



# HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A.

**Forthnet S.A.**

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

G.E.M.I. 77127927000

Scientific Technological Park of Crete, Vassilika Vouton, Iraklion Crete 71003

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

(Published in accordance with Law 2190/1920, article 135 for companies preparing annual consolidated and separate financial statements in accordance with IFRS)

The financial data and information provided below, aim to provide a general overview of FORTHNET S.A. financial statements and results and of the Group. As a result of this, we recommend to any potential investor, that before engage in any type of investment activity or any other kind of transaction with the Company, to visit the Company's web site at the electronic address [www.forthnet.gr](http://www.forthnet.gr), where all financial statements according to IFRS as well as the Audit Review report, when is required, are posted.

(amounts presented in euro)

## GENERAL INFORMATION:

<b>Web Site:</b> <a href="http://www.forthnet.gr">www.forthnet.gr</a> <b>Board of Directors approval date:</b> March 27, 2014 <b>Certified Auditor Accountant:</b> Seferis Christodoulos, Mpountas Spyridon <b>Auditing firm:</b> ERNST & YOUNG S.A., SOL S.A. <b>Type of auditor's review report:</b> Unqualified opinion with Emphasis of matter	<b>Board of Directors</b> Deepak Srinivas Padmanabhan, Chairman (non executive member) Panagiotis Papadopoulos, Vice Chairman and Chief Executive Officer (executive member) Vasilios Dougalis, non executive member Edwin Lloyd, independent non executive member Mohsin Majid, non executive member Bhavneet Singh, independent non executive member Michael Warrington, non executive member Giannos Michailidis, non executive member
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## STATEMENT OF FINANCIAL POSITION (consolidated and parent company)

	GROUP			COMPANY		
	31.12.2013	31.12.2012 (Restated*)	1.1.2012 (Restated*)	31.12.2013	31.12.2012 (Restated*)	1.1.2012 (Restated*)
<b>ASSETS</b>						
Tangible assets	191.852.139	226.841.953	281.829.878	111.229.693	132.053.562	154.102.782
Intangible assets	145.717.178	155.181.019	172.554.880	16.660.619	14.337.215	15.837.876
Goodwill	83.168.812	83.359.167	139.482.089	512.569	512.569	512.569
Other non current assets	27.473.250	26.443.011	26.684.562	97.548.421	99.140.622	108.443.235
Inventories	6.616.709	4.112.411	6.696.679	1.014.751	892.070	2.197.398
Trade receivables	59.280.563	63.089.311	75.208.837	36.562.345	40.822.747	46.343.492
Other current assets	75.777.413	102.999.856	103.557.059	75.882.032	87.266.998	71.364.706
<b>TOTAL ASSETS</b>	<b>589.886.063</b>	<b>662.026.728</b>	<b>806.013.984</b>	<b>339.410.430</b>	<b>375.025.783</b>	<b>398.802.058</b>
<b>EQUITY AND LIABILITIES</b>						
Share Capital (12,952,610 shares € 0.30 each as at 31.12.2013)	3.885.783	3.885.783	183.408.963	3.885.783	3.885.783	183.408.963
Retained earnings and other reserves	(101.424.526)	(41.716.655)	(120.443.144)	112.383.734	113.413.645	(60.831.856)
Total Shareholders equity (a)	<b>(97.538.743)</b>	<b>(37.830.872)</b>	<b>62.965.819</b>	<b>116.269.517</b>	<b>117.299.428</b>	<b>122.577.107</b>
Non-controlling interests (b)	2.371.509	2.771.602	3.122.093	-	-	-
Total Equity (c)=(a)+(b)	<b>(95.167.234)</b>	<b>(35.059.270)</b>	<b>66.087.912</b>	<b>116.269.517</b>	<b>117.299.428</b>	<b>122.577.107</b>
Long-term borrowings	-	116.712	219.039	-	-	-
Provisions/Other long-term liabilities	137.221.372	139.401.335	178.093.942	23.747.989	25.036.916	26.315.115
Short-term borrowings	324.961.806	333.388.639	332.260.715	99.850.688	109.487.018	109.246.011
Other Current Liabilities	222.870.119	224.179.312	229.352.376	99.542.236	123.202.421	140.663.825
Total Liabilities (d)	<b>685.053.297</b>	<b>697.085.998</b>	<b>739.926.072</b>	<b>223.140.913</b>	<b>257.726.355</b>	<b>276.224.951</b>
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>589.886.063</b>	<b>662.026.728</b>	<b>806.013.984</b>	<b>339.410.430</b>	<b>375.025.783</b>	<b>398.802.058</b>

\*Restated due to the implementation of revised IAS 19 "Employee Benefits" (note 2.3) of the annual financial statements.

## TOTAL COMPREHENSIVE INCOME (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)
Turnover	376.147.362	401.313.311	215.862.327	229.764.231
Profit/(Loss) before taxes, financing and investing activities	(30.361.774)	(73.685.241)	6.919.017	1.853.768
Profit/(Loss) before income taxes	(53.212.264)	(101.695.073)	1.475.008	(3.912.373)
<b>Loss after income taxes (A)</b>	<b>(60.391.158)</b>	<b>(100.691.444)</b>	<b>(1.052.324)</b>	<b>(5.060.764)</b>
- Share holders of the parent company	(59.820.693)	(100.246.113)	(1.052.324)	(5.060.764)
- Non-controlling interests	(570.465)	(445.331)	-	-
Loss after taxes per share - Basic (in €):	(4,6184)	(7,7395)	-	-
Profit before taxes, financing, investing activities and depreciation	55.894.998	17.643.530	52.836.675	52.288.982
<b>Other comprehensive income/(loss) after taxes(B)</b>	<b>167.240</b>	<b>(550.982)</b>	<b>22.413</b>	<b>(309.915)</b>
<b>Total comprehensive income/(loss) after taxes(A)+(B)</b>	<b>(60.223.918)</b>	<b>(101.242.426)</b>	<b>(1.029.911)</b>	<b>(5.370.679)</b>
- Share holders of the parent company	(59.654.306)	(100.794.952)	(1.029.911)	(5.370.679)
- Non-controlling interests	(569.612)	(447.474)	-	-

\*Restated due to the implementation of revised IAS 19 "Employee Benefits" (note 2.3) of the annual financial statements.

## CASH FLOW STATEMENT (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)
<b>Cash flow from Operating Activities</b>				
Profit / (Loss) before income taxes	(53.212.264)	(101.695.073)	1.475.008	(3.912.373)
Adjustments for:				
Depreciation and amortisation	88.483.327	94.320.764	48.108.387	53.368.969
Amortisation of subsidies	(2.226.555)	(2.991.993)	(2.190.729)	(2.933.755)
(Gains)/ losses on disposal of tangible and intangible assets	4.293	(15.603)	(2.265)	(14.603)
Allowance for doubtful accounts receivable	6.192.304	8.158.770	5.245.350	7.056.088
Other provisions	2.203.916	1.592.761	1.015.472	941.196
Impairment of goodwill	190.355	56.122.922	-	-
Impairment of investment in subsidiary	-	-	112.499	8.739.000
Financial expenses	22.945.612	28.009.832	5.444.009	5.766.141
<b>Net cash from Operating Activities</b>	<b>64.134.842</b>	<b>79.665.705</b>	<b>27.399.982</b>	<b>33.547.710</b>
<b>Cash flow from Investing activities</b>				
Capital expenditure for property, plant and equipment and intangible assets	(44.800.490)	(41.876.577)	(29.637.021)	(29.864.614)
Disposals of property, plant and equipment and intangible assets	24.297	68.005	22.426	68.005
Interest and related income received	155.713	476.137	119.573	362.021
Restricted cash	7.000.000	1.214.500	7.000.000	1.214.500
<b>Net cash used in Investing Activities</b>	<b>(37.620.480)</b>	<b>(40.117.935)</b>	<b>(22.495.022)</b>	<b>(28.220.088)</b>
<b>Cash flows from Financing Activities</b>				
Net change in long-term borrowings	-	(102.327)	-	-
Net change in short-term borrowings	-	215.624	-	-
Repayment of long-term borrowing	(10.000.000)	-	(10.000.000)	-
Interest paid	(22.168.055)	(23.426.394)	(5.175.926)	(5.631.266)
Net change in leases	(12.228.389)	(11.444.023)	(466.592)	(520.672)
<b>Net cash used in Financing Activities</b>	<b>(44.396.444)</b>	<b>(34.775.120)</b>	<b>(15.642.518)</b>	<b>(6.151.938)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(17.882.082)</b>	<b>4.790.650</b>	<b>(10.737.558)</b>	<b>(824.316)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>32.571.829</b>	<b>27.781.179</b>	<b>16.319.853</b>	<b>17.144.169</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>14.689.747</b>	<b>32.571.829</b>	<b>5.582.295</b>	<b>16.319.853</b>

\*Restated due to the implementation of revised IAS 19 "Employee Benefits" (note 2.3) of the annual financial statements.

## STATEMENT OF CHANGES IN EQUITY (consolidated and parent company)

	GROUP		COMPANY	
	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)	01.01 - 31.12.2013	01.01 - 31.12.2012 (Restated*)
Total equity balance at the beginning of year (01.01.2013 and 01.01.2012 respectively), published	(35.642.430)	64.787.740	117.002.828	121.814.544
Implementation of revised IAS 19	583.160	1.300.172	296.600	762.563
Total Equity beginning at the period 01.01.2013 and 01.01.2012 respectively (restated*)	<b>(35.059.270)</b>	<b>66.087.912</b>	<b>117.299.428</b>	<b>122.577.107</b>
Total comprehensive loss after income taxes of the year (continuing and discontinuing operations)	(60.391.158)	(100.691.444)	(1.052.324)	(5.060.764)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	167.240	(550.982)	22.413	(309.915)
Transfer to non distributable reserve (Statutory Reserve)	(634)	2.244	-	-
Stock Option Plan	-	93.000	-	93.000
Sale of subsidiary shares	116.588	-	-	-
Total equity balance ended year (31.12.2013 and 31.12.2012 respectively)	<b>(95.167.234)</b>	<b>(35.059.270)</b>	<b>116.269.517</b>	<b>117.299.428</b>

\*Restated due to the implementation of revised IAS 19 "Employee Benefits" (note 2.3) of the annual financial statements.

## ADDITIONAL DATA AND INFORMATION

<p>1. The emphasis of matter paragraph in the auditors report relates to uncertainty regarding (i) the Company's and Group's ability to refinance their entire contractual obligations under their loan agreements and, (ii) the Group's and the Company's working capital sufficiency which cannot be assured and are depended on a successful refinancing of their borrowings with their lending banks.</p> <p>2. The above financial statements for the year 01/01/2013-31/12/2013 have been approved by the members of the Board of Directors March 27, 2014</p> <p>3. At December 31, 2013 the total number of employees reached 1,393, while those of the Parent Company reached 842. At December 31, 2012 the Group's relative number of employees was 1,341, while that of the parent company was 785.</p> <p>3. At December 31, 2013 the total number of employees reached 1,403, while those of the Parent Company reached 842. At December 31, 2012 the Group's relative number of employees was 1,341, while that of the parent company was 785.</p> <p>4. There is no burden against title to the Group's real estate.</p> <p>5. The financial statements of the Group are included in the financial statement of Company "FORGENDO LIMITED" (Head Office: Cyprus, Percentage Participation at December 31, 2013: 44.022%) under the equity method.</p> <p>6. The Group and the Company applied for the first time, IAS 19 (Revised 2011) Employee Benefits which requires restatement of previous financial statements (note 2.3). Except for the above, the same accounting methods and assessments have been used as in prior fiscal year 2012.</p> <p>7. The unaudited tax years of the Company and of the companies of the Group are stated in Note 10 of the financial statements.</p> <p>8. The Company and the Group have made cumulative provisions for additional taxes assessments for the unaudited tax-years amounting to € 0.2m for the Company and € 0.4 m. for the Group, in order to cover any additional taxes which will occur in future tax audit. In addition, no deferred tax asset has been recognised for set-off of tax losses of amount € 32.4 m. for the Group.</p> <p>9. There are no disputes or issues under arbitration, or decisions issued by legal or arbitration bodies affecting the Group's financial situation. The amount of the provision for the above issues are € 0.0 for the Company and € 0.0 million for the Group.</p>	<p>10. Certain line items of the previous year's financial statements were reclassified in order to conform to the current year's presentation (note 2.1).</p> <p>11. The Group's subsidiaries, their registered offices, the equity interest as well as the participation relationship with the Group which are incorporated at the end of the current fiscal year consolidated financial statements, do not differ from those included in note 12 of the financial statements of December 31, 2012 except for the Company's interest in "Telemedicine Technologies S.A.", which was reduced from 61.38% to 24.90% (note 11).</p> <p>12. At the end of current year no shares of the parent company are possessed by either the parent company or any subsidiary or associate companies.</p> <p>13. On November 24, 2011 the Board of Directors of the Athens Exchange decided to place the Company's shares under close monitoring based on the fact that the fiscal year 2010 losses were greater than 30% of its equity and the planned share capital increase was not successfully completed</p> <p>14. The accumulated income and expenses since the beginning of the current fiscal year as well as the Company's and the Group's trade accounts receivable and liabilities as at the end of the year derived from transactions with related parties as defined by IAS 24 are as follows:</p> <table border="1"> <thead> <tr> <th>(Amounts in euro)</th> <th>GROUP</th> <th>COMPANY</th> </tr> </thead> <tbody> <tr> <td>a) Income</td> <td>2.897.430</td> <td>17.835.112</td> </tr> <tr> <td>b) Expenses</td> <td>3.720.379</td> <td>5.441.438</td> </tr> <tr> <td>c) Receivables</td> <td>618.059</td> <td>65.438.472</td> </tr> <tr> <td>d) Liabilities</td> <td>2.096.553</td> <td>11.055.782</td> </tr> <tr> <td>e) Fees of Managers and members of the Board of Directors</td> <td>2.770.186</td> <td>1.894.886</td> </tr> <tr> <td>f) Amounts owed by Managers and members of the Board of Directors</td> <td>-</td> <td>-</td> </tr> <tr> <td>g) Amounts to Managers and members of the Board of Directors</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	(Amounts in euro)	GROUP	COMPANY	a) Income	2.897.430	17.835.112	b) Expenses	3.720.379	5.441.438	c) Receivables	618.059	65.438.472	d) Liabilities	2.096.553	11.055.782	e) Fees of Managers and members of the Board of Directors	2.770.186	1.894.886	f) Amounts owed by Managers and members of the Board of Directors	-	-	g) Amounts to Managers and members of the Board of Directors	-	-
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Iraklion, March 27, 2014

PRESIDENT OF THE B.o.D.

VICE PRESIDENT OF B.o.D  
& MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

GROUP FINANCIAL REPORTING  
MANAGER

GROUP ACCOUNTING  
MANAGER

DEEPAK SRINIVAS PADMANABHAN  
Passport No Z 2052599

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ID Number S 676330

GEORGE MANTZOROS  
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GEORGIA GALI  
ID Number X 091299

POLYCHRONIS KATSARIS  
ID Number AK 012888