



**INTERIM CONDENSED
FINANCIAL STATEMENTS
(SEPARATE AND CONSOLIDATED)**

**FOR THE PERIOD
JANUARY 1 – SEPTEMBER 30, 2014
OF**

**HELLENIC COMPANY FOR TELECOMMUNICATIONS
AND TELEMATIC APPLICATIONS S.A. (Forthnet S.A.)**

Forthnet S.A.

Registration No S.A. 34461/06/B/95/94

G.E.M.I. 77127927000

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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. "Forthnet S.A." (the "Company") as at September 30, 2014, and the related interim condensed separate and consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the nine-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the nine-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applies to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Emphasis of Matter

Without qualifying our review report we draw attention to Note 3 to the interim condensed separate and consolidated financial statements which indicates that, at September 30, 2014, (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 € 100.5 million that were due up to the date of this review report, (c) their long-term borrowings were all classified as current and, (d) the Group's and Company's current liabilities exceeded their current assets and, accordingly, they will not be able to meet their contractual obligations under their bond loans. As further discussed in Note 3, (i) the Company's and Group's ability to refinance their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency, cannot be assured and are depended on 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.

Athens, November 27, 2014

The Certified Auditors Accountants

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



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



INTERIM STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Notes	The Group				The Company			
		01.01- 30.09.2014	01.01- 30.09.2013	01.07- 30.09.2014	01.07- 30.09.2013	01.01- 30.09.2014	01.01- 30.09.2013	01.07- 30.09.2014	01.07- 30.09.2013
Revenues	4	281,158,125	279,823,121	88,718,161	91,301,644	163,589,412	160,971,974	52,056,005	54,160,682
Telecommunications costs		(72,593,563)	(69,805,840)	(21,395,453)	(22,237,768)	(72,593,563)	(69,803,077)	(21,395,453)	(22,237,768)
Royalties and licenses		(72,250,837)	(73,151,128)	(24,627,042)	(24,709,915)	-	-	-	-
Cost of sales of inventory and consumables	14	(4,941,366)	(15,545,802)	(1,584,791)	(5,403,293)	(1,395,556)	(1,599,971)	(491,945)	(530,233)
Advertising and promotion costs		(6,953,737)	(9,716,607)	(2,077,427)	(3,513,080)	(1,483,391)	(3,735,211)	(296,807)	(692,416)
Payroll and related costs	6	(30,402,787)	(30,263,292)	(9,271,999)	(9,799,624)	(17,445,464)	(17,481,476)	(5,303,509)	(5,844,738)
Sundry expenses	8	(48,005,258)	(42,871,643)	(15,121,740)	(13,208,582)	(36,327,366)	(27,147,557)	(12,805,290)	(10,534,430)
Impairment of investments in subsidiaries		-	-	-	-	-	(112,499)	-	-
Other income		2,717,226	4,657,206	813,433	2,036,770	1,966,366	2,568,929	545,450	562,439
Depreciation and amortisation		(67,464,585)	(66,057,643)	(23,204,168)	(22,523,084)	(34,817,060)	(35,953,868)	(11,692,195)	(11,896,695)
Financial income	7	213,112	2,067,341	67,919	724,562	209,923	119,573	66,698	4
Financial expenses	7	(18,717,155)	(18,041,033)	(7,163,120)	(5,389,539)	(4,126,852)	(3,977,245)	(1,607,021)	(1,293,122)
Share of profits/(losses) of associates accounted for under the equity method		6,678	(239)	6,678	-	-	-	-	-
Profit/(Loss) before income taxes		(37,234,147)	(38,905,559)	(14,839,549)	(12,721,909)	(2,423,551)	3,849,572	(924,067)	1,693,723
Income taxes	9	1,187,862	(4,008,966)	2,587,932	(1,418,562)	(2,920,709)	2,168,143	(1,185,341)	(2,681,710)
Profit/(Loss) after tax		(36,046,285)	(42,914,525)	(12,251,617)	(14,140,471)	(5,344,260)	6,017,715	(2,109,408)	(987,987)
Profit/(Loss) for the period attributable to:									
Shareholders of the Parent Company		(35,389,913)	(42,015,224)	(11,985,078)	(13,893,668)	(5,344,260)	6,017,715	(2,109,408)	(987,987)
Non-controlling interests		(656,372)	(899,301)	(266,539)	(246,803)	-	-	-	-
		(36,046,285)	(42,914,525)	(12,251,617)	(14,140,471)	(5,344,260)	6,017,715	(2,109,408)	(987,987)
Loss per share (Basic and diluted)		(0.3289)	(3.2438)	(0.1089)	(1.0727)				
Weighted Average Number of Shares (Basic)		107,606,298	12,952,610	110,097,185	12,952,610				
Weighted Average Number of Shares (Diluted)		107,606,298	12,952,610	110,097,185	12,952,610				
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	-	-	-	-	-
Attributable to:									
Shareholders of the Parent Company		-	-	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-

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

INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	The Group		The Company	
		30.09.2014	31.12.2013	30.09.2014	31.12.2013
ASSETS					
Non current assets					
Property, plant and equipment	11	170,099,372	191,852,139	97,649,128	111,229,693
Intangible assets	12	140,725,541	145,717,179	15,581,273	16,660,619
Goodwill	10	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries	1	-	-	74,464,310	74,464,311
Investments in associates accounted under the equity method	1	225,306	218,628	123,506	123,506
Other non-current assets	16	10,951,958	11,737,734	9,396,004	10,184,395
Available for sale financial assets		223,304	223,304	180,603	180,603
Deferred tax assets	9	13,887,090	15,293,582	9,844,333	12,595,606
Total non current assets		419,281,383	448,211,378	207,751,726	225,951,302
Current assets					
Inventories	14	7,066,696	6,616,709	1,528,928	1,014,751
Programme and film rights	13	56,932,317	48,790,945	-	-
Trade receivables	15	67,159,436	57,804,246	37,841,442	35,101,258
Prepayments and other receivables	16	8,660,796	10,977,688	4,248,103	4,727,315
Due from related companies	23	2,421,233	2,094,376	103,786,471	66,899,559
Cash and cash equivalents	17	13,397,549	14,689,747	7,940,532	5,582,295
Restricted cash	17	3,138,212	-	2,838,212	-
Total current assets		158,776,239	140,973,711	158,183,688	113,325,178
TOTAL ASSETS		578,057,622	589,185,089	365,935,414	339,276,480
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	1	33,029,156	3,885,783	33,029,156	3,885,783
Share premium		300,981,286	300,981,286	300,981,286	300,981,286
Other reserves		194,530,868	194,524,794	193,862,992	193,862,992
Accumulated deficit		(632,808,834)	(596,930,606)	(388,287,045)	(382,460,544)
Total		(104,267,524)	(97,538,743)	139,586,389	116,269,517
Non-controlling interests		1,715,137	2,371,509	-	-
Total equity		(102,552,387)	(95,167,234)	139,586,389	116,269,517
Non current liabilities					
Long-term transponder leases	19	73,041,345	79,065,485	-	-
Other long-term leases		941,938	1,094,811	941,938	1,094,811
Other long-term liabilities	16	10,967,944	11,206,780	10,967,944	11,206,780
Long-term obligations of programmes and film rights	20	917,755	920,178	-	-
Reserve for staff retirement indemnities		2,510,610	2,450,984	1,341,243	1,319,243
Government grants		8,660,404	10,129,460	8,659,285	10,127,155
Deferred tax liability	9	30,725,973	32,353,674	-	-
Total non-current liabilities		127,765,969	137,221,372	21,910,410	23,747,989
Current liabilities					
Trade accounts payable	21	112,736,000	113,237,327	42,133,127	42,419,246
Due to related companies	23	4,177,619	3,918,268	10,993,828	12,866,871
Short-term borrowings	18	1,418,000	1,418,000	-	-
Current portion of long-term borrowings	18	324,121,879	323,543,806	99,953,967	99,850,688
Deferred income	4	29,651,838	34,198,415	15,933,122	18,946,848
Current portion of transponder leases	19	7,949,739	7,466,824	-	-
Current portion of other leases		203,600	363,376	203,600	363,376
Current portion of programmes and film rights obligations	20	49,653,815	39,994,162	26,712,457	17,346,449
Income tax payable		1,812,362	2,059,261	200,000	200,000
Accrued and other current liabilities	22	21,119,188	20,931,512	8,308,514	7,265,496
Total current liabilities		552,844,040	547,130,951	204,438,615	199,258,974
Total liabilities		680,610,009	684,352,323	226,349,025	223,006,963
TOTAL LIABILITIES AND EQUITY		578,057,622	589,185,089	365,935,414	339,276,480

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

The Group	Notes	Attributable 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, 2013		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		-	-	-	(42,015,224)	(42,015,224)	(899,301)	(42,914,525)
Legal reserve		-	-	(634)	-	(634)	-	(634)
Sale of subsidiary shares		-	-	-	(52,931)	(52,931)	169,519	116,588
Total Equity at September 30, 2013		3,885,783	300,981,286	194,524,794	(579,291,524)	(79,899,661)	2,041,820	(77,857,841)
Total Equity beginning at the period January 1, 2014		3,885,783	300,981,286	194,524,794	(596,930,606)	(97,538,743)	2,371,509	(95,167,234)
Total comprehensive loss after income taxes of the period		-	-	-	(35,389,913)	(35,389,913)	(656,372)	(36,046,285)
Issuance of share capital	1	29,143,373	-	-	-	29,143,373	-	29,143,373
Share capital issuance costs (net from deferred tax)		-	-	-	(482,241)	(482,241)	-	(482,241)
Legal reserve		-	-	6,074	(6,074)	-	-	-
Total Equity at September 30, 2014		33,029,156	300,981,286	194,530,868	(632,808,834)	(104,267,524)	1,715,137	(102,552,387)
The Company		Share capital	Share premium	Other reserves	Accumulated gain/deficit	Total		
Total Equity beginning at the period January 1, 2013		3,885,783	300,981,286	193,862,992	(381,430,633)	117,299,428		
Total comprehensive loss after income taxes of the period		-	-	-	6,017,715	6,017,715		
Total Equity at September 30, 2013		3,885,783	300,981,286	193,862,992	(375,412,918)	123,317,143		
Total Equity beginning at the period January 1, 2014		3,885,783	300,981,286	193,862,992	(382,460,544)	116,269,517		
Total comprehensive loss after income taxes of the period		-	-	-	(5,344,260)	(5,344,260)		
Issuance of share capital	1	29,143,373	-	-	-	29,143,373		
Share capital issuance costs (net from deferred tax)		-	-	-	(482,241)	(482,241)		
Total Equity at September 30, 2014		33,029,156	300,981,286	193,862,992	(388,287,045)	139,586,389		

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

INTERIM CASH FLOW STATEMENT(INDIRECT METHOD)

	Notes	The Group		The Company	
		01.01- 30.09.2014	01.01- 30.09.2013	01.01- 30.09.2014	01.01- 30.09.2013
Cash flows from Operating Activities					
Profit/(loss)Loss before income taxes		(37,234,147)	(38,905,559)	(2,423,551)	3,849,572
Adjustments for:					
Depreciation and amortisation		67,464,585	66,057,643	34,817,060	35,953,868
Amortisation of subsidies		(1,469,056)	(1,757,566)	(1,467,870)	(1,722,210)
Gains on disposal of tangible and intangible assets		-	(3,454)	(4,289)	(1,627)
Financial (income)/expenses	7	18,504,043	15,973,692	3,916,929	3,857,672
Impairment of goodwill	10	-	190,355	-	-
Impairment of investments in subsidiaries		-	-	-	112,499
Allowance for doubtful accounts receivable	15	4,721,313	3,978,907	3,860,717	3,763,614
Provision for staff retirement indemnities	6	1,228,274	482,013	720,312	274,955
Other provisions		26,589	640,514	15,256	58,225
Share of profits/(losses) of associates accounted for under the equity method		(6,678)	-	-	-
Operating profit before working capital changes		53,234,923	46,656,545	39,434,564	46,146,568
(Increase)/Decrease in:					
Inventories		(476,576)	(3,356,365)	(529,433)	25,890
Trade accounts receivable & amounts due from related companies		(14,214,836)	(5,420,669)	(43,299,289)	(14,280,740)
Programme and film rights		(8,141,372)	(10,556,847)	-	-
Prepayments and other receivables		3,504,413	904,776	290,688	(1,708,161)
(Increase)/Decrease in other non-current assets		785,776	(1,479,545)	788,391	(1,158,373)
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		9,415,254	18,703,044	7,206,846	(17,193,349)
Deferred income		(4,546,577)	(3,460,349)	(3,013,726)	(635,013)
Accrued and other current liabilities		(5,019,671)	(3,639,237)	530,286	1,746,102
Income taxes paid		(487,399)	(371,378)	-	-
Payment of staff retirement indemnities		(1,178,149)	(1,255,394)	(740,090)	(769,740)
Increase/(Decrease) in other long-term liabilities		(238,836)	828,931	(238,836)	808,793
Net cash from Operating Activities		32,636,950	37,553,512	429,401	12,981,977
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(40,720,180)	(30,426,547)	(20,157,149)	(19,644,471)
Disposals of property, plant and equipment and intangible assets		-	38,519	10,194	18,991
Interest and related income received		212,649	151,610	209,923	119,573
Restricted cash	17	(3,138,212)	7,000,000	(2,838,212)	7,000,000
Net cash used in Investing Activities		(43,645,743)	(23,236,418)	(22,775,244)	(12,505,907)
Cash flows from Financing Activities					
Net proceeds from the issuance of share capital		28,491,696	-	28,491,696	-
Repayment of long-term borrowings		-	(10,000,000)	-	(10,000,000)
Interest paid		(12,921,227)	(15,236,955)	(3,474,967)	(3,501,140)
Net change in leases		(5,853,874)	(9,991,512)	(312,649)	(325,811)
Net cash from/(used in) financing activities		9,716,595	(35,228,467)	24,704,080	(13,826,951)
Net increase/(decrease) in cash and cash equivalents		(1,292,198)	(20,911,373)	2,358,237	(13,350,881)
Cash and cash equivalents at the beginning of period	17	14,689,747	32,571,829	5,582,295	16,319,853
Cash and cash equivalents at the end of period	17	13,397,549	11,660,456	7,940,532	2,968,972

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

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

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

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

The Company’s principal activities, in accordance with article 3 of its Articles of Incorporation, are the provision of telecommunications services and electronic information systems, the development and use of any telecommunications and network technique and infrastructure in Greece and overseas 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, Telematics/Telemetry-radiolocation, audiotex, voice and data integration for intrabusiness networks and closed user groups, telephone services as well as Voice services through IP Protocol and via the internet.

On January 8, 2014, Forthnet S.A. announced that the increase of its share capital by € 29,143,372.50, approved by the Extraordinary General Meeting of its shareholders held on August 23, 2013, which took place from December 10, 2013 up to and including January 3, 2014, was successfully completed through the payment of € 29,143,372.50 by existing shareholders and persons who acquired pre-emption rights during their trading period. According to the above resolution of the Extraordinary General Meeting, 97,144,575 new shares were issued at a subscription price of € 0.30 per share. As a result of the above, the Company’s share capital increased by € 29,143,372.50 through the issuance of 97,144,575 new registered ordinary shares, each having a nominal value of € 0.30. Therefore, the Company’s share capital as at September 30, 2014, amounted to € 33,029,155.50, divided into 110,097,185 ordinary registered voting shares, each having a nominal value of € 0.30.

Forgendo Ltd., participates in Forthnet’s share capital. As at September 30, 2014, the participation percentage was 44.022% (December 31, 2013: 44.022%). The ultimate parent company of Forgendo Ltd. is the Emirates International Telecommunications LLC. Wind Hellas Telecommunications S.A. also participates in Forthnet’s share capital. As at September 30, 2014, the participation percentage was 33.00% (December 31, 2013: 32.26%). Vodafone PANAFON Greek Telecommunications Company on September 30, 2014, participated in the share capital of the Company with an interest of 6.51% (December 31, 2013: 0.00%). In addition, under the terms of the contract signed on June 4, 2014, between Vodafone PANAFON Greek Telecommunications Company and Wind Hellas Telecommunications S.A., the first acquired an option for the acquisition of 13.25% of the total share capital and voting rights of Forthnet from the second, which may be exercised upon completion of one year from the date of signing of the agreement between them.

On July 1, 2014, the Company announced that OTE S.A. submitted a non binding offer to the Company’s Board of Directors for the possible acquisition of the NOVA business. In addition, on July 17, 2014 the Company announced that Vodafone Group Service Ltd and Wind Hellas Telecommunication S.A. submitted a joint non binding offer to the Company’s Board of Directors for the possible acquisition of all shares of Forthnet which are not owned by them. The aforementioned non binding offers are currently being assessed by the Company’s Board of Directors, while the due diligence process is in progress by all interested parties.

The accompanying interim condensed financial statements for the nine-month period ended September 30, 2014, as well as the annual separate and consolidated financial statements of 2013, include the financial statements of Forthnet and its subsidiaries, Forth CRS S.A., Telemedicine Technologies S.A. (up to March 2013), Forthnet Media Holdings S.A., NetMed N.V., Intervision (Services) B.V., Dikomo Investment Sarl (Luxembourg) (under liquidation), Tiledrasi S.A. (Luxembourg) (under liquidation), Multichoice Holdings (Cyprus) Ltd. (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.

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, the Company's participation in Telemedicine Technologies S.A. amounts to 24.90%, thus it is considered as an investment in an associate and is accounted for under 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 include 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 of texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs. The company's Board of Directors decided to absorb its subsidiary Multichoice Hellas S.A. with balance sheet date as of June 30, 2014. The final approval of the absorption from the competent authorities was obtained on October 31, 2014.

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 digital subscriber base and markets and sells NetMed Group's digital Pay-TV services in Greece.
NetMed S.A.	February 14, 1996	Greece	The Company provides customer services (including telephone helpdesk, technical support, information regarding TV programmes and management of subscription services contracts) to Pay-TV subscribers on behalf of MultiChoice Hellas S.A.
MultiChoice Holdings (Cyprus) Limited (I)	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 on June 28, 2011. The management of the subscribers as well as the further development of the Forthnet Group's activities in Cyprus is continued by Multichoice Hellas S.A.

The Board of Directors of the subsidiary company, Multichoice Holdings (Cyprus) Limited, decided its liquidation on July 11, 2012. The General Assembly Meeting of shareholders has approved the final payments towards creditors of MCC on September 15, 2014. The final approval of Multichoice Holdings (Cyprus) Limited resolution is pending by the General Assembly Meeting and the Cypriot authorities.

Multichoice Hellas S.A. has been licensed for the provision of pay television and radio services by the Greek Authorities and has signed the statutory Concession Agreement with the Greek State, in accordance with Law 2644/1998. Under this license and for 15 years Multichoice, was authorized to provide directly to the public subscription radio and television services via satellite by processing digital television signal. The license expired on July 23, 2014. During the second half of 2014, the parent company decided to submit an application for a license for the provision of subscribers' services, on behalf of Forthnet Media Holdings S.A. (based on L. 2644/1998, ar. 1 and 6), as a result of the current plans for the absorption of MCH by FMH. The agreement was signed at August 11, 2014. Furthermore, Multichoice Hellas S.A. has submitted an application for the renewal of its license to the Greek Authorities on July 15, 2014. Based on L. 2644/1998, art. 6, par.2, the renewal is considered as finalized as, 45 days have elapsed since the filing of the application, without any interruption.

The Group's number of employees at September 30, 2014, amounted to 1,283, while that of the Company to 764. At September 30, 2013, the respective number of employees was 1,347 for the Group and 826 for the Company. The number of employees refers to full time equivalent staff.

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 losses of fiscal year 2010 exceeded 30% of its equity.

The Board of Directors of Forthnet approved the separate and consolidated interim condensed financial statements for the nine-month period ended September 30, 2014, on November 27, 2014.

2.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The accompanying separate and consolidated interim condensed financial statements that relate to the nine-month period ended September 30, 2014, have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying separate and consolidated interim condensed financial statements do not include all the information required in the annual financial statements and, therefore, should be read in conjunction with the published annual financial statements for the year ended December 31, 2013, which are available on the internet in the address www.forthnet.gr.

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

- As at December 31, 2013, the amount of € 1,461,087 for the Company and € 1,476,317 for the Group were reclassified from trade receivable to due from related companies.
- As at December 31, 2013, the amount of € 1,811,089 for the Company and € 1,821,715 for the Group were reclassified from trade payable to due to related companies.

- As at December 31, 2013, the amount of € 133,950 for the Company and for the Group was reclassified from prepayments and other receivables to current portion of programmes and film rights obligations.
- As at December 31, 2013, the amount of € 8,000,000 for the Company and for the Group was reclassified from trade payable to current portion of programmes and film rights obligations.
- As at December 31, 2013, the amount of € 567,024 for the Group was reclassified from programme and film rights to deferred income.
- For the nine-month period ended September 30, 2013, the amount of € 915,657 for the Company and for the Group was reclassified from telecommunications costs to revenues.
- For the nine-month period ended September 30, 2013, the amount of € 106,035 for the Company and €77,477 for the Group was reclassified from revenues to other income.
- For the nine-month period ended September 30, 2013, the amount of € 65,656 for the Company and €112,499 for 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 the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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 any investment retained,
- Recognises any surplus or deficit in profit or loss,
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss.

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

2.3. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements of the Group and the Company for the year ended December 31, 2013, except for the adoption of new standards and interpretations applicable for fiscal periods beginning on January 1, 2014.

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

The following standards and amendments apply for the first time in 2014 (annual periods beginning on or after January 1, 2014), however, they do not have a significant impact on the annual financial statements or the interim condensed financial statements of the Group and the Company or they are not applicable for the Group and the Company.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
- **IFRS 11 Joint Arrangements**
- **IFRS 12 Disclosures of Interests in Other Entities**
- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
- **IFRIC Interpretation 21: Levies**

The additional standards, interpretations and amendments that have been issued but are not yet effective in addition to those disclosed in the financial statements for the year ended December 31, 2013, are the following:

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendment is effective for annual periods beginning on or after January 1, 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendment has not yet been endorsed by the European Union ("EU"). The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.

- **Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations**

The amendment is effective for annual periods beginning on or after January 1, 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with International Financial Reporting Standards ("IFRS") and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.

- **IFRS 15 Revenue from Contracts with Customers**

The standard is effective for annual periods beginning on or after January 1, 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.

- **IAS 27 Separate Financial Statements (amended)**

The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016. The amendments have not yet been endorsed by the EU. The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.

- **The IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements have not yet been endorsed by the EU. The Group and the Company will be assessing the impact of the new standard on their financial position and their performance.
 - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
 - **IFRS 7 Financial Instruments: Disclosures:** The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
 - **IAS 19 Employee Benefits:** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
 - **IAS 34 Interim Financial Reporting:** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

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

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES:

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2013.

3. GOING CONCERN:

As at September 30, 2014, Forthnet S.A. and Forthnet Media Holdings S.A. continue not to meet certain financial covenants under their respective bond loans (see Note 18). 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”) and has not made contractual payments of € 100.5 million through the date of the financial statements were authorized for issue. Accordingly, as at September 30, 2014, the Group has retained the classification of all outstanding balances of such bond loans amounting to € 324.1 million and € 100.0 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 € 394.0 million and € 46.3 million, respectively, as at September 30, 2014.

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 fully meet its contractual obligations under its bond loans up to September 30, 2015, which include € 180.0 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 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.

An improved revised refinancing proposal for the Company was submitted to the lending banks on October 31, 2014. In this context, the Company also commenced the preparatory work to raise funds through the issuance of convertible bonds, pursuant to the relevant authority already granted to its Board of Directors. The Company’s Board of Directors is expected to take a decision on this matter by year’s end, depending on the outcome of the two non binding proposals already announced and other relevant factors that may affect such decision.

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-September 30		January 1-September 30	
	2014	2013	2014	2013
Operating Revenues				
Direct Retail Services	237,299,626	231,740,839	117,898,116	119,533,218
Bundled services (2play)	52,561,479	83,178,673	52,561,479	83,178,969
Bundled services (3play)	42,511,108	7,602,554	42,511,108	7,602,554
Telephony	9,069,899	13,011,338	9,098,894	13,011,338
ADSL	7,694,376	10,961,425	7,744,880	11,042,480
Pay-TV Revenues	119,481,009	112,288,972	-	-
Other	5,981,755	4,697,877	5,981,755	4,697,877
Indirect Retail Services	3,173,668	3,853,096	3,173,668	3,853,096
Telephony	325,609	491,534	325,609	491,534
ADSL	2,639,189	3,139,796	2,639,189	3,139,796
Other	208,870	221,766	208,870	221,766
Direct Business Services	25,649,571	26,799,562	25,649,571	27,009,175
E-business	1,059,856	1,219,559	1,059,856	1,219,559
Pay-TV Advertising Revenue	7,856,142	7,133,852	-	-
Forth CRS	2,733,054	2,550,014	-	-
Equipment	1,959,588	4,819,290	269,407	448,275
Other services	1,426,620	1,706,909	15,538,794	8,908,651
Total	281,158,125	279,823,121	163,589,412	160,971,974

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company as at September 30, 2014, amounted to € 40,177,253 and € 26,458,537, respectively, of which, amount of € 10,525,415 for both the Group and the Company relates to the long-term portion which has been included in other long term liabilities while the short term portion is included in deferred revenue (at December 31, 2013, amounted to € 44,371,262 and € 28,552,671 for the Group and the Company, respectively of which € 9,605,823 for both the Group and the Company relates to the long-term portion).

Unbilled revenues for the Group and the Company at September 30, 2014, amounted to € 5,304,930 and € 4,825,934, respectively (at December 31, 2013, these amounted to € 3,478,154 and € 3,054,031, for the Group and the Company respectively) (Note 15).

Revenues from other services for the Company, as of September 30, 2014, relate to 3play commissions, installation and technical support fees which are paid by Forthnet and are re-charged to Multichoice Hellas S.A. (3 play services were launched in the second quarter of 2013) (Note 8).

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 as 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 one 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 necessary.

6. PAYROLL AND RELATED COSTS:

Payroll and related costs are analysed as follows:

	The Group		The Company	
	January 1-September 30		January 1-September 30	
	2014	2013	2014	2013
Wages and salaries	25,189,502	25,072,934	14,723,189	14,774,763
Social security costs	5,578,942	5,798,394	3,451,096	3,572,410
Staff retirement indemnities	1,228,274	482,013	720,312	274,955
Other staff costs	820,702	625,791	600,821	402,593
	32,817,420	31,979,132	19,495,418	19,024,721
Less: Amounts capitalised	(2,414,633)	(1,715,840)	(2,049,954)	(1,543,245)
Total	30,402,787	30,263,292	17,445,464	17,481,476

The increase in staff retirement costs for the nine months ended September 30, 2014 for both the Group and the Company is due to the excess termination costs paid to employees over the amount provided

7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) are analysed as follows:

	The Group		The Company	
	January 1-September 30		January 1-September 30	
	2014	2013	2014	2013
Interest on long-term borrowings (Note 18)	(9,729,147)	(9,594,394)	(3,467,056)	(3,488,917)
Interest on short-term borrowings (Note 18)	(77,187)	(89,279)	-	-
Finance charges paid under finance leases	(5,307,084)	(5,609,629)	(18,308)	(29,602)
Bond loan costs	(577,827)	(1,112,225)	(103,033)	(180,755)
Other financial costs (Note 17 and 22)	(3,025,910)	(1,635,506)	(538,455)	(277,971)
Total financial expenses	(18,717,155)	(18,041,033)	(4,126,852)	(3,977,245)
Interest earned on cash at banks and on time deposits (Note 17)	212,649	151,610	209,923	119,573
Other financial income (Note 22)	463	1,915,731	-	-
Total financial income	213,112	2,067,341	209,923	119,573
Total financial expenses, net	(18,504,043)	(15,973,692)	(3,916,929)	(3,857,672)

The increase in the Group's total financial expenses, net for the nine month period September 30, 2014 as compared to that of the corresponding prior year period is mainly due to foreign exchange gains realised in 2013 for liabilities in foreign currencies, as well as, to the fair valuation of the Group's interest rate swaps.

8. SUNDRY EXPENSES:

Sundry expenses are analysed as follows:

	The Group		The Company	
	January 1-September 30		January 1-September 30	
	2014	2013	2014	2013
Third party fees and services	19,854,599	16,283,224	14,172,226	8,603,771
Taxes and duties	933,677	1,035,633	801,722	896,773
Sundry expenses	5,757,911	6,024,995	2,513,548	2,799,769
Allowance for doubtful accounts receivable (Note 15 and 16)	4,721,313	3,978,907	3,860,717	3,763,614
Maintenance	5,527,409	4,881,700	3,346,553	3,168,163
Rentals	1,747,244	1,889,059	589,112	704,144
Commissions	7,337,794	6,734,041	9,499,431	5,784,047
Building function costs	2,125,311	2,044,084	1,544,057	1,427,276
Total	48,005,258	42,871,643	36,327,366	27,147,557

Third party fees and services and commission for the Company, for the nine-month period ended September 30, 2014, include, amongst other, 3play commissions, installation and technical support fees, which are paid by Forthnet and are re-charged to Multichoice Hellas S.A. (3 play services were launched in the second quarter of 2013) (Note 4).

9. INCOME TAXES:

According to the Greek tax law 4110/2013, the tax rate for the Societies Anonyms in Greece is 26%, for the fiscal years beginning on January 1, 2013.

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

	The Group		The Company	
	January 1-September 30		January 1-September 30	
	2014	2013	2014	2013
Current income taxes	193,044	270,319	-	-
Income taxes from prior years	44,422	883,827	-	-
Credit for income taxes recognised in prior years	(1,376,045)	-	-	-
Deferred income taxes	(49,283)	2,854,820	2,920,709	(2,168,143)
Total income taxes (credit) / debit reflected in the statements of total comprehensive income/ (loss)	(1,187,862)	4,008,966	2,920,709	(2,168,143)

Deferred income taxes for the nine months ended September 30, 2013, consists mainly of the deferred income tax effect from the change in tax rates (credit for the Company and expense for the Group), while that for the nine months ended September 30, 2014, includes the reversal of deferred tax assets recognised on tax losses for the Company, fully offset at Group level with deferred income tax credit from temporary differences.

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

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

SUBSIDIARY COMPANIES	UNAUDITED TAX YEARS/PERIODS
Forthnet Media 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, 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 2013 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 2013 financial statements.

The audit for the Tax Certificate of Multichoice Hellas S.A., concerning the six month period ended June 30, 2014 ("Υποδωδεκάμηνη χρήση") is currently in progress by the company's certified auditors, based on L.4172/2013. No significant additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the accompanying financial statements as at September 30, 2014.

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.

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

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

10. GOODWILL:

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

	<u>The Group</u>		<u>The Company</u>	
	<u>30.09.2014</u>	<u>31.12.2013</u>	<u>30.09.2014</u>	<u>31.12.2013</u>
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
NetMed N.V. Group and Intervision B.V. impairment of goodwill	(203,333,528)	(203,333,528)	-	-
Total	<u>83,168,812</u>	<u>83,168,812</u>	<u>512,569</u>	<u>512,569</u>

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

When reviewing for indicators of impairment, the Group considers, amongst other, the relationship between its market capitalization and its book value.

The Group's management after considering the market capitalization and the comparison of budgeted versus actual results of the Group concluded that there is no indication of significant changes compared to the most recent impairment testing exercise and thus no updated impairment testing is required as at September 30, 2014. The Group will proceed with its annual impairment testing exercise as at December 31, 2014.

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2014 through September 30, 2014, the total investments of the Group's tangible assets amounted to € 5,662,662 and those of the Company's amounted to € 5,346,327 and relate mainly to the expansion of Forthnet's private network (for the period from January 1, 2013 through September 30, 2013 amounted to € 5,633,246 and € 4,581,935 for the Group and the Company, respectively).

There is no property, plant and equipment that has been pledged as security. The title of the capitalized leased assets has been retained by the lessor. The net book value of the Group's capitalized leased assets at September 30, 2014 and at December 31, 2013, amounted to € 70,939,991 and € 78,150,545, respectively. For the Company the related amounts are € 2,818,671 and € 2,982,193 at September 30, 2014 and at December 31, 2013, respectively.

12. INTANGIBLE ASSETS:

During the period from January 1, 2014 through September 30, 2014, the total investments of the Group's intangible assets amounted to € 35,057,518 and those of the Company amounted to € 14,810,822 and relate mainly to acquisition costs of new subscribers and also to the upgrade of the IT software systems (for the period from January 1, 2013 through September 30, 2013, amounted to € 24,793,301 and € 15,062,536 for the Group and the Company, respectively).

13. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables are analysed as follows:

	The Group	
	30.09.2014	31.12.2013
Purchased sports rights	104,569,267	111,271,741
Licensed film rights	4,716,066	7,751,214
Cost of Sports and Film Rights	109,285,333	119,022,955
Purchased sports rights	(50,097,840)	(67,372,116)
Licensed film rights	(2,255,176)	(2,859,894)
Sports and Film Rights Amortisation	(52,353,016)	(70,232,010)
Purchased sports rights	54,471,427	43,899,625
Licensed film rights	2,460,890	4,891,320
Sports and Film Rights, net value	56,932,317	48,790,945
Less: Programme and film rights short-term	56,932,317	48,790,945
Programme and sports film rights, long-term	-	-

14. INVENTORIES:

Inventories are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Merchandise	8,263,284	7,775,634	2,188,053	1,658,620
Consumables	136,723	147,797	-	-
Obsolete & slow moving provision	(1,333,311)	(1,306,722)	(659,125)	(643,869)
Total	7,066,696	6,616,709	1,528,928	1,014,751

The movement in the obsolete inventories is analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Beginning balance	1,306,722	1,392,105	643,869	618,031
Provision for the period/ year	26,589	38,968	15,256	38,968
Less: Utilisation	-	(124,351)	-	(13,130)
Ending balance	1,333,311	1,306,722	659,125	643,869

The provision for the period/year is included in cost of sales of inventory and consumables in the accompanying statements of comprehensive income/(loss).

Cost of sales of inventory and consumables for the Group decreased during the nine-month period ended September 30, 2014, mainly due to one-off costs for the replacement of old technology with new technology decoders that were incurred during the nine-month period ended September 30, 2013.

15. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Domestic customers	101,205,804	91,478,240	61,163,573	58,130,102
Foreign customers	3,079,847	1,362,143	2,075,375	576,098
Receivables from Greek State	1,806,771	1,832,315	1,618,839	1,638,886
Cheques and notes receivable	3,207,300	2,718,010	1,472,227	1,465,544
Unbilled revenue (note 4)	5,304,930	3,478,154	4,825,934	3,054,031
	114,604,652	100,868,862	71,155,948	64,864,661
Less: Allowance for doubtful accounts receivable	(47,445,216)	(43,064,616)	(33,314,506)	(29,763,403)
Total	67,159,436	57,804,246	37,841,442	35,101,258

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

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Beginning balance	43,064,616	38,318,104	29,763,403	25,755,460
Provision for the period/ year (Note 8)	4,532,789	6,136,326	3,672,193	5,189,372
Less: Utilisation	(152,189)	(1,389,814)	(121,090)	(1,181,429)
Ending balance	47,445,216	43,064,616	33,314,506	29,763,403

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

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

16. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Receivables due from the Greek State	1,355,382	1,519,647	347,473	587,273
Credit due from Dutch tax authorities (Note 9)	1,376,045	-	-	-
Prepaid expenses	3,479,040	3,708,946	1,587,801	2,464,670
Value Added Tax	92,665	4,063,119	-	-
Advances to suppliers	537,936	434,038	537,870	219,484
Other debtors	3,733,560	2,977,246	2,688,791	2,181,196
	10,574,628	12,702,996	5,161,935	5,452,623
Less: Allowance for doubtful other receivables	(1,913,832)	(1,725,308)	(913,832)	(725,308)
Total	8,660,796	10,977,688	4,248,103	4,727,315

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

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Beginning balance	1,725,308	1,687,744	725,308	687,744
Provision for the period/ year (Note 8)	188,524	55,978	188,524	55,978
Less: Utilisation	-	(18,414)	-	(18,414)
Ending balance	1,913,832	1,725,308	913,832	725,308

The Company's and the Group's prepaid expenses include € 1,105,182 (December 31, 2013: € 1,148,171), relating to billings from other providers under a mutual concession for the use of optical fiber infrastructure for a period of 21 years (with various expiration dates ending through June 17, 2035). An amount of € 8,821,907 (December 31, 2013: € 9,605,823) which relates to the invoiced amount for the period from July 1, 2015, through June 17, 2035, is included in other non-current assets. Amounts billed by the Company to the other providers for the mutual concession for the use of its optical fiber infrastructure are reported as deferred income € 1,405,931 (December 31, 2013: € 1,148,171) and other long-term liabilities € 10,399,144 (December 31, 2013: € 9,605,823) (Note 4).

17. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Cash in hand	48,499	47,176	16,016	12,700
Cash at banks	13,311,939	14,594,889	7,924,516	5,569,595
Time deposits	37,111	47,682	-	-
Total	13,397,549	14,689,747	7,940,532	5,582,295
Restricted cash	3,138,212	-	2,838,212	-
Total	16,535,761	14,689,747	10,778,744	5,582,295

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 nine-month period ended September 30, 2014, amounted to € 212,649 and € 209,923 for the Group and the Company, respectively (for the nine-month period ended September 30, 2013, € 151,610 and € 119,573 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income/(loss) (Note 7).

The restricted cash relates to pledged deposit contracts for the issuance of letters of guarantee to third parties (Note 24).

The increase in the balance of cash at banks of the Company compared to December 31, 2013, is mainly due to the cash received from the share capital increase that occurred in January 2014 (Note 1).

In 2013, the Group recorded a provision for impairment of its cash at Cypriot Banks of approximately € 0.85 million which is included in other financial costs (Note 7), in the accompanying statements of comprehensive income/(loss). The impairment was performed following the package of measures agreed between the Cypriot 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, the Cypriot Popular Bank was dissolved and unsecured depositors (above € 100 thousands) incurred a "haircut".

18. LONG-TERM AND SHORT-TERM BORROWINGS:

α) Long-term Loans:

Long-term loans for the Group and the Company at September 30, 2014 and at December 31, 2013, are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Bond loan	324,121,879	323,543,806	99,953,967	99,850,688
Less current portion:				
Bond loan	324,121,879	323,543,806	99,953,967	99,850,688
Total	-	-	-	-
Long-term portion	-	-	-	-

Forthnet - Bond Loan 2007:

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

The repayment of the bond at December 31, 2011 and following the pre-payment of the contractual principal obligations for the fiscal years 2011 and 2012 (see below), is in five variable semi-annual installments from 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 with one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification was maintained for the outstanding balance of the EBL. As at September 30, 2014, the Group remained non-compliant with these financial covenants 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 the 2007 bond loan and the proceeds of the above loan were applied towards the pre-payment of the contractual principal obligations of the 2007 bond loan as at July 31, 2011.

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

The bond loan is secured by (i) a second ranking pledge over the shares held by the Company in Forthnet Media 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 was maintained for the outstanding balance of the NBL. In addition, as at December 31, 2012, the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement and as at June 30, 2013 and December 31, 2013, the Group was also not in compliance with the Normalised EBITDA/Total Interest financial covenant under the NBL. As at September 30, 2014, the Group remained non-compliant with these financial covenants and the same classification has been maintained for the outstanding balance of the NBL.

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 2012 and 2013 (see below), is in eight variable instalments from June 30, 2013 to June 30, 2017.

In accordance with the bond loan agreement certain undertakings for the Group's subsidiary Forthnet Media 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 consolidated financial statements audited by certified auditors accountants throughout the term of the bond facility.



HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.

Interim Condensed Financial Statements for the nine-month period ended September 30, 2014
(amounts in Euro, unless stated otherwise)

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 with these financial covenants and with one additional financial covenant (Normalised EBITDA/Total Interest) and the same classification was maintained for the outstanding balance of the EBL. As at September 30, 2014, the Group remained non-compliant with these financial covenants 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 was 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.

As at September 30, 2014, the Group remained non-compliant with these financial covenants and the same classification has been maintained for the outstanding balance of the NBL.

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

1. Postpone the payment of a € 12.5 million installment on the Forthnet Media Holdings S.A. bond loan, which was due as at December 31, 2013 (based on the waiver letter of November 14, 2013), to be paid on April 30, 2014.
2. Postpone the payment of a € 10.0 million installment on the Forthnet S.A. bond loan, which was due as at December 31, 2013 (based on the waiver letter of November 14, 2013) to be paid on April 30, 2014.
3. Postpone the payment of a € 12.0 million installment on the Forthnet S.A. bond loan, which was due as at December 31, 2013, to be paid on April 30, 2014.
4. Postpone the payments of a € 12.5 million and € 2.5 million installments on the Forthnet Media Holdings S.A. bond loan, which were due as at December 31, 2013, to be paid on April 30, 2014.

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

On June 17, 2014, the Company submitted a new waiver request for all bond loan payments maturing up to June 30, 2014, to be extended until September 30, 2014. The banks have not yet taken a decision on the issue.

As of the date that the financial statements were authorized for issue, the Group has not made contractual payments of € 100.5 million required by its bond loan agreements (Note 3).

Total interest expenses on long-term loans for the nine-month period ended September 30, 2014 and 2013, amounted to € 9,729,147 and € 9,594,394, respectively for the Group and € 3,467,056 and € 3,488,917, respectively for the Company and are included in financial expenses (Note 7), in the accompanying statements of comprehensive income/(loss).

b) Short-term borrowings:

Forth CRS has 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	
	30.09.2014	31.12.2013
Credit lines available	1,700,000	1,700,000
Unused portion	(282,000)	(282,000)
Used portion	1,418,000	1,418,000

The total interest expense for short-term borrowings for the nine-month period ended September 30, 2014 and September 30, 2013, amounted to € 77,187 and € 89,279 for the Group and € 0 and € 0 for the Company, respectively and are included in the financial expenses (Note 7), in the accompanying statements of comprehensive income/(loss).

19. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Group leases transmission equipment of a total value of € 123,739,891, with duration of twelve years (which has been extended for one more year), repayable in equal monthly instalments bearing interest at 6.99% since June 2013 (previously 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 the same number of channels using less satellite capacity, while at the same time transmitting the maximum data speed through the satellite.

The 5th transponder has been released as of January 1, 2014 and in this respect, in 2012 the Group proceeded with the derecognition of part of the asset value, as well, as the relevant financial liability for the years 2014 to 2021.

The finance lease transponders obligations are analysed as follows:

	The Group	
	30.09.2014	31.12.2013
Obligation under finance lease of transponders	80,991,084	86,532,309
Less: Current portion	(7,949,739)	(7,466,824)
Long-term portion	73,041,345	79,065,485

20. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Programmes and Rights	50,571,570	40,914,340	26,712,457	17,346,449
Less: Current portion	(49,653,815)	(39,994,162)	(26,712,457)	(17,346,449)
Long-term portion	917,755	920,178	-	-

21. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Domestic suppliers	80,873,022	83,092,933	32,866,601	38,757,103
Foreign suppliers	30,834,454	26,699,263	8,344,635	2,166,127
Post dated cheques payable	1,028,524	3,445,131	921,891	1,496,016
Total	112,736,000	113,237,327	42,133,127	42,419,246

22. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Social security payable	785,472	1,950,476	474,479	1,200,647
Value added tax	4,231,751	5,836,583	3,265,102	2,681,281
Other taxes and duties	2,952,119	1,851,183	853,438	905,741
Customer advances	88,969	71,031	-	-
Interest accrued	2,110,000	90,654	-	-
Interest rates swaps (Note 25)	2,320,543	4,711,417	-	-
Other current liabilities	8,630,334	6,420,168	3,715,495	2,477,827
Total	21,119,188	20,931,512	8,308,514	7,265,496

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 57.5 million (December 31, 2013: € 135 million). The interest rate swap agreements are payments of fixed interest rate against receipts of floating rates.

Nominal Value of IRS	Maturity	Interest Rate
57,500,000	30/06/2017	3months EURIBOR
57,500,000		

The fair values of the interest rate swaps are based on market valuations (marked to market) (Note 25).

Gains for the Group from the valuation of the fair values of the swaps at September 30, 2014, were € 2,093 thousand (for the nine-month period ended September 30, 2013: gains € 3,054 thousand).

Realised losses from the interest rate swap transactions during the nine-month period ended September 30, 2014, for the Group were € 2,648 thousand (at September 30, 2013: € 2,903 thousand).

The net loss of € 555 thousand for the nine-month period ended September 30, 2014, is included in other financial costs (Note 7), in the accompanying financial statements (for the nine-month period ended September 30, 2013: gains € 151 thousand were included in other financial income).

23. RELATED PARTIES:

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

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

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Period ended at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	30.09.2013 30.09.2014	1,718,870 1,635,365	1,936,109 2,560,880
Vodafone S.A.	Shareholder	30.09.2013 30.09.2014	787,844 806,676	1,103,785 1,334,119
Vodafone Ltd.	Related Party	30.09.2013 30.09.2014	998,853 1,472,521	1,160,498 2,308,758
Hellas Online	Related Party	30.09.2013 30.09.2014	3,293,079 958,006	3,383,584 962,306
Technology and Research Foundation	Shareholder	30.09.2013 30.09.2014	53,318 45,837	2,285 14,804
Forth CRS S.A.	Subsidiary	30.09.2013 30.09.2014	78,809 79,160	2,285 191,880
Multichoice Hellas S.A.	Subsidiary	30.09.2013 30.09.2014	9,282,103 14,001,043	1,094,401 1,417,988
Interoute Managed Service Netherlands	Related Party	30.09.2013 30.09.2014	- 44,968	- -
Interoute Spa (Italy)	Related Party	30.09.2013 30.09.2014	124,550 160,953	- -
Interoute Bulgaria Js Co	Related Party	30.09.2013 30.09.2014	250,800 250,800	376,737 534,166
Interoute Czech Sro	Related Party	30.09.2013 30.09.2014	1,996 1,579	56,510 118,714
NetMed S.A.	Subsidiary	30.09.2013 30.09.2014	100,261 77,906	- -
Forthnet Media Holdings S.A.	Subsidiary	30.09.2013 30.09.2014	1,272,385 1,153,852	11,593 14,307
Emirates International Telecommunications	Indirect Shareholder	30.09.2013 30.09.2014	- -	100,000 415,540
	Total	30.09.2013	17,962,868	9,227,787
	Total	30.09.2014	20,688,666	9,873,462

<u>Related Party</u>	<u>Relation with Forthnet</u>	<u>Year/ Period ended at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013 30.09.2014	468,922 455,743	901,415 497,951
Vodafone S.A.	Shareholder	31.12.2013 30.09.2014	157,965 152,570	341,516 318,231
Vodafone Ltd.	Related Party	31.12.2013 30.09.2014	935,601 1,419,079	1,062,683 2,107,217
Hellas Online	Related Party	31.12.2013 30.09.2014	367,521 126,015	406,890 59,763
Go Plc	Indirect Shareholder	31.12.2013 30.09.2014	4,293 -	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2013 30.09.2014	- -	803,325 582,585
Technology and Research Foundation	Shareholder	31.12.2013 30.09.2014	26,009 26,301	3,876 4,751
Forth CRS S.A.	Subsidiary	31.12.2013 30.09.2014	616,038 713,404	4,613 181,949
Telemedicine Technologies S.A.	Associated	31.12.2013 30.09.2014	3,734 3,734	- -
Athlonet S.A.	Associated	31.12.2013 30.09.2014	11,502 11,502	8,060 8,060
Multichoice Hellas S.A.	Subsidiary	31.12.2013 30.09.2014	21,103,894 23,160,116	8,467,831 6,013,633
Interoute Managed Services Netherlands	Related Party	31.12.2013 30.09.2014	- 44,968	- -
Interoute Spa (Italy)	Related Party	31.12.2013 30.09.2014	40,876 48,361	- -
Interoute Bulgaria JS Co	Related Party	31.12.2013 30.09.2014	62,400 126,000	202,033 445,225
Interoute Czech Sro	Related Party	31.12.2013 30.09.2014	322 796	171,455 138,402
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013 30.09.2014	42,773,092 77,071,936	493,174 635,712
NetMed S.A.	Subsidiary	31.12.2013 30.09.2014	327,390 425,946	- 349
	Total	31.12.2013	66,899,559	12,866,871
	Total	30.09.2014	103,786,471	10,993,828

The Company's revenues 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, the recharge of directors' payroll cost and recharge of Multichoice Hellas S.A. share in associates' commission.

The Company's costs from Multichoice Hellas S.A. relate mainly to the share of Forthnet in joint sell advertising (related to 3 play services).

The Company's payable towards Multichoice Hellas S.A. relates to cash collected by its stores on behalf of Multichoice Hellas S.A. The receivable from Multichoice Hellas S.A. relates mainly to the 3 play commission re-charged to the subsidiary by the Company, as well as, charges for other services provided.

The Company's revenue and costs from Wind Hellas Telecommunications S.A. relates to a mutual concession for the use of optical fibre infrastructure and interconnection fees.

The Company's revenue and receivable from Forthnet Media Holdings S.A. arises mainly from the re-sale of the Super league and UEFA football rights.

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

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

<u>Related Party</u>	<u>Relation with Group</u>	<u>Period ended at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	30.09.2013 30.09.2014	1,718,870 1,635,380	1,951,669 2,610,399
Vodafone S.A.	Shareholder	30.09.2013 30.09.2014	859,382 850,449	1,144,187 1,335,286
Vodafone Ltd.	Related Party	30.09.2013 30.09.2014	998,853 1,472,521	1,160,498 2,308,758
Hellas Online S.A.	Related Party	30.09.2013 30.09.2014	3,293,079 958,015	3,383,584 962,306
Interoute Managed Services Netherlands	Related Party	30.09.2013 30.09.2014	- 44,968	- -
Interoute Spa (Italy)	Related Party	30.09.2013 30.09.2014	124,550 160,953	- -
Interoute Bulgaria JsCo	Related Party	30.09.2013 30.09.2014	250,800 250,800	376,737 534,166
Interoute Czech Sro	Related Party	30.09.2013 30.09.2014	1,996 1,579	56,510 118,714
Emirates International Telecommunications	Indirect Shareholder	30.09.2013 30.09.2014	- -	100,000 415,540
Technology and Research Foundation	Shareholder	30.09.2013 30.09.2014	53,318 45,837	2,285 14,804
	Total	30.09.2013	7,300,848	8,175,470
	Total	30.09.2014	5,420,502	8,299,973

<u>Related Party</u>	<u>Relation with Group</u>	<u>Year/ period ended at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013 30.09.2014	468,922 455,762	901,415 506,028
Vodafone S.A.	Shareholder	31.12.2013 30.09.2014	173,195 158,704	352,142 319,082
Vodafone Ltd.	Related Party	31.12.2013 30.09.2014	935,601 1,419,079	1,062,683 2,107,217
Hellas Online	Related Party	31.12.2013 30.09.2014	367,521 126,026	406,890 59,881
Go Plc	Indirect Shareholder	31.12.2013 30.09.2014	4,293 -	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2013 30.09.2014	- -	803,325 582,585
Technology and Research Foundation	Shareholder	31.12.2013 30.09.2014	26,009 26,301	3,876 4,751
Telemedicine Technologies S.A.	Associated	31.12.2013 30.09.2014	3,734 3,734	- -
Athlonet S.A.	Associated	31.12.2013 30.09.2014	11,502 11,502	8,060 8,060
Lumiere Productions S.A.	Shareholder	31.12.2013 30.09.2014	- -	6,378 6,378
Lumiere Cosmos Communications	Shareholder	31.12.2013 30.09.2014	- -	10 10
Interoute Managed Services Netherlands	Related Party	31.12.2013 30.09.2014	- 44,968	- -
Interoute Spa (Italy)	Related Party Related Party	31.12.2013 30.09.2014	40,876 48,361	- -
Interoute Bulgaria Js Co	Related Party	31.12.2013 30.09.2014	62,400 126,000	202,034 445,225
Interoute Czech Sro	Related Party	31.12.2013 30.09.2014	323 796	171,455 138,402
	Total	31.12.2013	2,094,376	3,918,268
	Total	30.09.2014	2,421,233	4,177,619

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

Salaries and fees for the members the Board of Directors and the General Managers of the Group and the Company for the nine-month periods ended September 30, 2014 and 2013, are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>January 1-September 30</u>		<u>January 1-September 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries and fees for executive members of the BoD	220,969	221,531	220,969	221,531
Salaries and fees for non executive members of the BoD	91,350	91,350	91,350	91,350
Salaries and fees for Senior Managers	1,780,554	1,684,379	951,922	1,061,978
Total	2,092,873	1,997,260	1,264,241	1,374,859

Furthermore, benefits provided by the Group and the Company for the current period to members of the Board of Directors and Management relating to contribution benefit amounted to € 316,033 for both the Group and the Company (September 30, 2013: € 129,934), whereas benefits relating to leaving indemnities amounted to € 0 and € 0 respectively (September 30, 2013: € 563,990 and € 544,740, respectively).

24. COMMITMENTS AND CONTINGENCIES:

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

Compensation of Senior Executives: According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation in case of early termination of their contracts by the Company without grounds or in case of forced resignation. The amount of the additional compensation amounted to approximately € 1 million at September 30, 2014 (approximately € 0.9 million at December 31, 2013).

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 amounted 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 was included in government grants in the accompanying statements of financial position.

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 was to be completed during 2009. Up to December 31, 2009, the Company completed its investment and collected a subsidy of approximately € 19.5 million, which has been included in government grants in the accompanying statements of financial position.

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 September 30, 2014 and at December 31, 2013, are as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Within one year	2,319,947	2,394,986	861,098	930,481
2-5 years	8,589,273	8,392,659	2,739,339	2,558,291
Over 5 years	1,054,106	2,450,443	512,372	812,383
Total	11,963,326	13,238,088	4,112,809	4,301,155

Guarantees: Letters of guarantee are issued by the Group to various beneficiaries and as at September 30, 2014 and at December 31, 2013, are analysed as follows:

	The Group		The Company	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Performance Guarantee	6,245,173	5,719,808	655,184	413,080
Participation in tender Guarantee (Note 17)	3,331,926	30,213	3,319,626	30,213
Guarantees for good execution of agreements	19,193	14,208,398	19,193	14,160,810
Total	9,596,292	19,958,419	3,994,003	14,604,103

Guarantees for the good execution of agreements have decreased as at September 30, 2014, mainly due to the expiration of guarantees provided to a supplier.

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 99.6 million and for the Company amounted to approximately € 32.6 million at September 30, 2014 (December 31, 2013: € 161.4 million and € 72.6 million, respectively). In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges) which have been acquired through long-term lease (IRU), amounted to approximately € 14.5 million at September 30, 2014 (December 31, 2013: € 4.2 million).

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

Management believes that the fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position.

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

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

As at September 30, 2014 and December 31, 2013, the Group and the Company held the following financial instruments whose fair value is indicated below :

The Group			
Fair value 30.09.2014			
Level 1	Level 2	Level 3	Total
Financial liabilities			
Interest rate swaps (Note 22) (measured at fair value)	-	2,320,543	-
Long - term loans (Note 18) (measured at amortised cost)	-	324,121,879	-
			2,320,543
			324,121,879

The Group			
Fair value 31.12.2013			
Level 1	Level 2	Level 3	Total
Financial liabilities			
Interest rate swaps (Note 22) (measured at fair value)	-	4,711,417	-
Long - term loans (Note 18) (measured at amortised cost)	-	323,543,806	-
			4,711,417
			323,543,806

The Company			
Fair value 30.09.2014			
Level 1	Level 2	Level 3	Σύνολο
Financial liabilities			
Long - term loans (Note 18) (measured at amortised cost)	-	99,953,967	-
			99,953,967

The Company			
Fair value 31.12.2013			
Level 1	Level 2	Level 3	Σύνολο
Financial liabilities			
Long - term loans (Note 18) (measured at amortised cost)	-	99,850,688	-
			99,850,688

26. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

a) Forthnet's outstanding judicial claims against third parties amount to approximately € 38.7 million. From these claims:

Out of this amount, approximately €26.7 million concern a claim of the Company against OTE regarding the incidental loss the Company suffered by EPAK case (unjustifiable discrimination for OTE in favour of its subsidiary, OTEnet). Furthermore, approximately € 293 thousand concern a claim of the Company against OTE for the non-material damage that the Company has suffered for the same cause (EPAK). A judgement was issued on the aforementioned lawsuit, by which the Court partially accepted the lawsuit of the Company, which has been already appealed by OTE (at the Court of Appeals).

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 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 March 26 2010 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this decision, OTE was ordered to credit Forthnet in 3,316 cases that totally correspond to the amount of € 178 thousand while a fine of € 332 thousand was additionally imposed to OTE. (b) EETT's Decision No. 692/36/30.05.2013 that concerns the September 5 2011 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this decision, OTE was ordered to credit Forthnet in 1,492 cases that totally correspond to the amount of € 79 thousand, while a fine of € 149 thousand was additionally imposed to OTE. (c) EETT's Decision No. 690/21/14.05.2013 that concerns the February 15 2012 Dispute Resolution Request of Forthnet regarding its right to charge wasteful travel fees at the expense of OTE within the framework of unbundled access to the local loop. 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 thousand.

(d) EETT's Decision No. 640/50/21.02.2012 that concerns the November 15 2011 complaint of Forthnet for charges of OTE wasteful travels fees for the fixing of local loop failures with the justification "non-accessible building", which charges were not in accordance with the legislative framework. With this decision, OTE

was ordered to credit to Forthnet the imposed charges during the time period from October 2010 up to June 2011, which charges amounted to € 78 thousand an amount that was refunded by OTE to Forthnet. With the same resolution, a fine of € 250 thousand 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 filed a new complaint to EETT on February the 11th 2012, further to which, EETT’s DECISION No. 695/62/27.06.2013 was issued, by which a fine of € 125 thousand was imposed to OTE for its illegitimate conduct and the latter was ordered to refund to Forthnet the relevant fees that had collected during the time period from July 2011 up to August 2012, which amount to € 206 thousand.

OTE has appealed to the competent courts against the decisions of EETT under (a), (b), (d) and (e), while it is not expected that it will also appeal to the competent administrative courts against the decision of EETT under (c).

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 thousand on 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 and the Group in its financial statements.

i) 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 € 4.2 million. A relevant provision has been recorded for the above claims (allowance for doubtful accounts receivable) in the financial statements of the Company.

ii) Furthermore, there is a claim of the Company against the Greek State for the project of the Ministry of Internal Affairs “National Public Administration Network - SYZEFXIS”, for which claim, the company has already filed respective Applications of Acknowledgment of Claim against the State for the provision of electronic services for the aforementioned project. Specifically, for 2012, the Company filed a relevant application of acknowledgment of claim, by which it has requested the amount of € 944 thousand to be acknowledged to it for the provided services during the second half of fiscal year 2012, plus the applicable VAT respectively.

For 2013, the Company has filed a respective application of acknowledge of claim, the level of which amounts to € 2.3 million, inclusive of the corresponding VAT.

Finally, for the time period from January the 1st 2014-May the 31st 2014, the Company has also filed a respective application of acknowledge of claim, the level of which amounts to € 969 thousand, inclusive of the corresponding VAT.

For the project (“SYZEFXIS”) the Company had recorded unbilled revenue in its financial statements for an amount of € 3 million.

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

iv) 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 thousand, while for the year 2003 amounting to € 433 thousand plus interest and related legal expenses. For the aforementioned claim, the Company had appealed before the Administrative Courts, instituting a relevant Administrative Action and filing a relevant Lawsuit. On the aforementioned administrative action, the Administrative Court of the First Instance of Athens rejected the aforementioned appeal of the Company. The Company lodged an APPEAL before the Administrative Court of Appeals of Athens, against the aforementioned judgement that has rejected the administrative action, which was heard during the scheduled day of hearing, and the issue of a judgement is expected.

On the aforementioned LAWSUIT, a postponing judgement of the Administrative Court of First Instance of Athens was issued, by which the Court postponed the adoption of a judgement on the lawsuit, until the issuance of a final judgement on the aforementioned APPEAL (and administrative action). Given the negative judgement 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) The case of the inquiry of the Commission for the Protection of Competition of the Republic of Cyprus (C.P.C) against Forthnet Group companies (Forthnet Media Holdings S.A. and Multichoice Hellas S.A) and Cyprus Telecommunication Authority S.A. (“CYTA”) for the ascertainment of reported violations of the provisions regarding the protection of the competition (articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), from the terms of the effective content supply agreement between the aforementioned contracting parties, was heard before the C.P.C. during the oral hearing of September the 9th, 2014. During the hearing, the Company presented its pleas in law and pieces of evidence for the refutation of the objections set forth in

the preliminary conclusion of C.P.C.'s inquiry, setting forth and extending all the points that had already notified to the C.P.C. through its written memo of August the 8th. The issue of the C.P.C.'s judgement is expected. In the event of the issuance of a judgement that discovers any violation, the company will be summoned to express anew its points of view on the sanctions that may be suggested. Until then, there is not any possibility for a financial appraisal of the aforementioned case, for the Group.

iii) Finally, Fines of the total amount of approximately € 0.9 million have been imposed to the Company by the individual competent Independent Administration Authorities, for several reasons. Specifically, six (6) fines of the total amount of approximately € 0.5 million have been imposed by EETT, eight (8) fines of the total amount of € 280 thousand by the General Secretariat for Consumer Affairs and two (2) fines of the total amount of € 150 thousand by the Hellenic Republic Capital Market Commission. The Company has appealed before the competent administrative courts for the cancellation or otherwise modification (review) of the as above imposed fines.

The results of the above judicial claims cannot be foreseen, thus no provision of expense has been made by the Company and the Group 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 absorbed the companies NetMed Hellas S.A. and SYNED S.A.) amount to € 6.1 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) A claim of € 4.6 million approximately plus interest, concern claims of a PAE (Football Club), for the restitution of the alleged damage the PAE has incurred due to the claimed unlawful termination –on the part of FMH (ex NetMed Hellas S.A.) of the relevant agreements for the TV/radio broadcasting of its 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 TILEDRAZI S.A. (prior to its absorption by FMH) of 828 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. A judgement that dismissed the lawsuit as unsubstantiated was issued. The litigant party has lodged an appeal, the hearing of which has been scheduled for April the 30th 2015.

For the above judicial claims the Management of the Group 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 € 23.9 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 for the TV/radio broadcast of their football matches. Several of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim 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 € 200 thousand. However, the third parties are apparently not in a financial position to reimburse the Company.

ii) € 4.5 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 football season 2011-2012. It is noted that FMH has acquired the exclusive broadcast rights of the PAE matches (including their highlights). The hearing of the case was cancelled within the framework of an extrajudicial/conciliatory settlement of the dispute.

iii) A lawsuit against the company ERT S.A. and the banks Alpha Bank and Piraeus Bank by which it is requested to be acknowledged that our company does not owe the minimum guaranteed consideration of €2.9 million per year from November 10, 2008 or, alternatively if it does not apply for 2008, from November 10, 2010, but instead, a percentage on the real basis of its terrestrial analogue subscribers. The claim on the main and supportive basis consists of the acknowledgment of the non existence of a payment right, accordingly it is not evaluated as an actual monetary claim. The 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 football seasons 2013-2014 to 2015-2016 and awarded the tender to a third company. The reason for the cancellation is based on legal grounds (the company to which the tender was awarded is not a TV entity, as required by article 84 of L. 2725/1999). The case was heard and no. 731/2014 judgement was issued, that accepts the lawsuit. EPO lodged an appeal (as well as the company that a certain part of the judgment's rationale concerns it), the hearing of which has been scheduled for February the 19th 2015. 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 hearing of the case was cancelled within the framework of an extrajudicial/conciliatory settlement of the dispute.

vi) A lawsuit against "ALPHA DORYFORIKI TILEORASI", by which it is demanded that the defendant is prohibited to proceed to actions of unfair competition and infringe the absolute right of FMH, as it arose by the TV Broadcasting Rights Assignment Agreement that FMH had concluded with PAE AKRATITOS and the defendant is obliged to pay to FMH the amount of € 500 thousand as a compensation for the non-material damage that has been caused to the latter by the unfair and tortuous conduct of "ALPHA DORYFORIKI TILEORASI". The hearing date for the aforementioned lawsuit had been scheduled for the 7th of June 2006,

a date on which it was postponed for the 22nd of November 2006, where it was cancelled and rescheduled for April the 2nd 2008, when it was anew postponed for the 4th of June 2008. After successive postponements, the case was heard on December the 12th 2012 and no. 6288/2013 judgement of the Multimember Court of First Instance of Athens was issued, which accepted the lawsuit, awarding in favour of the company the amount of € 300 thousand, including any statutory interest from the service of the lawsuit as a non-material damage due to the illegitimate, insolvent and opposed to the moral ethics conduct of the defendant. The defendant is entitled to lodge an appeal.

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

C. MULTICHOICE HELLAS S.A.

(a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 11.4 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 judgements have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to € 0.34 million, while for the fiscal year 1999 to €0.18 million and the due taxes will be computed on the said amounts. The total amount, amounts along with the interests to € 832 thousand out of which the company has already paid in advance the amount of € 786 thousand as a precondition for the filing of the appeals. The Greek State filed appealed before the Supreme Court, the hearing date of which has not been yet scheduled. For the final amount of tax that is going to be charged according to the above, a related provision of expense has been made by the Company in its financial statements.

ii) € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial disputes between FMH (arising by the absorbed 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 judgement. The lawyer-plaintiff is entitled to file an appeal before the Supreme Court of Cassation (Arios Pagos).

iii) € 0.30 million approximately concerns a lawsuit of a third party against the company and a former chief executive officer of its, by which he demands that the aforementioned amount is paid to him as damages for an alleged offence of personality and defamation to his detriment, by allegations included in a complaint lodged by the company against him, due to the -on his part- performance of illegitimate activities, aiming at and with the result of piracy in the pay TV signal of the company and the violation of its intellectual property. The lawsuit has been scheduled for hearing before the Multimember Court of First Instance of Athens on the 8th of December 2016, however at the same time, the hearing of the criminal case in which the aforementioned plaintiff is the defendant is pending, in which case criminal proceedings have been instituted against him for the alleged illegitimate actions that are mentioned in the complaint of the company.

iv) The case of the inquiry of the Commission for the Protection of Competition of the Republic of Cyprus (C.P.C) against Forthnet Group companies (Forthnet Media Holdings S.A. and Multichoice Hellas S.A) and Cyprus Telecommunication Authority S.A. (“CYTA”) for the ascertainment of reported violations of provisions regarding the protection of the competition (articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), from the terms of the effective content supply agreement between the aforementioned contracting parties, was heard before the C.P.C. during the oral hearing of September the 9th, 2014. During the hearing, the Company presented its pleas in law and pieces of evidence for the refutation of the objections set forth in the preliminary conclusion of C.P.C’s inquiry, setting forth -and extending all the points that had already notified to the C.P.C. through its written memo of August the 8th. The issue of the C.P.C.’s judgement is expected. In the event of the issuance of a judgement that discovers any violation, the company will be summoned to express anew its points of view on the sanctions that may be suggested. Until then, there is not any possibility for a financial appraisal of the aforementioned case, for the Group.

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

(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 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 of the company 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 € 200 thousand. However, the said companies are apparently not in a financial position to reimburse the Company.

Out of 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, 2009, 2010, 2011 and 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case.

(ii) A claim of € 326 thousand concerns a 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 subscription fees received by PASSPOINT S.A. We note that LANNET Communications S.A. is under bankruptcy proceedings (during which Multichoice Hellas S.A. has notified its claims to the creditors’ team and its claim has been approved as substantiated), while PASSPOINT S.A. remains inactive without evident assets.

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

D. Forth-CRS S.A.

The outstanding judicial claims of the subsidiary Forth-CRS S.A. against third parties amount to approximately € 602 thousand. Among the aforementioned judicial claims, the following two significant claims are also included:

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

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

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

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 via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development B.V. (before merging by Netmed NV) of 3,528 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April the 30th 2015.

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, the possible content of its.

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 via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by DIKOMO INVESTMENT SARL of 1,272 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April the 30th 2015.

G. TILEDRAZI S.A.

The outstanding judicial claims of third parties against the subsidiary TILEDRAZI S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRAZI S.A. of 2,872 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April the 30th 2015.

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

(a) 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 100,000 Euro were decidedly blocked (bail-in). The Company held an account in the aforementioned Bank Institution, and the total amount of Euro € 0.68 million 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.

(b) A lawsuit is pending against the company, concerning a total amount of € 0.77 million approximately with the legal interest, from the years 2008-2011 and henceforth, on the grounds of which, the company BRUTAL HOLDINGS LTD, former lessor of the company, demands a compensation for alleged owed rentals and alleged damages that the rented property the company had rented during the years 2007-2011 suffered, due to the illegitimate and anti-contractual conduct of Multichoice. The leasing agreement was of definite term, yet the company rescinded it due to liability of the lessor, by reason of real defects of the rented property and damages, for the restoration of which, the lessor had been responsible. Given the

proven difficulties that concern the merits of the chase, a conciliatory settlement of the dispute occurred, with the payment of the amount of € 55 thousand to the plaintiff.

J. INTERVISION S.A.

There is a pending lawsuit before the Multi-Member 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 6.4 million € plus VAT, which the Company actually paid. The hearing of the case took place on November the 27th 2013, and the issuance of a judgment is expected. 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.

27. SUBSEQUENT EVENTS:

There are no significant subsequent events after September 30, 2014, other than those disclosed in the accompanying financial statements, affecting the financial statements of the Group and the Company.

Iraklion, November 27, 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

Finance Director

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
License Number
O.E.E. 0001049 A Class

FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. Forthnet S.A. Registration No S.A. 34461/06/B/95/94 Scientific Technological Park of Crete, Vassiliki Voutou, Iraklion Crete 71003 FINANCIAL DATA & INFORMATION FOR THE PERIOD ENDED September 30, 2014 (Published based on Corporate Law 2150, article 135 for corporations that report annual financial statements, consolidated or not, according to IFRS) The financial data and information provided below, aim to provide a general overview of FORTHNET S.A. financial statements and results of the Group. As a result of this, we recommend to any potential investor, that before engage in any type of investment activity or any other kind of transaction with the Company, to visit the Company's web site at the electronic address www.forthnet.gr , where all financial statements according to IFRS as well as the Audit Review report, when is required, are posted. (amounts presented in euro)																												
GENERAL INFORMATION:																												
Web Site:	www.forthnet.gr																											
Board of Directors approval date:	November 27, 2014																											
Certified Auditor Accountant:	Christos Petendridis, Eleni Skordalaki																											
Auditing firm:	ERNST & YOUNG S.A., SOI S.A.																											
Type of auditor's review report:	Unqualified with Emphasis of Matter																											
STATEMENT OF FINANCIAL POSITION (consolidated and parent company)		STATEMENT OF CHANGES IN EQUITY (consolidated and parent company)																										
	GROUP		COMPANY																									
	30.09.2014	31.12.2013	30.09.2014	31.12.2013																								
ASSETS																												
Tangible assets	170,099,372	191,852,139	97,649,128	111,229,693																								
Intangible assets	140,725,541	145,717,179	15,581,273	16,660,619																								
Goodwill	83,168,812	83,168,812	512,569	512,569																								
Other non current assets	25,287,658	27,473,248	94,008,756	97,548,421																								
Inventories	7,066,696	6,616,709	1,528,928	1,014,751																								
Trade receivables	67,159,436	57,804,246	37,841,442	35,101,258																								
Other current assets	84,550,107	76,552,756	118,813,318	77,209,169																								
TOTAL ASSETS	578,057,622	589,185,089	365,935,414	339,276,480																								
EQUITY AND LIABILITIES																												
Share Capital (110,097,185 shares € 0.30 each as at 31.09.2014 and 12,952,610 shares of € 0.30 each as at 31.12.2013)	33,029,156	3,885,783	33,029,156	3,885,783																								
Retained earnings and other reserves	(137,296,680)	(101,424,526)	106,557,233	112,383,734																								
Total Shareholders equity (a)	(104,267,524)	(97,538,743)	139,586,389	116,269,517																								
Non-controlling interests (b)	1,715,137	2,371,509	-	-																								
Total equity (a)+(b)	(102,552,387)	(95,167,234)	139,586,389	116,269,517																								
Provisions/Other long-term liabilities	127,765,969	137,221,172	21,910,410	23,747,989																								
Short-term borrowings	325,539,879	324,961,806	99,953,967	99,850,688																								
Other current liabilities	227,304,161	222,169,145	104,484,648	99,408,286																								
Total liabilities (d)	(680,610,009)	(684,352,323)	(226,349,025)	(223,006,963)																								
TOTAL EQUITY AND LIABILITIES (c)+(d)	578,057,622	589,185,089	365,935,414	339,276,480																								
CASH FLOW STATEMENT (consolidated and parent company)																												
	GROUP		COMPANY																									
	01.01.-30.09.2014	01.01.-30.09.2013	01.01.-30.09.2014	01.01.-30.09.2013																								
Cash flow from Operating Activities																												
Loss before income taxes	(37,234,147)	(38,905,559)	(2,423,551)	3,849,572																								
Adjustments for:																												
Depreciation and amortisation	67,464,585	66,057,643	34,817,060	35,953,868																								
Amortisation of subsidies	(1,469,056)	(1,757,566)	(1,467,780)	(1,722,210)																								
(Gain)/Loss on disposal of tangible and intangible assets	4,723,313	3,978,907	(4,289)	(1,627)																								
Allowance for doubtful accounts receivable	1,228,274	482,013	720,312	274,555																								
Provision for staff retirement indemnities	-	-	-	112,499																								
Impairment of investment in associates	-	-	190,355	-																								
Share of profits/(losses) of associates accounted for under the equity method	(6,678)	-	-	-																								
Other provisions	26,589	640,514	15,256	58,225																								
Financial (income)/expenses	18,504,043	15,973,692	3,916,929	3,857,672																								
Add/(less) adjustments for changes in working capital related to operating activities:																												
Increase inventories	(476,576)	(3,356,365)	(529,433)	25,890																								
Increase in receivables	(18,066,019)	(16,552,285)	(42,220,210)	(17,147,274)																								
(Increase)/Decrease liabilities (other than Bank loans)	(150,994)	11,609,458	4,723,406	(16,682,260)																								
Minus:																												
Income taxes paid	(487,399)	(371,378)	-	-																								
(Increase)/decrease in other long-term liabilities	(238,836)	828,931	(238,836)	808,793																								
Payment of staff retirement indemnities	(1,178,149)	(1,255,394)	(740,090)	(769,740)																								
Net cash from Operating Activities	32,636,950	37,553,512	429,901	12,981,972																								
Cash flow from Investing Activities																												
Capital expenditure for property, plant and equipment and intangible	(40,720,180)	(30,426,547)	(20,157,149)	(19,644,471)																								
Disposals of property, plant and equipment and intangible assets	-	38,519	10,194	18,991																								
Interest and related income received	212,649	151,610	209,923	119,573																								
Decrease/(increase) Restricted cash	(3,138,212)	7,000,000	(2,838,212)	7,000,000																								
Net cash used in Investing Activities	(43,645,743)	(23,236,418)	(22,775,240)	(12,505,907)																								
Cash flows from Financing Activities																												
Net proceeds from the issuance of share capital	28,491,696	-	28,491,696	-																								
Net change in short-term borrowings	-	(10,000,000)	-	(10,000,000)																								
Interest paid	(12,921,227)	(15,236,955)	(3,474,967)	(3,501,140)																								
Net change in leases	(5,853,874)	(9,991,512)	(312,649)	(325,811)																								
Net cash used in Financing Activities	9,716,695	(95,228,467)	24,704,080	(18,826,951)																								
Net Increase/(decrease) in cash and cash equivalents	(1,292,198)	(20,913,273)	2,358,227	(12,350,881)																								
Cash and cash equivalents at the beginning of period	14,689,747	32,571,829	5,582,285	16,319,893																								
Cash and cash equivalents at the end of period	13,397,549	11,660,456	7,940,512	2,969,012																								
ADDITIONAL DATA AND INFORMATION																												
1. The emphasis of matter paragraph in the auditors report relates to uncertainty regarding: (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 dependent on a successful refinancing of their borrowings with their lending banks.	10. The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated at the end of the current period consolidated financial statements, do not differ from those included in note 11 of the financial statements of December 31, 2013.																											
2. The above financial statements for the period 01/01/2014-30/09/2014 have been approved by the members of the Board of Directors, November 27, 2014.	11. At the end of current period no shares of the parent company are possessed by other the parent company or any subsidiary or associate companies.																											
3. As September 30, 2014 the total number of employees reached 1,281, while those of the Parent Company reached 764. As September 30, 2013 the Group's relative number of employees was 1,340, while that of the parent company was 826.	12. On November 24, 2011 the Board of Directors of the Athens Exchange decided to place the Company's shares under close monitoring based on the fact that the fiscal year 2010 losses were greater than 30% of its equity and the planned share capital increase was not successfully completed.																											
4. There is no burden against title to the Group's real estate.	13. The accumulated income and expenses since the beginning of the current fiscal year as well as the Company's and the Group's trade accounts receivable and liabilities as at the end of the year derived from transactions with related parties as defined by IAS 24 are as follows:																											
5. The financial statements of the Group are included in the financial statement of Company "TORGENDO LIMITED"																												
(Head Office: Cyprus, Percentage Participation at September 30, 2014: 44.022%) under the equity method.																												
6. The same accounting methods and assessments have been used as in prior fiscal year 2013.																												
7. The unaudited tax years of the Company and of the companies of the Group are stated in Note 9 of the financial statements.																												
8. The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax years amounting to € 0.2m for the Company and € 0.4 m for the Group, in order to cover any additional taxes which will occur in future tax audits.																												
In addition, no deferred tax asset has been recognised for use of all tax losses of amount € 34.1 m. for the Group.																												
9. There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial status.																												
The amount of the provisions for the above issues are: € 0.3 million for the Company and € 1.0 million for the Group.																												
<table border="1"> <thead> <tr> <th>Amounts in euro</th> <th>GROUP</th> <th>COMPANY</th> </tr> </thead> <tbody> <tr> <td>(i) Income</td> <td>5,421,302</td> <td>20,688,668</td> </tr> <tr> <td>(ii) Expenses</td> <td>(2,289,978)</td> <td>(9,871,465)</td> </tr> <tr> <td>(iii) Receivables</td> <td>2,452,293</td> <td>20,798,473</td> </tr> <tr> <td>(iv) Liabilities</td> <td>(4,177,610)</td> <td>(10,993,628)</td> </tr> <tr> <td>(v) Debt of Managers and members of the Board of Directors</td> <td>2,002,875</td> <td>1,204,343</td> </tr> <tr> <td>(vi) Amounts owed by Managers and members of the Board of Directors</td> <td>0</td> <td>0</td> </tr> <tr> <td>(vii) Amounts to Managers and members of the Board of Directors</td> <td>0</td> <td>0</td> </tr> </tbody> </table>					Amounts in euro	GROUP	COMPANY	(i) Income	5,421,302	20,688,668	(ii) Expenses	(2,289,978)	(9,871,465)	(iii) Receivables	2,452,293	20,798,473	(iv) Liabilities	(4,177,610)	(10,993,628)	(v) Debt of Managers and members of the Board of Directors	2,002,875	1,204,343	(vi) Amounts owed by Managers and members of the Board of Directors	0	0	(vii) Amounts to Managers and members of the Board of Directors	0	0
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PRESIDENT OF THE B.O.D.	VICE PRESIDENT OF B.O.D & MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	GROUP FINANCIAL REPORTING MANAGER	GROUP ACCOUNTING MANAGER																								
DEEPAK SRINIVAS PADMANABHAN Passport No. Z 2052599	PANAGIOTIS PAPADOPOULOS ID Number S 076330	GEORGE MANTZOROS ID Number AK 233579 License Number O.E.E. 0005375 A Class	GEORGIA GALLI ID Number X 091299	POLYCHRONIS KATSARIS ID Number AK 012888 License Number O.E.E. 0001049 A Class																								