595,607**	**15,130,814**

The movement in deferred tax assets/liabilities as at December 31, 2013 and 2012 is as follows:

The Group	**January 1, 2013**	**(Debit)/ Credit to the statement of comprehensive income**	**December 31, 2013**
Deferred income tax asset:			
Accrued Expenses	1,218,117	(944,801)	273,316
Staff retirement indemnities	631,688	129,396	761,084
Property, plant and equipment/intangible assets	3,448,493	2,005,909	5,454,402
Deferred revenues	88,383	(38,977)	49,406
Tax losses carried forward	11,555,011	(2,272,287)	9,282,724
Other	723,270	619,058	1,342,328
Total	**17,664,962**	**(501,702)**	**17,163,260**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(27,224,093)	(5,392,572)	(32,616,665)
Deferred cost	(979,077)	(312,473)	(1,291,550)
Other	(292,584)	181,999	(110,585)
Deferred taxes on defined benefit plans	(145,792)	(58,760)	(204,552)
Total	**(28,641,546)**	**(5,581,806)**	**(34,223,352)**
Net deferred income tax asset/ (liability)	**(10,976,584)**	**(6,083,508)**	**(17,060,092)**

The Group	January 1, 2012	(Debit)/ Credit to the statement of comprehensive income	December 31, 2012
Deferred income tax asset:			
Accrued and prepaid expenses	428,712	789,405	1,218,117
Staff retirement indemnities	763,053	(131,365)	631,688
Property, plant and equipment/intangible assets	2,032,156	1,416,337	3,448,493
Deferred revenues	336,623	(248,240)	88,383
Tax losses carried forward	15,902,687	(4,347,676)	11,555,011
Other	547,982	175,288	723,270
Total	**20,011,213**	**(2,346,251)**	**17,664,962**
Deferred income tax liability:			
Property, plant and equipment/intangible assets	(30,313,379)	3,089,286	(27,224,093)
Deferred cost	(1,197,789)	218,712	(979,077)
Other	(1,742,939)	1,450,355	(292,584)
Deferred taxes on defined benefit plans	(325,044)	179,252	(145,792)
Total	**(33,579,151)**	**4,937,605**	**(28,641,546)**
Net deferred income tax asset/ (liability)	**(13,567,938)**	**2,591,354**	**(10,976,584)**

The Company	January 1, 2013	(Debit)/ Credit to the statement of comprehensive income	December 31, 2013
Deferred income tax asset:			
Accrued and prepaid expenses	419,395	(276,191)	143,204
Staff retirement indemnities	321,198	95,955	417,153
Deferred revenue	88,385	(38,977)	49,408
Property, plant and equipment/intangible	2,654,562	1,614,057	4,268,619
Tax losses carried forward	11,475,740	(3,972,287)	7,503,453
Other	508,562	(123,817)	384,745
Total	**15,467,842**	**(2,701,260)**	**12,766,582**
Deferred income tax liability:			
Other	(262,878)	173,928	(88,950)
Deferred taxes on defined benefit plans	(74,150)	(7,875)	(82,025)
Total	**(337,028)**	**166,053**	**(170,975)**
Net deferred income tax asset	**15,130,814**	**(2,535,207)**	**12,595,607**

The Company	January 1, 2012	(Debit)/ Credit to the statement of comprehensive income	December 31, 2012
Deferred income tax asset:			
Accrued and prepaid expenses	301,600	117,795	419,395
Staff retirement indemnities	387,747	(66,549)	321,198
Deferred revenue	336,623	(248,238)	88,385
Property, plant and equipment/intangible	1,671,048	983,514	2,654,562
Tax losses carried forward	13,823,416	(2,347,676)	11,475,740
Other	547,985	(39,423)	508,562
Total	**17,068,419**	**(1,600,577)**	**15,467,842**
Deferred income tax liability:			
Other	(676,054)	413,176	(262,878)
Deferred taxes on defined benefit plans	(190,639)	116,489	(74,150)
Total	**(866,693)**	**529,665**	**(337,028)**
Net deferred income tax asset	**16,201,726**	**(1,070,912)**	**15,130,814**

As at December 31, 2012the Group and the Company re-assessed its potential deferred tax assets that have been recognised and proceeded to decrease such asset by € 2,647,676and € 647,676 respectively, as the anticipated taxable income through December 31, 2017 would not be adequate to utilize the related tax carry forward losses.

As at December 31, 2013, the Group and the Company re-assessed its potential deferred tax assets that have been recognised and proceeded to decrease such asset by € 5,890,033 respectively, as the anticipated taxable income would not be adequate to utilize the related tax carry forward losses.

The cumulative amount of tax losses for which no deferred tax was recognised as of December 31, 2013amounted to€ 124.6 million (99.7 million on December 31, 2012).

11. INVESTMENTS IN SUBSIDIARIESAND ASSOCIATES - GOODWILL:

a) Subsidiaries

Forthnet's subsidiaries which are included in the accompanying consolidated financial statements are as follows:

Subsidiary	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest		Carrying Value in Company's statement of financial position	
				31.12.2013	31.12.2012	31.12.2013	31.12.2012
Forth CRS S.A.	P. Faliro, Attica, Greece	Full	Direct	99,31%	99,31%	4,314,749	4,314,749
Telemedicine Technologies S.A.	Paris, France	Full (until 1st quarter 2013)	Direct	-	61,38%	-	581,765
Forthnet Media Holdings S.A.	Kallithea, Attica, Greece	Full	Direct	100,00%	100,00%	70,149,562	70,149,562
						74,464,311	**75,046,076**

In 2012 the Company sold 101,016 shares (6.81%) of Telemedicine Technologies S.A. for the amount of €1. The loss from this transaction was € 65,656 and is included in other financial expenses in the accompanying financial statements of the Company.

Forth CRS S.A. has an interest in "Shipping Clearing S.A." which is included in the accompanying consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 31.12.2013	Equity Interest 31.12.2012
Shipping Clearance S.A. (under liquidation)	Athens, Greece	Full	Indirect	-	51.00%

The company was dissolved on March 28, 2012.

Forthnet Media Holdings S.A. has an interest in the following companies which are included in the accompanying consolidated financial statements:

	Registered Office	Consolidation Method	Participation Relationship	Equity Interest 31.12.2013	Equity Interest 31.12.2012
Intervision (Services) B.V.	Holland	Full	Direct	100.00%	100.00%
NetMed N.V.	Holland	Full	Direct	100.00%	100.00%
Multichoice Hellas S.A.	Greece	Full	Indirect	9.39%	9.39%

Forthnet Media Holdings S.A. consolidates NetMed N.V. which in turn consolidates the following companies, all of which are included in the accompanying consolidated financial statements:

Company	Registered Office	Consolidation Method	Participation Relationship	Percentage participation	Percentage participation
			31.12.2013	31.12.2013	31.12.2012
Dikomo Investment Sarl (Luxembourg) (under liquidation)	Luxembourg	Full	Indirect	100%	100%
Tiledrasi S.A. (Luxembourg) (under liquidation)	Luxembourg	Full	Indirect	100%	100%
Multichoice Holdings (Cyprus) LTD(under liquidation)	Cyprus	Full	Indirect	69.02%	69.02%
Multichoice (Cyprus) Public Company LTD (under liquidation)	Cyprus	Full	Indirect	35.19%	35.19%
Multichoice Hellas S.A.	Kantza, Attica, Greece	Full	Indirect	87%	87%
NetMed S.A.	Kantza, Attica, Greece	Full	Indirect	100%	100%

Multichoice Holdings (Cyprus) Ltd.exercises control over Multichoice (Cyprus) Public Company Ltd. with a participating interest of 50.98% and also has the majority of the members of the Board of Directors.

Impairment test of investments (separate financial statements)

As at December 31, 2013the Company proceeded with an impairment testing exercise of its investments in subsidiaries. The carrying value of the Company's investments in subsidiaries was lower than the recoverable amount by € 2,136,000 and consequently no impairment loss was recognised as of December 31, 2013 (December 31, 2012: impairment loss recognized of€ 8,739,000).

For the purposes of the impairment testing of investments the recoverable amount has been determined based on the value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-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 below in the goodwill impairment test apply for the investment impairment test as well.

The pre-tax discount rate used for the discounting of the projected cash flows is 13.3%, (December 31, 2012: 13.6%) while growth rate to perpetuity (beyond the five-year period) is 0.5% (December 31, 2012: 1.0%) after taking into account the long-term prospective of the Group.

Sensitivity to changes in key assumptions
A sensitivity analysis was performed on positive or negative discount rate changes of 0.25% and on positive or negative growth rate to perpetuity changes of 0.50%. An increase in of 0.25% in the discount rate (keeping the growth rate stable) would result in an impairment loss of approximately €10.1 million, while a decrease in growth rate by 0.50% (keeping the discount rate stable) would result to an impairment loss of approximately €18.7 million.

b) Associates

The Forthnet's associate company which is included in the accompanying consolidated financial statements is as follows:

Subsidiary	Country of Incorporation	Participation Relationship	Equity Interest		Carrying Value in Company's statement of financial position	
			31.12.2013	31.12.2012	31.12.2013	31.12.2012
Telemedicine Technologies S.A.	Paris, France	Direct	24,90%	-	123,506	-
					123,506	-

In 2012 the Company sold 101,016 shares (6.81%) of Telemedicine Technologies S.A. for the amount of €1. The loss from this transaction was € 65,656 and is included in other financial expenses in the accompanying financial statements of the Company.

On April 11, 2013 the Board of Directors of the parent company-Forthnet decided and unanimously approved the transfer of 54,031 common shares of the subsidiary, i.e. 36.48%, for a consideration of € 1. Following the above transfer of shares of the Company's participation in Telemedicine Technologies SA amounts to 24.90%, thus it is considered as an investment in associate and is accounted for using the equity method in the consolidated financial statements. Based on the sale and purchase agreement a contingent consideration of €346 thousands was recognized as at December 31, 2013, which is included in other non-current assets.

c) Goodwill

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

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	-	190,355	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
Impairment of goodwill - NetMed N.V. Group and Intervision B.V.	(203,333,528)	(203,333,528)	-	-
Total	**83,168,812**	**83,359,167**	**512,569**	**512,569**

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

From March 31, 2013, the two segments of telecommunication and pay-tv services are presented as a single reportable segment for the reasons explained in Note 5 of these financial statements. In this respect, as at December 31, 2013 the Group performed its annual impairment test at Group level (a single cash generating unit “CGU”).

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 approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 13.3% (December 31, 2012: 13.2% for the Telecommunications segment and 15.7% for the PayTV segment), while growth rate to perpetuity (beyond the five-year period) is 0.5% (December 31, 2012: 1.0%) growth rate after taking into account the long-term prospective of the Group.

Sensitivity to changes in assumptions
A sensitivity analysis was performed on positive or negative discount rate changes of 0.25%, on positive or negative growth rate to perpetuity changes of 0.50%. The carrying amount of the Group appears much lower than the estimated Value in Use and therefore, it is not probable that impairment issue will arise in case of a reasonably possible change in the above assumptions.

The carrying value of the Group was lower than the recoverable amount and consequently no impairment loss was recognised as of December 31, 2013 (December 31, 2012: impairment loss recognized of € 56,122,922).

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

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

Margin of earnings before interest, taxes, depreciation and amortisation (EBITDA margin). Margin of earnings before interest, taxes, depreciation and amortisationis based on past performance and estimations during the five year forecast period and is decreased during the forecast period to incorporate future changes in 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. The discount rate that was applied in the impairment test has been decreased due to recent improvements in the credit standing and outlook of the Greek sovereign debt as well as that of the EU as a whole. Such discount rate includes additional factors such as a company specific risk premium that was calculated based on a sensitivity analysis performed on key operational parameters (subscriber base, average revenue per subscriber, etc) of the projected cash flows.

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.

12. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment is analysed as follows:

The Group	Land	Buildings	Telecommu-nication Equipment	Transmission Equipment	Transpo-rtation Means	Furniture & Other Equipment	Construction in Progress (CIP)	Total
COST								
At January 1, 2012	**1,672,789**	**55,647,408**	**289,644,397**	**161,117,106**	**781,100**	**28,796,953**	**-**	**537,659,753**
Additions	-	2,763,808	9,078,103	-	73,038	2,690,851	8,938	14,614,738
Disposals/ Write-offs	-	(25,500)	(346,881)	(19,133,595)	(49,717)	(486,747)	-	(20,042,440)
At December 31, 2012	**1,672,789**	**58,385,716**	**298,375,619**	**141,983,511**	**804,421**	**31,001,057**	**8,938**	**532,232,051**
Additions	-	293,792	6,424,947	-	8,783	1,660,268	-	8,387,790
Disposals/ Write-offs	-	(12,840)	(2,064)	-	(43,903)	(15,570)	-	(74,377)
Transfers from CIP	-	-	8,938	-	-	-	(8,938)	-
Other	-	-	-	(4,345)	(1,558)	(66,808)	-	(72,711)
At December 31, 2013	**1,672,789**	**58,666,668**	**304,807,440**	**141,979,166**	**767,743**	**32,578,947**	**-**	**540,472,753**
DEPRECIATION								
At January 1, 2012	**-**	**(31,901,847)**	**(160,358,248)**	**(39,470,381)**	**(650,716)**	**(23,448,683)**	**-**	**(255,829,875)**
Depreciation expense	-	(6,856,849)	(26,135,930)	(13,875,752)	(61,593)	(3,512,146)	-	(50,442,270)
Disposals/Write-offs	-	4,093	324,367	28,984	44,854	479,749	-	882,047
At December 31, 2012	**-**	**(38,754,603)**	**(186,169,811)**	**(53,317,149)**	**(667,455)**	**(26,481,080)**	**-**	**(305,390,098)**
Depreciation expense	-	(4,763,007)	(22,486,194)	(13,061,224)	(77,353)	(2,898,213)	-	(43,285,991)
Disposals/Write-offs	-	428	455	4,344	1,555	13,570	-	20,352
Other	-	-	-	-	35,123	-	-	35,123
At December 31, 2013	**-**	**(43,517,182)**	**(208,655,550)**	**(66,374,029)**	**(708,130)**	**(29,365,723)**	**-**	**(348,620,614)**
NET BOOK VALUE								
At January 1, 2012	**1,672,789**	**23,745,561**	**129,286,149**	**121,646,725**	**130,384**	**5,348,270**	**-**	**281,829,878**
At December 31, 2012	**1,672,789**	**19,631,113**	**112,205,808**	**88,666,362**	**136,966**	**4,519,977**	**8,938**	**226,841,953**
At December 31, 2013	**1,672,789**	**15,149,486**	**96,151,890**	**75,605,137**	**59,613**	**3,213,224**	**-**	**191,852,139**

The Company	Land	Buildings	Telecommunication Equipment	Transportation Means	Furniture & Other Equipment	Construction in Progress (CIP)	Total
COST							
At January 1, 2012	**1,672,789**	**53,692,939**	**264,388,693**	**73,019**	**15,639,758**	**-**	**335,467,198**
Additions	-	2,738,824	9,077,984	37,326	392,409	8,938	12,255,481
Disposals/ Write-offs	-	(23,446)	(304,059)	-	(79,629)	-	(407,134)
At December 31, 2012	**1,672,789**	**56,408,317**	**273,162,618**	**110,345**	**15,952,538**	**8,938**	**347,315,545**
Additions	-	287,796	6,401,345	7,651	601,763	-	7,298,555
Disposals/ Write-offs	-	(12,840)	(2,064)		(15,569)	-	(30,473)
Transfers from CIP	-	-	8,938	-	-	(8,938)	-
At December 31, 2013	**1,672,789**	**56,683,273**	**279,570,837**	**117,996**	**16,538,732**	**-**	**354,583,627**
DEPRECIATION							
At January 1, 2012	**-**	**(30,076,729)**	**(140,133,371)**	**(39,850)**	**(11,114,466)**	**-**	**(181,364,416)**
Depreciation expense	-	(6,824,938)	(25,789,965)	(11,745)	(1,632,528)	-	(34,259,176)
Disposals/ Write-offs	-	2,039	281,546	-	78,024	-	361,609
At December 31, 2012	**-**	**(36,899,628)**	**(165,641,790)**	**(51,595)**	**(12,668,970)**	**-**	**(215,261,983)**
Depreciation expense	-	(4,732,091)	(22,144,327)	(14,493)	(1,211,352)	-	(28,102,263)
Disposals/ Write-offs	-	428	455	-	9,429	-	10,312
At December 31, 2013	**-**	**(41,631,291)**	**(187,785,662)**	**(66,088)**	**(13,870,893)**	**-**	**(243,353,934)**
NET BOOK VALUE							
At January 1, 2012	**1,672,789**	**23,616,210**	**124,255,322**	**33,169**	**4,525,292**	**-**	**154,102,782**
At December 31, 2012	**1,672,789**	**19,508,689**	**107,520,828**	**58,750**	**3,283,568**	**8,938**	**132,053,562**
At December 31, 2013	**1,672,789**	**15,051,982**	**91,785,175**	**51,908**	**2,667,839**	**-**	**111,229,693**

There is no property, plant and equipment that have been pledged as security. The title of the capitalised leased assets has been retained by the lessor. The net book value of the Company's capitalised leased assets at December 31, 2013 and 2012, amounted to €2,982,193 and € 3,200,222, respectively. For the Group the related amounts are € 78,150,545 and € 91,163,456 at December 31, 2013 and 2012, respectively. The net book value of property, plant and equipment held under finance leases are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2013	2012	2013	2012
Land	535,200	578,405	535,200	535,200
Buildings	1,747,093	1,800,440	1,747,093	1,800,440
Telecommunication and other equipment (transponders)	75,868,252	88,784,611	699,900	864,582
Total	**78,150,545**	**91,163,456**	**2,982,193**	**3,200,222**

In 2012 the Group decided to technologically accelerate the scale of information (bandwidth) through the transmission path by upgrading the head-end and the 4 transponders to DVBS2 and be able to release one of the 5 existing transponders. New DVBS-2 technology allows broadcasters to accommodate same number of channels using less satellite capacity, while at the same time transmitting the maximum data speed through the satellite.

The 5th transponder will be released as of January 1, 2014 and in this respect, in 2012, the Group proceeded with the derecognition of part of the asset value amounting to € 19,104,611, as well, as the relevant financial liability of € 19,986,623 for the years 2014 to 2020 (Note 25). The net result (income) of € 882,012 is included in other financial income (Note 8) in the accompanying financial statements.

13. INTANGIBLE ASSETS:

Intangible assets are analysed as follows:

The Group	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2012	**30,520,333**	**351,050,305**	**627,285**	**382,197,923**
Additions	3,736,139	23,242,015	283,682	27,261,836
Disposals/ write-offs	(515,284)	(344,976)	-	(860,260)
Other movements	168,542	(64,558)	(103,984)	-
At December 31, 2012	**33,909,730**	**373,882,786**	**806,983**	**408,599,499**
Additions	2,619,229	31,336,735	2,456,736	36,412,700
Disposals/Write-offs	(78,441)	(600,764)	-	(679,205)
Transfers	720,020	-	(720,020)	-
At December 31, 2013	**37,170,538**	**404,618,757**	**2,543,699**	**444,332,994**
AMORTISATION				
At January 1, 2012	**(23,126,752)**	**(186,449,627)**	**(66,664)**	**(209,643,043)**
Amortisation expense	(3,280,835)	(21,677,413)	-	(24,958,248)
Amortisation of intangible assets identified from PPA exercise	-	(18,920,246)	-	(18,920,246)
Disposals/Write-offs	103,057	-	-	103,057
At December 31, 2012	**(26,304,530)**	**(227,047,286)**	**(66,664)**	**(253,418,480)**
Amortisation expense	(3,532,574)	(29,398,095)	-	(32,930,669)
Amortisation of intangible assets identified from PPA exercise	-	(12,266,667)	-	(12,266,667)
Disposals/Write-offs	-	-	-	-
At December 31, 2013	**(29,837,104)**	**(268,712,048)**	**(66,664)**	**(298,615,816)**
NET BOOK VALUE				
At January 1, 2012	**7,393,581**	**164,600,678**	**560,621**	**172,554,880**
At December 31, 2012	**7,605,200**	**146,835,500**	**740,319**	**155,181,019**
At December 31, 2013	**7,333,434**	**135,906,709**	**2,477,035**	**145,717,178**

The Company	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2012	**18,420,459**	**77,828,143**	**-**	**96,248,602**
Additions	2,550,189	15,058,943	-	17,609,132
At December 31, 2012	**20,970,648**	**92,887,086**	**-**	**113,857,734**
Additions	2,165,832	18,006,673	2,157,023	22,329,528
Other movements	**127,885**	-	(127,885)	-
At December 31, 2013	**23,264,365**	**110,893,759**	**2,029,138**	**136,187,262**
AMORTISATION				
At January 1, 2012	**(14,253,337)**	**(66,157,389)**	**-**	**(80,410,726)**
Amortisation expense	(2,134,825)	(16,974,968)	-	(19,109,793)
At December 31, 2012	**(16,388,162)**	**(83,132,357)**	**-**	**(99,520,519)**
Amortisation expense	(2,183,817)	(17,822,307)	-	(20,006,124)
At December 31, 2013	**(18,571,979)**	**(100,954,664)**	**-**	**(119,526,643)**
NET BOOK VALUE				
At January 1, 2012	**4,167,122**	**11,670,754**	**-**	**15,837,876**
At December 31, 2012	**4,582,486**	**9,754,729**	**-**	**14,337,215**
At December 31, 2013	**4,692,386**	**9,939,095**	**2,029,138**	**16,660,619**

14. AVAILABLE FOR SALE FINANCIAL ASSETS:

Available for sale financial assets are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Shares – unlisted	223,304	382,766	180,603	340,064
Total	**223,304**	**382,766**	**180,603**	**340,064**

Available for sale financial assets consist of investments in ordinary unlisted shares and, therefore, have no fixed maturity or coupon rate.

The above shares are stated at cost as a reliable valuation at fair value is not feasible.

15. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivable are analysed as follows:

	The Group	
	31.12.2013	**31.12.2012**
Purchased sports rights	111,271,741	110,315,581
Licensed film rights	8,318,238	7,480,015
Cost of Sports and Film Rights	**119,589,979**	**117,795,596**
Purchased sports rights	(67,372,116)	(65,986,374)
Licensed film rights	(2,859,894)	(3,265,064)
Sports and Film Rights Amortisation	**(70,232,010)**	**(69,251,438)**
Purchased sports rights	43,899,625	44,329,207
Licensed film rights	5,458,344	4,214,951
Sports and Film Rights, net value	**49,357,969**	**48,544,158**
Less: Programme and film rights short-term	49,357,969	48,544,158
Programme and sports film rights, long-term	**-**	**-**

16. INVENTORIES:

Inventories are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Merchandise	7,775,634	5,375,226	1,658,620	1,510,101
Consumables	147,797	129,290	-	-
Obsolete & slow moving provision	(1,306,722)	(1,392,105)	(643,869)	(618,031)
Total	**6,616,709**	**4,112,411**	**1,014,751**	**892,070**

The movement in the provision for obsolete inventories is analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Beginning balance	**1,392,105**	**1,009,798**	**618,031**	**294,475**
Provision for the year	38,968	516,453	38,968	326,945
Less: Utilisation	(124,351)	(134,146)	(13,130)	(3,389)
Ending balance	**1,306,722**	**1,392,105**	**643,869**	**618,031**

The provision for the year is included in cost of sales of inventory and consumables in the accompanying financial statements.

Cost of sales of inventory and consumables for the Group increased compared to the year ended December 31, 2012, mainly due to one-off costs amounting to € 7,713,387 for the replacement of old technology with new technology decoders.

17. TRADE RECEIVABLES:

Trade receivables are analysed as follows:

	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Domestic customers	92,018,956	89,827,506	58,655,588	57,708,335
Foreign customers	2,297,744	2,140,935	1,511,699	1,144,285
Receivables from Greek State	1,832,315	1,579,747	1,638,886	1,565,780
Cheques and notes receivable	2,718,010	3,258,461	1,465,544	1,559,041
Unbilled revenue (Note 4)	3,478,154	4,600,766	3,054,031	4,600,766
	102,345,179	**101,407,415**	**66,325,748**	**66,578,207**
Less: Allowance for doubtful accounts receivable	(43,064,616)	(38,318,104)	(29,763,403)	(25,755,460)
Total	**59,280,563**	**63,089,311**	**36,562,345**	**40,822,747**

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

	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Beginning balance	**38,318,104**	**39,397,019**	**25,755,460**	**27,418,368**
Allowance for the year (Note 9)	6,136,326	7,471,026	5,189,372	6,368,344
Less: Utilisation	(1,389,814)	(8,549,941)	(1,181,429)	(8,031,252)
Ending balance	**43,064,616**	**38,318,104**	**29,763,403**	**25,755,460**

The ageing analysis of trade receivables is as follows:

	The Group		The Company	
	December 31,		December 31,	
	2013	2012	2013	2012
Neither past due nor impaired	42,830,748	48,614,421	26,732,355	32,288,913
Past due not impaired				
60-90 days	4,660,992	2,960,880	1,819,211	1,843,709
90-180 days	4,403,511	5,373,716	2,761,051	3,029,361
181-365 days	3,255,571	2,773,782	2,399,274	845,252
>365 days	4,129,741	3,366,512	2,850,454	2,815,512
Total	**59,280,563**	**63,089,311**	**36,562,345**	**40,822,747**

Trade receivables are non-interest bearing and are normally settled on Group and Company 30-180 days' terms.

The Company's and Group's trade accounts receivable are pledged as collateral for the related new bond loans for an amount equal to 50% of the outstanding balances of the related new bond loans (Note 23).

The amount of € 4,129,741 and € 2,850,454 for the Group and the Company respectively, which is past due over 365 days, mainly relates to balances due from Greek State and mainly the receivable of the project of the Ministry of Internal Affairs "National Network of Public Government – SYZEYXIS".

18. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Receivables due from the Greek State	1,519,647	1,116,992	587,273	181,081
Prepaid expenses	3,708,946	5,253,064	2,464,670	3,159,683
Value Added Tax	4,063,119	2,360,493	-	-
Advances to suppliers	567,988	2,232,713	353,434	1,911,629
Other debtors	2,977,246	3,920,785	2,181,196	2,640,555
	12,836,946	**14,884,047**	**5,586,573**	**7,892,948**
Less: Allowance for doubtful other receivables (Note 9)	(1,725,308)	(1,687,744)	(725,308)	(687,744)
Total	**11,111,638**	**13,196,303**	**4,861,265**	**7,205,204**

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

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Beginning balance	**1,687,744**	1,000,000	**687,744**	-
Provision for the period/ year (Note 8)	55,978	687,744	55,978	687,744
Less: Utilisation	(18,414)	-	(18,414)	-
Ending balance	**1,725,308**	**1,687,744**	**725,308**	**687,744**

The Company's and the Group's prepaid expenses include € 1,148,171 (December 31, 2012:€ 983,391), relating to billings from other providers under a mutual concession for the use of optical fiber infrastructure for a period of 15 years (with various expiration dates ending up to June17, 2035). An amount of € 9,605,823 (December 31, 2012:€ 8,324,672) which relates to the invoiced amount for the period from January 1, 2014 until June 17, 2035 is included in other non-current assets. Amounts billed by the Company to the other provider for the mutual concession for the use of its optical fibre infrastructure are reported as deferred income € 1,148,171 (December 31, 2012:€ 983,391) and other long-term liabilities € 9,605,823 (December 31, 2012:€ 8,324,672).

19. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cash in hand	47,176	30,520	12,700	13,022
Cash at banks	14,594,889	22,794,309	5,569,595	10,159,831
Time deposits	47,682	9,747,000	-	6,147,000
Total	**14,689,747**	**32,571,829**	**5,582,295**	**16,319,853**
Restricted cash	-	7,000,000	-	7,000,000
Total	**14,689,747**	**39,571,829**	**5,582,295**	**23,319,853**

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the year ended December 31, 2013, amounted to € 155,713 and € 119,573 for the Group and the Company, respectively, (for the year ended December 31, 2012:€ 476,137 and € 362,021for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 8).

In 2013, the Group recorded a provision for impairment of its cash at Cypriot Banks of approx. € 0.85 million which is included in other financial costs (Note 8). The impairment was performed following the package of measures agreed between Cyprus government and the Eurogroup (together with the International Monetary Fund) intended to restore the validity of the financial sector in Cyprus after the liquidity crisis in Cyprus. As part of those measures Cypriot Popular Bank was resolved and unsecured depositors (above € 100 thousands) incurred a "haircut".

The restricted cash at December 31, 2012 includes reserved time deposits which mainly relate to two pledge deposit contracts of € 7,000,000, respectively, for the issuance of letters of guarantee to third parties of a total amount of € 9,000,000. Based on the contract amendments signed in 2013 with these suppliers, the relevant letters of guaranties were cancelled and accordingly, the Group is not required to maintain these reserved time deposits.

20. SHARE CAPITAL:

On December 31, 2011, the Company’s share capital amounted to € 183,408,963 and consisted of 155,431,324 ordinary shares with a nominal value of € 1.18 each.

On August 23, 2012 the Shareholders’ Extraordinary General Assembly decided the increase of the nominal value of the shares of the Company, from € 1.18 to € 14.160000364405300 per share by simultaneously consolidating and decreasing the total number of the Company’s existing common registered shares (reserve split) at a ratio of twelve (12) old shares to one (1) new share, i.e. decrease of the number of common registered voting shares from 155,431,324 to 12,952,610. Following the above increase of the nominal value of each Company share, the total share capital remained unchanged, that is € 183,408,963, but it will be divided into 12,952,610 common registered shares of a nominal value of € 14.160000364405300 each.

The same Shareholders’ Extraordinary General Assembly resolved the decrease of the Company’s share capital by € 179,523,180(Note 21) through the decrease of the nominal value of the Company’s existing shares from € 14.160000364405300 (after the reverse split) to € 0.30 per share, according to art. 4 par.4a of the C.L. 2190/1920, as applicable, for the purpose of forming a special reserve of an equal amount. Following this share capital decrease, the Company’s share capital amounts to € 3,885,783, divided into 12,952,610 common registered shares of a nominal value of € 0.30 per share.

Additionally, the Meeting approved the increase of the Company’s share capital up to € 29,143,373 in cash, with pre-emption right in favor of the Company’s existing shareholders and the issuance of up to 97,144,575 new common registered shares, each having a nominal value of € 0.30, at a ratio of fifteen (15) new shares for every two (2) old shares.

The increase of share capital was successful (Note 37).

21. OTHER RESERVES:

Other reserves are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2013	2012	2013	2012
Legal reserve	144,793	157,396	94,031	94,031
Tax-free reserves	1,892,848	1,880,880	1,853,715	1,853,715
Special reserves	683,310	683,309	122,446	122,446
Reserve for employee stock option plan	12,269,620	12,269,620	12,269,620	12,269,620
Other (Note 20)	179,534,223	179,534,223	179,523,180	179,523,180
Total reserve	**194,524,794**	**194,525,428**	**193,862,992**	**193,862,992**

Legal Reserve: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

Tax Free Reserve: Tax-free and specially taxed reserves represent interest income which is either free of tax or a 15% tax has been withheld at source. This income is not taxable, assuming there are adequate profits from which respective tax-free reserves can be established. According to the Greek tax regulations, this reserve is exempt from income tax, provided it is not distributed to shareholders. The Group has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax that would be required in the event the reserve is distributed.

Special Reserve: Under Greek corporate law, corporations may establish a special reserve without a particular purpose after the decision of the shareholders at their Annual General Meeting or if required by its Articles of Association. The special reserve has been created from non-distributed prior year after tax profits.

Other: Relates to the formation of a special reserve of € 179,523,180, in accordance with the decision of the Company's Shareholders' Extraordinary General Assembly held on August 23, 2012, equal to the share capital decrease that took place through the decrease of the nominal value of the Company's existing shares according to art. 4 par.4a of the C.L. 2190/1920 (Note 20). This special reserve may be used in accordance with the provisions of law either for capitalization or for off-set against losses. According to the Greek tax regulations, the future capitalization or the off-set against losses are exempt from income tax.

22. DIVIDENDS:

Under Greek corporate law, companies are required each year to distribute in cash, to the shareholders at least 35% of net profit, after allowing for the legal reserve and certain profits from the sale of shares described under par. 1 of art. 3, of Law 148/1967. The above provisions do not apply, if the General Shareholders Meeting by a majority of at least 65% resolves not to distribute profits. In this case, the non distributed - profits are transferred to a "special reserves account". The Company is obliged within four years from the formation of reserves to capitalize these reserves by the issuance of new shares which it grants free to the beneficiaries (par. 2 art. 3 of the Law 148/1967). The above provisions of par. 1 and 2 do not apply, if approved by the General Shareholders Meeting by a majority of at least 70% of the paid up share capital. Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, which are as follows:

(a) No dividends can be distributed to the shareholders as long as a company's net equity, as reflected in its financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves.

(b) No dividends can be distributed to the shareholders as long as the unamortised balance of "pre-operating expenses", as reflected in its financial statements, exceeds the aggregate of distributable reserves plus retained earnings.

No dividends were paid or proposed during the years ended December 31, 2013 and 2012.

23. LONG-TERM AND SHORT-TERM BORROWINGS:

a) Long-term Loans:

Long-term loans for the Group and the Company at December 31, 2013 and 2012, are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Bond loan	323,543,806	331,755,015	99,850,688	109,487,018
Other long term loans	-	116,712	-	-
Total	**323,543,806**	**331,871,727**	**99,850,688**	**109,487,018**
Less current portion:				
- Bond loan	323,543,806	331,755,015	99,850,688	109,487,018
- Other	-	-	-	-
Total	**323,543,806**	**331,755,015**	-	**109,487,018**
Long-term portion	**-**	**116,712**	**-**	**-**

Forthnet - Bond Loan 2007:

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

The repayment of the bond at December 31, 2011 and following the pre-payment of the contractual principal obligations for the fiscal years 2011 and 2012 (see below), is in five variable semi-annual installments from March 31, 2013 through March 31, 2015. This last installment is equal to 43% of the outstanding balance at December 31, 2011.

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

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

As at June 30, 2011, December 31, 2011, June 30, 2012 and December 31, 2012, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity). Accordingly, the outstanding balance of the EBL was classified as current. As at June 30, 2013 and December 31, 2013, the Group remained non-compliant in these financial covenants and in one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification has been maintained for the outstanding balance of the EBL.

Forthnet - Bond Loan 2011:

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

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

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

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

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

The agreed set of financial covenants is as follows:

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

As at December 31, 2011 and June 30, 2012, the Group was not in compliance with the "Net Debt/Equity" financial covenant under its NBL, and as a consequence, the outstanding balance of the NBL was classified as current. As at December 31, 2012, June 30, 2013 and December 31, 2013, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA, Net Debt/Equity), and the same classification has been maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2012 the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement and as at June 30, 2013 and December 31, 2013 the Group was not in compliance with the financial covenant under NBL Normalised EBITDA/Total Interest.

Other Group Bond Loans

Forthnet Media Holdings S.A. - Bond Loan 2008:

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

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

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

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

As at June 30, 2011, December 31, 2011, June 30, 2012 and December 31, 2012, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/EBITDA and Net Debt/Equity). Accordingly, the outstanding balance of the EBL was classified as current. As at June 30, 2013 and December 31, 2013, the Group remained non-compliant in these financial covenants and in one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification has been maintained for the outstanding balance of the EBL.

Forthnet Media Holdings S.A - Bond Loan 2011:

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

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

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

The repayment of the bond is in 8 quarterly variable instalments from December 31, 2013 through to June 30, 2017. The last 2 instalments are equal to 40% of the total amount.

The bond loan is secured by (i) a first ranking pledge over the shares held by Forthnet Media Holdings S.A. ("FMH") and Netmed N.V. in Multichoice S.A., (ii) a second ranking pledge over the shares held by FMH in Intervision B.V. and Netmed N.V., (iii) a floating charge over the FMH's business receivables, (iv) an assignment of claims arising from several FMH's cooperation agreements with Multichoice Hellas S.A., (v) an assignment of claims arising from the FMH's insurance agreements and, (vi) pledge over FMH's bank accounts.

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

The agreed set of financial covenants is as follows:

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

As at December 31, 2011 and June 30, 2012, the Group was not in compliance with the "Total net bank borrowing / Total equity" financial covenant under its NBL. Accordingly, the outstanding balance of the NBL was classified as current. As at December 31, 2012, June 30, 2013 and December 31, 2013, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA and Net Debt/Equity), and the same classification has been maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2012 and 2013 the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement and as at June 30, 2013 and December 31, 2013 the Group was not in compliance with the financial covenant under NBL Normalised EBITDA/Total Interest.

On May 10, 2012, Forthnet SA and Forthnet Media Holdings SA submitted waiver requests to National Bank of Greece (in its capacity as agent and representative of the bondholders). The waiver requests cover the following:

1. The financial covenants of the companies' EBL that were not in compliance as at December 31, 2011 and June 30, 2011,
2. The financial covenants of the companies' NBL that were not in compliance as at December 31, 2011 and June 30, 2011 and,
3. The undertaking of Forthnet S.A. (in its capacity as issuer of the NBL and guarantor of the NBL of Media Holdings S.A.) to propose to its General Assembly a share capital increase of € 30 million which was to be completed no later than January 31, 2012.

On July 5, 2012, the Group was granted a conditional waiver from its lending banks on the following:

1. The financial covenants of the companies' EBL and NBL that were not in compliance as at December 31, 2011 and June 30, 2011 and,
2. The undertaking of Forthnet S.A. (in its capacity as issuer of the NBL and guarantor of the NBL of Media Holdings S.A.) to propose to its General Assembly a share capital increase of € 30 million which had to be completed no later than January 31, 2012.

On November 26, 2012, the Group submitted a prospectus to the Hellenic Capital Markets Commission for the increase of the Company's share capital as resolved by the Extraordinary General Assembly of the Shareholders of the Company dated August 23, 2012. Other aspects of the conditionality relating to the strengthening of the Company's capital base and certain principal debt advances by August 31, 2012, remain pending.

On January 15, 2013, the lending banks requested, among others, an update on (i) the progress of the share capital increase and (ii) the Group's actions towards the compliance to the financial covenants and other undertakings of its loan agreements.

The Group responded on January 25, 2013 to the above, providing an update on the progress of the share capital increase and stressing that the financial covenants were agreed in a totally different economic environment and need to be adjusted in the broader context of its business outlook and the refinancing discussions.

Total interest expenses on long-term loans for the period ended December 31, 2013 and 2012, amounted to € 12,800,172and € 14,905,199, respectively for the Group and € 4,638,730and € 5,465,264, respectively for the Company and are included in financial expenses (Note 8), in the accompanying financial statements.

b) Short-term borrowings:

Forth CRS and Telemedicine have short-term borrowings with annual variable interest rates of 5% to 6%. The table below presents the credit lines available to the Group and the Company as well as the utilised portion.

	The Group December 31, 2013	The Group December 31, 2012
Credit lines available	1,700,000	1,633,624
Unused portion	(282,000)	-
Used portion	**1,418,000**	**1,633,624**

The total interest expense for short-term borrowings for the years ended December31, 2013and 2012 amounted to € 115,780 and € 155,791 for the Group and € 0 and € 0for the Company respectively and are included in the financial expenses (Note 8), in the accompanying financial statements.

24. FINANCE LEASE OBLIGATIONS:

The finance lease obligations relate to:

- Leasing of a building at Antigonis 58, Peristeri, Attica, with a value of € 2,669,054 (including expenses, taxes, etc,) and is repayable in a hundred and seventy five (175) monthly instalments (from August 10, 2005 through February 10, 2020) bearing interest at the three month Euribor plus a margin of 1.5%.
- Leasing of equipment with a total starting value of € 1,097,882 with duration of three years, repayable in thirty six (36) monthly instalments (from August 11, 2011 through July 11, 2014) bearing interest at a three-month Euribor plus a margin of 5.16%.

The finance lease obligations are analysed as follows:

	The Group		The Company	
	December 31,		December 31,	
	2013	2012	2013	2012
Obligation under finance lease	1,458,187	1,924,779	1,458,187	1,924,779
Less: Current portion	(363,376)	(466,732)	(363,376)	(466,732)
Long-term portion	**1,094,811**	**1,458,047**	**1,094,811**	**1,458,047**

Future minimum lease payments under the finance lease in relation with the present value of the net minimum lease payments for the Group and the Company as at December 31, 2013 and 2012 are as follows:

	The Group		The Company	
	December 31, 2013		December 31, 2013	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	386,551	363,376	386,551	363,376
After one year but no more than five years	886,536	839,004	886,536	839,004
Over five years	258,573	255,807	258,573	255,807
Total minimum lease payments	1,531,660	1,458,187	1,531,660	1,458,187
Less: amounts representing finance charges	(73,473)	-	(73,473)	-
Present value of minimum lease payments	1,458,187	1,458,187	1,458,187	1,458,187

	The Group	The Company

	December 31, 2012		December 31, 2012	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Within one year	504,044	466,732	504,044	466,732
After one year but no more than five years	1,050,328	987,421	1,050,328	987,421
Over five years	479,616	470,626	479,616	470,626
Total minimum lease payments	**2,033,988**	**1,924,779**	**2,033,988**	**1,924,779**
Less: amounts representing finance charges	(109,209)	-	(109,209)	-
Present value of minimum lease payments	**1,924,779**	**1,924,779**	**1,924,779**	**1,924,779**

25. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Group leases transmission equipment of a total value of € 153,079,114, with duration of twelve years, repayable in equal monthly instalments bearing interest at 6.5% to 9.57%.

In 2012 the Group decided to technologically accelerate the scale of information (bandwidth) through the transmission path by upgrading the head-end and the 4 transponders to DVBS2 and be able to release one of the 5 existing transponders. New DVBS-2 technology allows broadcasters to accommodate same number of channels using less satellite capacity, while at the same time transmitting the maximum data speed through the satellite.

The 5th transponder will be released as of January 1, 2014 and in this respect, in 2012 the Group proceeded with the derecognition of part of the asset value amounting to €19,104,611 (Note 12), as well, as the relevant financial liability of € 19,986,623 for the years 2014 to 2020. The net result (income) of € 882,012 is included in other financial income in the accompanying financial statements.

The finance lease transponders obligations are analysed as follows:

	The Group	
	31.12.2013	**31.12.2012**
Obligation under finance lease of transponders	86,532,309	98,294,106
Less: Current portion	(7,466,824)	(12,993,449)
Long-term portion	**79,065,485**	**85,300,657**

Future minimum lease payments under the finance lease of transponders in relation with the present value of the net minimum lease payments for the Group as at December 31, 2013 and 2012, is as follows:

	The Group	
	December 31, 2013	
	Minimum payments	**Present value of payments**
Within one year	14,440,000	7,466,823
After one year but no more than five years	59,280,001	38,615,496
Over five years	45,904,000	40,449,990
Total minimum lease payments	**119,624,001**	**86,532,309**
Less: amounts representing finance charges	(33,091,692)	-
Present value of minimum lease payments	**86,532,309**	**86,532,309**

	The Group
	December 31, 2012

	Minimum payments	Present value of payments
Within one year	19,000,000	12,993,449
After one year but no more than five years	60,800,000	43,972,504
Over five years	45,600,001	41,328,153
Total minimum lease payments	**125,400,001**	**98,294,106**
Less: amounts representing finance charges	(27,105,895)	-
Present value of minimum lease payments	**98,294,106**	**98,294,106**

26. PROGRAMME AND FILM RIGHTS OBLIGATIONS:

Programme and film rights obligations are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Programmes and Rights	33,048,290	33,797,631	9,480,399	14,477,262
Less: Current portion	(32,128,112)	(33,032,485)	(9,480,399)	(14,477,262)
Long term portion	**920,178**	**765,146**	**-**	**-**

27. TRADE PAYABLES:

Trade payables are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Domestic suppliers	83,985,915	88,746,739	39,505,509	40,336,458
Foreign suppliers	35,627,996	19,210,727	11,228,810	6,349,695
Post-dated cheques payable	3,445,131	2,960,405	1,496,016	1,114,745
Total	**123,059,042**	**110,917,871**	**52,230,335**	**47,800,898**

28. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Social security payable	1,950,476	1,996,447	1,200,647	1,115,427
Value added tax	5,836,583	5,896,844	2,681,281	2,346,339
Other taxes and duties	1,851,183	1,184,094	905,741	652,837
Customer advances	71,031	1,021,499	-	-
Interest Accrued	90,654	1,095,870	-	487,053
Other current liabilities	6,420,168	5,532,608	2,477,827	1,646,085
Interest rates swaps (Note 35)	4,711,417	8,192,614	-	-
Total	**20,931,512**	**24,919,976**	**7,265,496**	**6,247,741**

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps ("IRS") agreements amounting to € 135million (2012: € 135million). The interest rate swap agreements are payments of fixed interest rate against receipts of floating rates.

Nominal Value of IRS	Maturity	Interest Rate
20,000,000	30/09/2014	3months EURIBOR

20,000,000	30/09/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
35,000,000	30/06/2017	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
135,000,000		

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

Earnings from the valuation of the fair values of the swaps for the year ended December 31, 2013 for the Group, were € 3,779 thousand (at December 31, 2012: losses € 1,003 thousand) and are included in other financial costs (Note 8), in the accompanying financial statements.

Realisedlosses from the interest rate swap transactions during the year ended December 31, 2013 for the Group were € 3,866 thousands and are included in other financial costs (Note 8), in the accompanying financial statements (at December 31, 2012:€ 3,145 thousands).

29. GOVERNMENT GRANTS:

Government grants are analysed as follows:

	The Group		The Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Government grant N. 3299/2004 (Note 34)	9,567,701	9,567,701	9,000,000	9,000,000
Subprojects 6 & 7 of the Operational Programme “Information Society” (Note 34)	19,532,612	19,532,612	19,532,612	19,532,612
Accumulated amortisation	(16,744,298)	(13,752,306)	(16,214,728)	(13,280,973)
Amortisation for the period	(2,226,555)	(2,991,993)	(2,190,729)	(2,933,756)
Ending balance	**10,129,460**	**12,356,014**	**10,127,155**	**12,317,883**

Subsidies amortisation is included in other income in the accompanying statements of comprehensive income.

30. RESERVE FOR STAFF RETIREMENT INDEMNITIES:

a) **State Pension:** The Company’s employees are covered by one of several Greek State sponsored pension funds. Each employee is required to contribute a portion of their monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the pension funds for the years ended December 31, 2013 and 2012 amounted to € 8,177,858 and € 8,585,657, respectively for the Group and € 5,060,327 and € 5,073,513, respectively for the Company (Note 6).

b) **Staff Retirement Indemnities:** Under Greek labour law, employees and workers are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee’s or worker’s compensation, length of service and manner of termination (dismissed or retired). Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that pension plans are not funded.

In accordance with this practice, the Group does not fund these plans. The Group charges income from continuing operations for benefits earned in each period with a corresponding increase in retirement indemnity liability. Benefits payments made each period to retirees are charged against this liability.

An international firm of independent actuaries evaluated the Group's liabilities arising from the obligation to pay retirement indemnities. The details and principal assumptions of the actuarial study as at December 31, 2013 and 2012 are as follows:

	The Group		The Company	
	December 31,		December 31,	
	2013	2012	2013	2012
Present value of unfunded obligations	2,450,984	2,494,884	1,319,243	1,235,240
Net Liability in statement of financial position	**2,450,984**	2,494,884	**1,319,243**	**1,235,240**
Components of net periodic pension cost				
Service cost	235,010	259,190	147,610	128,002
Interest cost	98,448	121,432	48,916	54,204
Regular charge to operations	**333,458**	**380,622**	**196,526**	**182,206**
Past service recognition	-	(139,059)	-	-
Additional cost of extra benefits	1,210,686	875,891	779,978	339,045
Total charge in profit and loss (Note 6)	**1,544,144**	**1,117,454**	**976,504**	**521,251**
Reconciliation of benefit obligation				
Present value of liability at start of period	2,494,884	2,260,984	1,235,240	985,531
Service cost	235,010	259,190	147,610	128,002
Interest cost	98,448	121,432	48,916	54,204
Benefits paid	(1,362,044)	(1,572,281)	(862,213)	(658,936)
Extra payments or expenses	1,210,686	875,891	779,978	339,045
Other adjustments	-	-	25,030	-
Service cost from previous periods	-	(139,059)	-	-
Actuarial gains/(loss)	(226,000)	688,727	(55,318)	387,394
Present value of liability at the end of year	**2,450,984**	**2,494,884**	**1,319,243**	**1,235,240**
Principal Assumptions:				
Discount Rate	3.99%	3.96%	3.99%	3.96%
Rate of compensation increase	0.0%	0.0%	0.0%	0.0%
Increase in consumer price index	2.0%	2.0%	2.0%	2.0%

The additional cost of extra benefits relates to benefits paid to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge. The additional pension charge for the years ended December 31, 2013 and 2012 amounted to € 1,210,686and € 875,891respectively for the Group and € 779,978 and € 339,045 respectively for the Company.

A quantitative sensitivity analysis for significant assumption as at 31 December 2013 is as shown below:

THE GROUP	Discount rate		Future salary Increases	
Sensitivity Level	0,5% increase	0,5% decrease	0,5% increase	0,5% Decrease
Impact on defined benefit obligation	257,353	(291,667)	274,510	(247,549)
	Life expectancy of pensioners			
Sensitivity Level	Increase by 1 year	Decrease by 1 year		
Impact on defined benefit obligation	26,961	29,412		

THE COMPANY	Discount rate		Future salary Increases	
Sensitivity Level	0,5% increase	0,5% decrease	0,5% increase	0,5% Decrease
Impact on define dbenefit obligation	138,521	(156,990)	147,755	(133,244)
	Life expectancy of pensioners			
Sensitivity Level	Increase by 1 year	Decrease by 1 year		
Impact on defined benefit obligation	14,512	15,831		

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. With regard to the mortality assumption the table used is called EVK2000 which is based on Swiss mortality.

The following payments are expected contributions to the defined benefit plan obligation in future years:

	2013	**2012**
Within the next 12 months (next annual reporting period)	0	17,645
Between 2 and 5 years	32,213	10,383
Between 5 and 10 years	323,063	252,868
Beyond 10 years	11,041,641	11,845,397
Total expected payments	**11,396,917**	**12,126,293**

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.5 years (2012: 25.3 years).

31. LOSS PER SHARE:

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

The following reflects the net loss and share data used in the basic and diluted earnings per share computations as at December 31, 2013 and 2012:

	The Group	
	December 31,	
	2013	2012
Net loss attributable to the shareholders of the parent	**(59,820,693)**	**(100,246,113)**
Total weighted average number of ordinary shares	**12,952,610**	**12,952,610**
Adjusted weighted average number of ordinary shares for diluted loss per share	**12,952,610**	**12,952,610**
Loss per share (basic and diluted)	**(4.6184)**	**(7.7395)**

32. EMPLOYEE STOCK OPTION PLAN:

The Group has two plans in relation to the employees' stock option – one short-term plan replacing an older long-term and one long-term which terminates at December 31, 2014. These plans are explained below:

1st Plan (short-term) replacing the existing long term plan:

On February 8, 2008, E.E.T.T. approved Forthnet's change of control in accordance with resolution No. 467/104/2008. The aforementioned change resulted in the early vesting of the Company's stock option plan in accordance with its terms.

The Board of Directors with its decision of April 7, 2009, proceeded in providing a short-term plan as follows:

2,194,812 stock-options were granted, replacing 2,992,703 adjusted existing options at a strike price of €3.89 of the old plan provided that the beneficiaries will give up the options they hold from the old plan. The adjustment to the number of options and the strike price was automatically effected as a result of the increase in the Company's share capital.

In order to use one of the two options the beneficiaries resigned to their rights relating to 2,992,703 options of the old long-term plan. In conclusion the beneficiaries of 2,992,703 options of the old plan replaced their rights in exchange for €0.60 per option and waived their rights to participate in the new plan described above.

2nd Plan (long-term)

The Board of Directors with its decision on April 7, 2009, proceeded in issuing a total amount of 5,440,096 new options at the exercise price of €1.18. The maturity of the above mentioned options is analysed as follows:

- 2,331,470 options vested in April 2011 (provided that according to the published financial results, the targets set for 2010 have been achieved). First exercise period was from June 1 to June 20, 2011 and can be exercised until December 2014.

- 3,108,626 options vested in April 2012 (provided that according to the published financial results, the targets set for 2011 have been achieved). First exercise period is from June 1 to June 20, 2012 and can be exercised until December 2014.

The fair value of the options as at April 7, 2009, was determined using the Black & Scholes model. The main assumptions affecting the model are the share price at the grant date, exercise price, dividend yield, discount rate and the volatility of the share price. The volatility is the actual historic volatility of the daily share price of Forthnet in the last 12 months.

33. RELATED PARTIES:

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

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

Related Party	Relation with Forthnet	Year ended	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	2,265,789	2,981,662
		31.12.2012	3,201,168	3,398,673
Go Plc	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	4,752
Technology and Research Foundation	Shareholder	31.12.2013	73,348	43,022
		31.12.2012	84,739	50,407
Forth CRS S.A.	Subsidiary	31.12.2013	123,376	2,285
		31.12.2012	127,538	2,155
MultiChoice Hellas S.A.	Subsidiary	31.12.2013	13,083,904	1,704,520
		31.12.2012	3,706,532	273,638
Interoute Spa (Italy)	Related Party	31.12.2013	181,789	-
		31.12.2012	195,139	-
Interoute Managed Services Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	1,517,968	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	374,400	529,034
		31.12.2012	374,400	472,872
Interoute CzechSro	Related Party	31.12.2013	2,104	166,661
		31.12.2012	5,228	425,151
NETMED S.A.	Subsidiary	31.12.2013	113,047	-
		31.12.2012	137,455	-
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013	1,617,355	14,254
		31.12.2012	2,534,304	5,105
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	482,901
	Total	**31.12.2013**	**17,835,112**	**5,441,438**
	Total	**31.12.2012**	**11,884,471**	**5,115,654**

Related Party	Relation with Forthnet	Year ended	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	468,922	901,415
		31.12.2012	827,641	697,245
Go Plc	Indirect Shareholder	31.12.2013	4,293	-
		31.12.2012	-	-
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	803,325
		31.12.2012	-	877,986
Technology and Research Foundation	Shareholder	31.12.2013	26,009	3,876
		31.12.2012	32,112	6,142
Forth CRS S.A.	Subsidiary	31.12.2013	616,038	4,613
		31.12.2012	678,695	-
Telemedicine Technologies S.A.	Subsidiary	31.12.2013	3,734	-
		31.12.2012	3,734	-
Athlonet S.A.	Associated	31.12.2013	11,502	8,060
		31.12.2012	11,502	10,060
MultiChoice Hellas S.A.	Subsidiary	31.12.2013	21,103,894	8,467,831
		31.12.2012	5,084,217	32,840,509
Interoute Managed Service Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	657,000	-
Interoute Spa (Italy)	Related Party	31.12.2013	40,876	-
		31.12.2012	29,168	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	62,400	202,033
		31.12.2012	126,000	169,881
Interoute Czech Sro	Related Party	31.12.2013	322	171,455
		31.12.2012	409	64,189
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013	42,773,092	493,174
		31.12.2012	49,102,934	472,658
NetMed S.A.	Subsidiary	31.12.2013	327,390	-
		31.12.2012	188,529	-
	Total	**31.12.2013**	**65,438,472**	**11,055,782**
	Total	**31.12.2012**	**56,741,941**	**35,138,670**

The intergroup revenue from Multichoice Hellas S.A. relates to the recharge of Multichoice Hellas S.A.'s share in joint sell advertising, telecommunications services (telephony, broadband, etc.), as well as, recharge of directors' payroll cost and recharge of Multichoice Hellas S.A. share in associates' commission.

The intergroup costs from Multichoice Hellas S.A. refer mainly to the purchases of decoders for resale in Forthnet stores, and share of Forthnet in joint sell advertising.

The intergroup revenue and receivable from Forthnet Media Holdings S.A. arises mainly from the re-sale of the Superleague and UEFA football rights.

The Company's payable towards Multichoice Hellas S.A. relates to cash collected by its stores on behalf of Multichoice Hellas S.A.

The Group's receivable from Interoute Managed Services Netherlands relates to the use of Forthnet's fibre optic network.

The intergroup revenue and costs from Wind Hellas Telecommunications S.A. relates to a mutual concession for the use of optical fibre infrastructure.

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

Related Party	Relation with Group	Year ended	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	2,265,789	2,981,662
		31.12.2012	3,201,168	3,398,673
Go Plc	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	4,752
Technology and Research Foundation	Shareholder	31.12.2013	73,348	43,022
		31.12.2012	84,739	50,407
Interoute Managed Services Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	1,517,968	-
Interoute Spa (Italy)	Related Party	31.12.2013	181,789	-
		31.12.2012	195,139	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	374,400	529,034
		31.12.2012	374,400	472,872
Interoute Czech Sro	Related Party	31.12.2013	2,104	166,661
		31.12.2012	5,228	425,151
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	-
		31.12.2012	-	482,901
	Total	**31.12.2013**	**2,897,430**	**3,720,379**
	Total	**31.12.2012**	**5,378,642**	**4,834,756**

Related Party	Relation with Group	Year ended	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013	468,922	901,415
		31.12.2012	827,641	697,245
Go Plc	Indirect Shareholder	31.12.2013	4,293	-
		31.12.2012	-	-
Emirates International Telecommunications	Indirect Shareholder	31.12.2013	-	803,325
		31.12.2012	-	877,986
Technology and Research Foundation	Shareholder	31.12.2013	26,009	3,876
		31.12.2012	32,112	6,142
Interoute Managed Service Netherlands	Related Party	31.12.2013	-	-
		31.12.2012	657,000	-
Interoute Spa (Italy)	Related Party	31.12.2013	40,876	-
		31.12.2012	29,168	-
Interoute Bulgaria JsCo	Related Party	31.12.2013	62,400	202,034
		31.12.2012	126,000	169,881
Interoute Czech Sro	Related Party	31.12.2013	323	171,455
		31.12.2012	409	64,189
Lumiere Productions S.A.	Shareholder	31.12.2013	-	6,378
		31.12.2012	-	6,378
Lumiere Cosmos Communications	Indirect Shareholder	31.12.2013	-	10
		31.12.2012	-	10
Athlonet S.A.	Associated	31.12.2013	11,502	8,060
		31.12.2012	11,502	10,060
Telemedicine Technologies A.E.	Subsidiary	31.12.2013	3,734	-
		31.12.2012	3,734	-
	Total	**31.12.2013**	**618,059**	**2,096,553**
	Total	**31.12.2012**	**1,687,566**	**1,831,891**

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

The Group's receivable from Interoute Managed Services Netherlands relates to the use of Forthnet's fibre optic network.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group for the years ended 2013 and 2012 are analysed as follows:

	The Group		**The Company**	
	December 31,		**December 31,**	
	2013	**2012**	**2013**	**2012**
Salaries and fees for executive members of the BoD	309,917	298,250	309,917	298,250
Salaries and fees for non executive members of the BoD	121,800	133,400	121,800	133,400
Salaries and fees for senior managers	2,338,469	2,151,482	1,463,169	1,453,956
Total	**2,770,186**	**2,583,132**	**1,894,886**	**1,885,606**

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 € 103,857for both the Group and the Company (December 31, 2012: € 60,165), whereas benefits relating to leaving indemnities amounted to € 563,990 and € 0 respectively (December 31, 2012:€ 30,333 and € 0, respectively).

34. COMMITMENTS AND CONTINGENCIES:

Litigation and Claims: The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (Refer to Note 36).

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 € 0.9 million at December 31, 2013 (approximately € 0.9 million at December 31, 2012).

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

Development Law 3299/2004: According to decision no 28757/YPE/4/00447/L.3299/E/ 22.12.2006 of the Minister and Deputy-Minister of Finance and Economics (GG 358/15.03.2007), the Company's business plan relating to the establishment of an integrated, high-speed broadband network applying a cutting-edge technology for the provision of new data, voice and content services in the regions of Attica and Thessaloniki, in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounts to approximately € 30 million. The percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 9 million. Up to December 31, 2009, the Company had completed its investment of the above amount and a related provision of approximately € 9 million has been included in Government grants.

In addition, according to decision no 12487/P01/4/00004/E/L.3299/E/27.09.2006 of the General Secretary of the Attica Region (GG 1437/29.09.2006),NetMed Hellas S.A.'s business plan relating to the multimedia content for advanced services in accordance with the provisions of Development Law 3299/2004 was approved. The amount of investment approved amounted to approximately € 1,880,000 and the percentage of subsidy equals to 30% of the total investment, i.e. equal to the amount of € 564,000.The company completed its investment at a cost of € 1,892,337 and, after the publication in the Government Gazette 1561/06.08.2008, on October 10, 2008; the company collected the amount of € 567,701 which was included in "Government Grants" in the accompanying statements of financial position.

Agreements with Information Society S.A.: On March 12, 2007, the Company signed two agreements with Information Society S.A., which are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts the overall budget for the 2 sub-projects equals to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation is expected to be completed for the Milestone I by July 31, 2009 and for the Milestone II by October 31, 2009. Up to December 31, 2009, the Company's investment amounted to € 19.5 million approximately, and a related provision has been included in Government grants.

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 December 31, 2013and 2012, are as follows:

	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Within one year	2,394,986	2,553,061	930,481	1,063,049
2-5 years	8,392,659	9,434,994	2,558,291	3,057,906
Over 5 years	2,450,443	5,096,930	812,383	1,554,900
Total	**13,238,088**	**17,084,985**	**4,301,155**	**5,675,855**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at December 31, 2013 and 2012, these are analysed as follows:

	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Good execution of agreements	5,719,808	7,712,896	413,080	905,825
Participation in bids	30,213	235,699	30,213	235,699
Guarantees for advance payments received	14,208,398	27,951,069	14,160,810	27,903,481
Total	**19,958,419**	**35,899,664**	**14,604,103**	**29,045,005**

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 161.4 million and for the Company amounted to approximately € 72.6million at December 31, 2013 (December 31, 2012: € 139.5million and € 88.3million, 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 € 4.2 million at December 31, 2013 (December 31, 2012: € 5.1 million) both for the Company and the Group.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

During the year ended December 31, 2013, 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 December 31, 2013 and 2012 the Group and the Company held the following financial instruments measured at fair value:

	The Group			
	Fair value –31.12.2013			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale financial assets	-	-	223,304	**223,304**

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest rate swaps (Note 28)	-	4,711,417	-	**4,711,417**
Long term loans (Note 23)	-	323,543,806	-	**323,543,806**

	The Company			
	Fair value –31.12.2013			
	Level 1	**Level 2**	**Level 3**	**Σύνολο**
Financial assets				
Available for sale financial assets	-	-	180,603	**180,603**
Financial liabilities				
Long term loans (Note 23)	-	99,850,688	-	**99,850,688**

	The Group			
	Fair value –31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Available for sale financial assets	-	-	382,766	**382,766**
Financial liabilities				
Interest rate swaps (Note 28)	-	8,192,614	-	**8,192,614**
Long term loans (Note 23)	-	331,871,727	-	**331,871,727**

	The Company			
	Fair value –31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Σύνολο**
Financial assets				
Available for sale financial assets	-	-	340,064	**340,064**
Financial liabilities				
Long term loans (Note 23)	-	109,487,018	-	**109,487,018**

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 December 31, 2013, would not lead to a significantly different fair value.

The fair values of the interest rate swaps are based to mark to market evaluation.

Credit Risk: The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at December 31, 2013, 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.

Foreign Currency Risk: 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 financial assets and liabilities in foreign currency translated into Euros using the exchange rate at the financial position date, for the Group and the Company is analysed as follows:

	The Group	
	31.12.2013	**31.12.2012**

Nominal amounts in US$

Financial assets	7,180	627,589
Financial liabilities	(20,429,611)	(11,999,474)
Short term exposure	**(20,422,431)**	**(11,371,885)**

The following table presents the sensitivity of the result for the year in regards to the financial assets and financial liabilities and the Euro/ US Dollar exchange rate. It assumes a 5% (2012: 5%) increase of the Euro/US Dollar exchange rate for the year ended December 31, 2013. The sensitivity analysis is based on the Group's foreign currency financial instruments held at year end.

If the Euro had increased against the US Dollar by 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2013	**31.12.2012**
Result for the year	705,168	410,428

If the Euro had decreased against the US Dollar by 5%, then the result for the year would have the following effect:

	The Group	
	31.12.2013	**31.12.2012**
Result for the year	(779,396)	(527,094)

The above effect on the results, before tax, is based on the average foreign exchange rates for the related year.

The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. Although the analysis above is considered to be representative of the Group's currency risk exposure.

Interest Rate Risk: With respect to long-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks.

The following table demonstrates the sensitivity of the Group' profit before tax (through the impact of the outstanding floating rate borrowings at the end of the year on profits) to reasonable changes in interest rates, with all other variables held constant.

The sensitivity analysis of the Group's borrowings due to interest rate changes is as follows:

	The Group		**The Group**	
	December 31, 2013		**December 31, 2012**	
	Interest Rate Variation	**Effect on income**	**Interest Rate Variation**	**Effect on income**
EURO	1,0%	(3,321,748)	1,0%	(3,405,833)
	-1,0%	696,220	-1,0%	3,405,833

The table above excludes the positive impact of interest received from deposits and any impact (positive or negative) of the interest rate swaps.

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swap agreements amounting to € 135million.

Losses from the valuation of the fair values of the swaps for the year ended December 31, 2013, were € 3,779 thousand (at December 31, 2012: €1,003 thousand) (Note 8).

Liquidity Risk: The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn committed and uncommitted borrowing facilities that can be utilized to fund any potential shortfall in cash resources.

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The table below summarizes the maturity profile of the financial liabilities at December 31, 2013 and 2012, based on contractual undiscounted payments.

Group

Year ended December 31, 2013	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
Borrowings	49,500,000-	47,120,597	48,683,225	210,287,150	-	355,590,972
Leases	-	7,413,275	7,413,275	60,166,537	46,162,573	121,155,660
Trade, programme and film rights and other payables	-	93,952,894	74,985,893	920,178	-	169,858,965
Total	**49,500,000**	**148,486,766**	**131,082,393**	**271,373,865**	**46,162,573**	**646,605,597**

Year ended December 31, 2012	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
Borrowings	-	29,578,790	43,996,705	299,024,226	-	372,599,721
Leases	-	6,748,747	6,748,747	45,022,831	41,807,769	100,328,094
Trade, programme and film rights and other payables	-	88,132,773	70,468,790	4,093,331	5,561,186	168,256,080
Total	**-**	**124,460,310**	**121,214,242**	**348,140,388**	**47,368,955**	**641,183,895**

Company

Year ended December 31, 2013	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
Borrowings	22,000,000	26,161,434	25,285,944	30,357,524	-	103,804,902
Leases	-	193,275	193,275	886,536	258,573	1,531,659
Trade and other payables	-	40,016,007	40,016,007	-	-	80,032,014
Total	**22,000,000**	**66,370,716**	**65,495,226**	**31,244,060**	**258,573**	**185,368,575**

Year ended December 31, 2012	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total

Borrowings	-	12,332,569	24,262,741	80,912,836	-	117,508,146
Leases	-	252,022	252,022	1,050,328	479,616	2,033,988
Trade and other payables	-	52,763,817	50,422,474	4,093,331	5,561,186	112,840,808
Total	**-**	**65,348,408**	**74,937,237**	**86,056,495**	**6,040,802**	**232,382,942**

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong internal calculation credit rating and healthy capital ratios in order to support its operations and maximize shareholder value. The Group's policy is to maintain leverage targets in line with an investment grade profile. 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		**The Company**	
	December 31,		**December 31,**	
	2013	**2012**	**2013**	**2012**
Long-term borrowings	-	116,712	-	-
Short-term borrowings	323,421,143	333,388,639	99,728,025	109,487,018
Total Debt	**323,421,143**	**333,505,351**	**99,728,025**	**109,487,018**
Less : Cash and cash equivalents	14,689,747	32,571,829	5,582,295	16,319,853
Net Debt/(cash)	**(308,731,396)**	**(300,933,522)**	**(94,145,730)**	**(93,167,165)**
-Adjusted EBITDA (non-cash adjustments)	37,274,998	54,973,988	52,949,174	61,120,982

36. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

(a) Forthnet's outstanding judicial claims against third parties amount to approximately € 37.5 million.

i) Approximately € 26.7 million of this amount concern a claim against OTE by virtue of the law suit filed on December 31, 2002, with regard to the positive damages claimed to have been suffered by the Company in the case of EPAK (preferential treatment by OTE to its subsidiary, OTEnet), approximately € 293 thousand consisting of a claim against OTE for moral damages that the Company has suffered for the same cause.

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

Furthermore, the following EETT's Decisions have been issued and served to our company: (a) EETT's DECISION No. 695/60/27.06.2013 that concerns the 26.03.2010 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this resolution, OTE was ordered to credit Forthnet in 3,316 cases that totally correspond to the amount of € 178 thousands, while a fine of € 332 thousands was additionally imposed to OTE. (b) EETT's DECISION No. 692/36/30.05.2013 that concerns the 05.09.2011 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this resolution, OTE was ordered to credit Forthnet in 1,492 cases that totally correspond to the amount of € 79 thousands, while a fine of € 149 thousands was additionally imposed to OTE. (c) EETT's DECISION No. 690/21/14.05.2013 that concerns the 15.02.2012 Dispute Resolution Request of Forthnet regarding its right to charge wasteful travel fees at the expense of OTE for local loop's failure. With this Decision, the right of Forthnet to charge wasteful travel fees in specific cases was acknowledged and by virtue of this Decision, Forthnet proceeded to the billing of OTE with the amount of € 226 thousands (d) EETT's DECISION No. 640/50/21.02.2012 that concerns the 15.11.2011 complaint of Forthnet for charges of OTE wasteful travels fees for the fixing of local loop failures with the justification "non-accessible building", which charges were not in accordance with the legislative framework. With this decision, OTE was ordered to credit to Forthnet the imposed charges during the time period from October 2010 up to June 2011, which charges amounted to € 78 thousands, an amount that was refunded by OTE to Forthnet. With the same resolution, a fine of € 250 thousands had been imposed to OTE for its illegitimate conduct. (e) For the same matter of the charges of OTE wasteful travel fees with the justification "non-accessible building", which charges were not in accordance with the legislative framework. Forthnet had filed a new complaint to EETT on 11.02.2012, further to which, EETT's DECISION No. 695/62/27.06.2013 was issued, by which a fine of € 125 thousands was imposed to OTE for its illegitimate conduct and the latter was ordered to refund to Forthnet the relevant fees that had collected during the time period from July 2011 up to August 2012, which amount to € 206 thousands.
OTE has appealed to the competent courts against the resolutions of EETT under (a), (b) and (d). It is expected that it will also appeal to the competent administrative courts against the other aforementioned resolutions of EETT under (c) and (e).

In addition, there are pending decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE' s denial to recognize wholesale volume discounts and the second one to the illegal invoicing of circuits of the Company and the obligation of OTE regarding the return of amounts unduly paid. Finally, EETT's decision has been issued regarding unjustified electricity charges at Physical Collocations, according which OTE was obliged to apply a clearance of the invoices that had issued at the expense of the operators concerning the charges for electricity at physical collocations for the term between February 2007 and August 2009, applying the model as set out in the aforementioned decision. OTE paid to the Company the amount of € 842 thousands in December 2012, yet it has appealed to the competent administrative courts against the relevant resolution of EETT.

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

ii) The remaining (apart from the above claims concerning regulatory and telecommunication law matters under 1.) judicial claims of the Company against third parties amount to approximately € 4.8 million.
The Company has recorded equal provision for the above claims (allowance for doubtful accounts receivable).

iii) Furthermore, there is a claim of the Company against the Greek State for the project of the Ministry of Internal Affairs "National Network of Public Government - SYZEFXIS", which amounts approximately to € 1.9 million plus the corresponding VAT for the fiscal year 2010. For this amount, the Company has already filed respective motions before the Legal Council of the State for the acknowledgment of the aforementioned debt for the first half of fiscal year 2010 amounting to €994 thousands, for the 3rd quarter of 2010 amounting to approximately € 469 thousands and for the 4th quarter of 2010 amounting to approximately to € 471 thousands respectively.

In respect to the Application of Acknowledgment of the Company's Claim against the Greek State for the first half of fiscal year 2010, the Company's motion has been already partially granted and the amount of € 686 thousands has been already paid.

In respect to the Applications of Acknowledgment of the Company for the second half of fiscal year 2010 (Applications for C' and D' quarter of 2010) these were partially accepted for the payment to the Company of the amount of € 690 thousands in total, not including VAT, and have been already paid.

Moreover, for 2011, the Company has already filed an additional motion before the Legal Council of the State for the aforementioned project, for the Acknowledgment of the Company's Claim for the first half of fiscal year 2011 amounting to € 940 thousands, not including VAT for services during the first half of fiscal year 2011 and the amount of € 942 thousands, not including VAT for the services offered during the second half of fiscal the year 2011. In respect to the Applications of Acknowledgment of the Company for the first half of fiscal year 2011, these were partially accepted for the payment to the Company of the amount of € 691 thousands in total, not including VAT and have been already paid. Accordingly, for the second half of the fiscal year 2011, the application of the Company was partially accepted for payment to the Company of the amount of €692 thousands not including VAT. The said amount has been already paid.

Likewise, the company has already filed for 2012 respective Applications of Acknowledgment of Claim against the State for the provision of electronic services for the aforementioned project. Specifically, the company, for the provision of the aforementioned services during the first half of fiscal year 2012, requests the amount of € 944 thousands, not including VAT and for the second half of fiscal year 2012 the amount of € 945 thousands, not including VAT. For the first half of fiscal year 2012, the application of the Company was partially accepted for payment to the Company of the amount of €693 thousand not including VAT. The said amount has been already paid.

Finally, for 2013, the Company intends to file a respective Application of Acknowledge, the level of which will amount to € 2.3 million, inclusive of the corresponding VAT.

For the above mentioned project ("SYZEFXIS") the Company had recorded unbilled revenue in its financial statements for an amount of € 2 million.

iv) During an audit, the Company discovered the abuse of a significant amount of money by an employee of its accounting department together with her spouse of approximately € 2.37 million. Consequently, the Company filed charges against the above persons for the criminal acts of counterfeiting and fraud while at the same time took the necessary legal actions before the civil courts for compensation for the damages suffered. The Company has recorded the necessary provisions in its financial statements.

v) Also, there is a claim of the Company against TSPEATH for the return of undue amounts paid regarding advertisements tax ("aggeliosimo"): for the year 2002 amounting to € 252 thousands, for the year 2003 amounting to € 433 thousands plus interest and related legal expenses.
For the aforementioned claim, the Company had appealed before the Administrative Courts, instituting a relevant Administrative Action and filing a relevant Lawsuit. On the aforementioned

administrative action, the Administrative Court of the First Instance of Athens rejected the aforementioned appeal of the Company. The Company lodged an APPEAL before the Administrative Court of Appeals against the aforementioned judgment that has rejected the administrative action, the hearing of which is pending for the scheduled day. The hearing of the aforementioned Lawsuit took place during the scheduled hearing day upon postponement, and the issue of a judgment is expected. Given the negative judgment on the Administrative Action, it is estimated that the chances are limited for the success of the relevant Lawsuit.

(b) Judicial claims of third parties against Forthnet

i) Legal action brought by OTE against the Company before the Multiparty Court of First Instance of Athens seeking compensation for the alleged violation of the provisions of the Code of Ethics on the Provision of Telecommunications Activities (article 11 par. 3), articles 57-59C.C. regarding the protection of personality, as well as the provisions of Law 146/1914 regarding prohibited and unfair advertising. With its legal action, OTE claims amongst other the payment of compensation amounting to € 5 million due to moral damages claimed to have been suffered by it, plus interest from the date of legal notice of the said action and until payment thereof. At the hearing date, the hearing of the case was cancelled, and thenceforth it has not been reopened with a summoning of the litigant party for a new hearing date.

ii) Complaint filed by OTE before the National Competition Commission concerning alleged breach, on the part of Multichoice Hellas S.A., of provisions of articles 1 and 2 of L. 703/77 on competition, with relation to the exclusive carriage agreements of audiovisual content executed between Multichoice Hellas S.A. and Greek Free-To-Air national TV stations. The case was heard on March 26, 2012, before the NCC, which accepted the commitments offered by FORTHNET for the lifting of the exclusivity in the contracts that Multichoice Hellas S.A. maintains with the Free-To-Air national TV stations channels. As a result, NCC did not proceed to further examination of the case and/or to the imposition of any fine against Forthnet and Multichoice Hellas S.A. OTE is entitled to file an appeal against the NCC decision.

iii) Following the conclusion of the Content Supply Agreement between Forthnet Media Holdings S.A. and Cyprus Telecommunication Authority (“CYTA”), the Commission for the Protection of Competition of the Republic of Cyprus launched an inquiry for a reported violation of the provisions of competition (according to articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as to articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), either by the Company itself or by its controlled companies/subsidiaries Multichoice Hellas S.A. and Forthnet Media Holdings S.A. With relation to the same case, Primetel, a Cypriot telecom company, has filed a complaint before the Commission against Multichoice Hellas S.A. and Forthnet. This consolidated case is under investigation by the Competition Commission and the Group has provided responses to the relevant questionnaires sent by the Competition Commission in February, June and December of 2012. At the present time, it is not possible to determine whether the above will have an effect on the Group’s financial position or operations.

The results of the above judicial claims cannot be foreseen, thus no provision of loss has been made by the Company in its financial statements.

B. FORTHNET MEDIA HOLDINGS S.A.

(a) The outstanding judicial claims of third parties against the subsidiary, Forthnet Media Holdings S.A. (hereinafter FMH, which merged and absorbed NetMed Hellas S.A. and SYNED S.A.) amount to € 6.1 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) € 4.6 million approximately plus interest, concern claims of PAE (Football Clubs), for the restitution of the alleged damage PAE has incurred due to the claimed unlawful termination –on the part of FMH (ex NetMed Hellas S.A.) of its agreement for the TV/radio broadcasting of their football games. It is noted that the hearing of the specific lawsuit, after several adjournments, has been cancelled but PAE is, theoretically, entitled to apply for a new hearing date.

ii) A claim of approximately € 0.81 million, plus interest and legal expenses concerns a lawsuit by the Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED, as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRASI S.A. (prior to its absorption by FMH) of 828 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds. A judgment that dismissed the lawsuit as unsubstantiated was issued. The litigant party is entitled to lodge an appeal.

For the above judicial claims the Management believes that the Group will not have a significant impact on its financial statements and, therefore, no related provision has been made.

(b) The outstanding judicial claims of the subsidiary FMH (arisen by the absorbed NetMed Hellas S.A.) against third parties amount to € 21,3 million approximately, plus interest and expenses. From the abovementioned amount:

i) € 12.7 million approximately, plus interest and expenses, relates to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damages incurred by FMH (ex NetMed Hellas S.A.) due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. Most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 18.6 million, ultimately the court decided on a compensation of € 0.2 million. However, the third parties are apparently not in a financial position to reimburse the Company.

ii) € 4.44 million approximately, plus interest and expenses, relates to the company's claims against the companies «EIDISEIS DOT COM S.A.» and «Radio and TV Business S.A.» for the restitution of damages incurred by FMH due to the unlawful broadcast (via TV and internet), without FMH's permission, of highlights of the matches of PAE, played in the course of the SUPERLEAGUE football championship during the period 2011-2012. It is noted that FMH has acquired the exclusive broadcast rights of the PAE matches (including their highlights). The case has not been heard yet.

iii) A lawsuit against the company ERT S.A., Alpha Bank and Piraeus Bank by which it is requested to be acknowledged that our company does not owe the minimum guaranteed consideration of €2.9 million per year from November 10, 2008 or, alternatively if it does not apply for 2008, from November 10, 2010, but instead, a percentage on the real basis of its terrestrial analogue subscribers. The claim on the main and supportive basis consists of the acknowledgment of the non-existence of a payment right, accordingly it is not evaluated as an actual monetary claim against ERT but as a negative obligation to pay. The case has not been heard yet.

iv) A lawsuit against the Greek Football Federation (EPO), by which the cancellation of a BoD decision is required. By virtue of the said BoD decision, EPO rejected the company's participation in the tender for the acquisition of the TV rights of the Greek Soccer Cup for the periods 2013-2014 to 2015-2016 and awarded the tender to a third company. The reason for the cancellation is based on legal grounds (the company to which the tender was awarded is not a TV entity, as required by article 84 of L. 2725/1999). The case was heard and no. 731/2014 judgment was issued, that accepts the lawsuit. EPO is entitled to lodge an appeal. The case does not contain any compensational claims and its outcome cannot be assessed.

v) An amount of approximately € 3.9 million, plus interests and expenses, concerns a claim of FMH against the companies "EIDISEIS DOT COM PROVISION OF INFORMATION AND INFORMING SOCIETE ANONYME" and "Radio and Telecommunication Enterprises S.A." for the reinstatement of the damage of the company due to the illegal rebroadcast (via TV and internet) of highlights of the games of the PAEs within the framework of the professional football SUPERLEAGUE championship of 2012-2013, the exclusive broadcasting rights of which are held by FMH. The case has not been heard yet.

C. MULTICHOICE HELLAS S.A.

(a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 11.5 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years. Multichoice Hellas S.A. has filed appeals against the above actions before the Administrative Court of Athens. The appeals have been heard and court judgments have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to €0.34 million , while for the fiscal year 1999 to €0.18M and the due taxes will be computed on the said amounts. The company has the right to lodge an appeal against the aforementioned judgments. For the final amount of tax that is going to be charged according to the above no related provision of loss has been made by the Company in its financial statements.

ii) € 460 thousand approximately concerns a lawsuit by UNITEK S.A., an agent of Multichoice Hellas S.A. by which it demanded payment of the aforementioned amount as a restitution for the loss of its clientele, by virtue of Presidential Decree 219/1991, due to the termination of the contract with Multichoice Hellas S.A. The First Instance court judgment accepted UNITEK S.A.'s lawsuit. Multichoice Hellas S.A. has filed an appeal. The Appeals Court's decision rejected Multichoice Hellas S.A.'s appeals and verified (to its largest extent) the judgment of the First Instance, adjudicating in favor of UNITEK € 400 thousand, plus interests from the date of service of the lawsuit and judicial expenses € 15 thousand. Multichoice Hellas S.A. filed a writ of cassation before the Supreme Court of Cassation (Arios Pagos) against the Appeals Court's decision, the hearing of which has been scheduled for 24.3.2014, while a caveat of enforcement of the Appeal Court's judgment has been granted until the issue of a judgment on the writ of cessation.

iii) € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial dispute between FMH (ex Netmed Hellas S.A.)/Multichoice Hellas S.A. and the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit, but the lawyer-plaintiff filed an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgment. The lawyer-plaintiff is entitled to file a writ of cassation before the Supreme Court of Cassation (Arios Pagos).

For the above under ii and iii cases the Group's Management believes that the Group will not have a significant impact on its financial statements and, therefore, no related provision has been made.

(b) The outstanding judicial claims of the subsidiary Multichoice Hellas S.A. against third parties amount to € 14,7 million approximately, plus interest and legal expenses. The abovementioned amount is mainly related to the company's claims against several PAE for the restitution of (pecuniary and moral) damages incurred by Multichoice Hellas S.A. due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. Most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it is noted that during 2012, the claim against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 23.4 million, ultimately the court decided on a compensation of € 0.2 million. However, the third parties are apparently not in a financial position to reimburse the Company.

From the abovementioned amount:

(i) The amount of totally € 5,57 million, plus interest and expenses, relates to Multichoice Hellas S.A.'s judicial claim against ERT S.A., which will be heard before the Multi-Member Court of Athens, as fees for the provision, by Multichoice Hellas S.A., of services related to the transmission –through satellite- of the signal of three TV (ET1, NET, ET3) and four radio (NET, ERA 2, ERA 3 and ERA SPORT) ERT channels within the entire Greek territory during the years 2008 to 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case.

(ii) The amount of € 326 thousands relates to Multichoice Hellas S.A.'s claim against the companies Passpoint S.A. (as the main liable party) and Lannet Communications S.A. (as a guarantor) for non payment to Multichoice Hellas S.A. of the amounts of subscriptions received by Passpoint S.A. We note that LANNET Communications S.A. is under bankruptcy proceedings (during which Multichoice Hellas S.A. has notified its claims to the creditors' team and its claim has been approved). PASSPOINT S.A. remains inactive without evident assets.

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

D. Forth-CRS S.A.

The outstanding judicial claims of the Company against third parties amounts to approximately € 608 thousands. The Company has recorded provision for the above claims.

E. NETMED N.V.

The outstanding judicial claims of third parties against the subsidiary Netmed N.V. amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development BV (before merging by Netmed NV) of the 3,528 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds. The First-Instance Court dismissed the lawsuit as unsubstantiated, but Lumiere is entitled to file an appeal.

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

F. DIKOMO INVESTMENT Sarl.

The outstanding judicial claims of third parties against the subsidiary Dikomo Investment Sarl amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Dikomo Investment Sarl of the 1,272 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds. The First-Instance Court dismissed the lawsuit, but Lumiere is entitled to file an appeal.

G. TILEDRASI S.A.

The outstanding judicial claims of third parties against the subsidiary Tiledrasi S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company Lumiere TV Public Company Limited is claiming the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Tiledrasi S.A. of the 2,872 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds. The First-Instance Court dismissed the lawsuit, but Lumiere is entitled to file an appeal.

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

H. MULTICHOICE CYPRUS PUBLIC LIMITED LTD

There is a pending claim of the under liquidation subsidiary Multichoice Cyprus Public Company Ltd against third parties, by virtue of the appeal of MULTICHOICE against the Central Bank of Cyprus, the Manager of the Central Bank of Cyprus and the Cyprus Republic, before the Supreme Court of Cyprus, for the abrogation of the Decree regarding the Sale of Certain Transactions of Cyprus Popular Bank Public Co Ltd (CPD 104/2013), that passed within the framework of the cleansing of credit institutions in Cyprus, by which Decree the deposits of the depositors of over € 100 thousand were decidedly blocked (bail-in). The Company held an account in the aforementioned Bank Institution, and the total amount of Euro € 679 thousand was blocked from the above account. The appeal had been scheduled for hearing within December of 2013, but its hearing was postponed. The outcome of the case is uncertain, because the Plenary Session of the Supreme Court had rejected a similar appeal.

J. INTERVISION S.A.

There is a pending lawsuit before the Multi-Number First Instance Court of Athens, filed in November 20 2003, against the Greek Football Federation (EPO), by virtue of which the Company requests the fair readjustment/decrease of the fees, that the Company had agreed to pay for the period 2003-2004 with relation to the acquisition of the TV rights of the Greek Football Cup, to the amount of € 4.4 million, plus VAT, instead of the amount of € 6.3 million plus VAT, which the Company actually paid. The outcome of the case is uncertain, given that the real, fair and objective commercial value of acquired TV rights should be well established and proved, according to the factual aspects of that period.

37. SUBSEQUENT EVENTS:

On January 8, 2014 Forthnet S.A. announced that the increase of its share capital by 29,143,372.50 euro, approved by the Extraordinary General Meeting of its shareholders held on August 23, 2013, and which took place from December 10, 2013 up to and including January3, 2014 was successfully completed through the payment of 29,143,372.50 euro by existing shareholders and persons who acquired pre-emption rights during their trading period. According to the above resolution of the Extraordinary General Meeting, 97,144,575 new shares are issued at a subscription price of 0.30 euro per share. As a result of the above, the Company's share capital has increased by 29,143,372.50 euro through the issuance of 97,144,575 new registered ordinary shares, each having a nominal value of 0.30 euro. Therefore, the Company's share capital will amount to 33,029,155.50 euro, divided into 110,097,185 ordinary registered voting shares, each having a nominal value of 0.30 euro.

On January 16, 2014 Forthnet S.A. announced, in accordance with the L. 3556/2007 (art. 9, 14, and 21) in combination with the Resolution No. 1/434/03.07.2007 of the HCMC and Circulation Document under no 33 of the HCMC, that Vodafone Panafon S.A., with a letter dated January 16, 2014 has notified the Company of the change of its direct participation in the share capital of Forthnet from a percentage lower than the minimum threshold corresponding to 115,719 common shares in Forthnet to 6.51% corresponding to 7,162,751 voting rights and equal number of shares out of the total of 110,097,185.

On January 22, 2014 Forthnet S.A. announced, in accordance with the L. 3556/2007 (art. 9, 14, and 21) in combination with the Resolution No. 1/434/03.07.2007 of the HCMC and Circulation Document under no 33 of the HCMC, that Vodafone Group Plc notified on January 22, 2014 the Company of the change of its indirect participation in the share capital of Forthnet from a percentage lower than the minimum threshold to 6.51% corresponding to 7,162,751 voting rights and equal number of shares out of the total voting rights and shares of the Company. Further, it was notified that Vodafone Group Plc is an entity listed on the London Exchange, not controlled by any individual as well as that Vodafone Group Plc controls Vodafone Panafon S.A. through a chain of controlled undertakings. Finally, that Vodafone-Panafon S.A., under the provisions of law 3556/2007, has notified the Capital Market Commission and Forthnet of its direct shareholding on January 16, 2014.

There are no other significant events subsequent to December 31, 2013which would influence materially the Group’s and the Company’s financial position.

Iraklio, March27, 2014

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer
Deepak Srinivas Padmanabhan Passport No. Z 2052599	Panagiotis Papadopoulos I.D. Σ676330

Chief Financial Officer	Group Financial Reporting Manager	Group Accounting Manager
George Mantzoros ID Number AK 231579 License Number O.E.E. 0005375 A Class	Georgia Gali ID Number X 091299	Polychronis Katsaris ID Number AK 012888

INFORMATION OF THE ARTICLE 10 OF THE LAW 3401/2005

ForthnetS.A. published and made available the following information of article 10, Law 3401/2005 to the public during the financial year 2013. The information is uploaded both in the official web site of the Athens Exchange www.ase.gr and in the Company's as follows:

DATE	ANNOUNCEMENT	ADDRESS
29/01/2013	ANNOUNCEMENT	http://www.forthnet.gr/News.aspx?a_id=5090
15/03/2013	ANNOUNCEMENT L.3340/2005 NEW FINANCIAL OFFICER	http://www.forthnet.gr/News.aspx?a_id=6290
28/03/2013	ANNOUNCEMENT RESPONSE TO THE HCMC	http://www.forthnet.gr/News.aspx?a_id=6293
29/03/2013	2012 Business & Financial Review	http://www.forthnet.gr/News.aspx?a_id=6299
29/03/2013	Announcement according to paragraph 4.1.4.4 of the ASE Rulebook	http://www.forthnet.gr/News.aspx?a_id=6301
29/03/2013	Announcement -Financial Calendar 2013	http://www.forthnet.gr/News.aspx?a_id=6303
29/05/2013	ANNOUNCEMENT -NEW INVESTOR RELATIONS & CORPORATE ANNOUNCEMENTS MANAGER	http://www.forthnet.gr/News.aspx?a_id=6476
31/05/2013	Q1 2013 Results	http://www.forthnet.gr/News.aspx?a_id=6478
03/06/2013	Announcement according to paragraph 4.1.4.4 of the ASE Rulebook	http://www.forthnet.gr/News.aspx?a_id=6578
05/06/2013	INVITATION TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS	http://www.forthnet.gr/News.aspx?a_id=6689
05/06/2013	DRAFT AMENDMENT OF THE ARTICLES OF ASSOCIATION OF FORTHNET S.A.	http://www.forthnet.gr/News.aspx?a_id=6690
01/07/2013	Announcement of the Resolutions of the Shareholders' Ordinary General Meeting	http://www.forthnet.gr/News.aspx?a_id=6692
23/07/2013	Notification of regulated information of the Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=6724
26/07/2013	Notification of regulated information of the Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=6704
26/07/2013	Announcement- Refutation of Publication	http://www.forthnet.gr/News.aspx?a_id=6707
29/07/2013	ANNOUNCEMENT L.3340/2005	http://www.forthnet.gr/News.aspx?a_id=6726
29/07/2013	Notification of regulated information of the Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=6709
21/08/2013	Announcement Issue Price	http://www.forthnet.gr/News.aspx?a_id=6789
28/08/2013	H1 2013 Results	http://www.forthnet.gr/News.aspx?a_id=6817
28/08/2013	Announcement according to para. 4.1.4.4. of the ASE Rulebook	http://www.forthnet.gr/News.aspx?a_id=6823
29/11/2013	Announcement	http://www.forthnet.gr/News.aspx?a_id=6909
29/11/2013	Notification of significant change in voting rights according to Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=6911
30/11/2013	9 Months 2013 Results	http://www.forthnet.gr/News.aspx?a_id=7076
30/11/2013	Announcement according to para. 4.1.4.4. of the ASE Rulebook	http://www.forthnet.gr/News.aspx?a_id=7082
02/12/2013	Announcement-Prospectus Approval	http://www.forthnet.gr/News.aspx?a_id=7049
02/12/2013	ANNOUNCEMENT	http://www.forthnet.gr/News.aspx?a_id=7051
09/12/2013	Notification of significant change in voting rights according to Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=7058
12/12/2013	Announcement extension of subscription period	http://www.forthnet.gr/News.aspx?a_id=7090
24/12/2013	Announcement-Prospectus Supplement	http://www.forthnet.gr/News.aspx?a_id=7113
30/12/2013	Notification of significant change in voting rights according to Law 3556/2007	http://www.forthnet.gr/News.aspx?a_id=7133

WEBSITE PLACE OF UPLOADING THE PARENT STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS OF SUBSIDIARIES

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of management are registered in the internet in the address www.forthnet.gr

The financial statements of consolidated companies are registered in the internet in the address www.forthnet.gr

FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.

Forthnet S.A.

Scientific Technological Park of Crete, Vassilika Vouton, Iraklion Crete

FINANCIAL DATA & INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013

GENERAL INFORMATION

STATEMENT OF FINANCIAL POSITION (consolidated and parent company)

CASH FLOW STATEMENT (consolidated and parent company)

TOTAL COMPREHENSIVE INCOME (consolidated and parent company)

STATEMENT OF CHANGES IN EQUITY (consolidated and parent company)

ADDITIONAL DATA AND INFORMATION