

**FORTHNETGROUP**



forthnet



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

**FOR THE PERIOD**

**JANUARY 1 – MARCH 31, 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 March 31, 2014, and the related interim condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the three-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 March 31, 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 € 61.5 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, May 29, 2014

The Certified Auditors Accountants

CHRIS PELENDRIDIS  
R.N. ICA (GR) 17831

ELENI SKORDALAKI  
R.N. ICA (GR) 22411

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

	Notes	The Group		The Company	
		01.01- 31.03.2014	01.01- 31.03.2013	01.01- 31.03.2014	01.01- 31.03.2013
Revenues	4	95,798,810	95,985,898	56,012,841	53,718,224
Telecommunications costs		(25,427,245)	(24,651,485)	(25,427,245)	(24,648,722)
Royalties and licenses		(23,824,234)	(24,635,866)	-	-
Cost of sales of inventory and consumables		(1,869,575)	(4,139,289)	(378,426)	(640,494)
Advertising and promotion costs		(2,391,988)	(2,519,868)	(543,485)	(1,584,295)
Payroll and related costs	6	(10,580,308)	(10,415,680)	(6,194,085)	(5,848,845)
Sundry expenses	8	(16,241,787)	(15,369,422)	(11,089,630)	(8,018,548)
Impairment of investments in subsidiaries		-	-	-	(65,657)
Other income		1,004,697	1,527,647	815,141	933,320
Depreciation and amortisation		(21,579,167)	(21,707,590)	(11,550,349)	(12,065,525)
Financial income	7	86,303	828,374	88,777	78,788
Financial expenses	7	(5,754,133)	(6,694,861)	(1,272,108)	(1,312,418)
<b>Profit/(Loss) before income taxes</b>		<b>(10,778,627)</b>	<b>(11,792,142)</b>	<b>461,431</b>	<b>545,828</b>
Income taxes	9	(807,465)	(4,154,448)	(207,324)	4,461,708
<b>Profit/(Loss) after tax (A)</b>		<b>(11,586,092)</b>	<b>(15,946,590)</b>	<b>254,107</b>	<b>5,007,536</b>
<b>Profit/(Loss) for the period attributable to:</b>					
Shareholders of the Parent Company		(11,295,045)	(15,698,598)	254,107	5,007,536
Non-controlling interests		(291,047)	(247,992)	-	-
		<b>(11,586,092)</b>	<b>(15,946,590)</b>	<b>254,107</b>	<b>5,007,536</b>
<b>Loss per share (Basic and diluted)</b>		(0.1102)	(1.2120)	-	-
Weighted Average Number of Shares (Basic)		102,541,496	12,952,610	-	-
Weighted Average Number of Shares (Diluted)		102,541,496	12,952,610	-	-
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>					
Remeasurement (losses) / gains on defined benefit plans		-	-	-	-
Income tax effect		-	-	-	-
<b>Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>		-	-	-	-
<b>Attributable to:</b>					
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		
	31.03.2014	31.12.2013	31.03.2014	31.12.2013	
<b>ASSETS</b>					
<b>Non current assets</b>					
Property, plant and equipment	11	184,368,938	191,852,139	106,490,857	111,229,693
Intangible assets	12	144,970,071	145,717,179	16,617,031	16,660,619
Goodwill	10	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries		-	-	74,464,310	74,464,311
Investments in associates accounted under the equity method		218,628	218,628	123,506	123,506
Other non-current assets	16	11,504,733	11,737,734	9,951,397	10,184,395
Available for sale financial assets		223,304	223,304	180,603	180,603
Deferred tax assets		14,365,664	15,293,582	12,557,718	12,595,606
<b>Total non current assets</b>		<b>438,820,150</b>	<b>448,211,378</b>	<b>220,897,991</b>	<b>225,951,302</b>
<b>Current assets</b>					
Inventories	14	6,566,634	6,616,709	1,074,011	1,014,751
Programme and film rights	13	33,009,329	49,357,969	-	-
Trade receivables	15	63,705,724	59,280,563	37,668,275	36,562,345
Prepayments and other receivables	16	9,197,684	11,111,638	4,458,265	4,861,265
Due from related companies	23	371,084	618,059	64,153,856	65,438,472
Cash and cash equivalents	17	33,423,187	14,689,747	25,113,691	5,582,295
Restricted cash	17	310,118	-	10,118	-
<b>Total current assets</b>		<b>146,583,760</b>	<b>141,674,685</b>	<b>132,478,216</b>	<b>113,459,128</b>
<b>TOTAL ASSETS</b>		<b>585,403,910</b>	<b>589,886,063</b>	<b>353,376,207</b>	<b>339,410,430</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
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		(608,713,966)	(596,930,606)	(382,688,678)	(382,460,544)
<b>Total</b>		<b>(80,172,656)</b>	<b>(97,538,743)</b>	<b>145,184,756</b>	<b>116,269,517</b>
Non-controlling interests		2,080,462	2,371,509	-	-
<b>Total equity</b>		<b>(78,092,194)</b>	<b>(95,167,234)</b>	<b>145,184,756</b>	<b>116,269,517</b>
<b>Non current liabilities</b>					
Long-term transponder leases	19	77,099,237	79,065,485	-	-
Other long-term leases		1,044,051	1,094,811	1,044,051	1,094,811
Other long-term liabilities	4,16	11,487,639	11,206,780	11,487,639	11,206,780
Long-term obligations of programmes and film rights	20	843,159	920,178	-	-
Reserve for staff retirement indemnities		2,266,239	2,450,984	1,252,228	1,319,243
Government grants		9,633,664	10,129,460	9,631,829	10,127,155
Deferred tax liability		32,016,871	32,353,674	-	-
<b>Total non-current liabilities</b>		<b>134,390,860</b>	<b>137,221,372</b>	<b>23,415,747</b>	<b>23,747,989</b>
<b>Current liabilities</b>					
Trade accounts payable	21	121,258,970	123,059,042	48,831,292	52,230,335
Due to related companies	23	1,574,901	2,096,553	7,030,926	11,055,782
Short-term borrowings	18	1,418,000	1,418,000	-	-
Current portion of long-term borrowings	18	323,807,881	323,543,806	99,910,940	99,850,688
Deferred income	4,16	33,356,126	34,765,439	18,003,318	18,946,848
Current portion of transponder leases	19	7,624,445	7,466,824	-	-
Current portion of other leases		295,109	363,376	295,109	363,376
Current portion of programmes and film rights obligations	20	16,713,226	32,128,112	1,723,709	9,480,399
Income tax payable		1,926,484	2,059,261	200,000	200,000
Accrued and other current liabilities	22	21,130,102	20,931,512	8,780,410	7,265,496
<b>Total current liabilities</b>		<b>529,105,244</b>	<b>547,831,925</b>	<b>184,775,704</b>	<b>199,392,924</b>
<b>Total liabilities</b>		<b>663,496,104</b>	<b>685,053,297</b>	<b>208,191,451</b>	<b>223,140,913</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>585,403,910</b>	<b>589,886,063</b>	<b>353,376,207</b>	<b>339,410,430</b>

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
<b>Total Equity beginning at the period January 1, 2013</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>194,525,428</b>	<b>(537,223,369)</b>	<b>(37,830,872)</b>	<b>2,771,602</b>	<b>(35,059,270)</b>
Total comprehensive loss after income taxes of the period		-	-	-	(15,698,598)	(15,698,598)	(247,992)	(15,946,590)
Legal reserve		-	-	11,969	(11,969)	-	-	-
<b>Total Equity at March 31, 2013</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>194,537,397</b>	<b>(552,933,936)</b>	<b>(53,529,470)</b>	<b>2,523,610</b>	<b>(51,005,860)</b>
<b>Total Equity beginning at the period January 1, 2014</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>194,524,794</b>	<b>(596,930,606)</b>	<b>(97,538,743)</b>	<b>2,371,509</b>	<b>(95,167,234)</b>
Total comprehensive loss after income taxes of the period		-	-	-	(11,295,045)	(11,295,045)	(291,047)	(11,586,092)
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)	-	-	-
<b>Total Equity at March 31, 2014</b>		<b>33,029,156</b>	<b>300,981,286</b>	<b>194,530,868</b>	<b>(608,713,966)</b>	<b>(80,172,656)</b>	<b>2,080,462</b>	<b>(78,092,194)</b>
<b>The Company</b>		<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Accumulated gain/deficit</b>	<b>Total</b>		
<b>Total Equity beginning at the period January 1, 2013</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>193,862,992</b>	<b>(381,430,633)</b>	<b>117,299,428</b>		
Total comprehensive income after income taxes of the period		-	-	-	5,007,536	5,007,536		
<b>Total Equity at March 31, 2013</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>193,862,992</b>	<b>(376,423,097)</b>	<b>122,306,964</b>		
<b>Total Equity beginning at the period January 1, 2014</b>		<b>3,885,783</b>	<b>300,981,286</b>	<b>193,862,992</b>	<b>(382,460,544)</b>	<b>116,269,517</b>		
Total comprehensive income after income taxes of the period		-	-	-	254,107	254,107		
Issuance of share capital	1	29,143,373	-	-	-	29,143,373		
Share capital issuance costs (net from deferred tax)		-	-	-	(482,241)	(482,241)		
<b>Total Equity at March 31, 2014</b>		<b>33,029,156</b>	<b>300,981,286</b>	<b>193,862,992</b>	<b>(382,688,678)</b>	<b>145,184,756</b>		

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- 31.03.2014	01.01- 31.03.2013	01.01- 31.03.2014	01.01- 31.03.2013
<b>Cash flows from Operating Activities</b>					
Loss before income taxes		(10,778,627)	(11,792,142)	461,431	545,828
Adjustments for:					
Depreciation and amortisation		21,579,167	21,707,590	11,550,349	12,065,525
Amortisation of subsidies		(495,796)	(648,884)	(495,326)	(634,323)
Gains on disposal of tangible and intangible assets		(2,311)	752	(215)	752
Financial (income)/expenses	7	5,667,830	5,866,487	1,183,331	1,233,630
Impairment of investments in subsidiaries		-	-	-	65,657
Allowance for doubtful accounts receivable	15	1,290,450	986,639	1,032,180	1,003,392
Provision for staff retirement indemnities	6	96,593	155,327	93,343	101,181
<b>Operating profit before working capital changes</b>		<b>17,357,306</b>	<b>16,275,769</b>	<b>13,825,093</b>	<b>14,381,642</b>
<b>(Increase)/Decrease in:</b>					
Inventories		50,075	(753,697)	(59,260)	172,596
Trade accounts receivable & amounts due from related companies		(5,468,636)	774,740	(825,548)	8,934,117
Programme and film rights		16,348,640	16,305,578	-	-
Prepayments and other receivables		1,913,954	783,403	403,000	112,707
(Increase)/Decrease in other non-current assets		233,001	(1,492,173)	232,998	(1,363,936)
<b>Increase/(Decrease) in:</b>					
Trade accounts payable and amounts due from related companies		(17,736,610)	(23,047,953)	(15,180,589)	(20,853,504)
Deferred income		(1,409,313)	22,097	(943,530)	522,153
Accrued and other current liabilities		(3,832,453)	(2,655,082)	278,348	2,686,471
Income taxes paid		(138,367)	(139,267)	-	-
Payment of staff retirement indemnities		(200,354)	(469,779)	(148,241)	(366,930)
Decrease in other long-term liabilities		230,099	1,570,368	280,859	1,392,064
<b>Net cash from Operating Activities</b>		<b>7,347,342</b>	<b>7,174,004</b>	<b>(2,136,870)</b>	<b>5,617,380</b>
<b>Cash flow from Investing activities</b>					
Capital expenditure for property, plant and equipment and intangible assets		(13,204,017)	(9,185,842)	(6,782,906)	(6,734,075)
Disposals of property, plant and equipment and intangible assets		16,149	13,164	9,879	11,660
Interest and related income received		86,303	101,761	85,802	9,304
Restricted cash	17	(310,118)	38,231	(10,118)	-
<b>Net cash used in Investing Activities</b>		<b>(13,411,683)</b>	<b>(9,032,686)</b>	<b>(6,697,343)</b>	<b>(6,713,111)</b>
<b>Cash flows from Financing Activities</b>					
Net proceeds from the issuance of share capital		28,491,696	-	28,491,696	-
Net change in long -term borrowings		-	(6,240)	-	-
Repayment of long-term borrowings		-	(10,000,000)	-	(10,000,000)
Net change in short -term borrowings		-	(5,106)	-	-
Interest paid		(1,766,261)	(5,089,862)	(7,060)	(1,200,585)
Net change in leases		(1,927,654)	(3,285,079)	(119,027)	(115,250)
<b>Net cash from financing activities</b>		<b>24,797,781</b>	<b>(18,386,287)</b>	<b>28,365,609</b>	<b>(11,315,835)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,733,440</b>	<b>(20,244,969)</b>	<b>19,531,396</b>	<b>(12,411,566)</b>
<b>Cash and cash equivalents at the beginning of period</b>	17	<b>14,689,747</b>	<b>32,571,829</b>	<b>5,582,295</b>	<b>16,319,853</b>
<b>Cash and cash equivalents at the end of period</b>	17	<b>33,423,187</b>	<b>12,326,860</b>	<b>25,113,691</b>	<b>3,908,287</b>

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, and 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 has 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 March 31, 2014 amounts to € 33,029,155.50, divided into 110,097,185 ordinary registered voting shares, each having a nominal value of € 0.30.

Forgendo Ltd., participates in Forthnet's share capital. As at March 31, 2014 the participation percentage was 44.022% (December 31, 2013: 44.022%). The ultimate parent company of Forgendo Ltd. is the Emirates International Telecommunications. Wind Hellas Telecommunications S.A. also participates in Forthnet's share capital. As at March 31, 2014, the participation percentage was 32.26% (December 31, 2013: 32.26%).

The accompanying interim condensed financial statements for the three-month period ended March 31, 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 S.A., 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 associate and is accounted for using the equity method in the consolidated financial statements. Based on the sale and purchase agreement a contingent consideration of €346 thousands was recognized as at December 31, 2013, which is included in other non-current assets.

Forthnet Media Holdings S.A. is a holding company and was incorporated in April 2008 and its principle activities are the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors, provides digital satellite transmission and operates the NOVACINEMA and NOVASPORTS channels. Additionally, other activities of the company 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 or texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs.

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

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

The subsidiary Multichoice (Cyprus) Public Company Ltd., which together with the Forthnet Group holds a contractual relationship with regard to the management of Multichoice Hellas S.A.'s subscribers in Cyprus, resolved, on June 9, 2011, at the Extraordinary General Meeting of its shareholders, the voluntary liquidation by its creditors pursuant to the provisions of the Cypriot Companies Law. Multichoice (Cyprus) Public Company Ltd. was delisted from the Cyprus Stock Exchange 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 on July 11, 2012, on its liquidation.

The Group's number of employees at March 31, 2014, amounted to 1,408, while that of the Company to 843. At March 31, 2013, the respective number of employees was 1,325 for the Group and 776 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 fiscal year 2010 losses were greater than 30% of its equity.

The Board of Directors of Forthnet approved the separate and consolidated interim condensed financial statements for the period ended at March 31, 2014, on May 29, 2014.

## **2.1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:**

The accompanying separate and consolidated interim condensed financial statements that relate to the three-month period ended on March 31, 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 2013, which are available on the internet in the address [www.forthnet.gr](http://www.forthnet.gr).

No items of the previous period financial statements were reclassified in order to conform to the current year's presentation.

## **2.2 BASIS OF CONSOLIDATION:**

The consolidated financial statements comprise the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

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

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the 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 at January 1, 2014.

#### **New standards, interpretation and amendmends adopted by the Group and the Company**

New 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
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- 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**  
 Amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendment has not been yet endorsed by the European Union ("EU").

- **Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations**  
IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The amendment has not been yet endorsed by the EU.
- **IFRS 15 Revenue from Contracts with Customers**  
The IASB and FASB have issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers, which replaces all existing IFRS and US GAAP revenue requirements. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment). Application is required for annual periods beginning on or after 1 January 2017, but early adoption is permitted under IFRS. The standard has not been yet adopted by the EU.

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 March 31, 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"), with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement for the NBL and has not made contractual payments of € 61.5 million through the date of the financial statements were authorized for issue. Accordingly, as at March 31, 2014, the Group has retained the classification of all outstanding balances of such bond loans amounting to € 323.8 million and € 99.9 million for the Group and Company, respectively, as current. The classification of the outstanding balances of the bond loans as current has, among others, led to the Group's and the Company's current liabilities exceeding their current assets by approximately € 382.5 million and € 52.3 million, respectively, as at March 31, 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 March 31, 2015, which include € 160.0 million in principal repayments. To this effect the Company contracted an independent financial advisor to, among others, assist the Management of the Group (i) in formulating a refinancing proposal to be presented to the lending banks and, (ii) coordinate all respective procedures with respect to the refinancing of the bond loans. Management together with the advisor have initiated discussions with the lending banks and submitted a refinancing proposal to such banks on March 19, 2013.

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

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-March 31		January 1-March 31	
	2014	2013	2014	2013
<b>Operating Revenues</b>				
<b>Direct Retail Services</b>	<b>80,094,446</b>	<b>79,154,054</b>	<b>40,607,213</b>	<b>40,190,252</b>
Bundled services (2play)	21,757,945	30,007,604	20,082,974	30,015,026
Bundled services (3play)	12,513,560	-	12,513,560	-
Telephony	3,353,092	4,633,615	3,376,787	4,633,615
ADSL	2,656,799	3,990,342	2,702,345	4,015,638
Pay-TV Revenues	37,881,503	38,996,520	-	-
Other	1,931,547	1,525,973	1,931,547	1,525,973
<b>Indirect Retail Services</b>	<b>1,077,747</b>	<b>1,285,824</b>	<b>1,077,747</b>	<b>1,285,824</b>
Telephony	106,097	172,522	106,097	172,522
ADSL	902,110	1,029,960	902,110	1,029,960
Other	69,540	83,342	69,540	83,342
<b>Direct Business Services</b>	<b>9,062,101</b>	<b>10,216,912</b>	<b>9,062,101</b>	<b>10,285,963</b>
<b>E-business</b>	<b>362,482</b>	<b>320,195</b>	<b>362,482</b>	<b>326,195</b>
<b>Pay-TV Advertising Revenue</b>	<b>3,638,577</b>	<b>2,729,664</b>	-	-
<b>Forth CRS</b>	<b>422,300</b>	<b>404,621</b>	-	-
<b>Equipment</b>	<b>862,363</b>	<b>1,292,386</b>	<b>65,469</b>	<b>181,040</b>
<b>Other services</b>	<b>278,794</b>	<b>582,242</b>	<b>4,837,829</b>	<b>1,448,950</b>
<b>Total</b>	<b>95,798,810</b>	<b>95,985,898</b>	<b>56,012,841</b>	<b>53,718,224</b>

Billed revenue which has been deferred and will be recognised as income in subsequent periods for the Group and the Company as at March 31, 2014, amounted to € 44,458,236 and € 29,105,428, respectively, of which, amount of € 11,102,110 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 € 28,552,651 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 March 31, 2014, amounted to € 6,227,365 and € 5,747,648, respectively (at December 31, 2013, 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 March 31, 2014, relate to 3play commissions and 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 semester 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-March 31		January 1-March 31	
	2014	2013	2014	2013
Wages and salaries	9,097,882	8,801,750	5,360,486	5,079,292
Social security costs	1,823,654	1,837,542	1,134,939	1,095,487
Staff retirement indemnities	96,593	155,327	93,343	101,181
Other staff costs	211,631	182,012	134,536	97,127
	<b>11,229,760</b>	<b>10,976,631</b>	<b>6,723,304</b>	<b>6,373,087</b>
Less: Amounts capitalised	(649,452)	(560,951)	(529,219)	(524,242)
<b>Total</b>	<b>10,580,308</b>	<b>10,415,680</b>	<b>6,194,085</b>	<b>5,848,845</b>

## 7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) are analysed as follows:

	The Group		The Company	
	January 1-March 31		January 1-March 31	
	2014	2013	2014	2013
Interest on long-term borrowings (Note 18)	(3,206,813)	(3,141,638)	(1,148,250)	(1,176,167)
Interest on short-term borrowings (Note 18)	(29,312)	(41)	-	-
Finance charges paid under finance leases	(1,808,434)	(1,917,496)	(7,060)	(10,780)
Bond loan costs	(264,075)	(264,075)	(60,252)	(60,252)
Other financial costs (Note 17 and 22)	(445,499)	(1,371,611)	(56,546)	(65,219)
<b>Total financial expenses</b>	<b>(5,754,133)</b>	<b>(6,694,861)</b>	<b>(1,272,108)</b>	<b>(1,312,418)</b>
Interest earned on cash at banks and on time deposits (Note 17)	86,303	101,761	85,802	78,788
Other financial income (Note 22)	-	726,613	2,975	-
<b>Total financial income</b>	<b>86,303</b>	<b>828,374</b>	<b>88,777</b>	<b>78,788</b>
<b>Total financial income/(expenses), net</b>	<b>(5,667,830)</b>	<b>(5,866,487)</b>	<b>(1,183,331)</b>	<b>(1,233,630)</b>

**8. SUNDRY EXPENSES:**

Sundry expenses are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>January 1-March 31</b>		<b>January 1-March 31</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Third party fees and services	6,810,528	6,653,097	4,110,166	2,493,801
Taxes and duties	300,712	345,507	252,047	258,646
Sundry expenses	2,308,074	2,025,191	686,314	1,139,708
Allowance for doubtful accounts receivable (Note 15)	1,290,450	986,639	1,032,180	1,003,392
Maintenance	1,743,285	1,758,288	1,054,709	1,218,134
Rentals	602,068	645,435	214,617	239,953
Commissions	2,519,896	2,353,731	3,281,994	1,242,865
Building function costs	666,774	601,534	457,603	422,049
<b>Total</b>	<b>16,241,787</b>	<b>15,369,422</b>	<b>11,089,630</b>	<b>8,018,548</b>

Third party fees and services and commission for the Company, as of March 31, 2014, include 3play commissions and 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 semester of 2013) (Note 4).

**9. INCOME TAXES:**

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

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

	<b>The Group</b>		<b>The Company</b>	
	<b>January 1-March 31</b>		<b>January 1-March 31</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current income taxes	-	210,188	-	-
Income taxes from prior years	44,422	-	-	-
Deferred income taxes	763,043	3,944,260	207,324	(4,461,708)
<b>Total income taxes (credit) / debit reflected in the statements of total comprehensive income</b>	<b>807,465</b>	<b>4,154,448</b>	<b>207,324</b>	<b>(4,461,708)</b>

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 exceptionally, if deemed necessary by the tax authorities based on specific criteria. The tax liabilities of the companies remain open to be audited by the tax authorities for a certain period of time according to each country's applicable tax legislation.

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

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

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

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

## 10. GOODWILL:

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

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
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)	-	-
<b>Total</b>	<b>83,168,812</b>	<b>83,168,812</b>	<b>512,569</b>	<b>512,569</b>

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

The Group did not test goodwill for impairment as at March 31, 2014, as there were no relevant circumstances indicating that the carrying value may be impaired. The circumstances indicating that the carrying value may be impaired will be re-examined at June 30, 2014.

#### 11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2014 until March 31, 2014, the total investments of the Group's tangible assets amounted to € 1,834,234 and those of the Company's amounted to € 1,778,044 and refer mainly to the expansion of Forthnet's private network (at March 31,2013 amounted to € 1,923,482 and € 1,860,027 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 March 31, 2014 and at December 31, 2013, amounted to € 75,747,027 and € 78,150,545, respectively. For the Company the related amounts are € 2,927,685 and € 2,982,193 at March 31, 2014 and at December 31, 2013, respectively.

#### 12. INTANGIBLE ASSETS:

During the period from January 1, 2014 until March 31, 2014, the total investments of the Group's intangible assets amounted to € 11,369,783 and those of the Company amounted to € 5,004,862 and refer mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at March 31,2013, amounted to € 7,262,360 and € 4,874,048 for the Group and the Company, respectively).

#### 13. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables are analysed as follows:

	<b>The Group</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>
Purchased sports rights	44,234,561	111,271,741
Licensed film rights	5,968,732	8,318,238
<b>Cost of Sports and Film Rights</b>	<b>50,203,293</b>	<b>119,589,979</b>
Purchased sports rights	(16,408,969)	(67,372,116)
Licensed film rights	(784,995)	(2,859,894)
<b>Sports and Film Rights Amortisation</b>	<b>(17,193,964)</b>	<b>(70,232,010)</b>
Purchased sports rights	27,825,592	43,899,625
Licensed film rights	5,183,737	5,458,344
<b>Sports and Film Rights, net value</b>	<b>33,009,329</b>	<b>49,357,969</b>
Less: Programme and film rights short-term	33,009,329	49,357,969
<b>Programme and sports film rights, long-term</b>	<b>-</b>	<b>-</b>

**14. INVENTORIES:**

Inventories are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
Merchandise	7,751,536	7,775,634	1,717,880	1,658,620
Consumables	121,820	147,797	-	-
Obsolete & slow moving provision	(1,306,722)	(1,306,722)	(643,869)	(643,869)
<b>Total</b>	<b>6,566,634</b>	<b>6,616,709</b>	<b>1,074,011</b>	<b>1,014,751</b>

The movement in the obsolete inventories is analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
<b>Beginning balance</b>	<b>1,306,722</b>	<b>1,392,105</b>	<b>643,869</b>	<b>618,031</b>
Provision for the period/ year	-	38,968	-	38,968
Less: Utilisation	-	(124,351)	-	(13,130)
<b>Ending balance</b>	<b>1,306,722</b>	<b>1,306,722</b>	<b>643,869</b>	<b>643,869</b>

**15. TRADE ACCOUNTS RECEIVABLE:**

Trade accounts receivable are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
Domestic customers	94,594,972	92,018,956	57,959,029	58,655,588
Foreign customers	2,580,597	2,297,744	1,720,007	1,511,699
Receivables from Greek State	1,794,877	1,832,315	1,608,883	1,638,886
Cheques and notes receivable	2,806,105	2,718,010	1,400,345	1,465,544
Unbilled revenue (note 4)	6,227,365	3,478,154	5,747,648	3,054,031
	<b>108,003,916</b>	<b>102,345,179</b>	<b>68,435,912</b>	<b>66,325,748</b>
Less: Allowance for doubtful accounts receivable	(44,298,192)	(43,064,616)	(30,767,637)	(29,763,403)
<b>Total</b>	<b>63,705,724</b>	<b>59,280,563</b>	<b>37,668,275</b>	<b>36,562,345</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
<b>Beginning balance</b>	<b>43,064,616</b>	<b>38,318,104</b>	<b>29,763,403</b>	<b>25,755,460</b>
Provision for the period/ year (Note 8)	1,290,450	6,136,326	1,032,180	5,189,372
Less: Utilisation	(56,874)	(1,389,814)	(27,946)	(1,181,429)
<b>Ending balance</b>	<b>44,298,192</b>	<b>43,064,616</b>	<b>30,767,637</b>	<b>29,763,403</b>

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

## 16. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in are analysed as follows:

	The Group		The Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Receivables due from the Greek State	1,527,059	1,519,647	609,942	587,273
Prepaid expenses	3,330,460	3,708,946	1,957,441	2,464,670
Value Added Tax	2,386,802	4,063,119	-	-
Advances to suppliers	496,226	567,988	281,673	353,434
Other debtors	3,182,445	2,977,246	2,334,517	2,181,196
	<b>10,922,992</b>	<b>12,836,946</b>	<b>5,183,573</b>	<b>5,586,573</b>
Less: Allowance for doubtful other receivables	(1,725,308)	(1,725,308)	(725,308)	(725,308)
<b>Total</b>	<b>9,197,684</b>	<b>11,111,638</b>	<b>4,458,265</b>	<b>4,861,265</b>

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 15 years (with various expiration dates ending up to June 17, 2035). An amount of € 9,374,497 (December 31, 2013: € 9,605,823) which relates to the invoiced amount for the period from April 1, 2015, until December 31, 2027, is included in other non-current assets. Amounts billed by the Company to the other provider for the mutual concession for the use of its optical fibre infrastructure are reported as deferred income € 1,405,932 (December 31, 2013: € 1,148,171) and other long-term liabilities € 11,102,110 (December 31, 2013: € 9,605,823).

## 17. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Cash in hand	33,773	47,176	10,957	12,700
Cash at banks	33,389,414	14,594,889	25,102,734	5,569,595
Time deposits	-	47,682	-	-
<b>Total</b>	<b>33,423,187</b>	<b>14,689,747</b>	<b>25,113,691</b>	<b>5,582,295</b>
Restricted cash	310,118	-	10,118	-
<b>Total</b>	<b>33,733,305</b>	<b>14,689,747</b>	<b>25,123,809</b>	<b>5,582,295</b>

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended March 31, 2014, amounted to € 86,303 and € 85,802 for the Group and the Company, respectively, (for the period ended March 31, 2013, € 101,761 and € 78,788 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 7).

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

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

In 2013, the Group recorded a provision for impairment of its cash at Cypriot Banks of approx. € 0.85 million which is included in other financial costs (Note 7). 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 March 31, 2014 and at December 31, 2013, are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31.03.2014</u>	<u>31.12.2013</u>	<u>31.03.2014</u>	<u>31.12.2013</u>
Bond loan	323,807,881	323,543,806	99,910,940	99,850,688
<b>Less current portion:</b>				
Bond loan	323,807,881	323,543,806	99,910,940	99,850,688
<b>Total</b>	-	-	-	-
<b>Long-term portion</b>	-	-	-	-

#### **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, December 31, 2012, June 30, 2013 and December 31, 2013, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/Normalised EBITDA and Net Debt/Equity). As at June 30, 2013 and December 31, 2013, the Group was not in compliance with an additional financial covenant under the EBL (Normalized EBITDA/Total Interest). Accordingly, the outstanding balance of the EBL was classified as current. As at March 31, 2014, the Group remained technically non-compliant in 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/Normalised EBITDA and Net Debt/Equity). Additionally, as at December 31, 2012, the Group was not in compliance with the minimum number of its active LLU subscribers required by the NBL and as at June 30, 2013 and December 31, 2013, the Group was not in compliance with one additional financial covenant under the NBL (Normalised EBITDA/Total Interest). Accordingly, the outstanding balance of the NBL was classified as current. As at March 31, 2014, the Group remained technically non-compliant in 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 financial statements audited by certified auditors accountants throughout the term of the bond facility.

As at June 30, 2011, December 31, 2011 and June 30, 2012, December 31, 2012, June 30, 2013 and December 31, 2013, the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/Normalised EBITDA and Net Debt/Equity). As at June 30, 2013 and December 30, 2013, the Group was not in compliance with an additional financial covenant under the EBL (Normalized EBITDA/Total Interest). Accordingly, the outstanding balance of the EBL was classified as current. As at March 31, 2014, the Group remained technically non-compliant in 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. 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/Normalised EBITDA and Net Debt/Equity). 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 by the NBL and as at June 30, 2013 and December 31, 2013, the Group was not in compliance with one additional financial covenant under the NBL (Normalised EBITDA/ Total Interest). Accordingly, the outstanding balance of the NBL was classified as current. As at March 31, 2014, the Group remained technically non-compliant in these financial covenants and the same classification has been maintained for the outstanding balance of the NBL.

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

1. The financial covenants of Forthnet's EBL and NBL and the number of subscribers stipulated in the NBL, that were not in compliance and,
2. The payment of a € 12.5 million installment on the Forthnet Media Holdings S.A. bond loan, which was to be paid as at June 30, 2013, although no waiver was granted for the breach of financial and subscribers covenants of these bond loan for this period

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

1. The payment of a € 12.5 million installment on the Forthnet Media Holdings S.A. bond loan, which was to be paid as at September 30, 2013.
2. The payment of a € 10.0 million installment on the Forthnet S.A. bond loan, which was to be paid as at September 30, 2013, with a waiver fee of € 50 thousands, which represents the 0.5% of the postponed installment.

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 payments of a € 12.0 million 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.

As of the date that the financial statements were authorized for issue, the Group has not made contractual payments of € 61.5 required by its bond loan agreements (Note 3).

Total interest expenses on long-term loans for the period ended March 31, 2014 and 2013, amounted to € 3,206,813 and € 3,141,638, respectively for the Group and € 1,148,250 and € 1,176,167, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements.

**b) Short-term borrowings:**

The subsidiary 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 as well as the utilised portion.

	<b>The Group</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>
Credit lines available	1,418,000	1,700,000
Unused portion	-	(282,000)
<b>Used portion</b>	<b>1,418,000</b>	<b>1,418,000</b>

The total interest expense for short-term borrowings for the period ended March 31, 2014 and March 31, 2013, amounted to € 29,312 and € 41 for the Group and € 0 and € 0 for the Company, respectively, and are included in the financial expenses (Note 7), in the accompanying interim condensed financial statements.

## 19. FINANCE LEASE TRANSPONDER OBLIGATIONS:

The Group leases transmission equipment of a total value of € 123,739,891, with duration of twelve years (which has been extended for one more year), repayable in equal monthly instalments bearing interest at 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 5<sup>th</sup> 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:

	<b>The Group</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>
Obligation under finance lease of transponders	84,723,682	86,532,309
Less: Current portion	(7,624,445)	(7,466,824)
<b>Long-term portion</b>	<b>77,099,237</b>	<b>79,065,485</b>

## 20. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
Programmes and Rights	17,556,385	33,048,290	1,723,709	9,480,399
Less: Current portion	(16,713,226)	(32,128,112)	(1,723,709)	(9,480,399)
<b>Long-term portion</b>	<b>843,159</b>	<b>920,178</b>	<b>-</b>	<b>-</b>

## 21. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
Domestic suppliers	90,191,201	83,985,915	41,641,492	39,505,509
Foreign suppliers	30,173,311	35,627,996	6,863,455	11,228,810
Post dated cheques payable	894,458	3,445,131	326,345	1,496,016
<b>Total</b>	<b>121,258,970</b>	<b>123,059,042</b>	<b>48,831,292</b>	<b>52,230,335</b>

## 22. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities are analysed as follows:

	The Group		The Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Social security payable	999,010	1,950,476	590,006	1,200,647
Value added tax	2,556,579	5,836,583	2,436,991	2,681,281
Other taxes and duties	1,694,284	1,851,183	783,729	905,741
Customer advances	71,031	71,031	-	-
Interest accrued	3,368,952	90,654	1,148,250	-
Other current liabilities	8,694,255	6,420,168	3,821,435	2,477,827
Interest rates swaps	3,745,990	4,711,417	-	-
<b>Total</b>	<b>21,130,101</b>	<b>20,931,512</b>	<b>8,780,411</b>	<b>7,265,496</b>

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 125 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
20,000,000	30/09/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
25,000,000	30/06/2014	3months EURIBOR
20,000,000	30/09/2014	3months EURIBOR
<b>125,000,000</b>		

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 March 31, 2014, were € 667 thousand (at March 31, 2013: gain of €1.332 thousand).

Realised losses from the interest rate swap transactions during the period ended March 31, 2014 for the Group were € 890 thousands (at March 31, 2013: € gain of 932 thousand).

The net amount of € 223 thousands for the three-month period ended March 31, 2014, is included in other financial costs (Note 7), in the accompanying financial statements (at March 31, 2013: profits € 0.4 million were included in other financial costs).

### 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 Company</u>	<u>Period ended at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.03.2013 31.03.2014	593,638 361,583	466,490 704,042
Technology and Research Foundation	Shareholder	31.03.2013 31.03.2014	16,254 12,791	11,854 4,752
Forth CRS S.A.	Related Party	31.03.2013 31.03.2014	24,243 26,244	- 53,071
Multichoice Hellas S.A.	Subsidiary	31.03.2013 31.03.2014	1,823,822 4,731,411	(7,520) 501,487
Interoute Spa (Italy)	Related Party	31.03.2013 31.03.2014	37,234 57,241	- -
Interoute Bulgaria JS Co	Related Party	31.03.2013 31.03.2014	62,400 63,600	118,500 173,148
Interoute CzechSro	Related Party	31.03.2013 31.03.2014	513 451	28,003 27,371
NETMED S.A.	Subsidiary	31.03.2013 31.03.2014	33,316 25,969	- -
Forthnet Media Holdings S.A.	Subsidiary	31.03.2013 31.03.2014	422,139 386,225	6,500 -
Emirates International Telecommunications	Indirect Shareholder	31.03.2013 31.03.2014	- -	- 228,040
	<b>Total</b>	<b>31.03.2013</b>	<b>3,013,559</b>	<b>623,827</b>
	<b>Total</b>	<b>31.03.2014</b>	<b>5,665,515</b>	<b>1,691,911</b>

<u>Related Party</u>	<u>Relation with Company</u>	<u>Year/ period ended</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2013 31.03.2014	468,922 229,087	901,415 412,367
Go Plc	Indirect Shareholder	31.12.2013 31.03.2014	4,293 4,293	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2013 31.03.2014	- -	803,325 794,608
Technology and Research Foundation	Shareholder	31.12.2013 31.03.2014	26,009 15,064	3,876 1,366
Forth CRS S.A.	Subsidiary	31.12.2013 31.03.2014	616,038 648,318	4,613 43,140
Telemedicine Technologies S.A.	Associated	31.12.2013 31.03.2014	3,734 3,734	- -
Athlonet S.A.	Associated	31.12.2013 31.03.2014	11,502 11,502	8,060 8,060
Multichoice Hellas S.A.	Subsidiary	31.12.2013 31.03.2014	21,103,894 21,636,819	8,467,831 5,088,313
Interoute Spa (Italy)	Related Party	31.12.2013 31.03.2014	40,876 43,515	- -
Interoute Bulgaria JS Co	Related Party	31.12.2013 31.03.2014	62,400 63,600	202,034 244,007
Interoute Czech Sro	Related Party	31.12.2013 31.03.2014	323 289	171,455 109,681
Forthnet Media Holdings S.A.	Subsidiary	31.12.2013 31.03.2014	42,773,092 41,138,350	493,174 329,135
NetMed S.A.	Subsidiary	31.12.2013 31.03.2014	327,390 359,285	- 249
	<b>Σύνολα</b>	<b>31.12.2013</b>	<b>65,438,472</b>	<b>11,055,782</b>
	<b>Σύνολα</b>	<b>31.03.2014</b>	<b>64,153,856</b>	<b>7,030,926</b>

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

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

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

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

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

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

**HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.**  
Interim Condensed Financial Statements for the three-month period ended March 31, 2014  
(amounts in Euro, unless stated otherwise)

<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	31.03.2013 31.03.2014	593,638 361,583	466,490 704,042
Interoute Spa (Italy)	Related Party	31.03.2013 31.03.2014	37,234 57,241	- -
Interoute Bulgaria JsCo	Related Party	31.03.2013 31.03.2014	62,400 63,600	118,500 173,148
Interoute Czech Sro	Related Party	31.03.2013 31.03.2014	513 451	28,003 27,371
Emirates International Telecommunications	Indirect Shareholder	31.03.2013 31.03.2014	- -	- 228,040
Technology and Research Foundation	Shareholder	31.03.2013 31.03.2014	16,254 12,791	11,854 4,752
	<b>Total</b>	<b>31.03.2013</b>	<b>710,039</b>	<b>624,847</b>
	<b>Total</b>	<b>31.03.2014</b>	<b>495,666</b>	<b>1,137,353</b>

<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 31.03.2014	468,922 229,087	901,415 410,791
Telemedicine Technologies S.A.	Associated	31.12.2013 31.03.2014	3,734 3,734	- -
Go Plc	Indirect Shareholder	31.12.2013 31.03.2014	4,293 4,293	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2013 31.03.2014	- -	803,325 794,608
Technology and Research Foundation	Shareholder	31.12.2013 31.03.2014	26,009 15,064	3,876 1,366
Lumiere Productions A.E.	Shareholder	31.12.2013 31.03.2014	- -	6,378 6,378
Lumiere Cosmos Communications	Indirect Shareholder	31.12.2013 31.03.2014	- -	10 10
Athlonet S.A.	Associated	31.12.2013 31.03.2014	11,502 11,502	8,060 8,060
Interoute Spa (Italy)	Related Party	31.12.2013 31.03.2014	40,876 43,515	- -
Interoute Bulgaria JsCo	Related Party	31.12.2013 31.03.2014	62,400 63,600	202,034 244,007
Interoute Czech Sro	Related Party	31.12.2013 31.03.2014	323 289	171,455 109,681
	<b>Total</b>	<b>31.12.2013</b>	<b>618,059</b>	<b>2,096,553</b>
	<b>Total</b>	<b>31.03.2014</b>	<b>371,084</b>	<b>1,574,901</b>

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 three-month periods ended March 31, 2014 and 2013, are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31.03.2014</u>	<u>31.03.2013</u>	<u>31.03.2014</u>	<u>31.03.2013</u>
Salaries and fees for executive members of the BoD	62,424	62,424	62,424	62,424
Salaries and fees for non executive members of the BoD	30,450	35,008	30,450	35,008
Salaries and fees for Senior Managers	678,751	546,184	301,205	361,127
<b>Total</b>	<b>771,625</b>	<b>643,616</b>	<b>394,079</b>	<b>458,559</b>

Furthermore, benefits provided by the Group and the Company for the current period to members of the Board of Directors and Management relating to social security amounted to € 12,739 for both the Group and the Company (March 31, 2013: € 25,500), whereas benefits relating to leaving indemnities amounted to € 0 and € 0 respectively (March 31, 2013: € 437,150 and € 417,900, respectively).

## 24. COMMITMENTS AND CONTINGENCIES:

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

**Compensation of Senior Executives:** According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation at the end of their employment term which liability has been included in the provision for staff retirement indemnities. In addition, in case of early termination of their contracts by the Company without grounds or in case of forced resignation, the Company shall pay to them an additional compensation. The amount of the additional compensation amounted to approximately € 0.75 million at March 31, 2014 (approximately € 0,9 million at December 31, 2013) (Note 6).

**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 attain 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 amount of approximately € 9 million was included in Government grants.

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

**Agreements with Information Society S.A.:** On March 12, 2007, the Company signed two agreements with Information Society S.A., which are subject to the development programme "INFORMATION SOCIETY" and specifically the sub-projects 6 & 7, within the framework of the action for "Financing Businesses for the development of Broadband Access in the Regions of Greece". Based on the agreements' forecasts, the overall budget for the 2 sub-projects equals to € 55.6 million, of which, an amount of € 42.3 million concerns Milestone I (Broadband Access Development), while an amount of € 13.3 million concerns Milestone II (Enhancement of demand for Broadband Services). The available funding for the two milestones reaches 50% of the budgeted amount and its implementation 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.

#### 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 March 31, 2014 and at December 31, 2013, are as follows:

	The Group		The Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Within one year	2,342,278	2,394,986	883,086	930,481
2-5 years	8,749,590	8,392,659	2,902,838	2,558,291
Over 5 years	1,994,989	2,450,443	748,677	812,383
<b>Total</b>	<b>13,086,857</b>	<b>13,238,088</b>	<b>4,534,601</b>	<b>4,301,155</b>

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

	The Group		The Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Performance Guarantee	6,009,365	5,719,808	412,637	413,080
Participation in tender Guarantee	33,738	30,213	33,738	30,213
Guarantees for good execution of agreements	3,856,363	14,208,398	3,798,775	14,160,810
<b>Total</b>	<b>9,899,466</b>	<b>19,958,419</b>	<b>4,245,150</b>	<b>14,604,103</b>

Guarantees for the good execution of agreements have decreased as at March 31, 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 € 161.5 million and for the Company amounted to approximately € 72.6 million at March 31, 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 € 2.6 million (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.

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

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted market prices

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observable)

During the 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 March 31, 2014 and December 31, 2013, the Group and the Company held the following financial instruments measured at fair value:

	<b>The Group</b>			
	<b>Fair value 31.03.2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities</b>				
Interest rate swaps (Note 22)	-	3,745,990	-	<b>3,745,990</b>
Long - term loans (Note 18)	-	323,807,881	-	<b>323,807,881</b>

	<b>The Group</b>			
	<b>Fair value 31.12.2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities</b>				
Interest rate swaps (Note 22)	-	4,711,417	-	<b>4,711,417</b>
Long - term loans (Note 18)	-	323,543,806	-	<b>323,543,806</b>

	<b>The Company</b>			
	<b>Fair value 31.03.2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Σύνολο</b>
<b>Financial liabilities</b>				
Long - term loans (Note 18)	-	99,910,940	-	<b>99,910,940</b>

	<b>The Company</b>			
	<b>Fair value 31.12.2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Σύνολο</b>
<b>Financial liabilities</b>				
Long - term loans (Note 18)	-	99,850,688	-	<b>99,850,688</b>

## 26. LITIGATION – ARBITRATION:

### A. FORTHNET S.A.

- (a) Forthnet's outstanding judicial claims against third parties amount to approximately € 35,7million.
- i) Approximately € 26.7 million of this amount concern a claim against OTE by virtue of the law suit filed on December 31, 2002, with regard to the positive damages claimed to have been suffered by the Company in the case of EPAK (preferential treatment by OTE to its subsidiary, OTEnet), approximately € 293 thousand consisting of a claim against OTE for moral damages that the Company has suffered for the same cause.

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

Furthermore, the following EETT's Decisions have been issued and served to our company: (a) EETT's DECISION No. 695/60/27.06.2013 that concerns the 26.03.2010 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this resolution, OTE was ordered to credit Forthnet in 3,316 cases that totally correspond to the amount of € 178,002.88, while a fine of € 331,600 was additionally imposed to OTE. (b) EETT's DECISION No. 692/36/30.05.2013 that concerns the 05.09.2011 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this resolution, OTE was ordered to credit Forthnet in 1,492 cases that totally correspond to the amount of € 79,333.46, while a fine of € 149,200 was additionally imposed to OTE. (c) EETT's DECISION No. 690/21/14.05.2013 that concerns the 15.02.2012 Dispute Resolution Request of Forthnet regarding its right to charge wasteful travel fees at the expense of OTE for local loop's failure. With this Decision, the right of Forthnet to charge wasteful travel fees in specific cases was acknowledged and by virtue of this Decision, Forthnet proceeded to the billing of OTE with the amount of € 226,188.43. (d) EETT's DECISION No. 640/50/21.02.2012 that concerns the 15.11.2011 complaint of Forthnet for charges of OTE wasteful travels fees for the fixing of local loop failures with the justification "non-accessible building", which charges were not in accordance with the legislative framework. With this decision, OTE was ordered to credit to Forthnet the imposed charges during the time period from October 2010 up to June 2011, which charges amounted to € 78,000, an amount that was refunded by OTE to Forthnet. With the same resolution, a fine of € 250,000 had been imposed to OTE for its illegitimate conduct. (e) For the same matter of the charges of OTE wasteful travel fees with the justification "non-accessible building", which charges were not in accordance with the legislative framework. Forthnet had filed a new complaint to EETT on 11.02.2012, further to which, EETT's DECISION No. 695/62/27.06.2013 was issued, by which a fine of € 125,000 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 € 206,000.

OTE has appealed to the competent courts against the resolutions of EETT under (a), (b) and (d). It is expected that it will also appeal to the competent administrative courts against the other aforementioned resolutions of EETT under (c) and (e).

In addition, there are pending decisions related to two hearings from EETT which took place in 2005, of which, the first one relates to OTE's denial to recognize wholesale volume discounts and the second one to the illegal invoicing of circuits of the Company and the obligation of OTE regarding the return of amounts unduly paid. Finally, EETT's decision has been issued regarding unjustified electricity charges at Physical Collocations, according which OTE was obliged to apply a clearance of the invoices that had issued at the expense of the operators concerning the charges for electricity at physical collocations for the term between February 2007 and August 2009, applying the model as set out in the aforementioned decision. OTE paid to the Company the amount of 841.464,72€ in December 2012, yet it has appealed to the competent administrative courts against the relevant resolution of EETT.

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

- ii) The remaining (apart from the above claims concerning regulatory and telecommunication law matters under 1.) judicial claims of the Company against third parties amount to approximately € 4.4millions. The Company has recorded equal provision for the above claims (allowance for doubtful accounts receivable).
- iii) Furthermore, there is a claim of the Company against the Greek State for the project of the Ministry of Internal Affairs "National Public Administration Network - SYZEFXIS", for the year 2012.

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, the company, for the provision of the aforementioned services during the first half of fiscal year 2012, requests the amount of € 943 thousand, not including VAT and for the second half of fiscal year 2012 the amount of € 944 thousand, not including VAT. For the first half of fiscal year 2012, the application of the Company was partially accepted for payment to the Company of the amount of €693 thousand not including VAT. The said amount has been already paid.

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

For the project ("SYZEFXIS") the Company had recorded unbilled revenue in its financial statements for an amount of € 2.38 million.

- iv) During an audit, the Company discovered the abuse of a significant amount of money by an employee of its accounting department together with her spouse of approximately € 2.37 million. Consequently, the Company filed charges against the above persons for the criminal acts of counterfeiting and fraud while at the same time took the necessary legal actions before the civil courts for compensation for the damages suffered. The Company has recorded the necessary provisions in its financial statements.
- v) Also, there is a claim of the Company against TSPEATH for the return of undue amounts paid regarding advertisements tax ("aggeliosimo"): for the year 2002 amounting to € 252 thousands, for the year 2003 amounting to € 433 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 against the aforementioned judgement that has rejected the administrative action, the hearing of which is pending for the scheduled day. The hearing of the

aforementioned Lawsuit took place during the scheduled hearing day upon postponement, and the issue of a judgement is expected.

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) Complaint filed by OTE before the National Competition Commission concerning alleged breach, on the part of the controlled company /subsidiary Multichoice Hellas S.A., of provisions on competition (according to Law 703/77), with relation to the exclusive carriage agreements of audiovisual content executed between Multichoice Hellas S.A. and Greek Free-To-Air national TV stations. The case was heard on March 26, 2012, before the NCC, which accepted the commitments offered by FORTHNET (lifting of the exclusivity in the contracts that Multichoice Hellas S.A. maintains with the Free-To-Air national TV stations channels). NCC did not proceed to further examination of the case and/or to the imposition of any fine against Forthnet or Multichoice Hellas S.A. The right for the lodging of an appeal has elapsed and consequently the case has finally closed for the company.
- iii) Following the conclusion of the Content Supply Agreement between Forthnet Media Holdings S.A. and Cyprus Telecommunication Authority ("CYTA"), the Commission for the Protection of Competition of the Republic of Cyprus launched an inquiry for a reported violation of the provisions of competition (according to articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as to articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), either by the Company itself or by its controlled companies/subsidiaries Multichoice Hellas S.A. and Forthnet Media Holdings S.A. With relation to the same case, Primetel, a Cypriot telecom company, has filed a complaint before the Commission against Multichoice Hellas S.A. and Forthnet. This consolidated case is under investigation by the Competition Commission and the Group has provided responses to the relevant questionnaires sent by the Competition Commission. The Commission notified to the company, on May 2014, a statement of accusations, in which it is mentioned that there are speculated violations of the law regarding the protection of the competition in Cyprus, as well as of article 101(1) of the TFEU, while at the same time a date of hearing of the case before the Commission was scheduled for June 2014. The company will submit a written report with its points of view and will refute the points set forth in the statement of accusations, through the written report, as well as during the hearing before the Commission. For the time being, there is not any possibility for a financial appraisal of the aforementioned case, for the Group.

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

**B. FORTHNET MEDIA HOLDINGS S.A.**

- (a) The outstanding judicial claims of third parties against the subsidiary, Forthnet Media Holdings S.A. (hereinafter FMH, which merged and absorbed NetMed Hellas S.A. and SYNED S.A.) amount to € 6.1 million approximately, plus interest and legal expenses. From the abovementioned amount:
- i) € 4.6 million approximately plus interest, concern claims of 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 its agreement 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 is entitled to lodge an appeal.

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

- (b) The outstanding judicial claims of the subsidiary FMH (arisen by the absorbed NetMed Hellas S.A.) against third parties amount to € 25.6 million approximately, plus interest and expenses. From the abovementioned amount:
- i) € 12.7 million approximately, plus interest and expenses, relates to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damages incurred by FMH (ex NetMed Hellas S.A.) due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. Most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 18.6 million, ultimately the court decided on a compensation of € 0.2 million. However, the third parties are apparently not in a financial position to reimburse the Company .
  - ii) € 4.44 million approximately, plus interest and expenses, relates to the company's claims against the companies «EIDISEIS DOT COM S.A.» and «Radio and TV Business S.A.» for the restitution of damages incurred by FMH due to the unlawful broadcast (via TV and internet), without FMH's permission, of highlights of the matches of PAE, played in the course of the SUPERLEAGUE football championship during the period 2011-2012. It is noted that FMH has acquired the exclusive broadcast rights of the PAE matches (including their highlights). The case has not been heard yet .
  - iii) A lawsuit against the company ERT S.A., Alpha Bank and Piraeus Bank by which it is requested to be acknowledged that our company does not owe the minimum guaranteed consideration of €2.9 million per year from November 10, 2008 or, alternatively if it does not apply for 2008, from November 10, 2010, but instead, a percentage on the real basis of its terrestrial analogue subscribers. The claim on the main and supportive basis consists of the acknowledgment of the non existence of a payment right, accordingly it is not evaluated as an actual monetary claim against ERT but as a negative obligation to pay. The case has not been heard yet.

- iv) A lawsuit against the Greek Football Federation (EPO), by which the cancellation of a BoD decision is required. By virtue of the said BoD decision, EPO rejected the company's participation in the tender for the acquisition of the TV rights of the Greek Soccer Cup for the periods 2013-2014 to 2015-2016 and awarded the tender to a third company. The reason for the cancellation is based on legal grounds (the company to which the tender was awarded is not a TV entity, as required by article 84 of L. 2725/1999) The case was heard and no. 731/2014 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 19.2.1015. . The case does not contain any compensational claims and its outcome cannot be assessed.
- v) An amount of approximately € 3.9 million, plus interests and expenses, concerns a claim of FMH against the companies "EIDISEIS DOT COM PROVISION OF INFORMATION AND INFORMING SOCIETE ANONYME" and "Radio and Telecommunication Enterprises S.A." for the reinstatement of the damage of the company due to the illegal rebroadcast (via TV and internet) of highlights of the games of the PAEs within the framework of the professional football SUPERLEAGUE championship of 2012-2013, the exclusive broadcasting rights of which are held by FMH. The case has not been heard yet.

**C. MULTICHOICE HELLAS S.A.**

- (a) The outstanding judicial claims of third parties against the subsidiary Multichoice Hellas S.A. amount to € 11.5 million approximately, plus interest and legal expenses. From the abovementioned amount :
  - i) € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years. Multichoice Hellas S.A. has filed appeals against the above actions before the Administrative Court of Athens. The appeals have been heard and court judgements have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to €0.34M , while for the fiscal year 1999 to €0.18M and the due taxes will be computed on the said amounts. The company has the right to lodge an appeal against the aforementioned judgements. For the final amount of tax that is going to be charged according to the above no related provision of loss has been made by the Company in its financial statements .
  - ii) € 460 thousand approximately concerns a lawsuit by UNITEK S.A., an agent of Multichoice Hellas S.A. by which it demanded payment of the aforementioned amount as a restitution for the loss of its clientele, by virtue of Presidential Decree 219/1991, due to the termination of the contract with Multichoice Hellas S.A. The First Instance court judgement accepted UNITEK S.A.'s lawsuit. Multichoice Hellas S.A. has filed an appeal.. The Appeals Court's decision rejected Multichoice Hellas S.A.'s appeals and verified (to its largest extent) the judgement of the First Instance, adjudicating in favour of UNITEK € 400 thousand, plus interests from the date of service of the lawsuit and judicial expenses € 15 thousand. Meanwhile, upon request of UNITEK, no. 42990/2013 order for payment was issued by the One-Member Court of First Instance of Athens, claiming the payment of the total amount of € 618.626,48 with interest. Multichoice Hellas S.A. filed a writ of cassation before the Supreme Court of Cassation (Arios Pagos) against the Appeals Court's decision, on which no. 859/2014 judgement was issued, which rejects the cassation. After this course of events, and the issue of the irrevocable judgement of Arios Pagos, the effect of the judgement that was ordering the caveat of enforcement of the order for payment ceased, and therefore the amount defined by no. 42990/2013 order for payment of the One-Member Court of the First Instance of Athens was immediately rendered due and payable to UNITEK, plus the amount of € 15 thousand of the judicial expense of the Court of Appeals. The company settled the aforementioned claim of UNITEK and the case should be considered as terminated, and made the relevant provision in its books .

- iii) € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial dispute between FMH (ex Netmed Hellas S.A.)/Multichoice Hellas S.A. and the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit, but the lawyer-plaintiff filed an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgement. The lawyer-plaintiff is entitled to file a writ of cassation before the Supreme Court of Cassation (Arios Pagos).
- iv) € 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 8/12/2016, 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.

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

- (b) The outstanding judicial claims of the subsidiary Multichoice Hellas S.A. against third parties amount to € 15.2 million approximately, plus interest and legal expenses. The abovementioned amount is mainly related to the company's claims against several PAE for the restitution of (pecuniary and moral) damages incurred by Multichoice Hellas S.A. due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FMH (ex NetMed Hellas S.A.) for the TV/radio broadcast of their football matches. Most of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it is noted that during 2012, the claim against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 23.4 million, ultimately the court decided on a compensation of € 0.2 million. However, the third parties are apparently not in a financial position to reimburse the Company.

From the abovementioned amount:

- (i) The amount of totally € 5.57 million, plus interest and expenses, relates to Multichoice Hellas S.A.'s judicial claim against ERT S.A., which will be heard before the Multi-Member Court of Athens, as fees for the provision, by Multichoice Hellas S.A., of services related to the transmission –through satellite- of the signal of three TV (ET1, NET, ET3) and four radio (NET, ERA 2, ERA 3 and ERA SPORT) ERT channels within the entire Greek territory during the years 2008 to 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case.
- (ii) The amount of € 326 thousands relates to Multichoice Hellas S.A.'s claim against the companies PASSPOINT S.A. (as the main liable party) and LANNET COMMUNICATIONS S.A. (as a guarantor) for non payment to Multichoice Hellas S.A. of the amounts of subscriptions received by PASSPOINT.A. We note that LANNET Communications S.A. is under bankruptcy proceedings (during which Multichoice Hellas S.A. has notified its claims to the creditors' team and its claim has been approved). PASSPOINT S.A. remains inactive without evident assets .

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

**D. Forth-CRS S.A.**

The outstanding judicial claims of the subsidiary FORTH-CRS S.A. against third parties amounts to approximately € 608 thousand. The Company has recorded a provision for the above claims (allowance for doubtful accounts receivable). Among the aforementioned judicial claims, the following two significant claims are also included.

- ii) 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.
- iii) 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.

**E. NETMED N.V.**

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

Furthermore, an extrajudicial notice of third party was served against the subsidiary Netmed NV, by which a claim of obligation nature of a third party is notified to the company, arising from a document that bears, according to the assertion of the third party/rightsholder, a nature of a procedural guarantee of the company against the third party. The company disputes the validity, effect and binding nature of the specific document. Furthermore, the company, even if it is obliged to pay any amount, is entitled to turn against third parties and seek any paid amounts. Due to the complexity of the issue, we cannot predict whether a litigation will occur, and in the event of a judicial claim, 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 the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Dikomo Investment Sarl of the 1,272 shares of Multichoice Hellas S.A., which Lumiere TV Public Company Limited holds. The First-Instance Court dismissed the lawsuit, but Lumiere is entitled to file an appeal.

**G. TILEDRASI S.A.**

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

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

**H. MULTICHOICE CYPRUS PUBLIC LIMITED LTD**

- i) 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 €678,708 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.
- ii) 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. The outcome of the case cannot be foreseen, because the merits of the case are based on the substantial proof of the allegations of both parties.

**I. INTERVISION S.A.**

There is a pending lawsuit before the Multi-Number First Instance Court of Athens, filed in November 20 2003, against the Greek Football Federation (EPO), by virtue of which the Company requests the fair readjustment/decrease of the fees, that the Company had agreed to pay for the period 2003-2004 with relation to the acquisition of the TV rights of the Greek Football Cup, to the amount of 4,402,054.29 €, plus VAT, instead of the amount of 6,309,611.15 € plus VAT, which the Company actually paid. The outcome of the case is uncertain, given that the real, fair and objective commercial value of acquired TV rights should be well established and proved, according to the factual aspects of that period.

## 27. SUBSEQUENT EVENTS:

There are no significant subsequent events after March 31, 2014, affecting the financial statements of the Group and the Company.

Iraklion, May 29, 2014

President of the Board of Directors

Vice President of the Board of Directors  
and  
Chief Executive Officer

Deepak SrinivasPadmanabhan  
Passport No. Z 2052599

Panagiotis Papadopoulos  
I.D. Σ676330

Chief Financial Officer

Group Financial Reporting Manager

Group Accounting Manager

George Mantzoros  
ID Number AK 231579  
License Number O.E.E. 0005375  
A Class

Georgia Gali  
ID Number X 091299

PolychronisKatsaris  
ID Number AK 012888  
License Number O.E.E. 0001049 A Class



**HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.**  
Interim Condensed Financial Statements for the three-month period ended March 31, 2014

**FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31,2014**