



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

**FOR THE PERIOD
JANUARY 1 – MARCH 31, 2015
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, 2015, 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, 2015, (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 € 160.0 million that were due up to the date of this review report, (c) their long-term borrowings were all classified as current and, (d) the Group's and Company's current liabilities exceeded their current assets and, accordingly, they will not be able to meet their contractual obligations under their bond loans. As further discussed in Note 3, (i) the Company's and Group's ability to refinance their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency, cannot be assured and are depended on 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 28, 2015

The Certified Auditors Accountants

CHRIS PELENDRIDIS
R.N. ICA (GR) 17831

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



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



INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group		The Company	
		01.01- 31.03.2015	01.01- 31.03.2014	01.01- 31.03.2015	01.01- 31.03.2014
Revenues	4	91,334,050	95,798,810	50,374,173	56,012,841
Telecommunications costs		(24,055,923)	(25,427,245)	(24,055,923)	(25,427,245)
Royalties and licenses		(23,711,091)	(23,824,234)	-	-
Cost of sales of inventory and consumables	16	(1,429,867)	(1,869,575)	(580,847)	(378,426)
Advertising and promotion costs		(1,754,683)	(2,391,988)	(389,616)	(543,485)
Payroll and related costs	6	(10,029,526)	(10,580,308)	(5,788,673)	(6,194,085)
Sundry expenses	9	(15,957,996)	(16,241,787)	(9,738,317)	(11,089,630)
Impairment of investments in subsidiaries		-	-	-	-
Other income		579,768	1,004,697	582,062	815,141
Depreciation and amortisation	7	(21,109,491)	(21,579,167)	(10,104,436)	(11,550,349)
Financial income	8	264	86,303	-	88,777
Financial expenses	8	(7,720,056)	(5,754,133)	(1,559,455)	(1,272,108)
Share of profits of associates accounted for under the equity method		-	-	-	-
Profit/(Loss) before income taxes		(13,854,551)	(10,778,627)	(1,261,032)	461,431
Income taxes	10	718,372	(807,465)	(115,307)	(207,324)
Profit/(Loss) after tax (A)		(13,136,179)	(11,586,092)	(1,376,339)	254,107
Profit/(Loss) for the period attributable to:					
Shareholders of the Parent Company		(13,024,844)	(11,295,045)	(1,376,339)	254,107
Non-controlling interests		(111,335)	(291,047)	-	-
		(13,136,179)	(11,586,092)	(1,376,339)	254,107
Loss per share (Basic and diluted)		(0.1203)	(0.1102)		
Weighted Average Number of Shares (Basic)		108,234,138	102,541,496		
Weighted Average Number of Shares (Diluted)		108,234,138	102,541,496		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Remeasurement (losses) / gains on defined benefit plans	30	-	-	-	-
Income tax effect	10	-	-	-	-
Net Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	-
Attributable to:					
Shareholders of the Parent Company		-	-	-	-
Non-controlling interests		-	-	-	-

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

INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	The Group		The Company	
		31.03.2015	31.12.2013	31.03.2015	31.12.2013
ASSETS					
Non current assets					
Property, plant and equipment	12	157,304,006	163,304,387	90,517,731	93,874,774
Intangible assets	13	133,733,073	140,100,359	16,134,607	17,737,300
Goodwill	11	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries	11	-	-	66,448,311	66,448,311
Investments in associates accounted under the equity method	11	213,596	213,596	123,506	123,506
Other non-current assets	18	10,909,882	11,143,780	8,844,431	9,120,825
Available for sale financial assets	14	223,304	223,304	180,603	180,603
Deferred tax assets	10	18,843,525	18,776,986	6,105,328	6,220,636
Total non current assets		404,396,198	416,931,224	188,867,086	194,218,524
Current assets					
Inventories	16	5,259,433	6,451,629	1,468,367	1,213,989
Programme and film rights	15	29,731,528	45,683,160	-	-
Trade receivables	17	61,458,264	64,458,973	34,410,271	34,571,979
Prepayments and other receivables	18	8,041,229	8,967,611	3,934,156	3,446,179
Due from related companies	33	2,940,106	3,022,283	100,003,009	103,841,010
Cash and cash equivalents	19	6,532,071	10,283,640	4,961,624	5,555,352
Restricted cash	19	3,257,803	3,217,029	2,945,503	2,917,029
Total current assets		117,220,434	142,084,325	147,722,930	151,545,538
TOTAL ASSETS		521,616,632	559,015,549	336,590,016	345,764,062
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	20	33,029,156	33,029,156	33,029,156	33,029,156
Share premium	20	300,499,045	300,499,045	300,499,045	300,499,045
Other reserves	21	182,261,248	182,261,248	181,593,372	181,593,372
Accumulated deficit		(641,033,808)	(628,008,964)	(391,761,990)	(390,385,651)
Total		(125,244,359)	(112,219,515)	123,359,583	124,735,922
Non-controlling interests		1,589,251	1,700,586	-	-
Total equity		(123,655,108)	(110,518,929)	123,359,583	124,735,922
Non current liabilities					
Long-term borrowings		-	-	-	-
Long-term transponder leases	25	68,810,325	70,947,931	-	-
Other long-term leases	24	838,084	889,867	838,084	889,867
Other long-term liabilities	4	10,252,367	10,605,309	10,252,367	10,605,309
Long-term obligations of programmes and film rights	26	-	-	-	-
Reserve for staff retirement indemnities	30	3,840,088	3,840,587	2,080,007	2,064,379
Government grants	29	7,771,563	8,191,395	7,770,444	8,190,276
Deferred tax liability	10	26,843,556	27,640,889	-	-
Total non-current liabilities		118,355,983	122,115,978	20,940,902	21,749,831
Current liabilities					
Trade accounts payable	27	113,072,435	115,556,862	39,529,245	43,484,629
Due to related companies	33	5,709,091	5,401,409	20,005,943	14,015,293
Short-term borrowings	23	1,418,000	1,418,000	-	-
Current portion of long-term borrowings	23	324,442,924	324,325,614	100,000,000	99,999,438
Deferred income	4	28,054,100	29,627,209	15,415,337	15,586,671
Current portion of transponder leases	25	8,288,913	8,117,554	-	-
Current portion of other leases	24	205,821	204,986	205,821	204,986
Current portion of programmes and film rights obligations	26	24,452,722	40,125,242	10,652,378	18,308,807
Income tax payable		1,343,516	1,480,983	200,000	200,000
Accrued and other current liabilities	28	19,928,235	21,160,641	6,280,807	7,478,485
Total current liabilities		526,915,757	547,418,500	192,289,531	199,278,309
Total liabilities		645,271,740	669,534,478	213,230,433	221,028,140
TOTAL LIABILITIES AND EQUITY		521,616,632	559,015,549	336,590,016	345,764,062

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Notes	Attributable to equity holders of the parent company					Non-controlling interests	Total Equity
		Share capital	Share premium	Other reserves	Accumulated deficit	Total		
The Group								
Total Equity beginning at the period January 1, 2014		3,885,783	300,981,286	194,524,794	(596,930,606)	(97,538,743)	2,371,509	(95,167,234)
Total comprehensive loss after income taxes of the period		-	-	-	(11,295,045)	(11,295,045)	(291,047)	(11,586,092)
Legal Reserve		-	-	6,074	(6,074)	-	-	-
Sale of subsidiary shares		-	-	-	-	-	-	-
Total Equity at March 31, 2014		33,029,156	300,981,286	194,530,868	(608,713,966)	(80,172,656)	2,080,462	(78,092,194)
Total Equity beginning at the period January 1, 2015		33,029,156	300,499,045	182,261,248	(628,008,964)	(112,219,515)	1,700,586	(110,518,929)
Total comprehensive loss after income taxes of the period		-	-	-	(13,024,844)	(13,024,844)	(111,335)	(13,136,179)
Total Equity at March 31, 2015		33,029,156	300,499,045	182,261,248	(641,033,808)	(125,244,359)	1,589,251	(123,655,108)
The Company								
Total Equity beginning at the period January 1, 2014		3,885,783	300,981,286	193,862,992	(382,460,544)	116,269,517		
Total comprehensive loss after income taxes of the period		-	-	-	254,107	254,107		
Issuance of share capital		29,143,373	-	-	-	29,143,373		
Share capital issuance costs (net from deferred tax)		-	-	-	(482,241)	(482,241)		
Total Equity at March 31, 2014		33,029,156	300,981,286	193,862,992	(382,688,678)	145,184,756		
Total Equity beginning at the period January 1, 2015		33,029,156	300,499,045	181,593,372	(390,385,651)	124,735,922		
Total comprehensive loss after income taxes of the period		-	-	-	(1,376,339)	(1,376,339)		
Total Equity at March 31, 2015		33,029,156	300,499,045	181,593,372	(391,761,990)	123,359,583		

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- 31.03.2015	01.01- 31.03.2014	01.01- 31.03.2015	01.01- 31.03.2014
Cash flows from Operating Activities					
Loss before income taxes		(13,854,551)	(10,778,627)	(1,261,032)	461,431
Adjustments for:					
Depreciation and amortisation		21,109,491	21,579,167	10,104,436	11,550,349
Amortisation of subsidies		(419,832)	(495,796)	(419,832)	(495,326)
Gains on disposal of tangible and intangible assets		-	(2,311)	-	(215)
Financial (income)/expenses	7	7,719,792	5,667,830	1,559,455	1,183,331
Impairment of goodwill	0	-	-	-	-
Impairment of investment in associates		-	-	-	-
Allowance for doubtful accounts receivable	8	1,278,533	1,290,450	552,739	1,032,180
Provision for staff retirement indemnities	6	379,107	96,593	339,677	93,343
Other provisions		(220,102)	-	(203,551)	-
Operating profit before working capital changes		15,992,438	17,357,306	10,671,892	13,825,093
(Increase)/Decrease in:					
Inventories		1,412,298	50,075	(50,827)	(59,260)
Trade accounts receivable & amounts due from related companies		1,831,852	(5,468,636)	3,474,468	(825,548)
Programme and film rights		15,951,632	16,348,640	-	-
Prepayments and other receivables		753,392	1,913,954	(515,476)	403,000
Decrease in other non-current assets		233,898	233,001	276,395	232,998
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		(19,751,675)	(17,736,610)	(5,621,163)	(15,180,589)
Deferred income		(1,573,109)	(1,409,313)	(171,334)	(943,530)
Accrued and other current liabilities		7,571	(3,832,453)	(1,773,914)	278,348
Income taxes paid		(137,467)	(138,367)	-	-
Payment of staff retirement indemnities		(315,137)	(200,354)	(201,815)	(148,241)
Decrease in other long-term liabilities		(352,942)	230,099	(352,942)	280,859
Net cash from Operating Activities		14,052,751	7,347,342	5,735,284	(2,136,870)
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(8,741,824)	(13,204,017)	(5,144,700)	(6,782,906)
Disposals of property, plant and equipment and intangible assets		-	16,149	-	9,879
Interest and related income received		264	86,303	-	85,802
Restricted cash	17	(40,774)	(310,118)	(28,474)	(10,118)
Net cash used in Investing Activities		(8,782,334)	(13,411,683)	(5,173,174)	(6,697,343)
Cash flows from Financing Activities					
Net proceeds from the issuance of share capital		-	28,491,696	-	28,491,696
Repayment of long-term borrowings		-	-	-	(7,060)
Interest paid		(7,004,791)	(1,766,261)	(1,104,890)	-
Net change in leases		(2,017,195)	(1,927,654)	(50,948)	(119,027)
Net cash from financing activities		(9,021,986)	24,797,781	(1,155,838)	28,365,609
Net decrease in cash and cash equivalents		(3,751,569)	18,733,440	(593,728)	19,531,396
Cash and cash equivalents at the beginning of period	17	10,283,640	14,689,747	5,555,352	5,582,295
Cash and cash equivalents at the end of period	17	6,532,071	33,423,187	4,961,624	25,113,691

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, Telematic /Telemetry-radiolocation, audiotex, voice and data integration for intrabusiness networks and closed user groups, telephone services as well as Voice services through IP Protocol and via the internet.

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

Forgendo Ltd., participates in Forthnet's share capital. As at March 31, 2015 the participation percentage was 45.21% (December 31, 2014: 45.21%). 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, 2015, the participation percentage was 33.00% (December 31, 2014: 33.00%). Vodafone PANAFON Greek Telecommunications Company on March 31, 2015, participated in the share capital of the Company with an interest of 6.51% (December 31, 2014: 6.51%). In addition, under the terms of the contract signed on June 4, 2014, between Vodafone PANAFON Greek Telecommunications Company and Wind Hellas Telecommunications S.A., the first acquired an option for the acquisition of 13.25% of the total share capital and voting rights of Forthnet from the second, which may be exercised upon completion of one year from the date of signing of the agreement between them.

On July 1, 2014, the Company announced that OTE S.A. submitted a non binding offer to the Company's Board of Directors for the possible acquisition of the NOVA business. In addition, on July 17, 2014 the Company announced that Vodafone Group Service Ltd and Wind Hellas Telecommunication S.A. submitted a joint non binding offer to the Company's Board of Directors for the possible acquisition of all shares of Forthnet which are not owned by

them. The non binding offers have been presented to the Board for consideration, while the independent due diligence process from the interested parties has been concluded.

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

Forth CRS S.A.'s principle activities are to provide integrated tourism services through the research, development, use and sale of modern, high convergent technological electronic products and services for the distribution and management of tourism material, such as reservations, ticketing and other related material, produced by entities such as shipping companies, airlines and other transportation enterprises, hotel enterprises, promotion and entertainment enterprises, enterprises relating to sports, hospitals and all other electronic reservation organizations.

Telemedicine Technologies S.A.'s principle activities are to create, implement and sell services and products associated with the acquisition, transmission and dissemination of information, particularly electronically, in the health sector. The company aims to implement and sell services in the health sector, with emphasis on business-to-business medical services. On April 11, 2013 the Board of Directors of the parent company-Forthnet decided and unanimously approved the transfer of 54,031 common shares of the subsidiary, i.e. 36.48%, for a consideration of € 1. Following the above transfer of shares of the Company's participation in Telemedicine Technologies SA. amounts to 24.90%, thus it is considered as an investment in associate and is accounted for using the equity method in the consolidated financial statements. Based on the sale and purchase agreement a contingent consideration of €346 thousands was recognized as at December 31, 2013 and December 31, 2014, which is included in other non-current assets as at December 31, 2014 and 2013 respectively. The Company did not take part in the successive increases which were approved by the General Assemblies of Telemedicine Technologies S.A. during 2014 and consequently its shareholding reduced to 21.84%.

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

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

In 2014 Forthnet Media S.A. received by the Greek authorities authorization for pay television and radio services and signed the Concession Agreement with the Greek State, according to Law 2644/1988. Under this license, and for a period of 15 years, the Company was authorized to provide directly to the subscribers radio and television broadcasting services via satellite, in processing digital TV signal. The cost of the license amounted to € 2,176,375, whereas the outstanding amount of € 544.093 (December 31, 2014: € 1,088,188) to provide pay-TV is included in other taxes and duties (Note 22).

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

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

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

The Group's number of employees at March 31, 2015, amounted to 1,237, while that of the Company to 742. At March 31, 2014, the respective number of employees was 1,408 for the Group and 843 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, 2015, on May 28, 2015.

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, 2015, 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 2014, which are available on the internet in the address www.forthnet.gr.

2.2 BASIS OF CONSOLIDATION:

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

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

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
- 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, 2014, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2015.

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

New standards and amendments apply for the first time in 2015 (annual periods beginning on or after January 1, 2015). 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.

- The **IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle**, which is a collection of amendments to IFRSs.
 - **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
 - **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39

Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

- **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

There are no new standards, amendments / improvements or interpretations in addition to those that have been disclosed in the financial statements for the year ended at December 31, 2014.

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

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended December 31, 2014.

3. GOING CONCERN:

As at March 31, 2015, Forthnet S.A. and Forthnet Media S.A. continue not to meet certain financial covenants under their respective bond loans (see Note 18). Specifically, the Group was not in compliance with its Net Debt to Total Equity, the Net Debt to Normalised EBITDA and the Normalised EBITDA to Total Interest ratios for the existing bond loans ("EBL") and its new bond loans ("NBL") and has not made contractual payments of € 160.0 million through the date that the financial statements were authorized for issue. Accordingly, as at March 31, 2015, the Group has retained the classification of all outstanding balances of such bond loans amounting to € 324.4 million and € 100.0 million for the Group and Company, respectively, as current. The classification of the outstanding balances of the bond loans as current has, among others, led to the Group's and the Company's current liabilities exceeding their current assets by approximately € 409.7 million and € 44.6 million, respectively, as at March 31, 2015.

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, 2016, which include € 202.5 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.

The Group is in negotiations with its lending banks for the refinancing of its debt obligations. On April 29, 2015, the Group submitted, to the banks, an updated refinancing proposal in which it also examines the issuance of a convertible bond loan of € 100 million. The discussions with the lending banks are in progress and the Group's management is confident of a successful outcome of the refinancing negotiations.

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	
	2015	2014	2015	2014
Operating Revenues				
Direct Retail Services	77,386,929	80,094,446	36,056,328	40,607,213
Bundled services (2play)	13,262,487	21,757,945	13,262,487	20,082,974
Bundled services (3play)	16,496,571	12,513,560	16,496,571	12,513,560
Telephony	2,231,601	3,353,092	2,253,397	3,376,787
ADSL	2,563,419	2,656,799	2,641,065	2,702,345
Pay-TV Revenues	41,430,043	37,881,503	-	-
Other	1,402,808	1,931,547	1,402,808	1,931,547
Indirect Retail Services	845,606	1,077,747	845,606	1,077,747
Telephony	135,054	106,097	135,054	106,097
ADSL	641,697	902,110	641,697	902,110
Other	68,855	69,540	68,855	69,540
Direct Business Services	8,548,613	9,062,101	8,548,613	9,062,101
E-business	327,912	362,482	327,912	362,482
Pay-TV Advertising Revenue	1,625,348	3,638,577	-	-
Forth CRS	470,980	422,300	-	-
Equipment	727,774	862,363	225,704	65,469
Other services	1,400,888	278,794	4,370,010	4,837,829
Total	91,334,050	95,798,810	50,374,173	56,012,841

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, 2015, amounted to € 37,750,278 and € 25,111,515, respectively, of which, amount of € 9,696,178 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, 2014, amounted to € 39,775,489 and € 25,734,951 for the Group and the Company, respectively of which € 10,148,280 for both the Group and the Company relates to the long-term portion).

Unbilled revenues for the Group and the Company at March 31, 2015, amounted to € 4,636,310 and € 4,262,981, respectively (at December 31, 2014, amounted to € 3,726,672 and € 3,771,561, for the Group and the Company respectively) (Note 15).

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	
	2015	2014	2015	2014
Wages and salaries	8,789,134	9,097,882	5,070,921	5,360,486
Social security costs	1,463,024	1,823,654	895,986	1,134,939
Staff retirement indemnities	379,107	96,593	339,677	93,343
Other staff costs	231,354	211,631	165,979	134,536
	10,862,619	11,229,760	6,472,563	6,723,304
Less: Amounts capitalised (Note 12)	(833,093)	(649,452)	(683,890)	(529,219)
Total	10,029,526	10,580,308	5,788,673	6,194,085

7. FINANCIAL INCOME / (EXPENSES):

Financial income/(expenses) are analysed as follows:

	The Group		The Company	
	January 1-March 31		January 1-March 31	
	2015	2014	2015	2014
Interest on long-term borrowings (Note 18)	(3,095,586)	(3,206,813)	(1,094,586)	(1,148,250)
Interest on short-term borrowings (Note 18)	(30,731)	(29,312)	-	-
Finance charges paid under finance leases	(1,660,468)	(1,808,434)	(16,715)	(7,060)
Bond loan costs	(117,579)	(264,075)	(832)	(60,252)
Other financial costs (Note 22)	(2,815,692)	(445,499)	(447,322)	(56,546)
Total financial expenses	(7,720,056)	(5,754,133)	(1,559,455)	(1,272,108)
Interest earned on cash at banks and on time deposits (Note 17)	264	86,303	-	85,802
Other financial income	-	-	-	2,975
Total financial income	264	86,303	-	88,777
Total financial income/(expenses), net	(7,719,792)	(5,667,830)	(1,559,455)	(1,183,331)

Other financial costs have been improved in comparison with the first quarter of 2014, due to increased exchange differences of various debtors in US dollars (USD).

8. SUNDRY EXPENSES:

Sundry expenses are analysed as follows:

	The Group		The Company	
	January 1-March 31		January 1-March 31	
	2015	2014	2015	2014
Third party fees and services	6,588,853	6,810,528	3,298,055	4,110,166
Taxes and duties	342,991	300,712	298,397	252,047
Sundry expenses	1,341,168	2,308,074	684,539	686,314
Allowance for doubtful accounts receivable (Note 15 and 16)	1,278,533	1,290,450	552,739	1,032,180
Maintenance	2,133,998	1,743,285	1,377,464	1,054,709
Rentals	581,125	602,068	203,495	214,617
Commissions	3,000,289	2,519,896	2,808,718	3,281,994
Building function costs	691,039	666,774	514,910	457,603
Total	15,957,996	16,241,787	9,738,317	11,089,630

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:

	The Group		The Company	
	January 1-March 31		January 1-March 31	
	2015	2014	2015	2014
Current income taxes	145,500	-	-	-
Income taxes from prior years	-	44,422	-	-
Deferred income taxes	(863,872)	763,043	115,307	207,324
Total income taxes (credit) / debit reflected in the statements of total comprehensive income	(718,372)	807,465	115,307	207,324

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

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

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

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

For the Greek companies of the Group, the tax compliance certificate for the financial year 2014 is still in progress based on the provisions of article 65a of L. 4174/2013. No significant additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the financial statements.

For Multichoice Hellas S.A. the tax compliance certificate, concerning the six month period ended June 30, 2014, was completed by the company's certified auditors, based on L.4172/2013. No significant additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the accompanying financial statements as at June 30, 2014.

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

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

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

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

Deferred tax assets are mainly related to recognition of deferred tax assets on tax losses. The Group has recognized deferred tax assets since, as resulting from the approved business plan of the Group, the expected taxable income is sufficient to cover the tax losses carried forward.

10. GOODWILL:

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

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
MBA	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
Telemedicine S.A.	-	-	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
Impairment of goodwill - NetMed N.V. Group and Intervision B.V.	(203,333,528)	(203,333,528)	-	-
Total	83,168,812	83,168,812	512,569	512,569

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

The Group's management, taking into consideration the comparison between the budget versus the actual results of the Group, concluded that there is no evidence for significant changes in relation to the most recent impairment and therefore no further impairment test is required as at March 31, 2015. The circumstances indicating that the carrying value may be impaired will be re-examined at June 30, 2015.

Impairment test of investments (separate financial statements)

As at December 31, 2014 the Company proceeded with an impairment testing exercise of its investments in subsidiaries. The carrying value of the Company's investments in subsidiaries was higher than the recoverable amount by € 8,016,000 and consequently an impairment loss was recognised by that amount as at December 31, 2014 (December 31, 2013: € 0).

The Group did not test investments for impairment as at March 31, 2015, 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, 2015.

11. PROPERTY, PLANT AND EQUIPMENT:

During the period from January 1, 2015 until March 31, 2015, the total investments of the Group's tangible assets amounted to € 2,112,382 and those of the Company's amounted to € 2,023,289 and refer mainly to the expansion of Forthnet's private network (at March 31, 2014 amounted to € 1,834,234 and € 1,778,044 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, 2015 and at December 31, 2014, amounted to € 66,132,954 and € 68,536,473, respectively. For the Company the related amounts are € 2,709,657 and € 2,764,164 at March 31, 2015 and at December 31, 2014, respectively.

12. INTANGIBLE ASSETS:

During the period from January 1, 2015 until March 31, 2015, the total investments of the Group's intangible assets amounted to € 6,629,442 and those of the Company amounted to € 3,121,411 and refer mainly to acquisition costs of new subscribers and also to the upgrade of IT software systems (at March 31, 2014, amounted to € 11,369,783 and € 5,004,862 for the Group and the Company, respectively).

13. PROGRAMME AND FILM RIGHTS:

Programme and film rights receivables are analysed as follows:

	The Group	
	31.03.2015	31.12.2014
Purchased sports rights	43,101,320	109,856,622
Licensed film rights	3,487,660	5,703,429
Cost of Sports and Film Rights	46,588,980	115,560,051
Purchased sports rights	(15,846,537)	(66,827,398)
Licensed film rights	(1,010,915)	(3,049,493)
Sports and Film Rights Amortisation	(16,857,452)	(69,876,891)
Purchased sports rights	27,254,783	43,029,224
Licensed film rights	2,476,745	2,653,936
Sports and Film Rights, net value	29,731,528	45,683,160
Less: Programme and film rights short-term	29,731,528	45,683,160
Programme and sports film rights, long-term	-	-

14. INVENTORIES:

Inventories are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Merchandise	6,427,783	7,820,144	2,061,569	2,010,742
Consumables	82,487	102,424	-	-
Obsolete & slow moving provision	(1,250,837)	(1,470,939)	(593,202)	(796,753)
Total	5,259,433	6,451,629	1,468,367	1,213,989

The movement in the obsolete inventories is analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Beginning balance	1,470,939	1,306,722	796,753	643,869
Provision for the period/ year	-	164,217	-	152,884
Less: Utilisation	(220,102)	-	(203,551)	-
Ending balance	1,250,837	1,470,939	593,202	796,753

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

15. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Domestic customers	101,417,468	103,813,258	60,432,519	60,296,490
Foreign customers	1,859,270	2,106,021	646,858	1,004,753
Receivables from Greek State	1,936,908	1,916,592	1,663,300	1,663,108
Cheques and notes receivable	2,761,072	2,820,549	1,425,378	1,353,981
Unbilled revenue (Note 4)	4,636,310	3,726,672	4,262,981	3,771,561
	112,611,028	114,383,092	68,431,036	68,089,893
Less: Allowance for doubtful accounts receivable	(51,152,764)	(49,924,119)	(34,020,765)	(33,517,914)
Total	61,458,264	64,458,973	34,410,271	34,571,979

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

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Beginning balance	49,924,119	43,064,616	33,517,914	29,763,403
Provision for the period/ year (Note 8)	1,251,034	7,176,573	525,240	3,984,297
Less: Utilisation	(22,389)	(317,070)	(22,389)	(229,786)
Ending balance	51,152,764	49,924,119	34,020,765	33,517,914

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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Receivables due from the Greek State	1,453,958	1,341,819	464,071	355,434
Credit due from Dutch tax authorities (Note 9)	940,991	1,086,482	-	-
Prepaid expenses	3,698,357	3,598,592	1,803,221	1,739,005
Value Added Tax	18,703	1,155,695	-	-
Advances to suppliers	830,190	882,959	225,599	275,250
Other debtors	3,040,361	2,815,896	2,382,596	1,990,322
	9,982,560	10,881,443	4,875,487	4,360,011
Less: Allowance for doubtful other receivables	(1,941,331)	(1,913,832)	(941,331)	(913,832)
Total	8,041,229	8,967,611	3,934,156	3,446,179

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

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Beginning balance	1,913,832	1,725,308	913,832	725,308
Provision for the period/ year (Note 8)	27,499	188,524	27,499	188,524
Less: Utilisation	-	-	-	-
Ending balance	1,941,331	1,913,832	941,331	913,832

The Company's and the Group's prepaid expenses include € 1,112,173 (December 31, 2014: € 1,112,173), relating to billings from other providers under a mutual concession for the use of optical fiber infrastructure for a period of 20 years (with various expiration dates ending up to June 17, 2035). An amount of € 8,269,315 (December 31, 2014: € 8,545,611) which relates to the invoiced amount for the period from January 1, 2016 until June 17, 2035 is included in other non-current assets. Amounts billed by the Company to the other provider for the mutual concession for the use of its optical fibre infrastructure are reported as deferred income € 1,112,173 (December 31, 2014: € 1,112,173) and other long-term liabilities € 8,269,315 (December 31, 2014: € 8,545,611). The amounts billed to other providers are included in Note 4.

17. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Cash in hand	51,278	34,318	23,509	12,688
Cash at banks	6,475,495	10,244,024	4,938,115	5,542,664
Time deposits	5,298	5,298	-	-
Total	6,532,071	10,283,640	4,961,624	5,555,352
Restricted cash	3,257,803	3,217,029	2,945,503	2,917,029
Total	9,789,874	13,500,669	7,907,127	8,472,381

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, 2015, amounted to € 264 and € 0 for the Group and the Company, respectively, (for the period ended March 31, 2014, € 86,303 and € 85,802 for the Group and the Company, respectively) and are included in financial income in the accompanying statements of comprehensive income (Note 7).

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

18. LONG-TERM AND SHORT-TERM BORROWINGS:

a) Long-term Loans:

Long-term loans for the Group and the Company at March 31, 2015 and at December 31, 2014, are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Bond loan	324,442,924	324,325,614	100,000,000	99,999,438
Less current portion:				
Bond loan	324,442,924	324,325,614	100,000,000	99,999,438
Total	-	-	-	-
Long-term portion	-	-	-	-

Forthnet - Bond Loan 2007:

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

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

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

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

As at December 31, 2011, 2012, 2013 and 2014 the Group was not in compliance with two of its financial covenants under the EBL (Net Debt/Normalised EBITDA and Net Debt/Equity) and as a consequence the outstanding balance of the EBL was classified as current. Additionally, as at December 31, 2013, the Group was not in compliance with an additional financial covenant under the EBL (Normalized EBITDA/Total Interest), and thus the same classification had been maintained. As at March 31, 2015, the Group remained 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 S.A. ("FM"), (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 the Group was not in compliance with the "Net Debt/Equity" financial covenant under its NBL and, as a consequence, the outstanding balance of the NBL was classified as current. As at December 31, 2012, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA, Net Debt/Equity), and the same classification was maintained for the outstanding balance of the NBL. In addition, as at December 31, 2012, the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement. As at December 31, 2013, the Group was also not in compliance with three of its financial covenants under the EBL (Net Debt/EBITDA, Net Debt/Equity and Normalised EBITDA/Total Interest) and as a consequence the same classification has been maintained for the outstanding balance of the EBL. Moreover, as at December 31, 2013, the Group was not in compliance with the minimum number of its active LLU subscribers as required by the bond loan agreement. As at December 31, 2014, the Group remained non-compliant with the above mentioned financial covenants along with an additional one (Cashflow/Debt Service) and as a consequence the same classification has been maintained for the outstanding balance of the NBL. As at March 31, 2015, the Group remained 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 S.A. - Bond Loan 2008:

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

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

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

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

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

Forthnet Media S.A - Bond Loan 2011:

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

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

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

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

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

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

The agreed set of financial covenants is as follows:

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

As at December 31, 2011 the Group was not in compliance with the "Total net bank borrowing / Total equity" financial covenant under its NBL and as a result the outstanding balance of the NBL was classified as current. As at December 31, 2012, the Group was not in compliance with two of its financial covenants under the NBL (Net Debt/EBITDA and Net Debt/Equity), and the same classification was maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2012 the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. As at December 31, 2013, the Group was not in compliance with three of its financial covenants under the EBL (Net Debt/EBITDA, Net Debt/Equity and Normalised EBITDA/Total Interest) and as a consequence the same classification has been maintained for the outstanding balance of the EBL. Moreover, as at December 31, 2013, the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. As at December 31, 2014, the Group remained non-compliant with the above mentioned financial covenants along with an additional one (Cashflow/Debt Service) and as a consequence the same classification has been maintained for the outstanding balance of the NBL. Additionally, as at December 31, 2014, the Group was not in compliance with the minimum number of its active Pay-TV subscribers as required by the bond loan agreement. As at March 31, 2015, the Group remained non-compliant in these financial covenants and the same classification has been maintained for the outstanding balance of the NBL.

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

1. Postpone the payments of € 25.0 million and € 2.5 million installments on the Forthnet Media S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013), to be paid on December 31, 2014.
2. Postpone the payments of € 12.5 million and € 2.5 million installments on the Forthnet Media S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013) to be paid on December 31, 2014.
3. Postpone the payment of a € 12.0 million installment on the Forthnet S.A. bond loan, which was due as at April 30, 2014 (temporary extension from December 31, 2013) to be paid on December 31, 2014..
4. Postpone the payments of € 10.0 million and € 2.0 million installments on the Forthnet S.A. bond loan, which were due as at March 31, 2014, to be paid on December 31, 2014.
5. Postpone the payments of a € 12.0 million installments on the Forthnet S.A. bond loan, which were due as at June 30, 2014, to be paid on December 31, 2014.
6. Postpone the payments of a € 2.0 million and € 10.00 million installments on the Forthnet S.A. bond loan, which were due as at September 30, 2014, to be paid on December 31, 2014.
7. Postpone the payments of a € 10.0 million installments on the Forthnet S.A bond loan, which were due as at December 31, 2013, to be paid on December 31, 2014.

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

In addition, at February 12, 2015, the Group send a waiver to its lending banks, requiring to further extend until June 30, 2015 the maturity of the loans, along with all the obligations for repayment of capital installments, payable either on extensions or in accordance with the original repayment schedule for the period from December 31, 2014 and June 30, 2015.

As of the date that the financial statements were authorized for issue, the Group has not made contractual payments of € 160 required by its bond loan agreements (Note 3).

Total interest expenses on long-term loans for the period ended March 31, 2015 and 2014, amounted to € 3,095,586 and € 3,206,813, respectively for the Group and € 1,094,586 and € 1,148,250, respectively for the Company and are included in financial expenses (Note 7), in the accompanying interim condensed financial statements. The amount of interest due at March 31, 2015 and December 31, 2014 is included in accrued and other current liabilities (Note 22).

b) Short-term borrowings:

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

	The Group	
	<u>31.03.2015</u>	<u>31.12.2014</u>
Credit lines available	1,418,000	1,418,000
Unused portion	-	-
Used portion	<u>1,418,000</u>	<u>1,418,000</u>

The total interest expense for short-term borrowings for the period ended March 31, 2015 and March 31, 2014, amounted to € 30,731 and € 29,312 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 6.99% since June 2013 (previously 6,5% to 9,57%).

The finance lease transponders obligations are analysed as follows:

	The Group	
	31.03.2015	31.12.2014
Obligation under finance lease of transponders	77,099,238	79,065,485
Less: Current portion	(8,288,913)	(8,117,554)
Long-term portion	68,810,325	70,947,931

20. PROGRAMME AND FILM RIGHTS LIABILITIES:

Programme and film rights liabilities are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Programmes and Rights	24.452.722	40.125.242	10.652.378	18.308.807
Less: Current portion	(24.452.722)	(40.125.242)	(10.652.378)	(18.308.807)
Long-term portion	-	-	-	-

21. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Domestic suppliers	86,118,233	90,282,128	37,724,233	41,064,815
Foreign suppliers	26,028,144	24,550,304	1,018,336	1,705,219
Post dated cheques payable	926,058	724,430	786,676	714,595
Total	113,072,435	115,556,862	39,529,245	43,484,629

22. ACCRUED AND OTHER CURRENT LIABILITIES:

Accrued and other current liabilities are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Social security payable	801,037	1,679,323	481,405	1,014,336
Value added tax	2,899,560	2,721,368	1,329,048	2,566,251
Other taxes and duties (Note 1)	2,473,339	3,192,463	812,407	1,042,626
Customer advances	69,385	67,940	-	-
Interest accrued (Note 18)	2,013,000	4,222,417	12,000	-
Interest rates swaps (Note 25)	2,389,879	2,333,167	-	-
Other current liabilities	9,282,035	6,943,963	3,645,947	2,855,272
Total	19,928,235	21,160,641	6,280,807	7,478,485

In order to mitigate interest rate risk, the Group has entered into medium term interest rate swaps agreements amounting to € 49 million (December 31, 2014: € 57.5 million). The interest rate swap agreements are payments of fixed interest rate against receipts of floating rates.

Nominal Value of IRS	Maturity	Interest Rate
49,000,000	30/06/2017	3months EURIBOR
49,000,000		

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

Gains for the Group from the valuation of the fair values of the swaps at March 31, 2015, were € 281 thousand (at March 31, 2014: € 667 thousand) and are included in other financial costs (Note 7), in the accompanying financial statements.

Realised losses from the interest rate swap transactions during the period ended March 31, 2015 for the Group were € 338 thousands (at March 31, 2014: € 890 thousands) and are included in other financial costs (Note 7), in the accompanying financial statements.

The net amount of € 57 thousands (loss) for the three-month period ended March 31, 2015, is included in other financial costs (Note 7), in the accompanying financial statements (at March 31, 2014: net amount of € 223 thousands (loss) 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 Forthnet</u>	<u>Period ended at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.03.2014 31.03.2015	361,583 205,001	704,042 617,487
Vodafone S.A.	Shareholder	31.03.2014 31.03.2015	256,995 71,096	262,744 483,858
Vodafone Ltd.	Related Party	31.03.2014 31.03.2015	416,762 824,115	658,784 1,066,103
Hellas Online	Related Party	31.03.2014 31.03.2015	236,358 86,023	342,526 123,599
Technology and Research Foundation	Shareholder	31.03.2014 31.03.2015	12,791 13,688	4,752 4,820
Forth CRS S.A.	Subsidiary	31.03.2014 31.03.2015	26,244 25,349	53,071 59,881
Multichoice Hellas S.A.	Subsidiary	31.03.2014 31.03.2015	4,731,411 -	501,487 -
Interoute Spa (Italy)	Related Party	31.03.2014 31.03.2015	57,241 43,901	- -
Interoute Bulgaria Js Co	Related Party	31.03.2014 31.03.2015	63,600 63,600	173,148 189,924
Interoute Czech Sro	Related Party	31.03.2014 31.03.2015	451 524	27,371 86,527
NetMed S.A.	Subsidiary	31.03.2014 31.03.2015	25,969 24,219	- -
Forthnet Media S.A.	Subsidiary	31.03.2014 31.03.2015	386,225 3,127,596	- 588,874
Emirates International Telecommunications	Indirect Shareholder	31.03.2014 31.03.2015	- -	228,040 -
	Total	31.03.2014	6,575,630	2,955,965
	Total	31.03.2015	4,485,112	3,221,073

<u>Related Party</u>	<u>Relation with</u>	<u>Period</u>	<u>Amounts owed by</u>	<u>Amounts owed to</u>
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	Forthnet	ended at	related parties	related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2014 31.03.2015	510,251 198,046	591,974 491,566
Vodafone S.A.	Shareholder	31.12.2014 31.03.2015	123,832 48,199	371,726 383,342
Vodafone Ltd.	Related Party	31.12.2014 31.03.2015	1,730,570 2,554,685	2,887,774 3,303,601
Hellas Online	Related Party	31.12.2014 31.03.2015	365,071 42,132	84,208 71,644
Go Plc	Indirect Shareholder	31.12.2014 31.03.2015	- -	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2014 31.03.2015	- -	895,085 895,085
Technology and Research Foundation	Shareholder	31.12.2014 31.03.2015	50,612 23,387	1,608 1,590
Forth CRS S.A.	Subsidiary	31.12.2014 31.03.2015	379,593 350,891	- -
Telemedicine Technologies S.A.	Associated	31.12.2014 31.03.2015	3,734 3,734	- -
Athlonet S.A.	Associated	31.12.2014 31.03.2015	11,502 11,502	8,060 8,060
Multichoice Hellas S.A.	Subsidiary	31.12.2014 31.03.2015	- -	- -
Interoute Managed Services Netherlands	Related Party	31.12.2014 31.03.2015	89,936 -	- -
Interoute Spa (Italy)	Related Party	31.12.2014 31.03.2015	72,739 27,816	- -
Interoute Bulgaria JS Co	Related Party	31.12.2014 31.03.2015	63,600 1,200	420,118 426,716
Interoute Czech Sro	Related Party	31.12.2014 31.03.2015	406 930	127,804 114,624
Forthnet Media S.A.	Subsidiary	31.12.2014 31.03.2015	99,951,401 96,222,981	8,556,353 14,209,571
NetMed S.A.	Subsidiary	31.12.2014 31.03.2015	487,763 517,505	70,583 100,144
	Total	31.12.2014	103,841,010	14,015,293
	Total	31.03.2015	100,003,009	20,005,943

The Company's revenues from Multichoice Hellas S.A. are related to the recharge of Multichoice Hellas S.A.'s share in joint sell advertising, telecommunications services (telephony, broadband, etc.), as well as, the recharge of directors' payroll cost and recharge of Multichoice Hellas S.A. share in associates' commission and referred to the period from January 1st 2014 to March 31st, 2014 (Multichoice Hellas S.A. was absorbed by Forthnet Media S.A. on October 30, 2014).

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

The Company's costs from Multichoice Hellas S.A. are mainly related to the share of Forthnet in joint sell advertising (related to 3 play services) and referred to the period from January 1st 2014 to March 31st, 2014 (Multichoice Hellas S.A. was absorbed by Forthnet Media S.A. on October 30, 2014).

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

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

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

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

<u>Related Party</u>	<u>Relation with Group</u>	<u>Year ended at</u>	<u>Sales to related parties</u>	<u>Purchases from related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.03.2014 31.03.2015	361,583 205,001	704,042 636,694
Vodafone S.A.	Shareholder	31.03.2014 31.03.2015	256,995 94,221	262,744 484,414
Vodafone Ltd.	Related Party	31.03.2014 31.03.2015	416,762 824,115	658,784 1,066,103
Hellas Online S.A.	Related Party	31.03.2014 31.03.2015	236,358 86,023	342,526 123,599
Interoute Managed Services Netherlands	Related Party	31.03.2014 31.03.2015	- -	- -
Interoute Spa (Italy)	Related Party	31.03.2014 31.03.2015	57,241 43,901	- -
Interoute Bulgaria JsCo	Related Party	31.03.2014 31.03.2015	63,600 63,600	173,148 189,924
Interoute Czech Sro	Related Party	31.03.2014 31.03.2015	451 524	27,371 86,527
Emirates International Telecommunications	Indirect Shareholder	31.03.2014 31.03.2015	- -	228,040 -
Technology and Research Foundation	Shareholder	31.03.2014 31.03.2015	12,791 13,688	4,752 4,820
	Total	31.03.2014	1,405,781	2,401,407
	Total	31.03.2015	1,331,073	2,592,081

<u>Related Party</u>	<u>Relation with Group</u>	<u>Year ended at</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2014 31.03.2015	510,269 198,065	598,521 497,924
Vodafone S.A.	Shareholder	31.12.2014 31.03.2015	123,832 76,644	371,726 383,342
Vodafone Ltd.	Related Party	31.12.2014 31.03.2015	1,730,570 2,554,685	2,887,774 3,303,601
Hellas Online	Related Party	31.12.2014 31.03.2015	365,083 42,143	84,325 71,761
Go Plc	Indirect Shareholder	31.12.2014 31.03.2015	- -	- -
Emirates International Telecommunications	Indirect Shareholder	31.12.2014 31.03.2015	- -	895,085 895,085
Technology and Research Foundation	Shareholder	31.12.2014 31.03.2015	50,612 23,387	1,608 1,590
Telemedicine Technologies S.A.	Associated	31.12.2014 31.03.2015	3,734 3,734	- -
Athlonet S.A.	Associated	31.12.2014 31.03.2015	11,502 11,502	8,060 8,060
Lumiere Productions S.A.	Shareholder	31.12.2014 31.03.2015	- -	6,378 6,378
Lumiere Cosmos Communications	Shareholder	31.12.2014 31.03.2015	- -	10 10
Interoute Managed Services Netherlands	Related Party	31.12.2014 31.03.2015	89,936 -	- -
Interoute Spa (Italy)	Related Party	31.12.2014 31.03.2015	72,739 27,816	- -
Interoute Bulgaria Js Co	Related Party	31.12.2014 31.03.2015	63,600 1,200	420,118 426,716
Interoute Czech Sro	Related Party	31.12.2014 31.03.2015	406 930	127,804 114,624
	Total	31.12.2014	3,022,283	5,401,409
	Total	31.03.2015	2,940,106	5,709,091

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, 2015 and 2014, are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31.03.2015</u>	<u>31.03.2014</u>	<u>31.03.2015</u>	<u>31.03.2014</u>
Salaries and fees for executive members of the BoD	66,292	62,424	66,292	62,424
Salaries and fees for non executive members of the BoD	30,450	30,450	30,450	30,450
Salaries and fees for Senior Managers	535,521	678,751	300,694	301,205
Total	632,263	771,625	397,436	394,079

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 € 109,404 for both the Group and the Company (March 31, 2014: € 12,739), whereas benefits relating to leaving indemnities amounted to € 0 and € 0 respectively (March 31, 2014: € 0 and € 0, respectively).

24. COMMITMENTS AND CONTINGENCIES:

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

Compensation of Senior Executives: According to the employment contracts of the Chief Executive Officer and certain senior executives, there is a provision for the payment of compensation at the end of their employment term which liability has been included in the provision for staff retirement indemnities. In addition, in case of early termination of their contracts by the Company without grounds or in case of forced resignation, the Company shall pay to them an additional compensation. The amount of the additional compensation amounted to approximately € 0.9 million at March 31, 2015 (approximately € 0,9 million at December 31, 2014).

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, 2015 and at December 31, 2014, are as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Within one year	2,278,811	2,282,559	856,053	860,158
2-5 years	8,035,658	8,533,012	2,685,952	2,833,872
Over 5 years	550,169	614,053	370,650	429,779
Total	10,864,638	11,429,624	3,912,655	4,123,809

Guarantees: Letters of guarantee are issued by the Group to various beneficiaries and, as at March 31, 2015 and at December 31, 2014, are analysed as follows:

	The Group		The Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Performance Guarantee	6,219,319	6,237,594	629,330	647,605
Participation in tender Guarantee	2,559,846	2,559,097	2,547,546	2,546,797
Guarantees for good execution of agreements	73,682	55,564	73,682	55,564
Total	8,852,847	8,852,255	3,250,558	3,249,966

Contractual Commitments: The outstanding balance of the contractual commitments for the Group amounted to approximately € 108.4 million and for the Company amounted to approximately € 43.9 at March 31, 2015 (December 31, 2014: € 94.2 million and € 32.6 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 € 11.3 million (December 31, 2014: € 11.3 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 Group's management believes that the fair value of floating rate loans approximate their carrying amounts reflected in the statements of financial position.

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

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

Level 1: Quoted market prices

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observable)

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period. The Group establishes policies and procedures for repeated measures (Derivatives). At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents. During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at March 31, 2015 and December 31, 2014, the Group and the Company held the following financial instruments measured at fair value:

	The Group			
	Fair value 31.03.2015			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest rate swaps (Note 22)	-	2,389,879	-	2,389,879
Long - term loans (Note 18)	-	324,442,924	-	324,442,924

	The Group			
	Fair value 31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest rate swaps (Note 22)	-	2,333,167	-	2,333,167
Long - term loans (Note 18)	-	324,325,614	-	324,325,614

	The Company			
	Fair value 31.03.2015			
	Level 1	Level 2	Level 3	Σύνολο
Financial liabilities				
Long - term loans (Note 18)	-	100,000,000	-	100,000,000

	The Company			
	Fair value 31.12.2014			
	Level 1	Level 2	Level 3	Σύνολο
Financial liabilities				
Long - term loans (Note 18)	-	99,999,538	-	99,999,538

26. LITIGATION – ARBITRATION:

A. FORTHNET S.A.

- a) Forthnet's outstanding judicial claims against third parties amount to approximately € 39.6 million.
- i) Out of this amount, approximately €26.7 million concern a claim of the Company against OTE regarding the incidental loss the Company suffered by EPAK case (unjustifiable discrimination for OTE in favour of its subsidiary, OTEnet). The hearing of the lawsuit is pending.

Furthermore, approximately € 293 thousand concern a claim of the Company against OTE for the non-material damage that the Company has suffered for the same cause (EPAK). A judgement was issued on the aforementioned lawsuit, by which the Court partially accepted the lawsuit of the Company, which has been already appealed by OTE (at the Court of Appeals). The hearing of the appeal is pending.

Furthermore, there is a lawsuit of the Company against OTE, for the amount of approximately € 698 thousand, of which (a) the amount of € 548 thousand corresponds to illegitimate charges to the Company during the years 2009 and 2010 for wasteful travel fees of OTE technical crews for the fixing of local loop failures as well as (b) the amount of € 150 thousand as a compensation for moral damage. The hearing of the lawsuit is pending. The above lawsuit was served to OTE on 31 December 2014 and its hearing is set for October 12, 2016.

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

Furthermore, the following EETT's Decisions have been issued and served to our company: (a) EETT's Decision No. 695/60/27.06.2013 that concerns the March 26, 2010 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this decision, OTE was ordered to credit Forthnet in 3,316 cases that totally correspond to the amount of € 178 thousand while a fine of € 332 thousand was additionally imposed to OTE. (b) EETT's Decision No. 692/36/30.05.2013 that concerns the September 5, 2011 complaint of Forthnet for arbitrary charges of wasteful travel fees regarding the fixing of local loop failures on the part of OTE. With this decision, OTE was ordered to credit Forthnet in 1,492 cases that totally correspond to the amount of € 79 thousand, while a fine of € 149 thousand was additionally imposed to OTE. (c) EETT's Decision No. 640/50/21.02.2012 that concerns the November 15, 2011 complaint of Forthnet for charges of OTE wasteful travels fees for the fixing of local loop failures with the justification "non-accessible building", which charges were not in accordance with the legislative framework. With this decision, OTE was ordered to credit to Forthnet the imposed charges during the time period from October 2010 up to June 2011, which charges amounted to € 78 thousand an amount that was refunded by OTE to Forthnet. With the same resolution, a fine of € 250 thousand had been imposed to OTE for its illegitimate conduct. (d) For the same matter of the charges of OTE wasteful travel fees with the justification "non-accessible building", which charges were not in accordance with the legislative framework, Forthnet filed a new complaint to EETT on February the 11, 2012, further to which, EETT's Decision No. 695/62/27.06.2013 was issued, by which a fine of € 125 thousand was imposed to OTE for its illegitimate conduct and the latter was ordered to refund to Forthnet the relevant fees that had collected during the time period from July 2011 up to August 2012, which amount to € 206 thousand. (e) No. 700/019/29.08.2013 Decision of EETT that concerns the complaint of the company Hellas on Line dated March the 7th 2013,, as well as of other companies, among which Forthnet, regarding the occurrence of significant delays in the implementation of requests and the management of failures in the Local Loop service. By this decision, a fine of € 300 thousand was imposed to OTE for violations of the legislation regarding electronic communications and a fine of € 700 thousand for the abuse of dominant position. OTE lodged an appeal against the aforementioned decision of the EETT before the Court of Appeals of Athens, the hearing of which had been scheduled for May 14 2014. During the aforementioned trial date the hearing of the case was cancelled due to the conduct of the Greek elections. The hearing of the case was rescheduled for the 8th of October 2014, when it was again postponed for the 11th of February 2015. During the as above trial day the hearing of the case took place and the issuance of a judgement is expected.

OTE has appealed to the competent courts against the decisions of EETT under (a), (b), (c), (d) and (e).

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

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

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 € 4.3 million. A relevant provision has been recorded for the above claims (allowance for doubtful accounts receivable) in the financial statements of the Company.

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 which claim, the Company has already filed respective Applications of Acknowledgment of Claim against the State for the provision of electronic services for the aforementioned project. Specifically, for 2013, the Company filed a relevant application of acknowledgment of claim, by which it has requested the amount of € 2.3 million plus the corresponding VAT, to be acknowledged to it. Furthermore, for the time period from January 1, 2014 - May 31, 2014, the Company has also filed a respective application of acknowledge of claim, the level of which amounts to € 969 thousand, inclusive of the corresponding VAT.

For the project ("SYZEFXIS") the Company had recorded unbilled revenue in its financial statements for an amount of € 2.7million.

iv) During an audit that was conducted, the Company discovered the abuse of a significant amount of money by an employee of its accounting department together with her spouse, of approximately € 2.37 million. Consequently, the Company filed immediately charges against the above persons for the criminal acts of counterfeiting and fraud while at the same time took the necessary legal actions before the civil courts for compensation for the damages suffered. Upon issue of a judgement of the first instance, the requested amount was awarded in favour of the Company, while the hearing of the appeal on the criminal fraud, for which the defendants had been found guilty at first instance is pending. In any event, the Company and the Group have recorded the necessary provisions in 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 thousand, while for the year 2003 amounting to € 433 thousand plus interest and related legal expenses. For the aforementioned claim, the Company had appealed before the Administrative Courts, instituting a relevant Administrative Action and filing a relevant Lawsuit. On the aforementioned administrative action, the Administrative Court of the First Instance of Athens rejected the aforementioned appeal of the Company. The Company lodged an APPEAL before the Administrative Court of Appeals of Athens, against the aforementioned judgement that has rejected the administrative action, on which no. 5106/2014 Decision of the Administrative Court of Appeals of Athens was issued, by which the Court rejected the appeal of the Company.

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

vi) Finally, there is a claim of the Company and Mr. Panayiotis Papadopoulos against the owner company "VOICENET" as well as against the editing team of the webpages www.fmvoice.gr and www.fmvoice.eu before the Multimember Court of First Instance of Athens, through which, the total amount of € 300 thousand is demanded to be awarded to the Company and the amount of € 200 thousand to Mr. Papadopoulos. The 1st of October 2015, was scheduled to be the trial date for the judgment of the said 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. The outcome of the case cannot be safely estimated, despite the fact that the unfair competition legal basis of the claim has been fallen into prescription during *lis pendens* (during litigation proceedings). The prescription may also carry along in prescription the longterm prescription on the other legal base, yet such a thing remains to be judged in court, if OTE returns with a new summoning.

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

iii) Finally, Fines of the total amount of approximately € 1 million have been imposed to the Company by the individual competent Independent Administrative Authorities, for several reasons. Specifically, six (6) fines of the total amount of approximately € 0.5 million have been imposed by EETT, eight (8) fines of the total amount of € 0.28 million by the General Secretariat for Consumer Affairs and two (2) fines of the total amount of € 0.15 million by the Hellenic Republic Capital Market Commission. The Company has appealed before the competent administrative courts for the cancellation or otherwise modification (review) of the as above imposed fines.

iv) There is a counterclaim of the company "VOICENET", as well as of the editing team of the webpages www.fmvoice.gr and www.fmvoice.eu against the Company and against Mr. Panayiotis Papadopoulos, before the Multimember Court of First Instance of Athens for the amount of € 300 thousand to the counter plaintiffs, members of the editing team, and of € 200 thousand to the counter plaintiff company, the hearing of which has been scheduled for October 2015.

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

B. FORTHNET MEDIA S.A.

(a) The outstanding judicial claims of third parties against the subsidiary, Forthnet Media S.A. (hereinafter FM, which absorbed the companies NetMed Hellas S.A. SYNED S.A. and Multichoice Hellas S.A.) amount to € 13.3 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) A claim of approximately € 0.81 million, plus interest and legal expenses concerns a lawsuit by the Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED, as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRAZI S.A. (prior to its absorption by FM) of 828 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. A judgement that dismissed the lawsuit as unsubstantiated was issued. The litigant party has lodged an appeal, the hearing of which took place on April the 30th 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. The issuance of a judgment is expected.

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

ii) € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years (of the company Multichoice Hellas S.A.). Appeals have been lodged against the above actions, which have been heard and court judgements have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to € 0.34 million, while for the fiscal year 1999 to € 0.18 million and the due taxes will be computed on the said amounts. The total amount, amounts along with the interests to approximately € 832 thousand out of which the company has already paid in advance the amount of € 786 thousand as a precondition for the filing of the appeals. The Greek State filed appeals before the Supreme Court, the hearing date of which has not been yet scheduled. For the final amount of tax that is going to be charged according to the above, a related provision of expense has been made by the Company in its financial statements.

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 disputes between FM (arising by the absorbed Netmed Hellas S.A.)/Multichoice Hellas S.A.) and against the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit as unsubstantiated, but the lawyer-plaintiff filed an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgement. The lawyer-plaintiff is entitled to file an appeal before the Supreme Court of Cassation (Arios Pagos). It is pointed out that the judgement of the Court of Appeals of Athens is sufficiently and properly substantiated (both legally and on its merits) and it does not seem to have been fallen into any substantial error in law.

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

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

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

For the remaining cases the Group's Management estimates that they will not have a material impact on the financial statements and therefore has not formed a provision of expense.

- (b) The outstanding judicial claims of the subsidiary FM (arisen by the absorbed NetMed Hellas S.A. and Multichoice Hellas S.A.) against third parties amount to € 38.5 million approximately, plus interest and expenses. From the abovementioned amount:

i) € 12.2 million approximately, plus interest and expenses, relates to the company's claims against several PAE (football clubs) for the restitution of (pecuniary and moral) damages incurred by FM due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FM for the TV/radio broadcast of their football matches. Several of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverable and from the initial claim of € 18.6 million, ultimately the court decided on a compensation of € 0.2 million. However, the said companies are apparently not in a financial position to reimburse the Company.

Similarly, the outstanding judicial claims of the already absorbed Multichoice against third parties amount to € 14.7 million approximately, plus interest and expenses. These claims predominately relate to claims of the Company against various PAE for the restitution of (pecuniary and moral) damages incurred by the Company due to the unlawful and void termination –on the part of PAE- of the agreements which the PAE had concluded with FM for the television broadcast of their games. Several of these claims have not been judged irrevocably, whilst most of the PAE are inactive (either due to downgrading or due to liquidation). Additionally, it should be noted that during 2012, the claim of the company (former Multichoice) against PAE PAOK and the companies EXAFON and INTERACTIVE was judged irrecoverably and from the initial claim of € 23.4 million, ultimately the court decided on a compensation of € 200 thousand. However, the said companies are apparently not in a financial position to reimburse the Company.

ii) € 4.5 million and € 3.9 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 FM due to the unlawful broadcast (via TV and internet), without FM's permission, of highlights of the matches of PAE, played in the course of the SUPERLEAGUE football championship during the football season 2011-2012 and 2012-2013 respectively. It is noted that FM has acquired the exclusive broadcast rights of the PAE matches (including their highlights). The hearing of the case was cancelled within the framework of an extrajudicial/conciliatory settlement of the dispute.

iii) A lawsuit against the company ERT S.A. and the banks Alpha Bank and Piraeus Bank by which it is requested to be acknowledged that our company does not owe the minimum guaranteed consideration of €2.9 million per year from November 10, 2008 or, alternatively if it does not apply for 2008, from November 10, 2010, but instead, a percentage on the real basis of its terrestrial analogue subscribers. With the abolition of ERT, the Greek State replaced the former in its rights and obligations, consequently it will be the litigant party in this case. The claim on the main and supportive basis consists of the acknowledgment of the non existence of a payment right, accordingly it is not evaluated as an actual monetary claim. The hearing of the lawsuit is pending and had been scheduled for April of 2015, when it was postponed, upon request of the Greek State, for 2.11.2017.

iv) A lawsuit against the Greek Football Federation (EPO), by which the cancellation of a BoD decision is required. By virtue of the said BoD decision, EPO rejected the company's participation in the tender for the acquisition of the TV rights of the Greek Soccer Cup for the football seasons 2013-2014 to 2015-2016 and awarded the tender to a third company. The reason for the cancellation is based on legal grounds (the company to which the tender was awarded is not a TV entity, as required by article 84 of L. 2725/1999). The case was heard and no. 731/2014 judgement was issued, that accepts the lawsuit. EPO lodged an appeal (as well as the company that a certain part of the judgment's rationale concerns it), the hearing of which had been scheduled for February 19, 2015 when it was heard. No. 2026/2015 final judgment of the Court of Appeals of Athens was issued, which rejected the appeal of EPO (as well as of the company) as unsubstantiated and ratified the validity of no. 731/2014 judgement of the court of first instance. EPO is entitled to file cassation appeal. The case does not contain any compensational claim.

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

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

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

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

C. Forth-CRS S.A.

The outstanding judicial claims of the subsidiary Forth-CRS S.A. against third parties amount to € 648 thousand. Among the aforementioned claims, the following three significant claims are also included:

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

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

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

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

D. NETMED N.V.

The outstanding judicial claims of third parties against the subsidiary Netmed N.V. amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development B.V. (before merging by Netmed NV) of 3,528 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company “CYPROMAN LTD”, which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. The issuance of a judgment is expected.

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.

E. DIKOMO INVESTMENT SARL

The outstanding judicial claims of third parties against the subsidiary DIKOMO INVESTMENT SARL amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by DIKOMO INVESTMENT SARL of 1,272 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. The issuance of a judgment is expected.

F. TILEDRAZI S.A.

The outstanding judicial claims of third parties against the subsidiary TILEDRAZI S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRAZI S.A. of 2,872 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. The issuance of a judgment is expected.

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

G. MULTICHOICE CYPRUS PUBLIC LIMITED LTD

No pending court cases of the company exist, since the voluntary liquidation and winding-up of the company was concluded (as well as its deletion from the registers of the Registrar of Companies), which was published in no. 4202/21.1.2015 issue of the Official Government Gazette of the Cyprus Republic.

H. INTERVISION S.A.

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

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

27. SUBSEQUENT EVENTS:

The company Forthnet S.A. announces that its cooperation with the organizing authority of the A' National Division professional football championship, namely Super League, has been extended for two additional football seasons, that is for the seasons 2017-18 and 2018-19. The extended cooperation includes the broadcasting rights for TV, radio, internet, and mobile telephony networks, over a territory covering Greece, Cyprus and Albania.

Iraklion, May 28, 2015

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Vice President of the Board of Directors
and
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