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Message from the Chairman



2015 was the year in which everyone – the state, businesses and the public – continued their efforts aimed at stabilising the economy, which would result in the country's exit from the economic adjustment programme. For Cyta, 2015 was an especially dynamic and productive year. The Organisation continued to progress and develop and to provide Cypriots with services and products that are the equal of those of the biggest global companies in the sector.

The productive collaboration between the executive, management, unions and personnel, in conjunction with the coordinated efforts to implement the Organisation's business strategy, bore fruit. The satisfactory financial results, gained in a difficult environment for the Cyprus economy, are a tangible result of the professional dedication and methodical teamwork of Cyta's human resources.

Growth strategy

The primary objective of the Board and Management in 2015 remained that of increasing Cyta's value. In order to achieve this goal, we had to reinforce the Organisation's growth trajectory, which is why we drew up the five-year corporate business plan 2015-2019, which is now being implemented and aims at maintaining our profitability through three pillars:

- supporting revenue through current activities
- seeking new revenue sources
- reducing operating expenses wherever possible

Key axes and strategic objectives

Cyta's mission is to provide its residential and business customers with integrated, reliable digital solutions that respond to their particular needs at the lowest possible cost.

For this mission to be transformed into action, it needs to be supported by the appropriate strategy, adapted to the new global reality in the telecommunications sector and to the new financial environment.

The axes on which the implementation of our strategy was based in 2015 were the following:

- The provision of integrated digital telecommunications and IT solutions, tailored to the specific needs of each customer.
- Making the best use of the Organisation's key characteristics and capabilities as regards the creation of new opportunities, which will become new sources of income, so as to deal with the major global challenge of the times – falling revenues for traditional telecommunications companies – by implementing strategic activities in secondary areas that will bring about new revenue flows.
- The evolution of the networks towards greater capacity, higher speeds and lower operating expenses, showing the Organisation's ability to modernise and improve its networks so as to offer upgraded and modern services.
- The reorganisation of the cost structure by activity and the maximisation of productivity, with the main aim of reducing expenses as a percentage of the Organisation's income.
- The further upgrading of Cyta's position as a telecommunications hub in the Eastern Mediterranean region.

In summary, we upgraded infrastructures, offered our customers innovative services, strengthened our already high level of reliability, provided even better service and reduced our operating expenses.

Cyprus: An international telecommunications hub

One part of Cyta's multi-faceted work is the development of international cable systems that strengthen the position of Cyprus and of our Organisation as a telecommunications hub in the broader Eastern Mediterranean region.

The main projects regarding the expansion of the international cable network in 2015 were:

- creating our own undersea fibre optic cable link between Pentaschinos and Chania, named KIMONAS.
- securing significant capacity on the Chania - Sofia channel, via Cyta Hellas' own fibre optic network.

These projects will enable the creation of a new telecommunications channel interconnecting the Balkans and Central Europe with Egypt and other Middle East destinations via Cyprus.

Cyta also has a significant satellite infrastructure, spearheaded by the Makarios Satellite Station. A number of projects were carried out in 2015, which reinforced its technological potential and the services it provides.

Cyta Hellas

2015 was a year of growth for Cyta Hellas, despite the prevailing difficulties in the country. I would note that the broader economic environment in Greece was characterised by unusual events, including repeated elections and the closing of banks. At the same time, the sector showed a trend for concentration and a turn towards the convergence of services and cross-selling, which made competition even fiercer. Amid these adverse conditions, Cyta Hellas showed flexibility, proving that a focus on objectives and the taking of well-planned, coordinated action are key components of progress and growth, making it capable of facing the future with positive prospects.

Cyta Hellas remains the Organisation's biggest and most important investment outside Cyprus.

Cyta's recent entry into Greece's prepaid mobile telephony market, a large market with the lion's share of the country's mobile connections (70%), has maximised its prospects.

Cyta Hellas makes a significant contribution to the increased value of the Cyta Group, since its creation was a business move with strategic characteristics and benefits. In this context, it is clear that we are supporting Cyta's growth in the dynamic and expanding Greek market, and we look forward to maximising our investment in what is a highly challenging environment.

The Board recognises the importance of the Organisation's strategic decision to extend its network in mainland Greece, in a joint Cyprus-Greece move, to the Middle East-Balkans axis. Cyta Hellas' own new generation fibre optic network, one of the biggest in the country with a length exceeding 5,500km, stretching from Crete to the Balkan border, acted as a strategic link in turning the Cyta Group into one of the most important telecommunications nodes in the Mediterranean. The new undersea fibre optic connection between Cyprus and Greece, named KIMONAS, has made a crucial contribution to this.

The excellent infrastructure that has been created is a major asset for the Organisation. It opens up new business horizons and upgrades Cyta into an influential regional provider, the equal of any global giant.

Cyta has shaped the past and it will shape the future

In 2015, we achieved many of our aims but there are still some issues that need completing and others in need of management. Every Annual Report is the basis on which we build the Cyta

of tomorrow. The Organisation will proceed steadily with the necessary changes – they are crucial for its value and crucial for its future.

Maintaining Cyta's high value is a long-term objective and the main mission of the Organisation's executive, management, unions and personnel. We have carried out this mission successfully. At the same time, we have kept the Cyta family together, maintained our values, built on the trust that the citizens of Cyprus have shown us, and strengthened it further through our reliability and consistency.

Cyta has everything it needs to guarantee that it will continue to be leader when it comes to the changes and technical developments that support the country's economy and society, thereby maintaining our country in the group of states that are characterized by the very high standard of telecommunications and digital services that they provide.

Cyta has shaped the past and it will shape the future.



Christos Patsalides
Chairman
August 2016

Message from the Deputy Chief Executive Officer



In these times of rapid change, nothing can be taken for granted. This is especially true for telecommunications companies, which face major challenges affecting their growth potential and, above all, their actual survival. The rise of alternative means of communication, promoted by Internet Technology and Social Media companies, has reduced the size and the profits of companies active in the sector and, as a result, mergers and acquisitions have become the accepted strategic reaction by telecoms around the world.

In this complex, changing environment, Cyta continues to progress in a prudent, responsible manner, adapting the Organisation's growth strategy to present-day reality. To this end, we make use of the collective knowledge and specialist training of Cyta's human resources and are implementing new business models based on simplified management and partnerships. To this we add state-of-the-art technology, quality services and their related support and, above all, our long-term dedication to our customers, residential and business.

In a highly competitive environment and in spite of the regulatory obligations that restrict our ability to be flexible in the market, we continue to be the Cypriots' first choice.

Projects and services 2015

In brief, the projects that we worked on in 2015 and the services offered to customers include the following:

- The major Fixed Telephony Transformation Project, which aims to replace all fixed phone connections with broadband.
- Installation of the 4G/LTE network, enabling all customers to experience and rely on more facilities.
- The extension and upgrading of the broadband access network,

- providing solutions to those who require higher speeds.
- Enhancing the Cytamobile-Vodafone RED plans through new apps and content, which add even more value to these already attractive plans.
- Further upgrading and enhancing the services on Cytanet's Livestreaming platform, which is used for the online transmission of football matches (those shown on Cytavision) and other sports events.
- The addition of new and exciting sports, music and children's channels to Cytavision.
- Reinforcing our Cloud services with the addition of Cloud Servers and Cloud Marketplace.
- The further development of a successful innovation and entrepreneurship ecosystem in Cyprus, through the Organisation's own Centre for Innovation and Idea Development.

Cyta has taken communication to a new level through the provision of the most advanced converged voice and data services, equal to those of the world's biggest telecommunications companies.

Cyta is synonymous with innovation

Cloud Services

In this era of economic and financial challenges, Cyta can assist every business, irrespective of size, in increasing its competitiveness, automating its processes and growing its profits. Through our Cloud Services, we give companies online access to software applications and an IT infrastructure for a monthly subscription. In this way, we have transformed the high startup outlay that a business needs for the purchase of technology into an operating expense.

In 2015, we continued to enhance our Cloud Service through the addition of Cloud Servers, a service that offers businesses a modern IT infrastructure, flexible management corresponding to its actual needs, together with the technical support, security and reliability for which Cyta is renowned.

Centre for Innovation and Idea Development

Innovation is a strategic pillar of leading enterprises that seek sustainable development and it is essential for maximising the value of organisations that are at a transitional stage and facing a range of challenges.

In 2015, Cyta's Centre for Innovation and Idea Development continued to work on the creation of a successful innovation and entrepreneurship ecosystem in Cyprus. Though collaborations with other private and public sector organisations, one of the Centre's objectives is to help budding entrepreneurs develop their ideas and gain access to investment funds in order for these ideas to evolve into start-ups. At the same time, the Centre aimed in 2015 at the promotion of intrapreneurship within Cyta, developing the Organisation's ability to create new innovative products and services, using its own human resources.

Cyta's aim with the Centre for Innovation and Idea Development is to create new, alternative revenue streams, to improve its corporate image, to develop an entrepreneurial culture within the Organisation, to promote young entrepreneurship and to strengthen the Cypriot economy.

Mobile communications

In the mobile telephony sector, we continued to operate in a fiercely competitive environment, which is also affected by broader global technological developments. Spearheaded by our reliability, we remain the consumer's consistent first choice when it comes to mobile telephony in Cyprus.

In June 2015, we began the mobile telephone network modernisation project, replacing existing equipment with state-of-the-art technology which, in addition to GSM and 3G, also supports 4G/LTE technology.

In November 2015, the commercial operation of the 4G network began, initially in Nicosia and Limassol, offering even more facilities to customers. By the end of the year, coverage had been extended to all towns.

RED plans have changed mobile communications in Cyprus, leading to a spectacular rise in mobile Internet usage, and have become the most integrated communication option in the Cypriot market.

For customers who prefer soeasy pay as you go mobile telephony, we continued to promote new soeasy Freebies in conjunction with the soeasy Rewards scheme.

Fixed telephony

In 2015 we continued to work on the major Fixed Telephony Transformation Project with the aim of replacing all fixed telephone connections with Broadband Telephony, enabling customers to enjoy all the benefits of the latest technology and additional innovative services.

The success of Broadband Telephony was further reinforced. All Broadband Telephony customers, residential and business, were transferred from the old platform to the new one during the year in review. This new platform will support all Fixed Telephony customers in the future.

Broadband network

Recognising our customers' needs for ever-faster access speeds, something that affects new services, we extended the broadband network. We can now provide high-speed broadband connections to every corner of the Government-held part of Cyprus, in practice covering 100% of premises in residential areas, making Cyprus the only European country to provide such coverage. We aspire to reach ahead of time the target set by the European Union for 2020, by which time every member state will provide 30 megabits per second (Mbps) to 100% of consumers and 100 megabits per second (Mbps) to 50% of consumers.

Internet services

Acknowledging our responsibility as the biggest Internet Service Provider in Cyprus, we continued to thrive in 2015.

Placing emphasis on improving the quality and reliability of the network and, by extension, of the services we provide, we proceeded with a number of upgrading and development projects. Specifically, we offered new high speed options (download and upload). Cyta's Internet is now much faster.

To this end, we increased the total capacity of our connections to the global Internet, which is now in excess of 90Gbps.

At the same time, in 2015 we expanded the Cytanet Wireless Zone's public Wi-Fi network. There are now 175 Wi-Fi Hotspots in public spaces all over Cyprus.

Subscriber television

Cytavision is the most complete subscriber television platform in the Cyprus market and a key component of Cyta's Triple- and Quadruple-play options (fixed telephony, Internet, television, mobile telephony), contributing decisively to the value of the Organisation.

This is why, during 2015, we proceeded to complete a range of projects that serve the two pillars of our strategy, i.e. content range and quality on the one hand and innovation on the other:

- We enriched our content with popular channels in various viewing categories.
- We continued to offer subscribers the most complete package of sports programmes in the Cyprus market, with quality coverage of a broad range of sports and competitions, with the aim of satisfying and retaining current customers and attracting new ones.
- We gave rewards and special offers to new and loyal customers alike, in order to make their Cytavision experience even more enjoyable.

Seeing difficulties as challenges

This is a snapshot of Cyta and its work in 2015. All together – executive, management, unions and personnel – see difficulties as challenges. Challenges to evolve and develop the Organisation. We know that the road ahead is not an easy one – it is a road full of change and adaptation – but it the one we must follow if Cyta is to continue to lead and play its role as the main pillar supporting the country's economic and social activity.

Cyta has deep, strong roots in Cyprus. It is linked to the country's history, the growth of the economy and the progress of Cypriot society. In a fiercely competitive environment with continuously arising new challenges, Cyta is evolving and implementing tangible changes that have long-term viability. This strategy keeps Cyta in the group of technologically pioneering organization. At the same time, it offers the economy of Cyprus the necessary infrastructure for the development of entrepreneurship and high levels of growth.



Michalis E. Achilleos
Deputy Chief Executive Officer
August 2016

Chairman and Members of the Board

Board of Directors for the period
1-1-2014 – 30-6-2016
(Council of Ministers
Meeting dated 31-12-2013)

Chairman



Christos Patsalides
Permanent Secretary of the Ministry of Finance

Vice-Chairman



Andreas Marangos
Advocate

Members



Tasos Anastasiou
Senior Business Executive



Antonis Antoniou
Architect



Nicolas Georgiades
Economist



Emily Yiolitis
Advocate



Neophytos Lampertides
Academic



Yiannos Stavriniades
Economist



Frangiskos Frangou
Businessman

Legal Advisers
Andreas C. Hadjioannou & Sons

Auditors
KPMG
Auditor General of the Republic

MANAGEMENT

Deputy Chief Executive Officer

Michalis Achilleos

BSc, MSc, MBA

Senior Management - Strategy

(by assignment)

Michalis Achilleos

(Deputy Chief Executive Officer)

BSc, MSc, MBA

Corporate Strategy and Policy

(by assignment)

Petros Hadjiantoniou (Manager)

BSc (Hons), MSc

Legal and Regulatory Affairs

(by assignment)

Michalis Achilleos

(Deputy Chief Executive Officer)

BSc, MSc, MBA

Corporate Communications

Michalis Papadopoulos (Manager)

BScEE, MScEE, MBA

Business Excellence

(by assignment)

Michalis Papadopoulos (Manager)

BScEE, MScEE, MBA

Senior Management - Financial and Administrative Services

(by assignment)

Panayiotis Kallenos (Senior Manager)

Dipl. Eng NTUA

Financial Services

Antigone Modestou (Manager)

FCCA, MBA

Procurement and Stocks Management

Nicos Nicolaou (Manager)

BScEE, MBA

Personnel Services

Efy Christou-Pouri (Manager)

BScEcon (Hons), MSclR & PMgt, MBA

Facilities Management

(by assignment)

Nicos Nicolaou (Manager)

BScEE, MBA

Senior Management - Commercial Services

(by assignment)

Michalis Achilleos

(Deputy Chief Executive Officer)

BSc, MSc, MBA

Consumer Market

Kikis Kyriacou (Manager)

BScEE, MScEE, MBA

Business Market

Maria Damalou-Hadjigeorgiou (Manager)

BSc (Hons), FCA

Customer Services

Alexandros Alexandrou (Manager)

BEng, MEngEE

National and International Wholesale Market

Ioannis Koulias (Manager)

BSc (Hons), MSc, MIEEE, MIET, CEng

Aeromaritime Services

Costas Mantis (Manager)

BScEE, MScM

Senior Management - Technology and Informatics

Panayiotis Kallenos (Senior Manager)

Dipl. Eng NTUA

Network and Services Operation

Georgios Malikides (Manager)

Dipl. Eng NTUA, CEng, MBA

Backbone Networks

Costas Psillides (Manager)

BScEE (Hons), MScEE, MBA

Networks and Services Delivery Platforms

Chrysis Phiniotis (Manager)

BScEE (Cum Laude), MScEE

Line Access Network

(by assignment)

Panayiotis Kallenos

(Senior Manager)

Dipl. Eng NTUA

Informatics

George Arestis (Manager)

Dipl. Eng NTUA

Internal Audit (by assignment) *

Efy Christou-Pouri (Manager)

BScEcon (Hons), MSclR & PMgt, MBA

Subsidiaries Supervision and Support (by assignment) *

Ioannis Koulias (Manager)

BSc (Hons), MSc, MIEEE, MIET, CEng

Christos Limnatitis (Manager)

Dipl. Eng NTUA, CEng, MBA

General Director CytaHellas

Nicos Charalambous (Manager)

BScEE, MEngEE, MBA

Secretariat and Management Services *

Petros Hadjiantoniou (Secretary and Manager)

BSc (Hons), MSc

* Under the Chief Executive Officer

CORPORATE GOVERNANCE AT CYTA

BOARD OF DIRECTORS

The Cyprus Telecommunications Authority (Cyta) is governed by a 9-member Board of Directors, the Members of which are appointed by the Council of Ministers for a two and a half years term.

The Board is responsible for Cyta's smooth running and its long-term development and, as such, it approves the Organisation's budget and strategy and monitors their strict implementation. More specifically, the Board is responsible for ensuring that Cyta maintains its overall functions which, as set out in the Telecommunications Services Law, are:

- to manage a good and adequate telecommunications service in the Republic of Cyprus for the Government, public organisations and the general public,
- to manage all the installations and equipment procured or to be procured by Cyta,
- to manage all of Cyta's immovable assets and
- to promote, as far as is feasible, the development of telecommunications services in accordance with recognised international standards of practice and public demand.

Moreover, the Board is responsible for the implementation of all general directives issued by the State through the Minister of Finance (who is responsible for Cyta), while Members of the Board represent Cyta at conferences, in meetings and at other events.

The Board exercises its authority and duties through the Chief Executive Officer (and/or the Deputy CEO) who, as Cyta's most senior executive, is responsible for the implementation of the Organisation's policy and for the management of its everyday activities. Furthermore, the Board is entitled to transfer any of its powers to any Member, to the CEO or the Deputy CEO, or to Committees comprising Members of the Board and members of personnel.

To this end, the Board has set up a number of permanent committees, while for special issues it appoints ad hoc committees. Permanent committees, which the Board may, at its discretion, increase, reduce and/or modify, are the Audit Committee, the Personnel Committee and the Cash & Cash Equivalents Committee. In certain circumstances, a member of the Board takes part in the Out-of-Court Settlements Committee, which is made up of members of personnel. Furthermore, Board members are on the Cyta Staff Pensions and Grants Scheme Management Committee and on the Cyta Permanent Monthly-Paid Staff Pensions & Grants Fund Management Committee.

Finally, the Members of the Board, together with the Deputy CEO, make up the Board of Directors of the Cyta subsidiary

Digimed Communications Ltd and they are on the Board of its subsidiary Cyta Hellas AE.

RISK MANAGEMENT

Political and financial developments in recent years, both in Cyprus and abroad, combined with the increased occurrence of instances of fraud in various sectors of society, clearly indicate the need to effectively manage risks that threaten the whole spectrum of our Organisation's products and activities. As the biggest provider of telecommunications services in Cyprus, we have a special responsibility to manage our risks in a rational manner, so as to safeguard the interests of our owners – Cypriot society, our customers, associates, employees and other stakeholders.

During the year under review, in order to achieve the above, we focused on aligning all our risk management activities through the creation of a single unified policy, methodology, processes and software. At the same time, we extended the network of corporate risk management contacts, so as to create active cores in all our activities and projects, through which we identify and assess any risks. Moreover, we implemented specialised software, which enables us to record risks at once, with simultaneous reporting throughout the management chain.

The contribution of corporate risk management to the following activities helps us achieve our corporate objectives:

- Business Planning - products, activities and projects.
- Business Continuity - for planning a fast recovery from disasters
- Data Security - for risks threatening the confidentiality, integrity and availability of our data sources.
- Health & Safety - for our personnel, customers and associates.
- Resources and services - for insurance purposes.
- Internal Audit - for the preparation of the annual risk-based audit programme.

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department (IAD), as an independent and objective security mechanism and provider of consultancy services, helps the Organisation achieve its objectives through the implementation of a systematic, disciplined approach to the evaluation and improvement of the effectiveness of its activities in the areas of risk management, monitoring and governance.

With strict responsibility for the confidentiality and protection of the Organisation's archives and data, the IAD has full, free and unrestricted access to all the documents, ownership

information and personnel of the Organisation and its subsidiaries in order to carry out any audit it wishes.

The IAD has the full support of the Board and Management. The Internal Audit Manager reports to the Audit Committee of the Board of Directors on operational issues and to the CEO on administrative matters. The Department is manned by full-time personnel qualified in a broad range of specialist areas, including accountants, an engineer and an IT officer. It may also use external consultants for specialised audits and/or to extend the scope of an audit.

Tremendous importance is placed on the regular training of internal auditors on issues pertaining to internal audits, technology and IT as well as more general topics concerning the Organisation's activities. A significant number of auditors have obtained professional qualifications such as Certified Accountant, Certified Internal Auditor, Control and Control & Risk Self Assessor.

AUDIT COMMITTEE

The Audit Committee, which was established in 2004, operates in accordance with the principles of Corporate Governance and is comprised exclusively of Members of Cyta's Board of Directors.

According to its mandate, the Committee reviews, inter alia, the following issues:

- The Organisation's Financial Statements and the underlying accounting principles according to which they were prepared.
- The Organisation's Corporate Risk Management policy.
- The Annual Audit Programme, which is prepared on the basis of the results of a risk assessment of Cyta and progress made on its implementation.
- Reports prepared by the Internal Audit Department for Cyta and its subsidiaries in the framework of examining the effectiveness of their Internal Control Systems.
- Recruitment to the Internal Audit Department and actions taken to improve its processes and organisational structure and to train its personnel.

CORPORATE SOCIAL RESPONSIBILITY

OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a term that has been used more and more frequently in recent years and it is generally accepted that different companies, individuals, consultancy firms and organisations attribute their own meaning and content to it.

To some enterprises, CSR is about how they allocate part of their revenues for social or environmental causes, which are often unrelated to their business activities. Although such actions are beneficial to society or the environment, they do not contribute to the competitiveness and long-term sustainability of the business. This practice is therefore not sustainable in the long term or when the company faces financial difficulties such as the present crisis. Some other businesses use CSR activities as a marketing tool and sometimes to conceal their bad business practices in other areas.

For us at Cyta, CSR mainly concerns how responsibly we behave as an organisation in all our business activities and in our relationships with all those who are affected by Cyta in some way. We acknowledge that we are an integral part of the society in which we operate and that, through our business activities, we may make a positive contribution but we may also have a negative impact on it. We also recognise that CSR can be a source of innovation and contribute to the long-term sustainability and competitiveness of our Organisation while benefiting our stakeholders and society as a whole.

For Cyta, CSR is the voluntary management of the social, environmental and economic impacts – positive and negative – of the Organisation's operations on its stakeholders, over and above its legal obligations. We have adopted a holistic approach since this takes into account not only the positive but also the negative impacts that we may have on the three dimensions of CSR – social, environmental and economic – as well as on all stakeholders, i.e. all those who are affected by – or who themselves affect – Cyta. The Organisation's primary stakeholders are its customers, partners and suppliers, the whole of society and the State.

We officially adopted this approach to CSR when we signed the Sustainability Charter of the Association of European Telecommunications Network Operators (ETNO) in 2004 and committed ourselves to providing products and services that offer significant environmental, social and economic benefits. We also made a commitment to integrate environmental, social and economic responsibility into our business activities, reducing wherever possible any negative impacts arising from such activities. The Sustainability Charter was replaced by ETNO's Corporate Responsibility Charter in 2012.

Our objective, where CSR is concerned, is to implement its integrated management at Cyta. In other words, to make CSR

an integral part of the way the Organisation operates and not a separate, isolated process.

In accordance with the National Action Plan on Corporate Social Responsibility, drawn up by the Directorate-General for European Programmes, Coordination and Development (formerly the Planning Bureau), non-financial indicators – i.e. CSR indicators – are included for the fourth time in this 2015 Annual Report. In this way we wish to give a more complete picture of the Organisation's performance regarding the three dimensions of Corporate Social Responsibility: economic, environmental and social.

ECONOMIC PERFORMANCE

Cyta is one of the largest organisations in Cyprus and, as such, has made an undeniable and notable contribution to the country's economy. The economic dimension of Corporate Social Responsibility concerns the positive and any negative impact that the Organisation has on the financial situation of its stakeholders and on the country's economy.

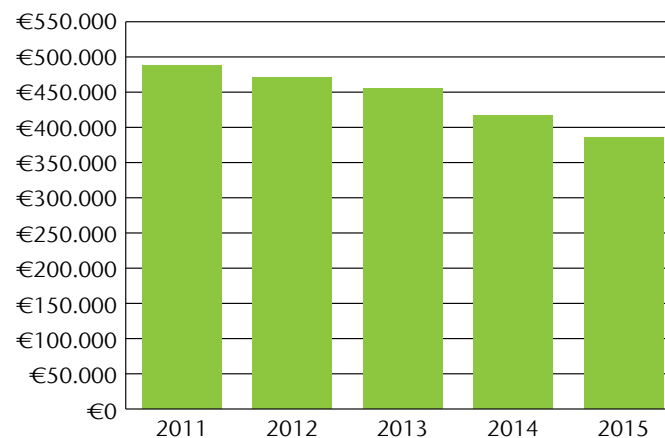
Cyta has a direct financial effect on the economy through the provision of jobs, the purchase of products and services from its suppliers, the sale of products and services to its customers, and the payment of taxes and a dividend to the State.

The financial statistics below illustrate the direct financial contribution of the Organisation to society through its payments to its employees, suppliers and the State.

Direct economic value generated

Direct economic value is generated from the revenues that Cyta earns from services, which are its main source of income. A small percentage of its revenue (3-4%) is from funding and other sources.

Direct economic value generated (€'000)



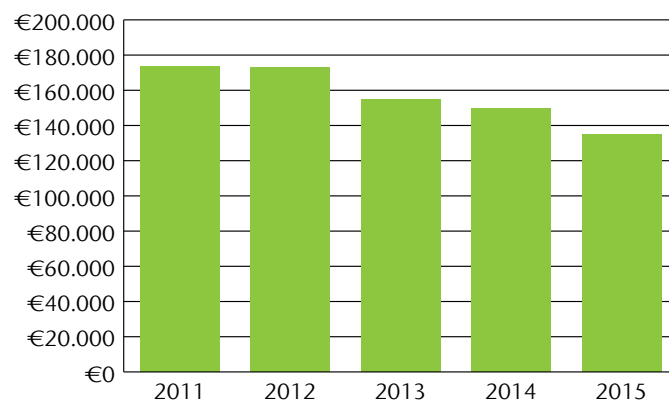
Distributed economic value

The economic value distributed by Cyta includes payments made outside the Organisation, including its operating costs, salaries and other benefits to employees, the dividend paid to the State and payments to government bodies.

Operating costs

The operating costs reported here, for the purpose of reporting the distributed economic value, include content licences, service use licences, maintenance costs, rents and payments to associates and staff training costs. They do not include salaries and staff benefits (which are presented separately), stamp duties, write-offs and provisions for bad debts.

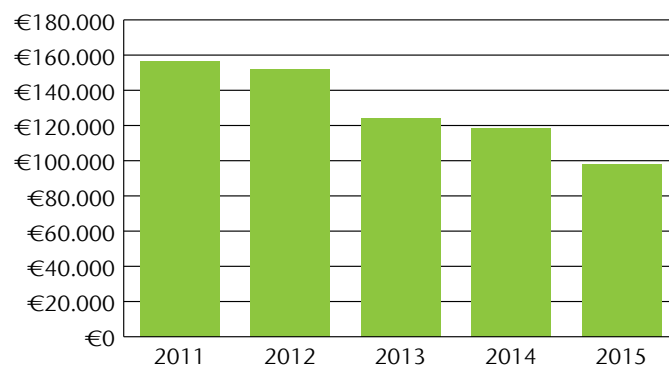
Operating Costs (€'000)



Employee salaries and benefits

Employee's salaries and benefits include the Organisation's total outflows for its personnel, such as salaries and pensions, social security, healthcare and insurance. They do not include staff training costs (which are included in the operating costs).

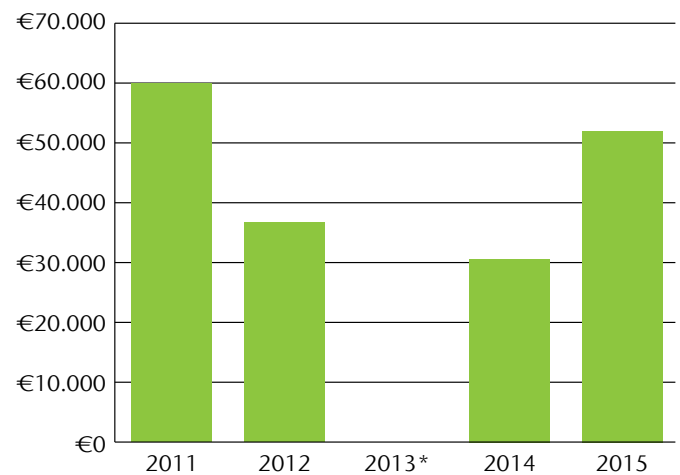
Employee salaries and benefits (€'000)



Dividend to the State

Cyta pays a dividend to the Republic of Cyprus, the amount of which is determined, according to the law, by the Council of Ministers.

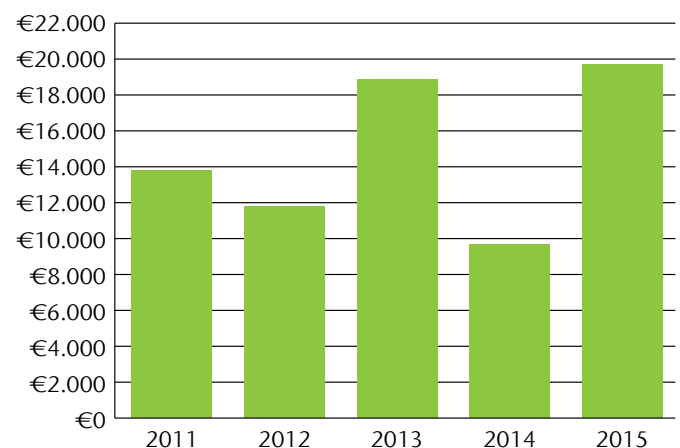
Dividend to the State (€'000)



Payments to government bodies

Payments to government bodies include all paid taxes and fines, including stamp duties.

Payments to government bodies (€'000)



* The dividend for 2013 had not been determined when this report was published

Indirect economic value

The indirect economic value created by Cyta is much more difficult to measure and includes the broader effects on the economy due to its existence and operation. Cyta's products and services play a catalytic role in improving the productivity and competitiveness of Cypriot businesses and in the shaping and development of society. By purchasing products and services from suppliers in Cyprus, we reinforce job creation and the sustainability of Cypriot businesses. Through the payment of salaries to our personnel, we strengthen their purchasing power, the local market and the economy.

CUSTOMERS

Our customers, as the primary stakeholders, are at the core of our business strategy and their satisfaction is an important indicator of the effectiveness of the strategy.

Evaluating customer satisfaction

We implement various practices for the evaluation and maintenance of customer satisfaction.

Customer surveys are carried out to measure customer satisfaction at every point of contact, i.e. in Cytashops, with Technical Customer Support Crews, the Cyta Call Centre and the Complaints Management service. These surveys are carried out via telephone interviews with customers with recent experience at each point of contact. Statistics are gathered on a monthly basis and the results are collated every quarter.

Additionally, surveys are carried out at Cytashops using the Mystery Shopper method to monitor customer service procedures. Regarding business customers, surveys are carried out to measure their level of satisfaction with the service provided. This survey is carried out once a year through personal visits to business customers.

Apart from measuring customer service satisfaction, surveys are also carried out to discover the level of customer satisfaction with every service we provide, i.e. Mobile Telephony, Fixed Telephony and Internet (Double Play), Fixed Telephony, Internet and Television (Triple Play). These surveys take place once a year using telephone interviews with customers of each service.

Furthermore, surveys are carried out to discover the reasons why customers terminate their Cyta service and/or transfer to another operator. These surveys take place once a year using telephone interviews with customers who have terminated their service or transferred to a competitor.

In addition, telephone surveys are carried out every two months by the Cyta Call Centre among customers who have reported a complaint during the previous two-month period. The aim of the surveys is to measure the level of satisfaction with the way their complaint was dealt with by Cyta. Also, monthly telephone surveys are carried out by an external partner with the aim of evaluating the level of satisfaction with the complaints reporting process, which concerns the channels

by which complaints are submitted (Cyta Call Centre, Cytashop, Website) and with the way in which complaints are handled. The results are sent to us every quarter.

Mechanisms giving customers the opportunity to comment

Cyta views any complaints submitted by customers as a wealth of information and their careful examination is considered as an essential ingredient for continuous improvement. Our ultimate aim is to align the services we provide with the constantly increasing demands of our customers, which we manage with full awareness of our responsibility to the consumer.

Customers have the opportunity to make comments or submit complaints (a) online via the website, (b) in person by visiting any Cytashop, (c) by telephone with a call to the Cyta Call Centre or (d) by mail. Comments, thanks and complaints are entered into the electronic complaints system managed by the electronic Complaints Management Service

Using social networks for customer support

Social networking applications are being used to develop additional and more modern channels of communication with our customers. Indicatively, it should be noted that we created a Twitter account and designed a Forum providing technical and other support to customers. Additionally, customers are served through Facebook. This means that customers who choose to contact us through social networks are served without having to wait in line and, at the same time, the replies provided by Cyta are permanently available to the whole community of users.

CytaInfo+ smartphone app

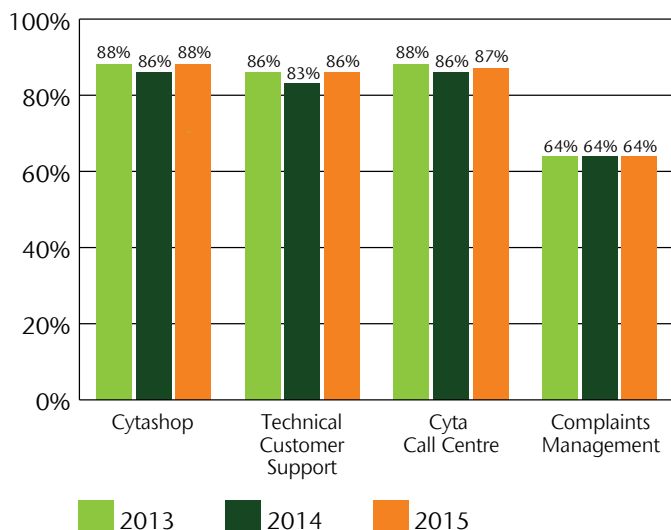
We also created a new special smartphone app which we called "CytaInfo+", which provides constant and immediate assistance to users who can find the programme schedule and information on all the Cytavision channels and organise their favourite channels and movies. They can also locate the nearest Cytashop and Cytanet Wi-Fi Hotspot. At the same time, the app keeps them informed with tips from Cyta's Twitter account (@cytasupport), Frequently Asked Questions from Cyta's various contact points and lets them visit the Cyta Forum to resolve any queries with the help of the Organisation's experienced personnel. Users can also receive information about special offers and other Cyta news.

Below are some the results of our customer satisfaction surveys.

Customer satisfaction with contact point service

Customer satisfaction with service at Cytashops, from Technical Customer Support and the Cyta Call Centres is at quite high levels. Customers are less satisfied with the management of their complaints but this may be due to the fact that the particular customers did not perhaps obtain the desired result from the specific process.

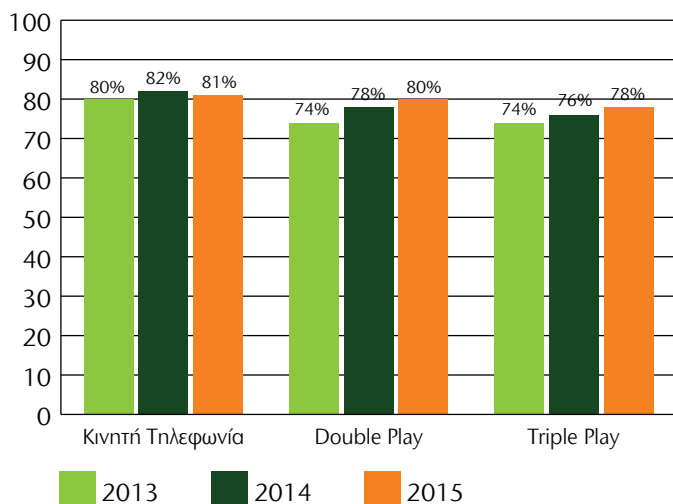
Customer Satisfaction with Service



Overall customer satisfaction with services

Customer satisfaction with Cyta's services remains high. Price and special offers are now the most important aspects affecting satisfaction and the choice of provider as regards mobile telephony, as well as Internet and television services. The quality of service is also one of the key factors in the choice of provider, an area in which our customers are found to be extremely satisfied.

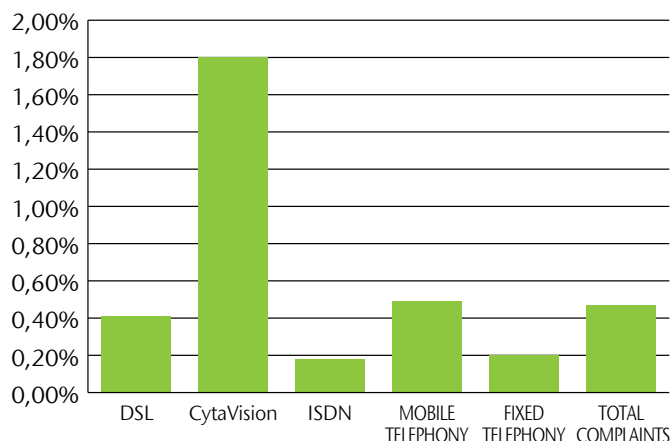
Overall customer satisfaction with services



Complaints average per service

Considering the number of active customers, a very small percentage of them ever submits an official complaint. In case of a problem, customers tend to contact the Cyta Call Centre or a Cytashop for support and assistance. Overall in 2015, there was a small reduction to the complaints indicator compared to 2014 (0,47% compared to 0,85% in 2014).

Complaints average per service 2015



"Everyone has a right to Communication!"

The accessibility of telecommunications products and services by individuals with disabilities or visual, hearing or mobility impairment is an important issue of corporate responsibility for Cyta. We believe that all people have a right to communication and for this reason we make the most of new technologies with the aim of offering equal opportunities in communication to everyone. In 2013, under the banner "Everyone has a right to communication", we presented an integrated range of products, services and solutions for people of all ages who face particular difficulties in communicating. The specialist equipment, which is available from Cytashops, is sold at cost price and has special features such as amplified sound for those making and receiving calls, a large keypad, illuminated warnings of incoming calls, etc., which help those with impaired hearing, vision and mobility. Moreover, Cyta places particular emphasis on service, especially to people with special communication needs, and it is constantly broadening and upgrading its communication channels. It should be noted that the online Cyta Forum is particularly used by people with communication difficulties, such as those with hearing impairment since their written messages receive immediate replies online.

To reinforce the above effort, in 2015 Cyta sent Christmas wishes to customers and associates using the same banner, "Everyone has a right to communication!" making use of the 'choir' of the School for the Deaf and the Cyprus Symphony Orchestra.

Additionally, a new initiative taken by Cytamobile-Vodafone, taken in response to the needs of those with hearing impairment, offers free Video Call minutes through its RED plans for customers with hearing impairment.

Through this new initiative, which confirms the widely held belief that the Organisation is a reliable partner of its customers and of society in general, the free Video call minutes are automatically provided to customers choosing a RED PLAN (with a device or only with a SIM card).

Responsibility for products and services

Cyta, as a responsible organisation, takes full responsibility for its products and services, keeps up-to-date on any issues that may arise and promotes their responsible use as well as protecting its customers from possible dangers. Some examples are our activities to promote safe Internet use, especially among the vulnerable child population, fighting bullying in schools, discouraging mobile phone use while driving and the recycling of telephone equipment.

Safe Internet/safeMobile

Since 2001, Cytanet has been giving presentations in primary, secondary and technical schools, as well as in private schools, entitled "The Internet: A Tool for All". Through these presentations, pupils have a chance to get to know the main services available online and the advantages and weaknesses of the Internet, as well as to learn about new online applications in their daily lives. The main emphasis is placed on the dangers and pitfalls that pupils may encounter while browsing the Internet and on practical ways of dealing with such dangers. During the 2014-2015 academic year, a total of 140 visits were made to schools throughout Cyprus and 13.232 pupils and teachers attended the Cytanet presentations. Since 2001, some 986 visits to schools have been made and more than 100.000 pupils and teachers have attended the presentations.

The presentations make special reference to the Safe Internet service for online protection, which is offered free by Cytanet. Parents show particular interest in this service, which can protect their children from illegal, undesirable and harmful Internet content.

Moreover, every year, Cytanet takes part in international events to mark Safer Internet Day. On this occasion, a seminar entitled "Let's create a better internet together" was held in the framework of the European "Cyberethics" Programme and was attended by over 800 primary, secondary and technical school pupils, teachers, parents and other interested parties. Among them were children with visual and hearing impairment, who followed the seminar with the help of a sign language interpreter.

The aim of the seminar was to help attendees to understand that it is the responsibility of all – children, teachers, the state and others – to ensure that the Internet is transformed into a better source of knowledge, communication and entertainment. Three videos were screened during the seminar, which illustrated that a safer Internet is the shared goal of all those involved, while the well-known comedian Louis Patsalides posed questions, using humour, to the young people there about correct online behavior so that users know what to do in order to contribute to creating a better Internet.

In the context of the seminar, the 15 best entries to the Ministry of Education & Culture's schools competition for the production of a videoclip on the theme of Safe Internet were shown by the Head of the Department of Educational Technology at the Cyprus Pedagogical Institute.

A new free parental monitoring solution was made available by Cytamobile-Vodafone (safeMobile), a tool that empowers parents to provide monitored freedom and protection to their children when using their mobile phones.

This new solution is the continuation of the Organisation's longstanding social contribution, reinforcing the sense of certainty and security felt by Cyta's customers.

According to a survey carried out for Cyta by Pulse Market Research in July-August 2014, 80% of children aged 8-14 have their own mobile phone and 68% of those have a smartphone. It also emerged that parents are concerned about how their children use their mobile phone and are uncertain about the potential dangers of the digital world which their children are experiencing.

The new safeMobile app from Cytamobile-Vodafone gives parents the chance to:

- Determine with whom their children speak and exchange text messages, barring anyone they do not trust,
- Decide which apps their children will be able to access on their mobile phone,
- Know at any given moment where their child is, through GPS Locator and
- Receive complete information about the type and duration of their child's smartphone use.

At the same time, Cyta, in conjunction with the Pancyprian School for Parents and with the support of the Ministry of Education & Culture, continues to upgrade the educational presentations on Internet safety that began in 2001, presenting both Safe Internet and the safeMobile parental mobile phone monitoring solution. The seminars are open to parents in all towns, through the Parents Associations of their children's schools.

«Cleanfeed»

With the aim of protecting customers from illegal Internet content, we have implemented a special protection system, widely known as "Cleanfeed". This system blocks access to websites with content that is illegal according to Cypriot law. The main sites to which access is restricted contain child pornography. With the introduction of this special system, all Cytanet customers have "clean" Internet access.

"Beat Bullying" app

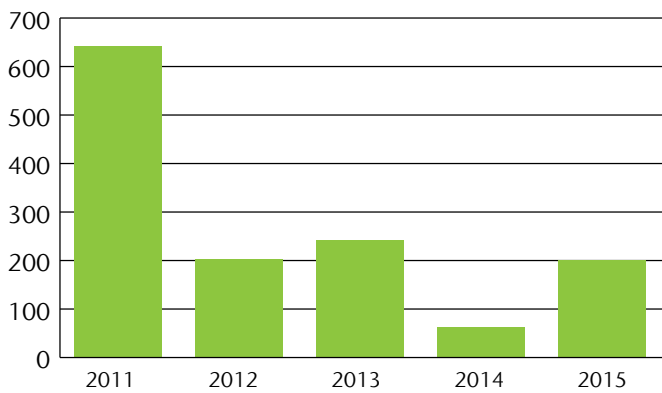
School bullying is now carried out via electronic means. Some 6% of children aged 9-16 have received insulting or harmful messages. Recognising the seriousness of the effects of this phenomenon on children, Cyta decided to support the campaign against school bullying by offering the first "Beat Bullying" mobile app, which gives children free and anonymous communication, lets them find out the latest international news on bullying issues, provides practical advice, enables them to call 116111 (the European Children & Youth Helpline) and to send text messages reporting that they are being bullied or have witnessed bullying. The app is available free from the Google Play store.

Recycling/Re-use of mobile and fixed phones

Cyta's programme for the recycling and re-use of mobile and fixed telephones and their related accessories began in 2010 and was the first of its kind in Cyprus. The aim of the programme is primarily to protect the environment and public health from uncontrolled dumping as well as to raise public awareness of, and participation in, recycling.

Through the programme we encourage our customers and the general public to return mobile and fixed phones that they no longer need to Cytashops or stores on the Cytamobile-Vodafone Sales Network. Additionally, collection bins are hosted at various events organised by other bodies, schools and companies. Proceeds from the recycling project are donated to various charities.

Mobile & fixed phones & accessories collected (kg)



PERSONNEL

As a responsible, good employer, Cyta manages and makes the most of its personnel through the implementation of management systems and development/support programmes which assist them in their professional as well as their private lives, as part of its work-life balance policy.

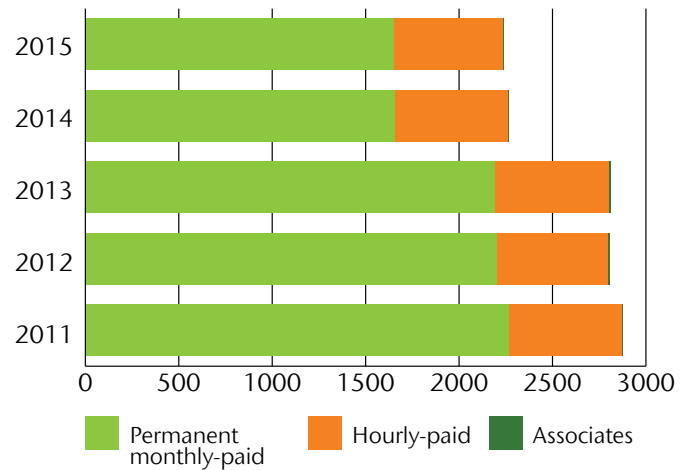
Our Organisation offers its personnel far more than is prescribed in the relevant legislation. Among other things, it takes care of the health and welfare of its employees and their families through the Medical Fund, the Occupational Health Centre and the Cyta Staff Welfare Fund. It provides psychosocial support services to its personnel through Social Workers, as well as financial assistance to needy employees, pensioners and employees' widows and orphans. Cyta also offers student and housing loans and organises social activities for members of staff and their families.

Our workforce

The size of our workforce is an indication of the size of the impact Cyta has on labour issues and on society in general. Our workforce includes permanent monthly-paid employees, hourly-paid employees and a small number of external associates on fixed-term contracts.

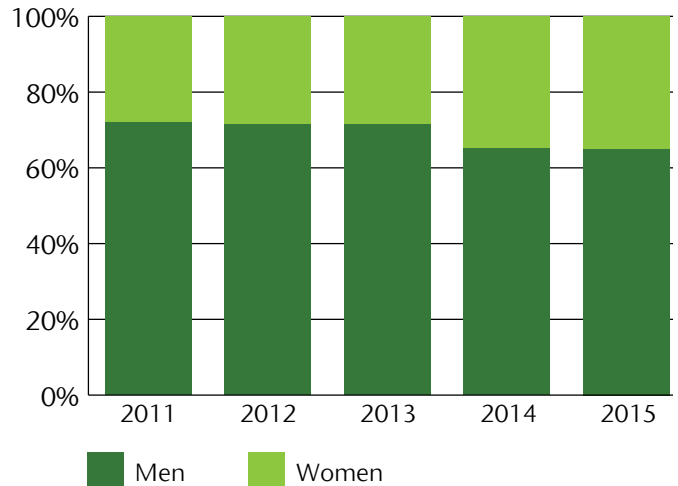
The following charts show the size of the workforce, broken down by employment and gender.

Workforce

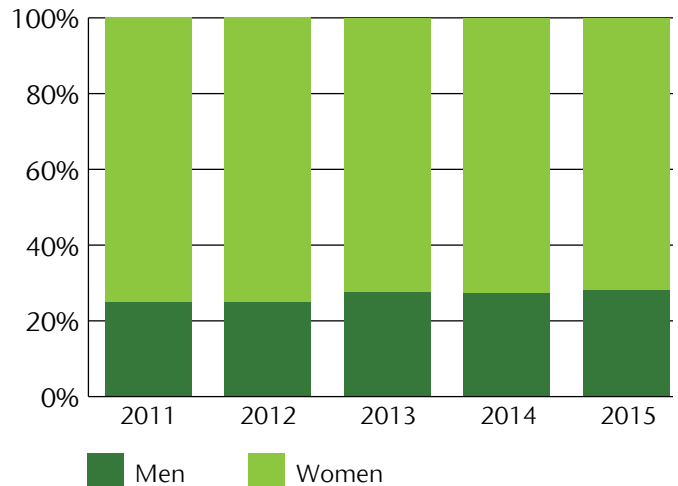


Workforce by gender

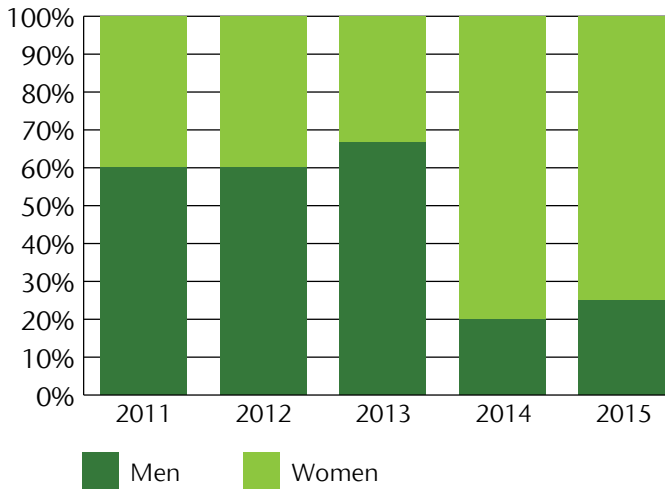
Permanent Monthly-Paid Personnel



Hourly-Paid Personnel



Associates



Sick Leave



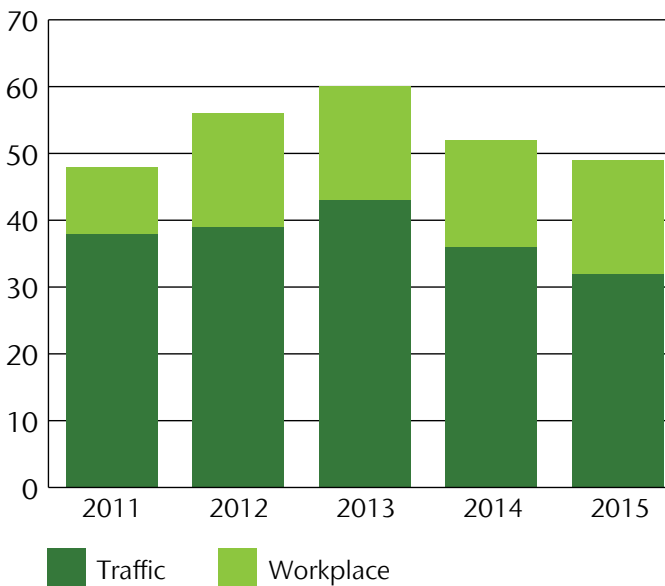
Health and safety in the workplace

The health and safety of our employees is one of our top priorities. The main indicators of the level of staff health and safety are the number of accidents and the number of calendar days of sick leave per employee. In 2015 no employee died as a result of a workplace accident or work-related illness. The number of accidents appears to have stabilised in recent years, while the sick leave indicator fell compared to the previous year.

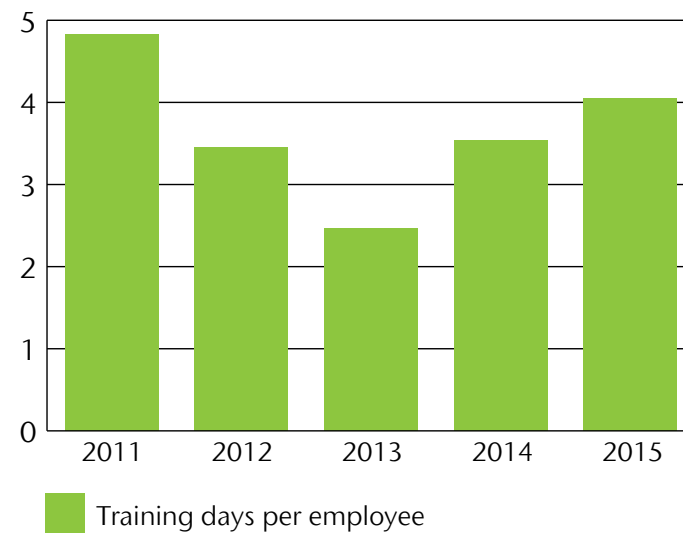
Personnel training

Cyta provides significant opportunities for training, development and learning, subsidising staff participation in training programmes, certifications and educational materials related to their work, and organising specialist courses on issues of development which improve productivity as well as employee job satisfaction, such as, for instance, teamwork, leadership-mentoring and customer-orientation, as well as technology and IT.

Accidents



Personnel Training



Industrial relations

Cyta, as a responsible employer, respects the right of its employees to trade union membership and, for this reason, 100% of our personnel – monthly- and hourly paid – are covered by agreements based on collective bargaining. (See also the Chapter on “Management”, sub-heading “Human Resources”, paragraph “Industrial Relations”).

Employee performance evaluation

Performance evaluation contributes to the personal development of employees. At Cyta, all permanent monthly-paid employees receive an official evaluation of their performance every year.

In 2015 a new Hourly-Paid Personnel Payroll System was introduced, based on an evaluation of the performance of the hourly-paid personnel in conjunction with their years of service.

Voluntary work

Cyta employees are sensitive to social issues and they make their own contribution to society. For some years now, we have established and promoted voluntary blood donation sessions. Every year these are held on a regular basis in all districts in the workplace and during working hours. Furthermore, members of staff, working in volunteer groups in all towns, offer assistance to colleagues and their families who are facing particular problems. They also organise charity fundraising events from time to time. On a voluntary basis, Cyta personnel, together with associates and customers, also supported various activities of a social nature organised by the Organisation.

Employee perceptions of Cyta

Cyta recognises its employees as a very important participant and a crucial element in the achievement of its business strategy. For this reason it is continuously developing channels of communication and dialogue with its personnel.

ENVIRONMENT

While recognising its positive contribution, Cyta is also aware of the negative impacts that its activities, products and services can have on the environment and, for this reason, it has been active on environmental issues after formulating its Environmental Policy in 2001. The environmental policy commits the Organisation to offering products and services that contribute to sustainable development and to working towards the minimisation of the negative impacts of its operations on the environment. The most significant environmental aspects of Cyta’s operations, products and services are the use of energy, in the form of electricity and fuel, the production of waste – mainly electric and electronic waste and the consumption of other resources such as paper and water.

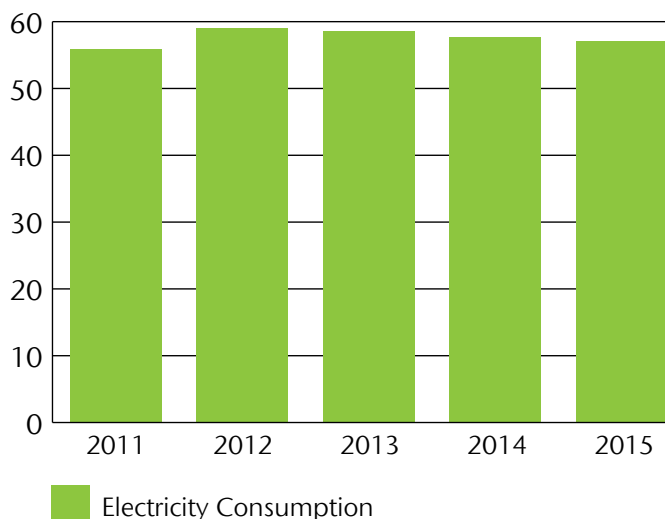
Electricity consumption

Cyta uses electricity to power its telecommunications equipment, as well as to control the temperature in those areas where it is installed (around 70%) and to power its offices. In 2011 there was a small reduction in consumption since, due to the accident at Mari, backup generators were used for a while as part of broader efforts to relieve the Electricity Authority of Cyprus (EAC) grid. In 2015, there was also a small reduction in electricity consumption compared to 2014, due to coordinated energy conservation efforts

It is worth noting that the freezing of development costs, due to the financial crisis, affected the implementation of actions planned to reduce electricity consumption even further, such as

the replacement of obsolete and energy-inefficient heating/cooling units and rectifier systems with new, more efficient equipment.

Electricity Consumption (MWh)

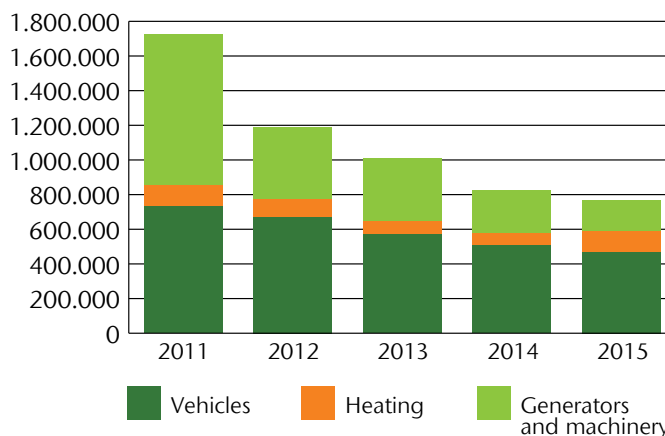


Fuel consumption

Fuel is used at Cyta by its fleet of vehicles, for the heating of offices in winter, for generators and various other types of equipment. In 2011 there was a significant increase in fuel consumption since, due to the Mari accident, we brought our backup generators into operation as part of a broader effort to relieve the EAC grid, as noted above. In 2012 we initiated activities for reducing fuel consumption through the reorganisation of our fleet, the reduction of the number of vehicles, the renewal of the fleet with more energy-efficient vehicles and the implementation of a telematics vehicle fleet management system. Specifically, in the context of restructuring the Cyta fleet, significant efforts were made to reduce the number of vehicles through the creation of a Common Use Vehicles Group in more buildings, apart from our Head Offices where this institution was already in operation. At the same time, a redistribution of vehicles took place so that the most energy-inefficient and older ones could be withdrawn from service.

As for generators and machinery, we reduced the number of mobile telephony base stations with 24-hour support of generators and this led to a reduction in fuel consumption.

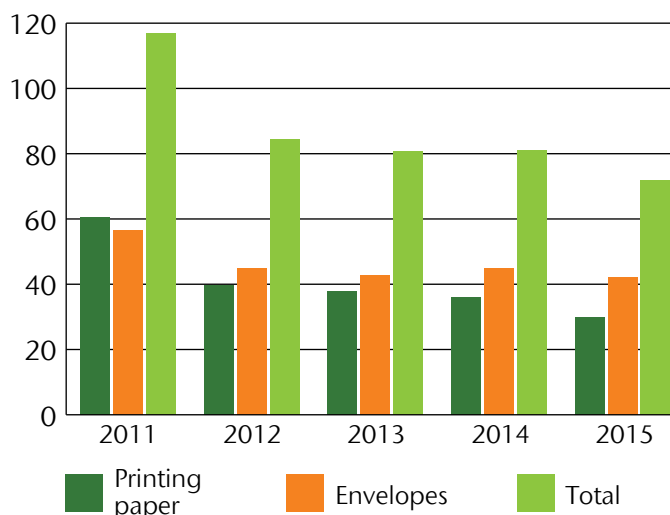
Fuel Consumption (litres)



Paper consumption for customer bills

With the aim of reducing the consumption of resources, in November 2011 we discontinued the sending out of itemised bills for Fixed Telephony and Cytamobile-Vodafone Mobile Telephony. This initiative, with the help of our customers, led to a substantial saving of the amount of paper required for the printing and mailing of itemised bills. As a consequence, in 2012, 32 tons of paper was saved compared to 2011. In 2013 we saved a further 4 tons of paper and in 2014 a further 1.9 tons. In 2015, we saved 6 tons more than in 2014. Three tons was saved in envelopes alone.

Paper for customer bills (tons)



Use of recycled paper

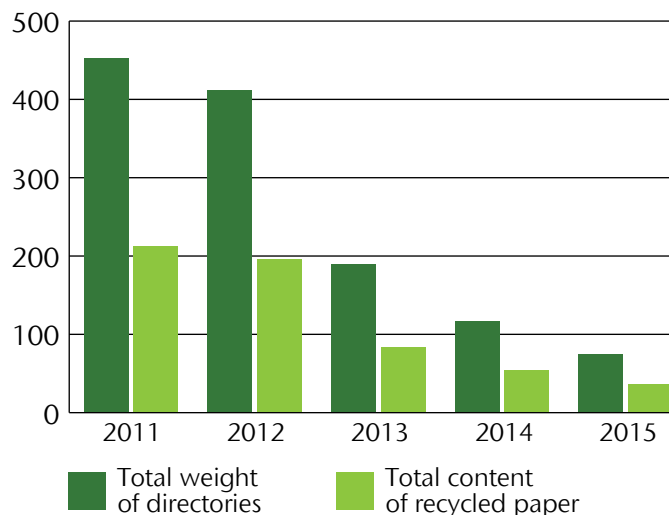
Our environmental policy commits us to offering environmentally friendlier products. Since 2010, the Cytavision magazine has been printed on 100% recycled paper. Since 2011, the Telephone Directory and Yellow Pages have been printed on 40% recycled paper while the Business-to-Business Guide and the Holiday Guide use 100% recycled paper.

At the same time, in our effort to raise public awareness of the need for environmental protection, we urge people to recycle their old telephone directories through the recycling programmes of Green Dot Cyprus, with which we cooperate.

Paper consumption for telephone directories

In addition to using recycled paper for the printing of telephone directories, we adapt the number of directories produced according to demand so as to reduce the consumption of resources and the corresponding environmental impact. In 2015 we managed a 38,5% reduction (42 tons) in the amount of paper used on directories compared to the previous year, by reducing the number of copies of the Telephone Directory and Yellow Pages.

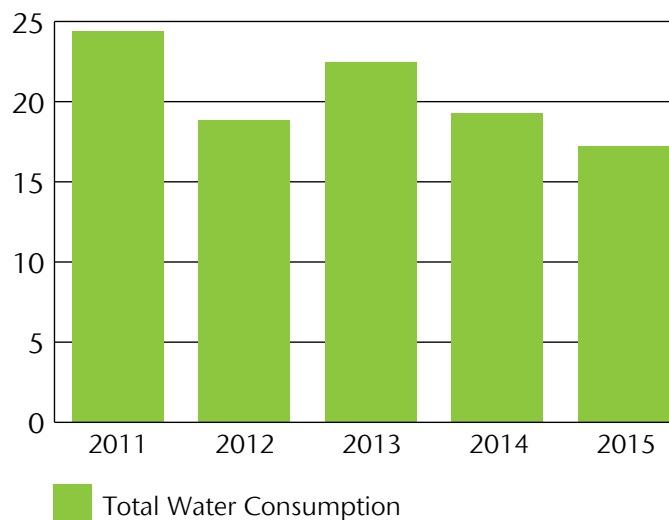
Paper for Telephone Directories (tons)



Water consumption

At Cyta we do not consume large amounts of water since its use is precisely the same as domestic use, i.e. for restrooms, canteens and gardens. However, we consider water use as an important aspect of our environmental impact since the country frequently suffers from drought and a lack of adequate amounts of water. For this reason, we have long promoted various measures that aim to save this precious resource. These include using water from boreholes (where they exist) for the watering of gardens, placing water-saving filters on taps, using dual-flush toilets and automatic flushing sensors on toilets in new and refurbished buildings.

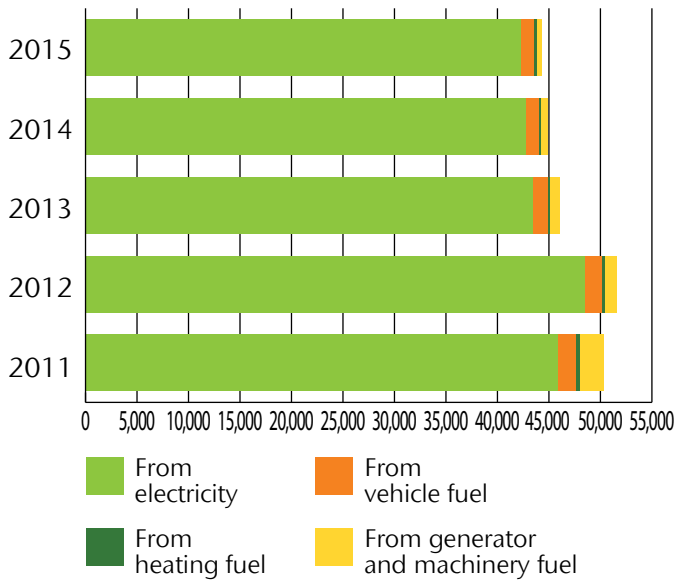
Total Water Consumption (tons)



Carbon dioxide emissions

Carbon dioxide (CO₂) emissions are caused either directly, by the burning of fossil fuels by our fleet of vehicles, for heating our buildings, in generators and other equipment or indirectly through the use of fossil fuels on the part of the EAC to generate the electricity that we consume.

Carbon Dioxide Emissions (tons)



Waste (tons)



Waste Management

The reduction, re-use and recycling of our waste is one of the commitments of our environmental policy. Cyta was one of the first organisations – if not the very first – in Cyprus to start the systematic recycling and/or re-use of its waste.

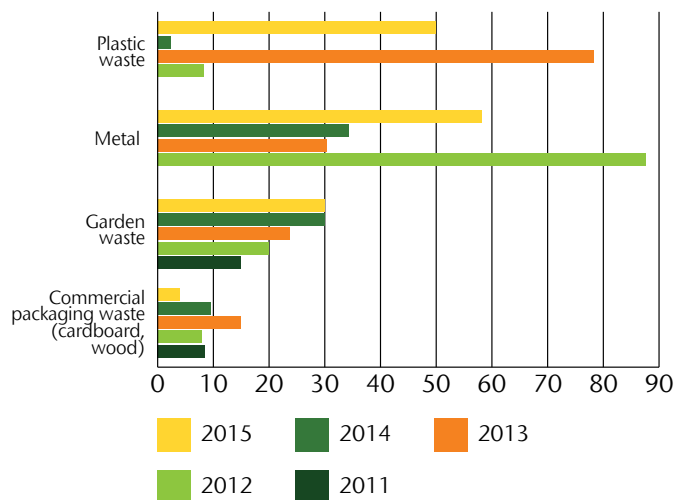
The first types of waste to be recycled were old cables and scrap metals, obsolete telecommunications equipment, old telephone directories and office waste paper. Today we also recycle or promote the re-use of plastic waste, old vehicles, electrical and electronic equipment, batteries, accumulators, packaging waste and toner and ink cartridges. Garden waste is sent for composting. Domestic waste packaging (e.g. cans, plastic bottles etc.) from our administrative offices are collected separately for recycling by Green Dot Cyprus Ltd.

Across our sales network and in our administrative offices, we operate a programme for the recycling and re-use of mobile and fixed phones and accessories and we collect used household batteries from the public and our personnel, which are collected for recycling by Afis Cyprus Ltd. The types and amounts of waste that we have collected in the past four years are shown in the following tables.

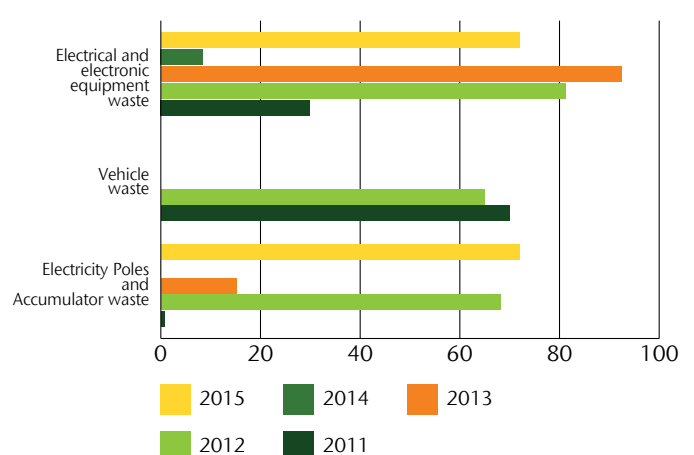
Waste (tons)



Waste (tons)



Waste (tons)



SOCIETY

Cyta recognizes that it is an integral part of the society in which it operates and with which there is a mutual influence and involvement. As a public utility organisation, it was established to serve society and, for more than five decades, it has made a huge contribution to the development of Cypriot society and the economy.

In addition to its direct impacts on society, through the provision of electronic communications products to its customers and employment to its personnel, the procurement of products and services from its suppliers and through the payment of a dividend and taxes to the State, Cyta supports broader society in a multiplicity of ways and at every opportunity. Below are some of the most important ways in which we supported society in 2015.

Health and welfare

On the subject of health, we again supported the Centre for Preventive Paediatrics, by organising in December 2015 in the municipality of Engomi the third gathering of people dressed as Santa Claus, entitled the "Cyta Santa Run", under the banner "Every child has the right to communication". We donated the proceeds of the event to the Neonatal Hearing Screening Programme.

Moreover, in 2014, the new interactive website of the Cyprus Medical Association (CMA) www.cyma.org.cy was launched. It is an Interactive Health Portal, developed with the help of Cyta and its subsidiary Cytacom Solutions, making use of the very latest technological infrastructures. Accessible from a mobile phone, it provides correct and trustworthy information on the health sector in Cyprus, with the status, experience and reliability of Cyta and the CMA.

The Health Portal provides valid and reliable information with the aim of promoting interactive online communication between the CMA, its members and all those active in the Cypriot health sector.

Furthermore, the website allows fast access to reliable information about the legislation governing medical practice in Cyprus as well as the dates of conferences, seminars and lectures on medical matters.

Another project being carried out in collaboration with the Strovolos Municipal Multi-Purpose Centre and Vidavo is Telecare.

Telecare uses smart applications that can automatically process data from a variety of electronic sources (motion sensors, optical detectors, microphones, vital sign monitors etc.) in the home of a patient or elderly person so that their health can be monitored and any problems identified.

This project enables members of the Strovolos Municipal Multi-Purpose Centre to try and test two Telecare applications free of charge:

1. **Alert Button** - Incorporated into a bracelet, it provides wireless communication between elderly users and their carer/family.
2. **Location Tracking** - It sends information about the user's precise location at any given moment.

During a ceremony held in January 2015 at the headquarters of the MANA Association of Greek Women in Nicosia, Cyta presented the proceeds of the televoting for the TV show "Your Face Sounds Familiar", screened in 2014 on ANT1.



The total amount raised by ANT1, MTN and Golden Telemedia from televoting was €6.161,85, which was donated entirely to the Association.

Regarding our own personnel's Health & Welfare, in 2015 the Occupational Health Centre continued to provide primary healthcare services and consultations for every interested employee. Furthermore, through the Centre, preventive medicine programmes, aimed at targeted groups or all personnel were implemented.

Social support of personnel continued through the social worker services as well as through the granting of financial assistance to needy employees.

In the area of mental health protection and work-related stress management in the Organisation, Cyta published a tender for a training programme for the development of skills to strengthen mental resilience, which will be aimed at leaders/managers of groups of personnel who are exposed to increased psychosocial risks.

Finally, social and cultural events were organized for members of personnel and their families, while awards and grants were presented to outstanding student members of Cyta employees' families.

Entrepreneurship and innovation

In conjunction with the Cyprus Open University, KPMG and the Ministry of Defence, Cyta participated in the organisation of a seminar at the Army Conscript Training Centre in Paphos in the presence of Defence Minister Christoforos Fokaides, with the aim of promoting entrepreneurship among army conscripts.

ON CARDIAC

Cyta is constantly in the lookout for opportunities to use its products, services and expertise to resolve social problems and benefit broader society. Two years ago, in cooperation with the Cyprus Resuscitation Council (CRC) and the Ministry of Health, Cyta implemented the pioneering new ON CARDIAC service. In case of anyone suffering cardiac arrest in a public place, ON CARDIAC enables the CRC to send a text message to individuals trained in basic cardiopulmonary resuscitation (CPR) and in the use of Automated External Defibrillators who are close to the patient's location and can offer immediate assistance. ON CARDIAC can thus contribute significantly to timely intervention and the saving of lives. The service is provided free by Cyta, both to ordinary citizens and to the CRC. Cyprus and Cyta are among the few countries and mobile telephony service providers to provide such services.

Cyta and road safety

In 2015, Cyta continued to demonstrate the special interest that it has developed over the years, with significant and regular action, in Road Safety, an issue of concern to the whole of Europe and to Cyprus in particular.

Since 2004, Cyta has consistently honoured through action its signature and commitment to the European Road Safety Charter (ERSC) to contribute to reducing the number of road deaths and for yet another year it focused its main efforts on raising road safety awareness through special training, mainly among young people who make up a large percentage of the victims of traffic accidents in Cyprus. To this end, Cyta continued to hold special road safety seminars for young people and, in particular, conscripts serving in the National Guard. Since 2004, it has provided training to more than 85.000 young people all over Cyprus.

Additionally, having succeeded in reducing the number of accidents involving service vehicles by 50% since 2003, Cyta continued to invest in the training of its own employees and in the safety of its service vehicles. Regarding its fleet in particular, it should be noted that Cyta ensures that all the vehicles it purchases are not only fully compliant with EU specifications but feature every available passive and active safety system. All vehicles undergo preventive maintenance, thereby ensuring the highest levels of protection not only for our staff but for every road user.

Furthermore, Cyta supports various programmes of the relevant authorities and social partners aimed at reducing traffic accidents in Cyprus. One such activity is the provision of free cycle helmets to children visiting the Police Road Safety Park for instruction.

Cyta's contribution to road safety is presented on the Organisation's website <https://www.cyta.com.cy/road-safety> as well as on the European Road Safety Charter website: <http://www.erscharter.eu>

Education

Wishing to encourage young people to get involved in technology, we gave prizes for the seventh year to the final year lyceum and technical school students who excelled in IT, in a special ceremony dedicated to the top students in that particular lesson. We also presented awards to the top IT students at recognized Cypriot universities. In July 2015, the award ceremony for the islandwide children's painting competition on the subject "Yes to Friendship" was held in the Nicosia Town Hall courtyard.

The painting competition was promoted by Cyta in the pages of its second Drawing Book, which was distributed free to all pre-primary and primary school pupils. The book is the new version of Cyta's popular activity book "Playing, having fun and learning with Telly", designed and distributed free to children by the Organisation since 2001

In all, 21 awards were presented and the 1.700 entries were put on display in open-air exhibitions in Eleftheria Square and on Archbishop Makarios III Avenue, in Nicosia.

In May 2015, Cyta awarded prizes to students of the University of Nicosia for their innovative and pioneering ideas at an event held at the Organisation's Head Offices in Nicosia.

The students had undertaken to study international social networking trends and to propose ideas and applications that Cyta could adopt and implement in 2016.



In June 2015, at Cyta's Head Offices, an award ceremony took place for high school students who had been outstanding in "Logipaignion 2015", the 7th annual Computer Games Development Competition. It was organised by the Department of Electrical Engineering, Computer Engineering and Informatics of the Cyprus University of Technology (CUT), with the Department of Computer Science of the University of Cyprus, supported by the Ministry of Education & Culture. Cytanet was the strategic partner of the competition.

It is noted that Cytanet and the CUT, in agreement with the winners, uploaded the games to Cytanet's iportal (www.iportal.cytanet.com.cy) in the Entertainment section, from where those interested can download them easily and quickly.

In June 2015, Cyta and European University Cyprus signed a Memorandum of Understanding, aimed at promoting research and entrepreneurship among young people. With this latest MoU, Cyta has expanded its network of cooperation with universities, with the main objective of making the best use of young people on issues of technology and innovation.



Environment

Our Organisation wishes to contribute to cultivating and strengthening environmental awareness among the Cypriots as part of its social contribution through various projects and activities.

There is now a well-established sponsorship of the activities of the Cyprus Marine Environment Protection Association (CYMEPA) which, among other things, provides environmental education to schoolchildren. It includes the programme "Young Reporters for the Environment" which is supported by the Ministry of Education & Culture, coordinated by the Foundation for Environmental Education in Europe and sponsored by Cyta. In the framework of this programme, a competition is held among high school students, the winners of which are awarded prizes by our Organisation at a special ceremony.



We also took part as an official sponsor and national partner in the "Let's Do It Cyprus" cleanup campaign, which was part of the global "Let's Do It World!" campaign held in 94 countries. The aim was to remove garbage from areas of natural beauty in the space of a single day.

Cyta cooperated with the Cyprus Anti-Rheumatic Association in the placement of special bins for the collection of plastic bottle caps. Bins were placed in manned buildings where the caps could be collected for the Association.



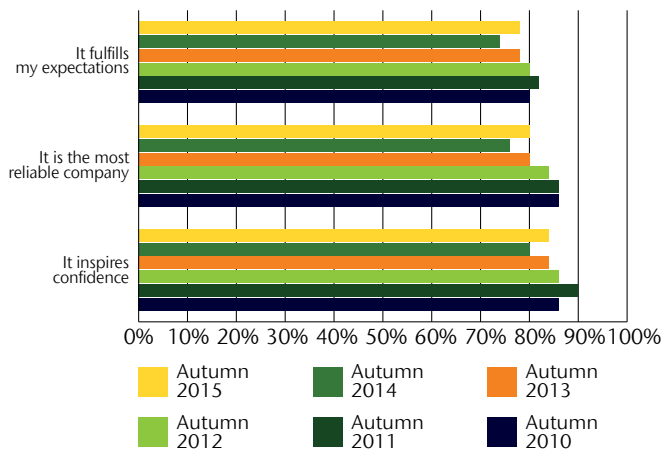
This campaign is part of a voluntary programme by the Association which aimed at recycling the plastic bottle caps to raise money to buy aids for those with rheumatic ailments. Such aids include glasses, spoons and other everyday objects that make the simple everyday needs of patients possible.

Public perceptions of Cyta

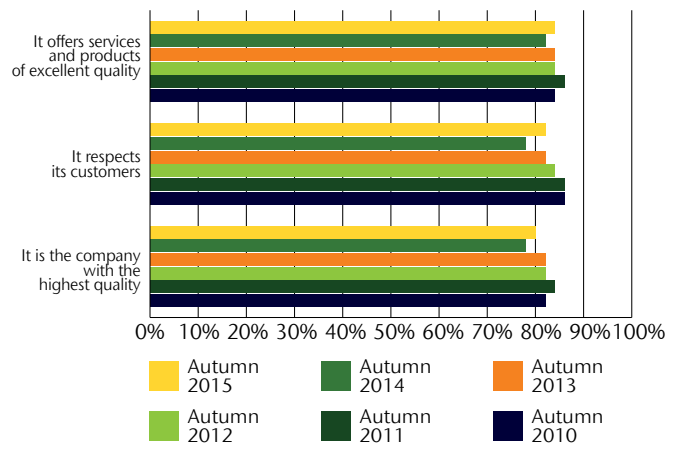
As with other groups of stakeholders, our Organisation maintains close relations and two-way communication with representatives of society so as to keep in touch with, and respond to, people's changing expectations and needs.

Among other things, through market research we regularly measure public perceptions of the Organisation's performance regarding the social, environmental and economic dimensions of CSR. In order to have a measure of comparison and to know where Cyta stands compared to other organisations, we also measure the same parameters regarding the image of similar large organisations operating in Cyprus.

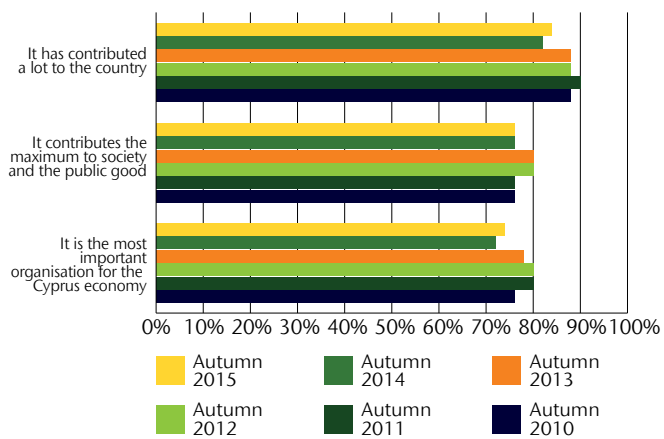
Fulfilment of expectations, reliability and trust



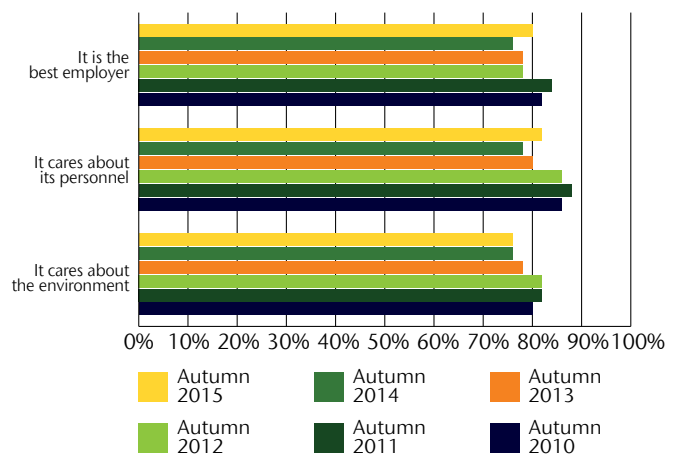
Quality of products and services and respect for customers



Contribution to the country, society and the economy



As an employer, caring for its personnel and the environment



MANAGEMENT

Cyta's interest in the welfare of its employees continued in 2015 through the continuation of the successful institutions of the Workplace Doctor and Social Workers, support for employees facing problems and events organisation.

Recognising that knowledge is one of the Organisation's most valuable resources, with the implementation of the new structure we incorporated Knowledge Management into our strategy as an end-to-end activity that promotes business excellence.

We continue to upgrade our Business Support Systems (BSS) and Organisational Support Systems (OSS), in support of the provision of new, innovative products and services and the introduction of new technologies. We are working on replacing the Organisation's existing BSS/OSS systems with the ultimate aim of being able to offer customers new, modern electronic communication services in a flexible and speedy manner.

Finally, our modern and functional corporate website www.cyta.com.cy remains a benchmark.

HUMAN RESOURCES

Personnel safety, health & welfare

The institution of the Workplace Doctor continued in 2015 with the provision of primary healthcare, examinations for employees in the Greater Nicosia area and through the implementation of preventive medical tests either for all or for targeted groups of high-risk employees, such as flu injections for vulnerable groups of personnel.

Furthermore, we maintained our commitment to the social welfare of our personnel through the services of two social workers. We also continued to implement work/life balance programmes such as teleworking, and staff social and financial support schemes. At the same time, cultural and social events were organised for members of staff and their children, while prizes and scholarships were awarded to outstanding students from employees' families.

Training and development

In the context of our policy of encouraging life-long learning and the systematic development of our employees, in 2015 we continued to provide many and varied opportunities for training, development and learning, funding their participation in training schemes and certification programmes in Cyprus and abroad for the development of their knowledge, skills and personal competences.

Some 57% of staff participated in training schemes in 2015 and the corporate index of training days per employee was 4,05 while human resource development as a percentage of payroll was 2.18%. Both personnel development indices compare favourably with those of successful international organisations.

Additionally, we continued training on issues concerning technology, IT systems, social networks and customer service.

In addition to traditional forms of education/development/learning, we also designed or promoted other forms such as in-house training, online training/learning and specialist certification on technical and non-technical issues.

Recognising that knowledge is one of the Organisation's most valuable resources, with the implementation of the new structure we incorporated Knowledge Management into our strategy as an end-to-end activity that promotes business excellence. Our focus is on achieving the Organisation's objectives through a multi-faceted approach, based on the systematic and conscious recognition, preservation, diffusion, optimum exploitation and development of knowledge.

Industrial relations

Maintaining good industrial relations through regular meetings with the trade unions was a crucial factor in Cyta's success during the year under review, to which all involved parties contributed with mutually agreed solutions that were applied to various internal problems that arose.

Recruitment

In 2015, no vacancies were announced at Cyta in view of the freezing of recruitment in the public and broader related sector. Recruitment took place only to replace hourly-paid workers leaving Cytashops or the Call Centre. According to the provisions of the relevant law, recruitment of hourly-paid workers is permitted, provided that the maximum number employed the previous year is not exceeded. Offers of work were made to those on the existing lists of successful candidates for hourly-paid positions as Sales Assistants and Call Centre Assistants. Due to personnel needs, Ministry of Finance approval has been sought for the recruitment of an additional number of hourly paid front-line staff. Moreover, a new hourly paid staff category has been created – that of Technical Assistant – in response to the needs of departments providing technical support. Recruitment procedures for permanent members of staff remain frozen.

COMMUNICATION POLICY

Thanks to our long presence in, and contribution to, the country, we have brought our excellent reputation and a very strong brand to the market. In 2015, we faced many challenges, increased competition, a constantly changing regulatory framework and an economy in crisis. We made use of this period of great change and focused our efforts on the important things: our customers, our personnel and our stakeholders.

We communicated our messages in a clear, consistent and simple manner, with a single voice.

We worked hard on providing one continuous, integrated service to our customers, helping them progress through the use of new services and technologies. We showed how we aspire to give them solutions and add value, by investing in the best possible customer care, in the reliability and strengthening of our social role. We promoted our operational and competitive advantages and we invested in network upgrades and innovation, thus reinforcing Cyta's position as the leading provider of integrated electronic communication solutions.

With integrated brand management as our aim, we continued to carry out market surveys for the measurement and constant monitoring of our brand value/productivity. The results of these surveys are a significant tool in the hands of the Organisation's Management and Executive, when it comes to decision-making and corrective action, mainly of a commercial nature. In the course of the surveys, it was noted that in the competitive and, at the same time, regulated environment in which we operate, Cyta is a strong brand, which can, to a great extent, affect consumer choice.

This gives us the strength to move towards the further coordination of important aspects of our brand communication strategy, with the aim of focusing on values that will lead us to the next stage of the relationship with our customers. For the best possible customer service and the achievement of our business and commercial objectives, we have launched significant projects which deal with the integrated management of the customer experience in Cytashops and at other important points of contact with customers.

Crisis communications management is an integral part of communications. Processes have been developed to deal with potential crises at communications level with the contribution of the Organisation's Board and Management.

We shall continue to invest in the Cyta brand so as to strengthen it even more as we look forward to the prospect of our Organisation's continued success and the provision of integrated solutions to customers, our personnel and society.

Media Relations

With the aim of providing timely and reliable information to the public, in 2015 we continued to issue regular Press Releases which were distributed to the media. Cyta officials participated in radio and television interviews and discussions and gave interviews to the press. Additionally, articles and other material about the Organisation were published, press conferences were held and public information campaigns were undertaken on a variety of issues.

Websites and Online Presence

Our benchmark corporate website www.cyta.com.cy is modern and functional, offering ease of navigation and enabling users to search for information about Cyta products and services.

The website also lets users register with "My Cyta", which offers exclusive benefits, including:

- Easy and secure online purchases of products and services,
- Management of Cytamobile-Vodafone services (free text messaging, top-up etc.), Cytanet services (WebMail) and Fixed Telephony (management of BBT Home etc.) and
- The ability to check and settle bills online via the ebill service.

It is also worth noting the introduction of electronic invoicing, by which customers may receive bills in PDF format via e-mail as well as manage them through their My Cyta account.

Moreover, via the corporate website, visitors can access other useful Cyta sites such as the Yellow Pages & Telephone Directory, the Cyta Sales Network and the websites of the Organisation's subsidiary companies, plus information about Cyta, Cytashops, Press Releases, Annual Reports etc.

Cyta maintains a dynamic and especially significant presence on **social media**, including:

- **Facebook** – facebook.com/cytaofficial, facebook.com/cytamobile
- **Twitter** – @cytasupport, @cytacyprus
- **Instagram** – www.instagram.com/cytamobile_vodafone/
- **YouTube** – youtube.com/cytacyprus, youtube.com/cytamobile
- **Forum** – cyta.com.cy/forum

Keeping up with the trends of the times, Cyta uses its dynamic presence on social media to provide its customers with a continuous flow of information about new services, products and the latest special offers, competitions, events and draws, and as a channel of two-way communication with subscribers.

Furthermore, Cyta's easy-to-use and functional mobile apps are of great importance:

- **CytaInfo+**: (You are always in contact with Cyta, with immediate access to information and service.)
- **selfCare**: (You can manage your account and services easily and quickly from your smartphone.)
- **personalCloud**: (This enables you to easily and securely store contacts, photos, videos, music and other files in your personal Cloud space. At the same time, you have immediate access to all these from all your devices wherever you happen to be.)
- **liveSports**: (It brings the highlights of the Cyprus Football League, the UEFA Champions League and Europa League matches straight to your smartphone.)
- **safeMobile**: (You strengthen your parental oversight in the new digital age, since safeMobile offers monitored freedom and security to your children when they are using their smartphones.)

Within the Organisation we continue to operate our own Intranet, which has been upgraded to an Intranet Portal and is a fast and reliable means of internal communication and information exchange.

The above activities contribute not only to the fast and effective provision of information but to the saving of paper in the context of Cyta's broader environmental policy.

QUALITY AND BUSINESS EXCELLENCE

With the implementation of the new structure, particular emphasis has been placed on achieving business excellence through improvements to business activities, regarding quality, efficiency and effectiveness. The optimization of effectiveness and the best quality in activities are secured by the alignment of the main end-to-end activities, constant upgrades to the Quality System (ISO9001) and the preparation of related standards for certification.

Drawing on many studies which show that telecommunications organisations are losing a large part of their revenue every year, Cyta is focusing on improving its current processes and introducing safeguards to prevent such revenue loss. This will be achieved through the monitoring of systems and processes and by preventing leakage and fraud.

STRATEGY

A four-year strategic plan (2016-2019) was drawn up with the aim of dealing with challenges and promoting Cyta's business development.

In 2015, we continued the systematic monitoring of corporate efficiency through computerized project and indicator management through the alignment of strategy at all levels.

Cyta is a member of major international telecommunications organisations, including the Association of European Telecommunications Network Operators (ETNO), the European Telecommunications Standards Institute (ETSI), the Commonwealth Telecommunications Organisation (CTO) and the TeleManagement Forum. Cyta is also a stakeholder in the European Foundation EURESCOM, which conducts high-level research and strategic studies on telecommunications and IT issues.

Business activities and quality

On issues of systematic improvement and quality, in 2015 the Organisation continued to record good levels of efficiency, with simplifications to the system and upgrades to internal inspections, which are reflected in the IO9001 Quality Systems External Inspection report. At the same time, the framework for a more integrated, simpler management of end-to-end activities was completed, as was preparation for the management of key activities in accordance with a new Organisational Structure.

IT

The implementation of the Organisation's strategy undoubtedly depends on its IT systems. Through studies and IT and technology upgrading projects, we propose and implement IT solutions to ensure essential business flexibility and lower the Organisation's costs.

We are establishing Data Centres of high availability, which guarantee the security of the information hosted in them. Eventually the Organisation's entire computer network will be hosted by these Centres, which will at the same time host customers' equipment.

We are implementing a new virtual IT infrastructure, while gradually transforming existing physical servers to virtual ones, which brings significant advantages in terms of savings on resources and increased flexibility.

We continue to upgrade our Business Support Systems (BSS) and Organisational Support Systems (OSS), in support of the provision of new, innovative products and services and the introduction of new technologies. We are working on replacing the Organisation's existing BSS/OSS systems with the ultimate aim of being able to offer customers new, modern electronic communication services in a flexible and speedy manner. By making modern and flexible tools available to Customer Service staff, and through the automation of processes, we are reducing costs significantly, further increasing productivity and improving the Customer Experience.

At the same time, we are developing suitable infrastructures/ platforms for the effective participation of our Organisation in the new digital service provision ecosystem, while, at the same time, supporting efforts aimed at growth and innovation in the country.

We are strengthening the potential of IT in the implementation and provision of digital services in various areas, support for new collaborative business models and the maximum use of real-time information available to the Organisation.

We are constantly upgrading our online presence through Cyta's Internet portal, as well as through Mobile Apps. We offer self-service options through various online channels and we are improving electronic communication with our customers. By sending customer bills by e-mail, we have made significant reductions to our paper consumption.

We support and we are extending our Enterprise Resource Planning (ERP) which covers most of the Organisation's financial management activities. At the same time, we continue to develop applications that support other internal activities and to upgrade the Organisation's Intranet Portal, making it the main tool for internal communication and cooperation among Cyta's people.

We are broadening our business intelligence applications in order to provide the appropriate information and knowledge at various organisational levels with the aim of providing optimum support for, and monitoring of, the Organisation's activities. To this end, we use modern, multi-dimensional business intelligence and data warehouse tools, which draw upon information about all the Organisation's activities and transform it into useable knowledge.

We support internal customers on a daily basis, upgrading them constantly to the latest end-user software versions with the aim of carrying out their duties in the best possible way, always with our main concern being the continuous provision of service to the Organisation's end user. We print our customers' summarized and itemized bills, as well as letters to them, to fixed deadlines so that they reach customers on time.

We continue to search for ways of constantly upgrading/modernising our IT systems, which will simplify tasks through the use of integrated and uniform systems and make Cyta even more efficient and flexible.

FINANCIAL MANAGEMENT

In the context of the difficult financial environment for the Cyprus economy and the broader area in which the Organisation is active, the robustness of an organisation is, to a significant degree, based on rational financial management aimed at the achieving of its goals. Financial management contributes to the development and identification of the Organisation's strategy, it provides essential financial data in support of the Management, and guarantees that the Organisation's decisions are based on reliable economic criteria.

Through proper financial planning, we secure the essential resources with which to implement our corporate strategy. At the same time we undertake significant financial management initiatives in support of the Organisation's strategic objectives, such as the strategic project aimed at ensuring optimum cost management.

Financial information is based on global standards and best practices. Moreover, we take all necessary measures to provide better customer service in difficult financial circumstances while, at the same time, we implement international practices for keeping bad debts at a low level.

REGULATORY ISSUES

During 2015, Cyta participated in public consultations concerning the regulation of electronic communications and the analysis of specific markets and completed important projects such as the preparation and publication of the Offer for Wholesale Services.

SUBSIDIARIES SUPPORT DEPARTMENT

In September 2015, following the implementation of Cyta's new structure, the Cyta Subsidiaries Support Department was set up. The objective of this Department is to facilitate and coordinate communication and cooperation among the various departments within Cyta and those of the subsidiary companies, with the aim of achieving the alignment of goals and making the most of synergies so as to maximise the value of the subsidiaries to the benefit of the Organisation.

In the context of the new structure, the operations of the Innovation & Service Development Centre have been transferred from the Innovation & Service Development Department for a new one.

SUPPORT INFRASTRUCTURE & SERVICES

An essential part of the smooth running of Cyta is due to the best possible, most efficient and best integrated management of its support infrastructure, including, among other things, land, buildings, vehicles and machinery as well as security, fire protection and guarding systems.

Buildings infrastructure

In 2015, the provisions were implemented of the tender for modifications to eight Cytashops across the island to enable the placement of "live" devices and anti-theft systems.



We continued with excellent results to provide services for the development of the mobile telephony network, both through construction work at base stations and the preparation and submission of applications for planning and building permission.

In accordance with agreements drawn up between the Organisation, Avanti and Eutelsat, work was carried out on the installation of antennas at the Makarios Satellite Station. At the same time, an area inside the Pentaschinos building was made

ready for the installation of equipment belonging to Noorsat in support of its existing antennas.

On the implementation of the Data Centres project, our Service proceeded to design and carry out work for the establishment of Data Centres on the ground floor and in the basement of the Platy and Amathus buildings.

In the context of our objective of ending our commitment to rent all our administrative buildings, in 2015 the Elgia Building in Limassol and the Cooperative Credit Society Building in Nicosia were given up. Furthermore, the Deputy CEO appointed a team to handle contracts for the rental of shops and parking areas. Our Service will implement the committee's decisions.

Our efforts continued to successfully provide a high standard of cleaning and hygiene services at our buildings all over Cyprus (including those in rural areas and window cleaning of all manned buildings islandwide), with the signing of a new cleaning services contract in June 2015.

Vehicle fleet management

During 2015, the Telematic Vehicle Fleet Management system for integrated fleet management continued its operations. Additionally, we awarded several small tenders for various vehicle maintenance projects, as well as one for preventive and corrective vehicle maintenance in three districts. In the context of the operations and maintenance of vehicles and machinery, efforts continued to reduce operating costs and conserve resources through the reallocation and/or immobilising of vehicles and through the creation of additional groups of common service vehicles in manned buildings.



At the same time, the Cytafleet vehicle management software was upgraded for better management and monitoring of maintenance and fuel supply tasks for vehicles, machinery, generators and heating systems. It should be noted that the total amount of fuel supplied to the Organisation in 2015 was 8,3% less than in 2014.

Security infrastructure

In 2015, we continued to extend the islandwide Security System with the installation of new electronic access monitoring points and terminal equipment for the Electronic Timekeeping and Trespassing Detection systems and CCTV. Moreover, a detailed study was carried out on new generation systems, which will

enable the upgrading of security systems, proving greater value to the Organisation.

Additionally, two new contracts were signed with G4S and Bank of Cyprus, which resulted in a significant cost reduction of 30%, or an annual saving of around €45.000.

New contracts were also signed with four different companies for the provision of guarding security services for Cyta buildings around the island. Costs have been reduced by 2% compared to previous agreements, representing savings of some €20.000 per annum.

MATERIALS MANAGEMENT

In 2015, the main part of the stores and stock management reorganisation project was completed, with the transfer of the Central Stores to a modern Materials Distribution Centre on the Dali Industrial Estate. This also concluded the reduction of the number of stores from a total of seven to just two centralised ones. Thanks to modern storage and equipment management systems, the Department made considerable savings in human resources and storage space, while making significant improvements to the quality of services provided. Additionally, the successful development continued of the new stock management system software and the delivery, storage and distribution of materials and equipment from the Organisation's stores, with a focus on productivity and efficiency, leading to lower operating costs.

PRODUCTS AND CUSTOMER SERVICE

In 2015 we continued the major Fixed Telephony Transformation project with the objective of replacing all fixed lines with broadband telephony connections.

In November 2015, installation work began on the 4G/LTE network, thus enabling all Cyta customers to enjoy the potential of technology and the Internet even more.

Moreover, we proceeded to enhance the Cytamobile-Vodafone RED plans through the introduction of apps and content which add more value to the already attractive package of services on offer.

With the aim of satisfying Cytavision subscribers who are also sports fans, we again enhanced and upgraded the Livestreaming service by Cytanet, which is used for the online transmission of football matches (those screened via Cytavision) and other sports events.

In 2015, we continued to enrich Cytavision through the addition of new channels, including MTV Hits, VH1 Classic, Nickelodeon and Chasse et Peche, as well as the screening of big NBA games (on NBA TV), Formula 1, Moto GP, WRC, ATP Tennis 1000/500, CEV Champions League Volleyball, as well as the Eurosport, Eurosport 2 and FOX Sports channels.

In the course of the year, we continued to enhance our Cloud services with the addition of Cloud Servers.

At the same time, the Centre for Innovation and Idea Development continued to work on the creation of a successful innovation and enterprise ecosystem in Cyprus.

RETAIL MARKET

FIXED TELECOMMUNICATIONS SERVICES

Remaining true to our commitment to provide top quality, reliable Fixed Telephony solutions, we implemented a number of projects with the aim of enhancing the services we offer through the introduction of new facilities for both residential and corporate customers. At the same time, in 2015 we continued to work on the major Fixed Telephony Transformation Project with the aim of replacing all fixed telephone connections with Broadband Telephony, enabling customers to enjoy all the benefits of the latest technology.

The success of Broadband Telephony (BBT-Home) was further reinforced. All Broadband Telephony customers were successfully transferred from the old IMS platform to the new one during the year in review. This new platform, which was established at the beginning of the year, will support all Fixed Telephony customers in the future. Furthermore, it will enable the provision of additional innovative services.

CYTAMOBILE-VODAFONE

In the mobile telephony sector, we continued to operate in a fiercely competitive environment, which is also affected by broader global technological developments. Spearheaded by our reliability, we remain the consumer's consistent first choice when it comes to mobile telephony in Cyprus.

In November 2015, installation work began on the 4G/LTE network, thus enabling all Cyta customers to enjoy the potential of technology and the Internet even more.

The RED plans were designed to respond to our new and existing customers' modern demands by offering, via a reliable network, unlimited talk time and text messages to all networks, the chance to purchase the best smartphones on the market, a large amount of MB for carefree Internet browsing, and many other innovative services and benefits, which are constantly being enhanced. RED, the most integrated communication option in the Cypriot market, has been warmly embraced by the public and has changed mobile communications in Cyprus, leading to a spectacular rise in Mobile Internet usage.

In 2015 we enhanced the Cytamobile-Vodafone RED plans through the introduction of applications and content that add more value to the already attractive package of services that we provide. Such applications include:

- Selfcare
- Personal Cloud
- Live sports
- Up to double Mobile Internet for RED plan customers.

For customers who prefer soeasy pay as you go mobile telephony, we continued to promote new soeasy Freebies in conjunction with the soeasy Rewards scheme. Soeasy Freebies offer additional local and international talk time and/or free texts and Mobile Internet (MB), allowing customers to talk and browse the Internet more as they make the most of their smartphones according to their individual needs. Additionally, with every top-up, customers have a chance to win instant gifts from soeasy Rewards, including talk time, texts and MB or to amass points and use them to obtain even bigger gifts such as mobile phones, concert tickets and much more.

At the same time, we continued to invest in the following services:

- Social Responsibility, offering the safeMobile application free to all Cytamobile-Vodafone customers, both pay monthly and soeasy pay as you go.
- Information and Entertainment, enhancing the Vodafone Live! and cybee Alerts menu.
- International Roaming, constantly adding new destinations (now 175 countries and 395 networks)
- Machine to Machine (M2M), providing a wide range of products, specially tailored to the needs of our business customers.

CYTANET INTERNET SERVICE

Acknowledging our responsibility as the biggest Internet Service Provider in Cyprus, we continued to thrive in 2015, thanks to significant network development projects and our provision of upgraded services at more attractive rates.

Placing emphasis on improving the quality and reliability of the network and, by extension, of the services we provide, we proceeded with a number of upgrading and development projects. Specifically, in December 2015, we increased the speeds of Internet products, introducing at the same time new higher-speed options.

We also continued to upgrade the Cytanet network's local connections with 10Gbps Ethernet connections. The total capacity of our connections to the global Internet is now in excess of 90Gbps.



During 2015, we provided broadband coverage wherever there was a developed copper network, in both urban and rural areas.

Other projects of 2015 were the following:

- **Increased Internet speeds**
- **Expansion of the Cytanet Wireless Zone's Wi-Fi network**

In 2015 there were 175 Wi-Fi Hotspots all over Cyprus. We expanded our network to more outdoor public spaces, providing faster speeds and thus making the Internet more accessible outside the home.

- **Safer Internet education**

For the twelfth consecutive year we continued our presentations entitled "The Internet: A Tool for All" in state primary, secondary and technical schools and in private schools in collaboration with the Ministry of Education & Culture. During the 2014-2015 academic year, a total of 140 presentations were given in all districts, attended by 13.232 pupils and teachers. Since 2001, a total of 986 schools have been visited and more than 100.000 pupils and teachers have attended the presentations.

Additionally, during the same period, we gave lectures on "The Internet in our Children's Lives – Safe and Responsible Use", aimed especially at parents. The lectures were held either in conjunction with the Pancyprrian School for Parents or directly with Parents Associations and school administrations.

Special mention is made in the presentations of the Safe Internet service for online protection, which is provided free by Cytanet. Parents always show particular interest in the service, which can protect their children from illegal, undesirable and harmful Internet content.

- **Livestreaming**

In 2015, we again upgraded and enhanced Cytanet's Livestreaming platform, which is used for the online transmission of football matches (those shown on Cytavision) and other sports events. This service offers customers in Cyprus and a good number of Cypriot sports fans abroad the opportunity to watch live Cypriot football. The number of customers using Livestreaming rose significantly, especially since the enrichment of Cytavision's content.

CYTAVISION SUBSCRIBER TELEVISION PLATFORM

Cytavision is the most complete subscriber television platform in the Cyprus market. With live and exclusive sports broadcasts from Cyprus and abroad, a huge variety of the most popular channels in all viewing categories and a broad range of interactive services, it offers entertainment and information for all tastes.

Our main priority is to share varied, top quality content with our subscribers, with a commitment to the provision of the very best in home entertainment and before- and after-sales service.

Cytavision is a key component of Cyta's Triple- and Quadruple-play options (Fixed Telephony, Internet, Television, Mobile Telephony), contributing decisively to the value of this proposition for our customers.

We are constantly investing in new content, new innovative applications, new services and new collaborations that respond to the needs of our subscribers and our partners.

This is why, during 2015, we proceeded to complete a range of projects that serve the two pillars of our strategy, i.e. content range & quality and innovation, enabling us to increase the number of Cytavision subscribers:

- **Enhancement & enrichment of channels**

Throughout the year, in response to the TV needs of our subscribers, we enriched our content with popular channels in various viewing categories.

In 2015, Cytavision's content was upgraded through the addition of new channels, including MTV Hits and VH1 Classic for music fans, the popular children's channel Nickelodeon with well-known cartoon and teen series and the French channel Chasse et Peche for those interested in hunting and fishing.

• Enriched sports content

We continue to offer subscribers the most complete package of sports programmes in the Cyprus market, with quality coverage of a broad range of sports and competitions, with the aim of satisfying and retaining current customers and attracting new ones.

Special mention is made of the fact that we renewed our agreements with the organisers of the top club competitions in Europe, the UEFA Champions League and UEFA Europa League until 2018, for the transmission of the Euro 2016 qualifiers, the Wimbledon tennis championships and the top Cypriot football teams' qualifying matches for the UEFA Champions League and UEFA Europa League.

Additionally, in 2015, our sports content was enriched by the transmission of big NBA games (on NBA TV), Formula 1, Moto GP, WRC, ATP Tennis 1000/500, Champions League Volleyball and European football league and cup games. We also added the Eurosport, Eurosport 2 and FOX Sports channels.

Attractive offers

During the course of the year, at three different times we offered both new and existing customers free installation of their 1st and 2nd set-top box. We also offered the Sports Plus package at a 33% discount for three months for new subscribers.

Finally, in the context of the "olatakala" privilege plan, customers were given the chance to enjoy a free two-month subscription to the basic package and Sports Plus, on signing a two-year contract.

Travel packages

With the aim of rewarding our customers, from September 2015 we gave all subscribers to the Full Pack and Sports Plus packages the opportunity to win travel packages for two to attend top events in a range of sports.

Specifically, in 2015, lucky subscribers attended UEFA Champions League and UEFA Europa League matches and Formula 1 races.

INNOVATION AND SERVICES DEVELOPMENT

Cloud services

In the context of the ongoing financial crisis, Cyta was in a position to help every business, irrespective of size, manage its finances, improve its working practices and increase its profits. Through our Cloud services, we provide businesses with online access to software applications and IT infrastructure, for which they pay a monthly subscription. We have transformed the high start-up cost of investing in technology into a small operating expense.

Cloud services enable universal, easy and needs-based access to a shared space of parameterized computer resources such as networks, servers, webspace, applications and services that may be offered requiring minimum management.

We are dynamically growing our Cloud services portfolio, enhancing it with excellent technical support as well as the security and reliability of our infrastructures and data centres. With the focus on Cypriot enterprises, we offer integrated solutions that respond to business needs in all areas of activity.

In 2015, we continued to enrich our Cloud services with the addition of Cloud Servers. This service enables entrepreneurs to use Cyta's Tier III Data Centres in Cyprus in order to establish and manage their own servers, corresponding to the real requirements of their business. With Cloud Servers, no initial outlay is needed for the purchase of equipment and IT systems, nor is there any time-based commitment, while flexibility is provided regarding the computer resources that are obtained and these can be increased or reduced according to needs.

Vertical growth areas

In 2015, we became active in the vertical growth areas of e-Health, e-Government, Mobile Applications for Real Estate and Connected Ship and, at the same time, we examined Mobile Wallet, bearing in mind that these areas offer the prospects of accessing alternative revenue streams. We formulated a strategy for every growth area and adopted the "revenue sharing with no initial cost" business model. Involvement in vertical growth areas favours cooperation with companies and suppliers with ready solutions and platforms. In the area of e-Health, we drew up the Organisation's strategy and, with the completion of the telecare pilot programmes, we began the commercial introduction of the vidatrack service for vulnerable individuals whose whereabouts need to be quickly identified at any given moment. Furthermore, we are looking at introducing other services to the market which cover the management of various ailments. We also participate in the tendering process regarding software for the Health Insurance Organisation.

In the area of e-Government, in collaboration with other companies, we bid for tenders for projects promoting e-Government. In the shipping sector, in conjunction with Ericsson, we prepared proposals to shipping companies which enable them to make savings on ship communications, IT and fuel costs.

Centre for Innovation and Idea Development

Innovation is a strategic pillar of all leading enterprises that seek sustainable development and it is essential for maximising the value of organisations that are at a transitional stage and facing a range of challenges.

In 2015, Cyta's Centre for Innovation and Idea Development continued to work on the creation of a successful innovation and enterprise ecosystem in Cyprus. Though collaborations

with other private and public sector organisations, one of the Centre's objectives is to help budding entrepreneurs develop their ideas and gain access to investment funds in order for these ideas to evolve into start-ups. At the same time, the Centre aimed in 2015 at the promotion of intrapreneurship within Cyta, developing the Organisation's ability to create new innovative products and services, using its own human resources

Cyta's aim with the Centre for Innovation and Idea Development is to create new, alternative revenue streams, to improve its corporate image, to develop an entrepreneurial culture within the Organisation, to promote young entrepreneurship and to strengthen the Cypriot economy.

In 2015, the Centre undertook the following initiatives:

1. The establishment and strengthening of collaboration with the Cyprus Business Angels Network (CYBAN) as technology partner in CYBAN's Capital Impact Powered by Cyta business accelerator.
2. Strategic cooperation with Junior Achievement-Young Enterprise Cyprus, for the promotion of entrepreneurship in schools, with the support of the Ministry of Education & Culture.
3. Strategic collaboration with Microsoft and European University Cyprus on the creation of the Microsoft Innovation Center in Cyprus.
4. Cooperation with the Ministry of Defence, the Open University and KPMG on the promotion of Innovation and Entrepreneurship to National Guard conscripts, through presentations and a competition for Innovative and Business Ideas.
5. The setting up of a Working Group to determine reliable criteria and processes with the aim of identifying and evaluating opportunities for investment in start-ups, so that the Organisation may undertake such investments in an effective manner.
6. The publication of the Cyta Entrepreneurship Newsletter, containing articles on issues pertaining to Innovation and Entrepreneurship, which is sent to thousands of readers within and outside the Organisation.
7. The launch of a pilot Intrapreneurship project for Cyta, with specific criteria and incentives as well as a proposals development, evaluation and implementation process.

NATIONAL PRIVATE LEASED LINES

In 2015, national private leased lines remained among the options available to business customers for networking services, offering a wide range of speeds. The service provides networking solutions of the highest quality for image, voice and data transfer. Companies can use Leased Lines to create a private network linking their own premises to those of their customers and clients.

COLOCATION SERVICE

The colocation service enables third parties to house their equipment on Cyta's premises.

Where customers of our Organisation wish to install equipment in areas where they do not own buildings, Cyta can host it on its premises, providing at the same time a broad range of telecommunications services.

ETHERNET NETWORKING SERVICES

2015 was another successful year for our Ethernet Business Networking Services which continued to attract major business customers.

The two Ethernet Business Networking services, E-Line and EVPN, enable high-speed, low-cost telecommunications traffic transmission (voice, data and images) between two or more points within an enterprise.

The main advantages to our customers of these services over other networking options are higher connection speeds of up to 1Gbps, lower cost and easier installation. At the same time, they offer a variety of speed options and data transmission prioritisation with three service quality levels Gold, Silver and Bronze.

E-Line and EVPN use Cyta's Ethernet/IP network as a common infrastructure. The network, which was designed to international specifications and provides islandwide coverage, is characterised by its reliability, security and the ease with which it can be extended and centrally managed. Monitoring by Cyta of all network equipment and the natural infrastructure guarantees the most efficient operation of end-to-end protection mechanisms and, by extension, the reliability of the services provided.

MANAGED SOLUTIONS

Managed Solutions complement networking services, mainly Ethernet and DSL Access VPN, with supply, installation, operation, management and support services for all the telecommunications equipment located on a company's premises.

With Managed Solutions, business customers can have a single point of contact for the order, support and management of equipment on their premises and for their networking services.

The Managed Solutions that Cyta offers are the most reasonable in terms of initial capital outlay, since customers are not burdened with the initial costs of purchasing equipment and they pay less to upgrade and replace it.

CUSTOMER SERVICE

Our unchanging strategy in recent years has been to get close to our customers, placing particular emphasis on reinforcing our Sales Network and focusing on the development and upgrading of our stores in terms of their appearance and commerciality. We also extended our shop opening hours to align them with those in the rest of the market.

Moreover, in response to our customers' desire to experience the customer journey in our stores and the freedom to choose the accessories that interest them, we refurbished and modernised five more Cytashops: the branch at Agii Anargyri and the main one in Larnaca, the Omonia branch and the main one in Limassol and the main one in Paphos. The Cytashop refurbishment and modernisation project has now been completed in all towns.



In the framework of our strategy of providing excellent customer service across a broad and effective network of stores, we also maintain a strong and reliable network of sales partners. These partners run organised networks of stores in all districts and they have the required knowledge and experience to serve our customers in a responsible manner and to provide the full range of our products and services. An important part of these partnerships is the distribution network that makes the products of the soeasy prepaid mobile telephony service available across a large network of points of sale throughout Cyprus.

In recent years, we set up and operated the biggest Call Centre in Cyprus on the islandwide numbers **132, 80008080** and others, placing special emphasis on service quality. Customers who call the Cyta Call Centre can obtain information about our products, submit orders, request and receive technical support for any problems that may arise with Cyta products and services. The Directory Enquiries service on **11892**, which is an integral part of the Cyta Call Centre, remains the leading service of its kind in an intensely competitive environment. Through the provision of simple and practical facilities, we give customers fast, reliable and inexpensive assistance with their enquiries.

In addition to traditional methods of communication, we have established service via **webchat** (the first to do so in Cyprus) and social media (**@Cytasupport** and **www.facebook.com/cytaofficial**), while customers can read about technology issues and resolve problems on our customer Forum (**www.cyta.com/forum**).



Recognising the importance that our customers give to the quality and speed of technical support, we are continuously working to upgrade our Customer Technical Assistance (CTA), develop our personnel and optimise the assistance we provide.

The increased demands of our technologies and services have led us to undertake a series of improvement works at the level of processes and activities and, in 2015, we were extremely active in this area. For instance, we reviewed terminal equipment management and upgrading, while CTA took over responsibility for improving our customers' network infrastructure at no additional charge so that they may make the most of our services.

Directory services

With upgraded content and fully updated information on businesses and individuals, in 2015 the print editions of the Yellow Pages and Telephone Directory and the Business-to-Business Directory were published. Thanks to the amount of information they contain, these publications are unique search tools and, at the same time, an effective means of promoting businesses, products and services. With information that is updated on a daily basis, the new upgraded online Yellow Pages and Telephone Directory is available at **www.cytayellowpages.com.cy**



BUSINESS MARKET

As regards the business market, through a large variety of options and thanks to the flexibility of our products, our specialist network of Telecommunications Consultants provides an upgraded personal service to large companies and SMEs. The Telecommunications Consultants assist each enterprise in selecting the ideal and, at the same time, most economical solution to its particular requirements, always with the quality that is expected from Cyta. Over and above the personal contact with our customers, we provide an upgraded telephone service and assistance to our business customers via **80008282** for information and orders and **80004000** for technical support.

Our constant goal is the provision of integrated solutions, which give professionals autonomy and flexibility in their chosen field and make their business more productive, more efficient and, by extension, more competitive. The development, reinforcement and maintenance of long-term, mutually beneficial relationships with our customers, combined with the ability to enjoy a wonderful experience, are the key ingredients of our approach. "Let us get close to businesses and stand by the professional, so as to touch the world together". To this end, we are strengthening our people with the high level of know-how and the advanced technology tools that our customers deserve.

WHOLESALE MARKET

NATIONAL WHOLESALE MARKET

In 2015 we continued to supply licensed national providers of telecommunications services with high-quality national wholesale products and services in a liberalised telecommunications market, in accordance with the regulatory framework and the principles of transparency, non-discrimination and cost-orientation. We drew up agreements with most national telecommunications service providers for the provision of products and services as well as the necessary support. We reviewed the templates for tenders and agreements and developed and upgraded support systems and processes for the provision and management of high quality products and services. The national wholesale products and services portfolios that we provide are the following:

Mobile Communication Interconnection and Services Portfolio

The Mobile Communication Interconnection and Services Portfolio includes products relating to Interconnection, Wholesale Leased Lines, National Roaming and Access to Cyta's Mobile Network and Mast Colocation.

Interconnection enables national providers to connect their networks to Cyta's fixed and mobile networks. Wholesale Leased Lines are circuits on the Cyta network that are leased

to national providers, enabling them to interconnect nodes on their networks or on their customers' networks to their own network. National Roaming gives national mobile telephony providers access to Cyta's mobile network. National Roaming allows subscribers of these providers to use Cyta's mobile network in areas not covered by the national provider's own mobile network. Access to Cyta's Mobile Network enables national carriers to provide mobile telephony services to their subscribers via Cyta's mobile network as Mobile Virtual Network Operators (MVNOS).

Telephony and Broadband Portfolio

The Telephony and Broadband Portfolio includes products relating to Carrier Selection and Pre-selection, Wholesale Line Rental, Wholesale Broadband Access, Local loop Unbundling, Number Portability and Access to the Telephone Directory Database.

Carrier Selection and Pre-selection allows Cyta subscribers to choose an alternative national carrier for call distribution. Wholesale Line Rental lets national carriers lease the voice zone of the frequency range of the subscriber's telephone line. This product is offered with Carrier Pre-selection on PSTN, ISDN-BRA and ISDN-PRA telephone lines. Wholesale Broadband Access enables national carriers to offer broadband services to their customers via Cyta's broadband network. Local loop Unbundling lets national providers lease Cyta's copper access network to provide voice and broadband services to their subscribers. Number Portability allows subscribers to keep their telephone number when they change provider. Access to the Cyprus Telephone Directory Database gives national carriers providing Directory Enquiries services access to Cyta's Cyprus Telephone Directory Database.

Infrastructure Access and Leasing Portfolio

The Infrastructure Access and Leasing Portfolio includes Building & Duct Colocation as well as National Provider Network Connection Services to Cyta's Access Network.

Building & Duct Colocation enables national providers to lease Cyta's infrastructure (buildings, forecourts and roofs, cabling and mobile communication masts) for the colocation of their equipment. National Provider Network Connection Services enable national providers to connect their equipment to the Main Distribution Frames or the Cabinets of Cyta's Access Network for the purpose of Local Loop Unbundling.

INTERNATIONAL WHOLESALE MARKET

In 2015 we continued to offer high quality international wholesale products and services under the Cytaglobal sub-brand to internal and external customers such as national and international carriers, business customers and other partners. We signed bilateral agreements for the provision of wholesale international telephony products for physical and virtual

international private leased circuits, Internet access, the leasing and concession of international network infrastructure and other services, offering uninterrupted customer support. The portfolios of international wholesale products and services are analysed below:

Cable and Satellite Interconnection Portfolio

We provide cable interconnections to wholesale customers including indefeasible right of use or lease of cable capacity to local and international carriers, interconnection of international capacity via national networks as well as extended international capacity from its cable landing stations to equipment colocation premises of licensed national carriers. Additionally, products for the resale of space segment capacity, satellite links and facilities are offered. These include the provision of specialised satellite links, international satellite telephony, satellite monitoring and maintenance services, satellite links for the large-scale provision of Internet and data services, colocation and VSAT services and radio/TV programme relay products.

Internet and Data Portfolio

Through connections to nodes on Cyta's networks in Cyprus or those of our partners abroad, we provide international wholesale customers and Internet Service Providers with high quality protected access to the global Internet through the use of a variety of technologies and routing protocols and with backup capacity availability in the form of bandwidth-on-demand.

Via Cyta's MPLS backbone network and international nodes in Athens, Frankfurt and London, we offer business and wholesale customers International Virtual Private Circuits (MPLS-VPN) as well as International Ethernet-over-MPLS (EoMPLS) circuits. Via a reliable cable infrastructure with full network and equipment protection, virtual connections are offered as point-to-point and point-to-multiple-point, while voice, data and image transfer are enabled via different classes of service (Gold, Silver and Bronze).

Additionally, we offer business and wholesale customers natural International Private Leased Circuits with transparency of capacity, which are ideal for applications requiring reliable and fast data transfer. Natural International Private Leased Circuits are usually provided via submarine fibre optic cables at speeds ranging from 64kb/s to 1Gbps based on SDH technology or Ethernet-over-SDH (EoSDH). The extensive international cable network and the multiple landing stations of Cyta and its associates guarantee interconnectivity and total protection. Our customers receive personal service, through a business consultant and 24-hour technical support.

International Wholesale Telephony Portfolio

We offer products for international outgoing traffic to fixed and mobile telephony networks in most international destinations on a wholesale basis to internal customers, to satisfy Cyta's retail customers and for resale to licensed providers in Cyprus. For the provision of international outgoing telephony, we

maintain direct connections with 56 telecommunications organisations worldwide, guaranteeing competitive terminal charges and top quality alternative routing. With automated processes and specialist software, we support multiple routing to international softswitch exchanges with the aim of offering excellent quality international telephony at extremely competitive prices. At the same time, we provide international correspondents with termination of incoming traffic on all fixed and mobile networks in Cyprus, international wholesale transit traffic services as well as international and universal freephone call products for business customers all over the world.

Additional Services Portfolio

We provide specialised and personalised additional services which add value and support to our broad range of international telecommunications products and services. These additional services include support consultancy services to business customers and international correspondents, international telephone traffic statistics and forecasts, international media restoration services, international telephone traffic management services, consultancy services for the administration of submarine cable systems and signalling services for international roaming facilities for mobile telephony.

SERVICES TO THIRD PARTIES

SERVICES TO THE DEPARTMENT OF CIVIL AVIATION

Cyta provides technical support (supply and maintenance of equipment) to the Department of Civil Aviation, which is responsible for the smooth, safe, effective and efficient management of air traffic within the Nicosia Flight Information Region (FIR).

The support provided serves the needs of the Department of Civil Aviation which are based on international standards and the recommendations of the International Civil Aviation Organisation (ICAO) and in compliance with the programmes of the European Civil Aviation Organisation EUROCONTROL.

The broad range of support services includes corrective and preventive maintenance to such a standard as to guarantee reliable and high quality communications between air traffic controllers and aircraft, the monitoring of aircraft movements via radar facilities, the retransmission and exchange of aeronautical information and meteorological announcements. The equipment being maintained includes navigational aids such as VOR, ILS, DME and DF at Larnaca and Paphos airports.

In the framework of harmonisation with the programmes of the European Civil Aviation Organisation EUROCONTROL and the Single European Sky, an agreement was signed for the provision of an ATS Message Handling System. A tender was published

for the provision of two radar systems, which will be installed at Paphos International Airport and the Lara Station.

SERVICES TO THE DEPARTMENT OF MERCHANT SHIPPING

In 2015, Cyta ended the provision of services for the operation of the Cyprus Radio Maritime Station, which serves seafarers and ships at sea. However, we supported the smooth transition of the station to other government departments so that services continued without interruption.

SERVICES TO THE METEOROLOGICAL SERVICE

We continued to provide telecommunications facilities and technical support to the Department of Meteorology, mainly for the preparation and distribution of Weather Forecasts and Flight Plans.

SERVICES TO THE JOINT RESCUE COORDINATION CENTRE

We continued to provide data and voice services and technical support to the Joint Rescue Coordination Centre (JRCC).

SUBSIDIARIES

DIGIMED COMMUNICATIONS LTD

Digimed Communications Ltd is a wholly-owned subsidiary of Cyta, which was set up with the aim of realising the Organisation's strategy for the vertical and horizontal expansion its activities in Cyprus and abroad.

The pressure of increased competition in local and international markets, together with the slowdown in business activity as a result of the global and local financial crises, make Digimed's contribution to the Organisation's response to the challenges of today's telecommunications business environment a necessity.

The alignment of the subsidiaries with the Organisation's strategic and business objectives of expanding its activities abroad and completing its portfolio of products in the local market, through the coordination and support of its subsidiaries in collaboration with the relevant management unit of Cyta, remains Digimed's top priority, along with creating synergies among Cyta's subsidiaries and Cyta itself.

CYTA HELLAS AE

2015 was a year of growth for Cyta Hellas, despite the prevailing difficulties in the market. The broader economic environment in Greece was characterised by unusual events, including repeated elections and the closing of banks, with an immediate impact in the form of reduced purchasing power, an increased inability of customers to make their payments and, overall, a growing feeling of insecurity within the population. At the same time, the Telecommunications sector was led to further concentration and providers made a sharp turn towards the convergence of services and cross-selling, which made competition even fiercer.

Nonetheless, in spite of the difficult environment, by focusing on the company's objectives and through well-planned actions, the indicators of Cyta Hellas remained steady and with the key indicators showing growth. The new prepaid mobile service grew rapidly, customer churn was reduced and the cost of revenue per customer improved.

Specifically, the number of active fixed telephony/Internet customers remained steady, registering a slight 1% increase (number of customers as at 31/12/2015: 325.000). Monthly paid mobile phone connections during the first proper year of operations rose by 142% from 12.695 on 01/01/2015 to 29.000 on 31/12/2015.

Strategic action to broaden the business customer base continued, aimed at dynamic vertical markets such as tourism. Specifically, 2015 saw the completion of major FttB (Fibre to the Building) projects to hotels in the country's tourist areas. By connecting directly to Cyta's fibre optic network, they have been able to substantially upgrade the online services provided to guests. As a consequence, these businesses have received

the highest marks for their Internet quality in the context of a written assessment carried out by one of the world's biggest providers of travel services.



Additionally, the year under review was characterised by the enhancement of the company's portfolio of services and products for individuals and businesses and the completion of the mobile services portfolio with the commencement of mobile services for business.

It should be noted that Cyta's own new generation fibre optic network of more than 5.500km, stretching from Crete to the Balkan border, acted as a strategic link in turning the Cyta Group into one of the most important telecommunications nodes in the Mediterranean. This is the result of the creation of Cyta's new undersea fibre optic connection between Cyprus and Greece, via the KIMONAS undersea cable system, which is opening up new business prospects and opportunities.

For Cyta Hellas, 2015 was a year marked by many instances of public recognition for its work and the high level of services it provides. A series of awards, both local and international, as well as numerous unique certifications and distinctions, served to confirm the well-planned course that it has been following for a number of years. Specifically, confirming its orientation towards Business Excellence, the company's Customer Service Department received the internationally recognised EFQM Excellence Model's "Committed to Excellence – 2 Star" recognition. It is notable that, during the same period, the company received the European EN 15838:2009 Customer Contact Centres (Nr. S 000288) certification for its call centres, and is the only one in Cyprus and Greece to be certified in this way.

The company's implementation of modern digital strategies was recognised by no fewer than three awards at the renowned Digital Media Awards 2015, was honoured by www.beonlineliveoffline.gr, a site promoting safe Internet browsing, and at the Social Media Awards 2015, it won awards in the "Best Use of Social Media for a Corporate Brand/ Industry" category for its "A New Era with Cyta Mobile" online advertising campaign and in the category "Social Media Customer Care Strategy". Cyta Hellas also won two

Mobile Excellence Awards 2015 in the “Innovative Services to Small Businesses” and “Innovative Mobile Business Model” categories.

Cyta Hellas’ pillars of activity and objectives for 2016 are all about maintaining its existing customer base and increasing its value through the greater promotion of its multi-play services, mainly for mobile telephony, increasing its share of all services and its revenues from the business market and entering the prepaid mobile telephony market. Additionally, it will focus on further expanding alternative online channels of service, bettering the customer experience at all points of contact through the continuous improvement of service activities and the development of its human resources.

CYTA UK LTD

Cyta UK has its own high-tech telecommunications node, based on the MPLS protocol, using media gateway and new generation SDH equipment, and housed in London. The node is linked via a Cyta-owned undersea optical ring to similar telecommunications nodes in Nicosia and Athens owned by Cyta and its related company CytaGlobal Hellas AE, respectively.

The company is active, in conjunction with Cyta and its related company Cytaglobal Hellas AE, in the provision of international virtual leased connections to providers and corporate customers in the UK and elsewhere while it also offers occasional colocation services, local loops and other local connections within the UK via its associates and other subcontractors. Also, in collaboration with Cyta, the company is in a position to offer voice, signalling and Internet interconnections on a wholesale basis.

At the same time, the company is active in the Fixed Telephony services sector in the UK retail market with Carrier Preselection and the competitive Cytatalk and Cytabusines packages, which it has developed mainly for residential and business customers in the Greek-speaking community. The company is also active in the provision of broadband Internet services and Greek-language television content, while offering significant additional facilities such as leased telephone lines, simulated PBX and resale of mobile telephony services.

CYTACOM SOLUTIONS LTD

In 2015, Cytacom Solutions Ltd continued to provide integrated quality and innovative communications and IT solutions/services, tailored to the needs of each customer. The objective of Cytacom Solutions Ltd is to enable its customers to benefit from the potential of technology and to improve their entrepreneurship.

The company’s vision is to be the first choice for the design and

provision of specialised and integrated communication and IT solutions to organisations and businesses in the Cypriot market with the following products/services:

- Provision of Integrated IT solutions and electronic equipment and IT software support and maintenance.
- Networking, IT and telephony equipment.
- Project management & consultancy services.
- Website and online platform design and development.
- Bulk messaging (webSMS.com.cy).
- Top-up service (soeasyprepaidcards.com.cy).
- Development of integrated online IT system applications/connections.
- Communications security.

The company’s long-term objectives are:

- To maintain its position in the Cypriot market as one of the most reliable organisations providing integrated solutions.
- To increase turnover and profitability.
- The development of a corporate culture and image and incentives to reinforce personnel loyalty and dedication.
- Continuous personnel training in new technology so that the company has a core team of top engineers with which to serve its customers.
- To support and complement Cyta’s new products in the area of Solutions and Convergence Services.

CYTAGLOBAL HELLAS AE

Cytaglobal Hellas AE was established in Athens on 5 November 2003 as Cyta Hellas AE. On 2 January 2007, following a decision taken at an extraordinary general meeting of the shareholders, the company was renamed CytaGlobal Hellas AE and the right of use to the brand name Cyta Hellas was assigned to another Cyta subsidiary.

The company has its own high-tech telecommunications node, based on the MPLS protocol and using new generation SDH equipment, housed on the premises of Mediterranean Nautilus Greece AE in Athens. The node is linked via a Cyta-owned undersea optical loop to similar telecommunications nodes in Nicosia and London owned by Cyta and its related company, Cyta UK Ltd respectively.

The company operates in collaboration with Cyta and its related company, Cyta UK Ltd, for the provision of international virtual leased connections to providers and corporate customers in Greece and elsewhere while it also offers occasional colocation services, local loops and other local interconnections within Greece on a resale/leasing basis via its associates and other subcontractors.

The company has also become active in the Data Centre market in Thessaloniki and Attica, through its participation with experienced partners in the share capital of Synapsecom Telecoms A.E.

IRIS GATEWAY SATELLITE SERVICES LTD

Iris Gateway Satellite Services Ltd provides satellite turnaround of radio and television programmes between Europe, Asia, Africa and America from Cyta's Satellite Earth Stations.

In addition to satellite connections, Iris also offers services via optical cable systems in collaboration with Cyta's National and International Wholesale Market Services. It provides integrated solutions to customers interested in distributing their programmes to various locations internationally via a combination of cables and satellites. The company also provides support services to Cyta's satellite services.

In 2015, Iris broadened its activities further, with the provision of new services to new and existing customers. The extension of satellite television programmes to customers in the Middle East was an important development, as was the satellite reception and cable transmission of TV programmes to Europe.

BESTEL COMMUNICATIONS LTD

Bestel Communications Ltd was established in May 2001 under the Bestelcomms brand name. The company is a joint venture between Cyta and the ZTE Corporation, one of the largest telecommunications equipment manufacturing corporations in China. Bestelcomms' mission is to support ZTE's internationalisation efforts and to provide integrated telecommunications solutions.

NETWORK

We upgraded the ALEXANDROS undersea cable system linking Cyprus with France (Marseilles) and Egypt (Abu Talat) respectively. We also upgraded the Pentaschinos-Chania link which now operates through Cyta's own fibre optic coupling. This system was named KIMONAS and, through it, in conjunction with other undersea cable systems, the MINERVA and ATHENA subsystems operate.

We also upgraded the satellite services that we provide, with the installation of new large and small satellite antennas for the transmission of fast Internet and TV content via satellite and international optical connections, making use of Cyta's extensive undersea cable network.

We completed the extensive upgrade to the IP backbone network so as to support the mobile telephony Single RAN modernisation project as well as the constantly growing needs of our domestic and business customers for broadband services and those of other Cyta networks and services.

We continued to expand the WDM (Wavelength Division Multiplexing) network, which is the backbone of Cyta's networks, providing them with high speed services and serving corporate customers. We also continued to expand the new-generation SDH (Synchronous Digital Hierarchy) network for the provision of exclusive circuits of various lower speeds to business customers.

Finally, we continued to develop the mobile telephony wireless access network, installing new GSM base stations to improve coverage and new 3G stations both for improved coverage and network extension to rural areas. Population coverage of the GSM network exceeds 99,9%.

VALUE ADDED APPLICATIONS/SERVICE PROVISION PLATFORMS

Our efforts aimed at continuously upgrading Cytavision continued in 2015 with the completion of the project to upgrade the encoding systems of all television programmes from MPEG-2 technology to MPEG-4. This switch brought a substantial improvement to picture quality. At the same time, a tender was published for the procurement of a picture quality measuring system in order to upgrade the existing infrastructure. This project will assist in the taking of preventive and immediate action in case of problems that may affect picture quality before most viewers are aware of them.

At the same time, we developed the Live Streaming service thanks to new TV signal encoding equipment and we optimised the platform for the online transmission of sports events in order to provide customers with the best possible experience when watching sport on laptops, mobile phones and tablets.

The e-mail service was enhanced with the facility enabling customers to select backup e-mail saving.

In 2015, we conducted a number of studies related to a series of innovative services that are expected to be rolled out over the next two years. They include an upgraded Parental Control/ Safe Internet service on all devices (computer, mobile etc.), TV content on networked devices (TV, tablet, smartphone) and Smart Home services. The latter aim to introduce a range of services relating to home safety/security, automation, energy management and telecare.

CORE NETWORKS

National Transmission Network

The National Transmission Network serves the needs of Cyta's networks and those of its external customers at speeds from 64kbps to 10Gbps, with the greatest possible degree of reliability.

In 2015 we continued to expand the WDM (Wavelength Division Multiplexing) network, which is the backbone of Cyta's networks, providing them with high speed services and serving corporate customers.

We also continued to expand the new-generation SDH (Synchronous Digital Hierarchy) network for the provision of circuits of various speeds and, in particular, EoSDH (Ethernet over SDH) connections.

The WDM and SDH networks operate via optical fibres in an arrangement that allows the uninterrupted provision of service, even when a fault occurs in an individual fibre

International Transmission Network

In 2015 we proceeded to implement significant satellite and cable systems, reinforcing the role of Cyprus and our Organisation as a telecommunications hub in the broader Eastern Mediterranean region.

Our three Teleports are important international satellite gateways providing broadband links to foreign Internet providers, with the parallel use of Cyta's undersea cable infrastructure. We also provide Satellite Tracking Telemetry & Command (TT&C) services as well as TV turnaround services.

In 2015, the installation was completed of satellite antennas and the required infrastructure for companies specialising in provision of fast Internet and TV turnaround services. The number of TV channels being retransmitted to various satellites now exceeds 450.

The Makarios Satellite Station is the centre for the satellite TV channels and hosts the continuity platforms for Cytavision. In 2015, equipment was installed to enable live streaming online.



NETWORK AND SERVICES OPERATION

Networks and Services Management

In the framework of improving monitoring activities and network and service faults management, in 2015 we continued work on upgrading Cyta's existing Alarm Management, Automatic Service Activation and Quality Management systems. These specialised tools, in combination with continuous staff training, are a basic aspect of achieving the mission of our unit for the secondary operation and maintenance of Cyta's networks.

As regards undersea cable connections, Cyprus is connected with the outside world for telephony, Internet and leased circuits through three cable landing stations with a total of nine undersea cable systems (SCS). Transit connections are offered at the same time from the countries of the Middle East to Europe and the rest of the world.

In 2015

- We upgraded the Pentaschinos-Marseilles link (ALEXANDROS) by installing state-of-the-art Infinera technology (Soft Decision-FEC), enabling transmission at speeds of up to 500 Gb/s.
- We upgraded the Pentaschinos-Abu Talat link (ALEXANDROS), enabling transmission at speeds of up to 400 Gb/s.
- We continued work on the ALASIA cable system for an additional Cyprus-Syria connection.
- We upgraded the Pentaschinos-Chania link which now operates through Cyta's own fibre optic coupling. This system was named KIMONAS and, through it, in conjunction with other undersea cable systems belonging to partners, the MINERVA (undersea optical loop to Italy) and ATHENA (undersea optical loop to Athens) subsystems operate.
- We installed an automatic switching system on the land section of the ALEXANDROS undersea cable system in Marseilles, thereby increasing the system's reliability.

Packet Switched Networks

In 2015, we completed the extensive upgrade of the IP/MPLS backbone network so as to support the mobile telephony Single RAN modernisation project as well as the constantly growing needs of our domestic and business customers for broadband services, and those of other Cyta networks and services.

We upgraded the DSL access network and the Cytanet network's international connections so as to support the increased speeds of Internet products and to provide better quality to our customers. At the same time, we focused on improving business continuity, network security and Cytanet products.

Finally, we upgraded Cyta UK's IP/MPLS network in London to improve the services we provide to business customers.

With the goal of achieving ever lower costs and effective network and services management, in conjunction with better HR management, we proceeded to unify the Network and Services Management Centre with the local Operations and Support sections.

Furthermore, in an effort to increase productivity, we implemented the "NeTKT" faults management system in a number of technical departments. The ultimate aim is the implementation of this single tool in all the Organisation's technical departments, where it will record and monitor the life cycle of faults and their repair, with the aim of diffusing know-how and improving the methods and processes for dealing with faults.

Network and Services Security Management

In the framework of the continuous reinforcement of Cyta's infrastructure security, at the end of 2015 we set up the new Network and Services Security Management unit to deal with this issue centrally. The new unit is organised on the basis of international practices and standards so as to fully achieve the Organisation's expectations regarding infrastructure protection and, in future, to develop and make available reliable high value network and services security services.

Electrical & Mechanical Services Management

In 2015, we continued to implement the islandwide Fire Protection System and speeded up installation work. Also, the Electrical & Mechanical Equipment Monitoring and Inspection System came into operation and is expected to bring substantial savings to the Organisation through energy management. The Telematic Vehicle Fleet Management system was reset following a review of its specifications and is expected to be installed in 2016.

We proceeded to replace a large amount of obsolete and energy-inefficient electromechanical installations and supply systems with the aim of further improving the reliability of the services that we provide and saving energy. A study was conducted on the installation of photovoltaic systems in Cyta's buildings for autoproduction, with the aim of reducing electricity costs through the use of Renewable Energy Sources.

We implemented new electromechanical installations and

supply systems for major customers of Cyta and important projects such as the Class 5 Transformation (IMS) of Fixed Communications Networks and SRAN for Mobile Communication Networks.

Additionally, we proceeded to implement the Data Centre Upgrading project, which concerns the upgrading of electromechanical installations and buildings equipment so that they comply with international Tier III standards regarding development and operation of Data Centres. In the framework of the project, electromechanical installations in buildings were redesigned, together with electrical and mechanical work and the supply and installation of new electromechanical equipment.

To maintain the high quality operation of electrical and mechanical equipment, the unit has been reinforced through the purchase of services to repair faults on a 24-hour basis so as to secure the uninterrupted operation of our equipment and by extension, of the services offered to customers.

FIXED AND MOBILE COMMUNICATIONS NETWORKS

Fixed Communications Network

We implemented software upgrades on the new IMS systems and transferred the broadband telephony services (BBTbusiness and SIP Trunking) for business customers from the old to the new IMS systems in the framework of the modernisation of the Fixed Communications Network. Moreover, we expanded the network capacity and procured Analog Terminal Adapters and SIP2ISDN Gateways to cover the needs of the particular services. Also, most of the preparatory work and new processes were completed for the start of the rerouting of connections from traditional PSTN/ISDN technology to end-to-end broadband telephony.

Mobile Communications Core Network

In 2015 we completed the implementation of the project to reconfigure the Multiple Gigabit Wireless Systems (MGWs) on the core international transmission network to connect the nodes of the new Single RAN radio network. At the same time we provided LTE services to customers for high-speed data transfer on their mobile phones. Furthermore, we proceeded to expand the capacity of the packet switched network to cover the need for increased 4G speeds.

Another important project concerned the replacement and upgrading of the Mobile Internet Gateway, so as to improve the customer experience when browsing and watching video content. We also began the process for the supply and installation of a system to protect customers and the network from receiving unwanted text messages.

Wireless Access Network

In 2015, we began the project to modernise the mobile telephony access network with Single RAN equipment and, at the same time, introduced LTE technology which had covered Nicosia, Limassol and Larnaca by the end of the year.

We continued to develop the mobile telephony wireless access network, installing new GSM base stations to improve coverage and new 3G stations both for improved coverage and network extension to rural areas. Population coverage of the GSM network exceeds 99,9% while geographical coverage is 99,5% of the government-held area of Cyprus. The corresponding coverage for the 3G/HSPA network is now 89,3% and 73,15% respectively.

We continued the project to link base stations via optical cables, with the objective of creating the infrastructure to satisfy the expected future demand for data services and the simultaneous shrinkage of the shortwave link network resulting, in a significant reduction to operating costs arising from radio frequency charges. The proportion of base stations now have connectivity with the optical network has reached 75%.

During the year, we again carried out two series of electromagnetic field tests at every Cyta base station in the framework of fulfilling the conditions under which licences are issued for the operation of mobile telephony networks. So far we have completed 22 series of tests. The results of the latest tests were no different from those obtained on previous occasions and the highest values recorded in areas where mobile telephony equipment is installed do not exceed 2% of the maximum acceptable exposure levels determined by law. At the same time, we continued to install new Wi-Fi Hotspots, taking the total to 281.

Wired Access Network

In 2015 we continued to develop and upgrade the broadband access network using Asymmetric Digital Subscriber Line (xDSL) technology.

Specifically, we continued to install outdoor RMSANs (VDSL2 technology) closer to customers' premises, which enable customers to experience of up to 70Mbps when they are located less than 1 kilometre away. Additionally, we ensured technical preparedness for VDSL2 technology connections from the telephone exchanges, thereby enabling a significant number of customers to have similar high speeds. By 31/12/2015, we had around 26.000 customers connected with VDSL2 technology experiencing speeds of up to 70Mbps.

Additionally, we began full testing so as to be technically prepared for VDSL2 Vectoring technology, which will enable all customers to connect to the broadband network at speeds that are almost double the existing ones.

To achieve a drastic increase in access speeds, work began on the strategic Fibre to the Home (FTTH) project, with the aim of starting customer connections during 2016.

In the framework of the telephone exchange transformation project, we began and almost completed the installation of narrowband access service cabinets (MSAN-POTs), to replace exchanges for the provision of analogue telephony to customers who prefer to maintain the service instead of transferring to broadband telephony.

INFORMATION SECURITY AND NETWORK/ TELECOMMUNICATIONS FRAUD

In line with the Vision and Mission of Cyta, the security of its networks and products is an integral part of the quality it provides and together they comprise a competitive advantage for the Organisation.

Cyta keeps its personnel, customers and partners fully up-to-date on issues pertaining to telecommunications fraud with the objective of raising their awareness and vigilance.

Our Organisation is active in matters of information security via the implementation of specific measures and processes such as regular security checks and hacking attempts, physical security/guarding and the monitoring of online access.

On issues of information security and personal data protection, we follow a holistic approach based on risk assessment methodologies and international standards.

At a corporate level, with the aim of ensuring the security of all our main processes, an Information Security Management System (ISMS) based on ISO27001:2013 is in place, with the involvement of the Management Advisory Committee, information security liaisons in all departments and, in general, all members of Cyta's personnel. For certain units and activities, a project is under way to develop a complete ISMS, with the aim of gaining ISO27001 certification in 2016.

Telecommunications Fraud Management

We take measures to prevent and stamp out telecommunications fraud, a phenomenon that is assuming increasingly worrying dimensions all over the world. For the detection and investigation of instances of fraud against Cyta, a specialist team using dedicated technology works in conjunction with various services within and outside the Organisation. In the framework of its social responsibility, Cyta has expanded its activities aimed at preventing and stopping fraud aimed at its customers so as to protect them from malicious acts.



INTERNATIONAL CABLE AND SATELLITE NETWORK

In 2015, Cyta's international network was extended via its own undersea fibre optic cable links between Cyprus and Greece (Chania). The new system, named KIMONAS, will be extended to major nodes in Greece and the Balkans, utilizing the existing fibre optic infrastructures of the subsidiary Cyta Hellas and will enable the creation of a new telecommunications channel interconnecting the Balkans and Central Europe with Egypt and other Middle East destinations via Cyprus.

There are currently eleven international undersea fibre optic cable systems and subsystems landing at Cyta's cable stations as follows: (i) SEA-ME-WE 3, (ii) MED NAUTILUS-LEV, (iii) CIOS, (iv) CADMOS, (v) UGARIT, (vi) MINERVA, (vii) ALEXANDROS, (viii) ATHENA, (ix) KIMONAS, (x) ARIEL and (xi) POSEIDON.

Cyta's international systems include more than 35 satellite earth stations providing access to major satellite systems such as Intelsat, Eutelsat, SES, Hylas, Thor, AsiaSat and Arabsat, which offer global connectivity. Satellite communications are developing rapidly and contribute substantially to the reinforcement of Cyta's regional telecommunications hub with VSAT services, relay services for radio and television broadcasts, Tracking Telemetry & Command services and satellite Internet on a broad scale.

Cyta's uninterrupted international cable and satellite services are provided with 24-hour support and, like its other business activities, they have obtained international quality certification.

With its participation in the abovementioned cable and satellite systems as well as in other regional and global cable systems used as extensions of the systems landing in Cyprus, Cyta has established its leading role in the broader region, making Cyprus an extremely important telecommunications hub in the Mediterranean, providing business opportunities in new markets and excellent service of Cyprus's retail and wholesale international telecommunications needs.

FINANCIAL REPORT

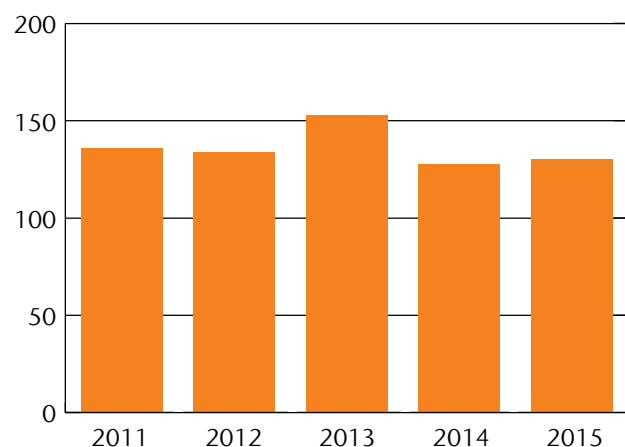
SUMMARY OF RESULTS

In 2015 we succeeded in increasing profit after tax transferred to reserves to €58,8 million, compared to €47,6 million in 2014. The results are considered quite satisfactory, given the economic and financial environment and the difficulties facing the Cyprus economy as a result of the recession and the events of 2013.

The rate at which operating revenues fell improved from 8,7% in 2014 to 6,1% in 2015, an indicator that compares favourably with that of other telecommunications organisations in the global market.

The EBITDA margin rose to 35,1% in 2015 compared to 32,2% in 2014.

Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) (€m)

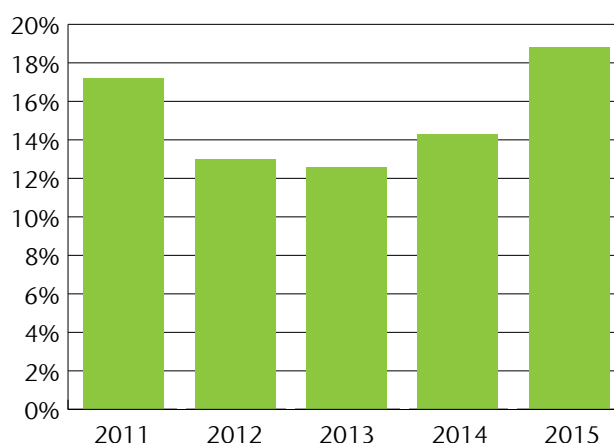


	2011	2012	2013	2014	2015
EBITDA (€m)	135,9	133,8	152,8	127,8	130,5
EBITDA margin	28,7%	29,6%	35,2%	32,2%	35,1%

For a fourth consecutive year we succeeded in reducing operating expenses as a result of the strategic cost management project. Expenses fell by 9,5% compared to 7,6% the previous year. Reduced staff costs made a significant contribution to this, due to the Voluntary Redundancy Scheme, under which 522 members of staff left the Organisation in 2014.

As a result of the above, the pre-tax profit margin increased to 18,8% compared to 14,3% in 2014.

Pre-tax profit margin

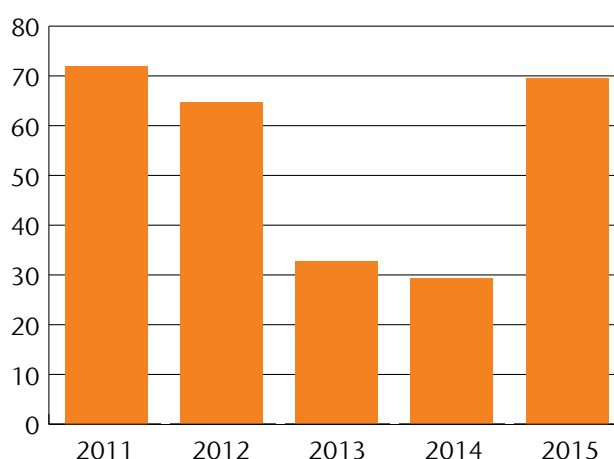


	2011	2012	2013	2014	2015
Pre-tax profit margin	17,2%	13,0%	12,6%	14,3%	18,8%
Profit before tax (€m)	81,7	58,6	54,8	56,9	70,1

CAPITAL EXPENDITURE

Capital expenditure amounted to €69,6 million, compared to €29,3 million in 2014 and was wholly financed by Cyta's own equity. The increase was the result of significant investments in strategic projects in the context of the our Business Plan, including the complete upgrade and drastic modernisation of the networks, the upgrade of Internet access speeds throughout Cyprus and the development of international cable systems that strengthen the role of Cyprus and our Organisation as a telecommunications hub in the Eastern Mediterranean.

Capital Expenditure (€m)



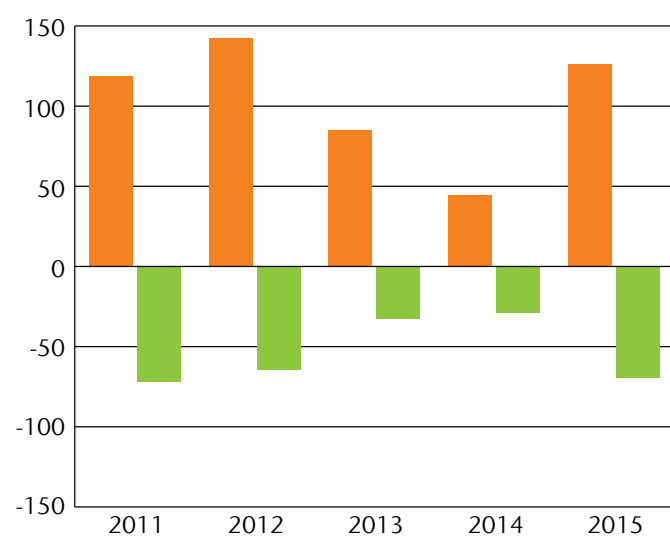
	2011	2012	2013	2014	2015
Capital Expenditure	72,0	64,7	32,7	29,3	69,6

CASH AND CASH EQUIVALENTS

Total cash deposits in banks amounted to €227,1 million (2014: €157 million). Additionally, an amount of €14 million (2014: €34,8 million) was placed in government bonds, €13,9 million in Eurobonds and €41,4 million (2014: €101,6 million) in Treasury Bills issued by the Republic of Cyprus. An amount of €31,8 million (2014: €38,4 million) was placed in convertible bonds of Cyta Hellas.

Cash flows from operating activities rose during the year and provided liquidity to support the funding of Cyta's development programme.

Cash Flow (€m)

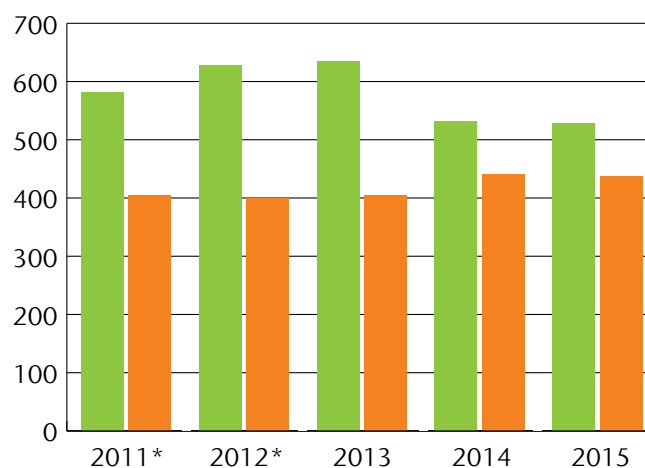


	2011	2012	2013	2014	2015
Cash flow from operating activities	119,0	142,7	85,1	44,4	126,5
Cash flow for capital expenditure	-72,0	-64,7	-32,7	-29,3	-69,6

INVESTMENTS

Profits in 2015 were affected by losses from investment activities amounting to €19,5 million, of which €16,2 million represent an impairment of the value of Cyta Hellas and €3,3 million an impairment of the value of shares held in Cypriot banks.

Total Assets (€m)



	2011*	2012*	2013	2014	2015
Non-current assets	580,9	626,8	633,8	532,0	527,6
Current assets	404,5	399,8	403,6	439,8	437,3

RESERVES AND DIVIDENDS

The reserves which constitute the Organisation's equity amounted to €686,1 million on 31 December 2015, having been increased by the profit of the year amounting to €58,8 million. In 2015, an amount of €62,6 million was declared as a dividend payable to the Republic of Cyprus from the profits of 2013 and 2014. An amount of €19,7 million was recognized as the actuarial gain arising from the revision of Cyta's obligation to the Pension Fund.

Five-Year Financial Summary (€m)					
	2011*	2012*	2013	2014	2015
Operating Revenue	474	452	434	396	372
Gross Profit	73	66	94	82	88
Total Assets	985	1.027	1.037	972	965
Total Liabilities	93	114	100	303	279
Reserves	892	912	938	669	686
Cash Flow from Operating Activities	119	143	85	44	126
Net Cash Flow for Investment Activities	-47	-84	-46	-8	-105
Dividend paid to the Republic of Cyprus	-60	-37	-	-31	-52
Current Liquidity Ratio (times)	4,6	3,7	4,9	6,0	5,5

* The results for 2011 and 2012 have been adjusted to reflect provisions of the International Accounting Standard 19.

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- **Strovolos** - 14, Strovolou Avenue, Myrtiana Court
- **Lykavitos** - 5, Naxou Street
- **Egkomi** - 1, 28th October Avenue, "Engomi Business Centre"
- **Lakatameia** - 62, Arch. Makarios III Avenue
- **Latsia** - 18, Arch. Makarios III Avenue
- **The Mall of Cyprus** - 3, Verginas Street, "Shacolas Emporium Park"
- **Kakopetria** - 28, Costa Christodoulou Street

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- **Main** - 89, Athinon Street
- **Omonoia** - 7, Vasileos Pavlou Street
- **Linopetra** - 28, Kolonakiou Avenue
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- **My Mall Limassol** - 285, Franklin Roosevelt Avenue
- **Platres** - 8D, Olympou Street

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- **Main** - 7, Z. Pierides Street
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18, 25th March Street
Tel: 22742055

Lefka*

Lefka
Tel: 22817459

* Not in operation due to the Turkish military occupation of the area.

Published by: **Cyta - Strategy - Corporate Communications**
Design & Layout: **Contact Grey**
Photography: **Cyta**