

14th November 2016

Primetel Plc (the «Company»)

Interim Management Statement for the Period of Second Half 2016

The Board of Directors of Primetel Plc at their meeting held on 14th November 2016, examined and approved the Interim Management Statement for the period of the second half of 2016 in accordance with Article 11 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law (2007-2014), as follows:

Main Activities

The main activities of the Company, which have not been differentiated, remain the provision of a comprehensive spectrum of telecommunication services and digital television to corporate and private customers. These include services for fixed and mobile telephony, broadband internet, wireless internet access.

During the period from 01/07/2016 until today, the Company continued to show an increase in its customer base and in its turnover, mainly in the sectors of mobile telephony, home customer services and sales to other service providers.

The Company's results are appear to be improved in comparison to the respective period last year due to the increased turnover of the sectors mentioned above.

The Company's Management continues to take all necessary measures to manage the risks that lurk because of the intense competition in the market.

Other Business Events

The Company continues to develop its own infrastructure aiming at the provision of higher speed mobile and fixed networks all over Cyprus.

It has also significantly enriched its television content with the addition of the television platform Nova with Nova Cinema and Nova Sports.

Risks and Uncertainties

The lack of real improvement in liquidity and in the issues of bank lending continue to adversely affect the Company's results and the exploitation of its real potential for development with respect to both its customer base as well as its revenues.

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Corporate Events

On 30th August 2016 the Company's Annual General Meeting took place during which the Audited Financial Statements of the Company for year 2015 were approved.

The Company continues the discussions with its creditors for the restructuring of its debt.

Prospects

The rate of growth in the subscriber base continues in accordance with the Management's strategic planning. Already, the effect on revenues is noticeable and it is expected to have a positive effect on the Company's results. Due to the nature of the Company's activities, a large portion of the costs is fixed and as a result with the increase in the number of subscribers, the cost per subscriber is reduced and profitability is improved.

AAA Regent Consultants Limited Company Secretary

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