HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2010 to June 30, 2010

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 5 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS
(In accordance with article 5 par. 2 of Law 3556/2007)

The members of the Board of Directors of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.:

1. Panagis Vourloumis, Chairman and Managing Director

2. Kevin Copp, Board Member

3. Panagiotis Tabourlos, Board Member

We confirm that to the best of our knowledge:

a. The Interim Condensed Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2010 to June 30, 2010, which have been prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the Group and the Company.

b. The Board of Directors' Report for the first half of the year provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the risks and uncertainties they are facing.

Maroussi, August 4, 2010

Chairman & Managing Director	Board Member	Board Member
Panagis Vourloumis	Kevin Copp	Panagiotis Tabourlos

The two members of the Board of Directors, who have signed the above statements, have been authorized to do so in accordance with the decision of the Company's Board of Directors of August 4, 2010.

II. HALF YEAR REPORT OF THE BOARD OF DIRECTORS

The report of the Board of Directors of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (hereinafter referred to as “OTE” or the “Company”) was prepared in accordance with article 5 of Law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and Separate) as of June 30, 2010 and for the six month period then ended. The OTE Group (the “Group”) apart from the Company also includes subsidiaries over which OTE has direct or indirect control. The Consolidated and Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union (E.U.)

This report includes the financial assessment of the results of the period from January 1, 2010 to June 30, 2010, the significant events which took place in the first half of 2010, a presentation of the main risks and uncertainties for the second half of the year, the material transactions with the Company’s and the Group’s related parties and the significant events that took place after the end of the first half of 2010.

A. FINANCIAL HIGHLIGHTS OF THE 1st HALF OF 2010

OTE Group Revenue decreased by 5.8% in the 1st half of 2010 compared to the related period of 2009 and reached Euro 2,759.7 million, mainly due to:

- Decreased revenues from domestic telephony by 12.3% and revenues from international telephony by 12.8% in comparison with the previous related period.
- Decreased revenues from mobile telephony by 5.3% in comparison with the previous related period.
- Decreased revenues from sales of telecommunication equipment by 8.1% in comparison with the previous related period.
- Decreased revenues from ISDN by 7.4% in comparison with the previous related period.
- Decreased revenues from interconnection charges by 7.3% in comparison with the previous related period.
- Decreased revenues from leased lines, data communication and ATM by 11.0% in comparison with the previous related period.
- Decreased revenues from prepaid cards by 33.3% in comparison with the previous related period.
- Increased revenues from services rendered by 51.0% in comparison with the previous related period.
- Increased revenues from ADSL and Internet by 5.6% in comparison with the previous related period.
- Increased revenues from co-location and revenues from access to the local loop (Local Loop Unbundling - LLU) by 39.2% in comparison with the previous related period.
- Increased revenues from Metro Ethernet & IP CORE by 56.4%, in comparison with the previous related period.

OTE’s Revenue reached Euro 1,108.8 million, reflecting a decrease of 7.3% compared to the same period last year. This is a result of the decrease in revenues from domestic telephony by 13.4%, as well as the decrease in revenues from international telephony by 5.5% and the decrease in revenues from sales of prepaid cards by 25.8%, leased lines and Data ATM communications by 19.4%, ISDN by 7.2%, sales of telecommunication equipment by 16.3%, services rendered by 2.7% and interconnection charges by 16.3%. These decreases were partially offset by the increase in revenues from ADSL and Internet by 6.1%, the increase in revenues from co-location and from access to the local loop (Local Loop Unbundling - LLU) by 40.9%, the increase in revenues from Metro Ethernet & IP CORE by 73.7% and the increase in other revenues by 27.5%.

The Group’s Operating Expenses reached Euro 2,410.4 million and reflect an increase of 0.4% compared to the same period last year. This increase is mainly due to the increase in provision for staff retirement indemnities and youth account by 21.5% and the charges from international operators by 11.4%. These increases were almost fully offset by the decrease in payroll and employee benefits by 2.0%, the decrease in charges from domestic operators by 17.9%, the decrease in depreciation and amortization by 0.1%, the decrease in the cost of telecommunication equipment by 4.0% and the decrease in other operating expenses by 0.6%. Furthermore, the Group’s operating expenses for the first half of 2010 include OTE’s, ROMTELECOM’s and ZAPP’s early retirement programs’ costs of Euro 32.8 million. In the previous related period, operating expenses were charged with OTE’s and ROMTELECOM’s early retirement programs’ costs of Euro 166.9 million, which were offset by Euro 201.9 million, that derived from the transfer of 4% share capital held by the Hellenic State to IKA-ETAM (resulting in a net gain of Euro 35.0 million).

The Company's Operating Expenses were Euro 973.7 million and reflect a decrease of 3.0% compared to the same period last year. The decrease in operating expenses is mainly due to the following:

- 17.4% decrease in charges from domestic operators.
- 12.1% decrease in depreciation and amortization.
- 17.1% decrease in the cost of telecommunication equipment.
- 10.3% decrease in other operating expenses.
- 1.3% decrease in payroll and employee benefits.
- 125.4% decrease in the cost of early retirement program due to the fact that in the previous related period the cost of OTE's early retirement program was offset by the transfer of 4% share capital held by the Hellenic State to IKA-ETAM.
- 11.1% increase in the provision for staff retirement indemnities and youth account.
- 0.3% increase in charges from international operators.

As a result, **Operating Profit before Financial Activities of the Group** for the 1st half of 2010 reached Euro 380.2 million compared to Euro 543.4 million in the same period last year, reflecting a decrease of 30.0%. **Operating profit before Financial Activities of the Company** for the 1st half of 2010 reached Euro 149.5 million compared to Euro 193.1 million in the same period last year, reflecting a decrease of 22.6%.

The Group's Operating Profit before Depreciation and Amortization for the 1st half of 2010 reached Euro 941.9 million compared to Euro 1,105.6 million in the same period last year, reflecting a decrease of 14.8%. The respective margin on revenues reached 34.1% compared to 37.7% in the same period last year. Excluding early retirement program costs, **the Group's Operating Profit before Depreciation and Amortization** for the 1st half of 2010 reached Euro 974.7 million compared to Euro 1,070.6 million in the same period last year. The respective margin on revenues reached 35.3% compared to 36.5% in the same period last year.

The Company's Operating Profit before Depreciation and Amortization for the 1st half of 2010 reached Euro 339.3 million compared to Euro 409.1 million in the same period last year, reflecting a decrease of 17.1%. The respective margin on revenues reached 30.6% compared to 34.2% in the same period last year. Excluding early retirement program costs**, the Company's Operating Profit before Depreciation and Amortization** for the 1st half of 2010 amounted to Euro 349.2 million compared to Euro 370.2 million in the same period last year. The respective margin on revenues reached 31.5% compared to 31.0% in the same period last year.

In relation to the **Group's Financial Activities**, interest expense in the 1st half of 2010 was Euro 170.1 million, reflecting a decrease of 12.4% compared to the same period last year, which is the result of the decrease in the Group's debt. Interest income amounted to Euro 14.6 million for the 1st half of 2010, reflecting a decrease of 63.1% compared to the same period last year. Dividend income slightly decreased by 6.3% compared to the same period last year. Losses from investments - impairments reached Euro 2.8 million for the 1st half of 2010 in comparison with the gains of Euro 24.4 million of the same period last year that reflected the total gain derived from the sale of COSMOFON and GERMANOS TELECOM AD SKOPJE (GTS).

Income Tax (expense) of the Group increased by 69.3% compared to the same period last year due to the new law regarding the special contribution of social responsibility (Law 3845/2010), the tax on dividends (Law 3697/2008) and the effect of OTE's tax audit and amounted to Euro 244.9 million.

Non-Controlling Interests in the Group's Income Statement reached Euro 29.2 million (income) in the 1st half of 2010 from Euro 7.0 million (loss) in the 1st half 2009, mainly due to the loss for the period of ROMTELECOM.

As a result of all the above, **the Group's Profit attributable to the owners of the parent** for the 1st half of 2010 amounted to Euro 5.0 million compared to Euro 274.9 million in the same period last year.

The Group's Cash Flows from Operating Activities decreased by 47.3% from the same period last year, amounting to Euro 378.0 million, mainly due to increased payments for income taxes, increased payments for early retirement programs, as well as from the decreased profitability.

The Group's Capital Expenditure (CAPEX) for the 1st half of 2010 amounted to Euro 398.0 million from Euro 441.5 million in the same period last year reflecting a decrease of 9.9%. The decrease is due to the lower capital expenditure of OTE, COSMOTE group and ROMTELECOM.

The Group's Total Debt at June 30, 2010 was Euro 5,375.2 million compared to Euro 5,421.9 million at December 31, 2009, reflecting a decrease of 0.9%, whereas the Group's Net Debt (interest bearing loans less cash and cash equivalents) at June 30, 2010, reached to Euro 4,614.1 million from Euro 4,553.1 million at December 31, 2009, reflecting an increase of 1.3%.

B. SIGNIFICANT EVENTS OF THE 1ST HALF OF 2010

Stock option plan

On January 28, 2010, OTE's Board of Directors decided on and approved the granting of 1,259,078 Additional Options to the executives of OTE and its subsidiaries, 672,018 Basic Options to the executives of OTE and 336,780 Basic and 2,403,560 Additional Options to the executives of COSMOTE Group for the year 2009. The preferential purchase price is equal to Euro 11.26 (absolute amount).

IKA-ETAM

By his letter dated January 19, 2010, the Minister of Labor and Social Security informed OTE that IKA-ETAM has incurred significant deficits attributable to the incorporation of the pension segment of TAP-OTE from August 1, 2008 into IKA-ETAM, and that further deficits are also anticipated for 2010. In his letter the Minister further explained that such deficits are currently covered primarily by the Hellenic State and partially absorbed by IKA-ETAM, he indicated that OTE should also contribute funds towards these deficits and requested a meeting with OTE's Chief Executive Officer in order to discuss the relevant issues. The meeting was held on January 26, 2010 where the two parties agreed to establish a committee to discuss the issues raised. A first meeting of this committee took place on February 11, 2010 and OTE requested the Ministry of Labor and Social Security's ("Ministry") official positions in writing. On February 23, 2010, the Ministry formally advised OTE that as a result of the Voluntary Leave Scheme it has estimated that IKA-ETAM has foregone contributions and pensions of approximately Euro 340.0 million. Furthermore, it also notes that the relevant outstanding contributions currently paid by OTE on a monthly basis, should be settled in full.

OTE examined the Ministry's position, however, its view is that this position is unsubstantiated, given that OTE has fulfilled and continues to fulfil in their totality all the financial obligations it has towards all social security funds, paying all contributions, as they are due, both in the context of its normal course of business, as well as the ones related to the company's voluntary retirement plans, strictly following all relevant laws, rules and regulations.

Therefore, in reply to the above mentioned letter, on March 9, 2010, OTE, in a letter to the Ministry, responded to all the specific issues included therein and reiterated its position that OTE fulfils in their totality all the financial obligations arising from L. 3371/2005 and the relevant Ministerial Decision, and requested that the Ministry address the pending issue regarding the issuance of the necessary decisions by the pension funds, in order to enable the participants of the voluntary leave scheme of L. 3762/2009 to receive their pension entitlements.

Based on article 3 of the F/10051/27177/2174 Ministerial Decision which was published in the Government Gazette, the additional financial burden of the Pension Sector of IKA-ETAM, the Auxiliary Insurance Sector for OTE personnel of TAYTEKO and the Medical Segment of TAYTEKO as derives from articles 2 and 4 of the Collective Labor Agreement signed between OTE and OME-OTE on July 20, 2005, should be paid for by OTE in a lump-sum to the above sectors by the last working day of September 2010. The amount of this additional financial burden will be determined by an actuarial study that will be performed by the Directorate of Actuarial Studies of the General Secretariat for Social Security in conjunction with the Directorate of Actuarial Studies and Statistics of IKA-ETAM by August 31, 2010.

On May 11, 2010 OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of L. 3762/2009 and consequently, there are valid grounds for the annulment of this article. On May 15, 2010 OTE also filed an appeal requesting the suspension of enforcement of this Ministerial Decision before the same Court. The hearing for the suspension of enforcement was held on June 8, 2010, before the Athens Administrative Court and the decision is pending.

As a result, and given that in OTE's view, as referred to above, the Ministry's position is unsubstantiated, OTE has not recorded any provision in its financial statements.

OTE's early retirement program

On December 23, 2009, the management of OTE approved an early retirement program according to which employees who will complete the number of years required for retirement by December 29, 2010, would be entitled to benefits in order to retire by December 30, 2010. The deadline for the applications for participating in this early retirement program was due on January 15, 2010. The respective cost amounted to Euro 31.5 million and is included in the line "Cost of early retirement program" in the consolidated and separate income statement for the first half of 2010.

ROMTELECOM's and ZAPP's restructuring plans

By virtue of decisions by ROMTELECOM's CEO, dated February and April 2010, ROMTELECOM announced the restructuring of specific departments within the company. In the first six months of 2010, 943 employees voluntarily terminated their employment contracts and an amount of Euro 20.3 million, representing the relative costs, is included in the line "Cost of early retirement program" in the consolidated income statement for the first half of 2010.
A total of 350 employees of ZAPP (COSMOTE's subsidiary) voluntarily terminated their employment contracts and an amount of Euro 2.6 million, representing the relative costs, was charged in the consolidated income statement for the first half of 2010.

OTE's tax audit

The tax audit of the Company for the fiscal years 2006-2008 was completed in early May 2010 and the tax authorities imposed additional taxes amounting to Euro 57.7 million. The Company has accepted a partial settlement for an amount of Euro 37.7 million. Furthermore, based on the findings of the tax audit, the Company has reassessed the income tax expense for the year 2009 and an additional tax expense of Euro 6.3 million was required. The amount settled with the tax authorities, the additional estimate for 2009, less the previously established provision for open tax years of Euro 14.0 million resulted in an amount of Euro 30.0 million being charged to the income statement for the first half of 2010. The remaining amount of taxes imposed (Euro 20.0 million) relate to costs associated with OTE's Voluntary Leave Scheme and the early retirement programs. OTE decided not to include this particular item in the partial settlement and has appealed against the tax authorities' position before the administrative courts. Based on the respective law, the Company will be required to pay an advance of approximately Euro 5.0 million (25% of the assessed taxes and penalties) in order to appeal, which will be reimbursed to the Company in the event of a favorable court outcome. Based on the management's assessment, OTE considers there are good grounds to believe that OTE will win this case in court.

New tax law

The new Law 3842/23-4-2010 introduces two separate corporate income tax rates for distributed and undistributed profits of legal entities. More specifically:

- Non-distributed profits are taxed at a tax rate of 24% (reduced annually by 1 percentage point until it reaches 20% by 2014)
- Distributed profits are taxed at a tax rate of 40%.
- No further withholding tax is imposed on dividends.

The new system applies to the profits arising of the fiscal year 2010 onwards or to the profits of previous accounting periods distributed after December 31, 2010. The distribution of profits of previous accounting periods within 2010 is still taxed under the current regime (withholding tax of 10%).

Taxation of 40% on distributed profits of the legal entities exhausts the tax liability in case the beneficiaries are legal entities.
In case such legal entities proceed to the distribution of profits, in which dividends from other legal entities are included, the part of tax already paid for those dividends is deducted from the 40% tax imposed on distributed profits.

Special contribution Law 3845/2010

According to the new Law 3845/2010 "Measures for the application of the support scheme of the Greek Economy by the Members of the Euro Zone and the International Monetary Fund" a special contribution is imposed on Greek profitable entities calculated on their total net income for the fiscal year 2009 based on a progressive scale up to 10% of their total net income. The contribution was estimated to approximately Euro 97.0 million and Euro 45.1 million for the Group and the Company, it was charged to the income statement for the first half of 2010 and will be paid within 2011. The amount will be finalized after the receipt of the respective notifications by the tax authorities. The Company is currently in the process of evaluating the possibility (after the payment of the above mentioned contribution) of requesting a refund of approximately Euro 30.1 million of such special contribution relating to dividend income derived from its subsidiaries' 2008 profits, on which a special contribution has already been imposed based on the requirements of L. 3808/2009.

OTE PLC loans

In February 2010, notes under the Global Medium-Term Note Program of OTE PLC of Euro 1,500.0 million nominal value maturing in February 2011 with a carrying value as of June 30, 2010 of Euro 1,442.3 million were reclassified to the short-term portion of long-term borrowings. OTE has already started examining potential refinancing alternatives for this debt, including but not limited to, a shareholder loan from DEUTSCHE TELEKOM AG. In relation to the above, OTE's ordinary General Assembly approved of the granting of special permission pursuant to article 23a, paragraph 2 of C.L.2190/1920, for the conclusion of a loan offered by the DEUTSCHE TELEKOM AG to OTE, under financial terms and conditions equal to or better than the financial terms and conditions offered by a third party.

In May 2010, OTE PLC proceeded with the buyback of bonds of a total nominal amount of Euro 56.0 million under the Euro 1,500.0 million 5.375% bond due on February 14, 2011. The notes have been cancelled. The total amount paid including accruals and premium amounts to Euro 57.7 million.

Loan to TAYTEKO

Based on L. 3762/2009 (Voluntary Leave Scheme program for 600 employees) OTE was required to grant an interest-free long-term loan to TAYTEKO for the Lump Sum benefits that TAYTEKO will be required to pay to these employees. The respective loan agreement was signed in late June 2010 for a nominal amount of Euro 30.0 million being interest free loan with a duration of 22 years. At the date of the contractual commitment the loan was discounted to its present value and as a result an amount of approximately Euro 18.6 million was charged as a finance expense in June 2010 and is included in the income statement for the first half of 2010 in "Interest expense". As of June 30, 2010 Euro 19.3 million had been drawn down.

Dividend distribution

On June 16, 2010, the General Assembly of OTE's Shareholders approved the distribution of a dividend from 2009 profits of a total amount of Euro 93.1 million or Euro 0.19 (in absolute amount) per share. Pursuant to Law 3697/2008, dividends approved by General Meetings convened after January 1, 2009, are subject to 10% withholding tax which will be borne by the beneficiary, however, the related law provides for certain exceptions. The amount of dividends payable as of June 30, 2010, amounted to Euro 88.8 million (December 31, 2009: Euro 4.2 million).

ZAPP

The Group acquired ZAPP on October 31, 2009. The net assets recognized in the December 31, 2009 consolidated financial statements were based on a provisional assessment of fair value. The valuation of the net assets acquired was completed in June 2010 and an additional amount of Euro 25.2 million was recognized as goodwill. As a result total goodwill arising from the acquisition of ZAPP amounted to Euro 58.7 million.

AMC

As of June 30, 2010 COSMOTE holds directly a 14.76% stake in AMC's share capital after buying a further 2.18% for an amount of approximately Euro 7.9 million. As a result of the above transaction, COSMOTE Group holds directly or indirectly 97.21% of AMC.

C. RISKS AND UNCERTAINTIES FOR THE 2nd HALF OF THE YEAR

a) Credit risk

Credit risk is the risk of financial loss to the Company and the Group if counterparty fails to meet its contractual obligations.

Maximum exposure to credit risk at the reporting date to which the Company and the Group are exposed is the carrying value of financial assets.

Trade receivables could potentially adversely affect the liquidity of the Company and the Group. However, due to the large number of customers and their diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is considered to exist for amounts receivable from the telecommunication service providers, due to their relatively small number and the high level of transactions they have with the Company and the Group. For this category the Company and the Group assess the credit risk following the established policies and procedures and have made the appropriate provision for impairment.

The Company and the Group have established specific credit policies under which customers are analyzed for creditworthiness and there is an effective management of receivables in place both before and after they become overdue and doubtful. In monitoring credit risk, customers are grouped according to their credit risk characteristics, aging profile and existence of previous financial difficulties. Customers that are characterized as doubtful are reassessed at each reporting date for the estimated loss that is expected and an appropriate impairment allowance is established.

Cash and cash equivalents are considered to be exposed to a low level of credit risk. The Company has adopted a "deposits policy" whereby funds are only deposited with banks that have a specified minimum rating by International Rating Agencies as to their creditworthiness; in addition, limits are set on the amounts deposited depending on the rating. To avoid concentrations of risks, the Company does not deposit more than 30% of available funds in any one bank.

Financial instruments classified as available-for-sale include listed shares, mutual funds and other securities, while financial instruments held to maturity include government bonds and other securities. The financial asset categories are not considered to expose the Company and the Group to a significant credit risk.

Loans include loans to employees which are collected either through the payroll or are netted-off with their retirement indemnities and loans and advances to Auxiliary Pension Fund mainly due to the Voluntary Leave Scheme. The above mentioned loans are not considered to expose the Company and the Group to a significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and credit facilities to meet the financial obligations when due. The Group is examining alternatives to refinance its Euro 2,100 million debt obligations under the Global Medium-Term Note Program maturing by December 31, 2011. The Group's and the Company's available cash as at June 30, 2010 amounts to Euro 761.1 million and Euro 95.1 million respectively, their loans amounts to Euro 5,375.2 million and Euro 2,876.1 million respectively while the Group has a long-term credit (committed) line of Euro 350.0 million until September 2, 2012.

For the monitoring of liquidity risk, the Group prepares annual cash flows when drafting the annual budget and monthly rolling forecasts for three months' cash flows, in order to ensure that it has sufficient cash reserves to service its financial obligations.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.
The individual risks that comprise market risk are described in further detail and the Group's and the Company's policies for managing them are as follows:

i. Interest rate risk

Interest rate risk is the risk that payments for interest on loans fluctuate due to changes in interest rates. Interest rate risk mainly applies to long-term loans with variable interest rates.

The hedging of interest rate risk is managed through having a combination of fixed and floating rate borrowings as well as with the use of interest rate swap agreements.

ii. Foreign currency risk

Currency risk is the risk that the fair values or the cash flows of a financial instrument fluctuate due to foreign currency changes.

The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro, Ron (Romania) and the Lek (Albania). The currency risk for the Group is not significant.

D. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

OTE's related parties have been identified based on the requirements of IAS 24 Related Party Disclosures.

The Company purchases goods and services from these related parties, and provides services to them. Furthermore, OTE grants and receives loans to / from its subsidiaries, receives dividends and pays dividends.

OTE's purchases and sales with related parties are analyzed as follows:

	1st Half 2010		1st Half 2009	
(amounts in millions of Euro)	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	75.5	52.1	80.9	48.7
OTE INTERNATIONAL INVESTMENTS LTD	0.2	2.2	0.3	2.0
HELLAS-SAT	0.3	0.8	0.3	0.8
COSMO-ONE	-	0.3	-	0.4
VOICENET	2.2	1.8	2.7	2.1
HELLASCOM	0.1	4.2	0.1	4.3
OTE SAT – MARITEL	0.6	0.9	0.6	1.0
OTE PLUS	0.2	17.1	0.2	17.1
OTE ESTATE	-	32.0	0.3	30.2
OTE-GLOBE	25.4	42.5	14.6	38.6
OTE ACADEMY	-	2.4	-	2.9
ROMTELECOM	-	0.3	-	-
HT HRVATSKE	-	-	-	0.1
TOTAL	**104.5**	**156.6**	**100.0**	**148.2**

Purchases and sales of the Group with related parties which are not eliminated in the consolidation are analyzed as follows:

	1st Half 2010		1st Half 2009	
(amounts in millions of Euro)	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
TELEKOM DEUTSCHLAND	6.5	4.6	5.7	4.1
HT HRVATSKE	0.1	0.1	0.1	0.1
COMBRIDGE	1.9	0.1	1.4	-
ORBITEL	-	0.2	-	-
DETEKON	-	-	-	0.3
T-SYSTEMS	0.5	-	0.5	0.1
T-MOBILE CZECH	0.1	0.1	0.1	-
T-MOBILE UK	0.3	0.2	0.2	0.2
T-MOBILE AUSTRIA	0.2	0.4	0.1	-
T-MOBILE NETHERLANDS	0.1	0.1	0.1	-
T-MOBILE USA	0.3	0.2	0.1	0.2
T-MOBILE HUNGARY	0.3	0.1	-	-
T-MOBILE HRVATSKA	0.1	0.1	-	-
T-MOBILE TELEKOMUNIKASYON	-	0.2	-	-
PCT POLSKA TELEFONIA	0.2	-	0.1	-
TEL SIM GSM	-	-	-	0.2
TOTAL	**10.6**	**6.4**	**8.4**	**5.2**

OTE's financial activities with its related parties comprise interest on loans granted and received and are analyzed as follows:

	1st Half 2010		1st Half 2009	
(amounts in millions of Euro)	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
COSMOFON	-	-	1.1	-
OTE PLC	-	81.1	-	89.6
TOTAL	**-**	**81.1**	**1.1**	**89.6**

OTE's dividend income from its related parties is analyzed as follows:

(amounts in millions of Euro)	1st Half 2010	1st Half 2009
COSMOTE	151.2	282.2
OTE ESTATE	37.0	18.9
OTE SAT- MARITEL	1.7	1.0
OTE PLUS	-	0.4
OTE INTERNATIONAL	2.0	-
TOTAL	**191.9**	**302.5**

Amounts owed to and by the related parties as a result of OTE's transactions with them are analyzed as follows:

	30/06/2010		31/12/2009	
(amounts in millions of Euro)	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	44.7	51.0	47.2	52.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	0.8	0.1	1.2
HELLAS-SAT	0.7	0.3	0.4	0.4
COSMO-ONE	0.2	0.4	0.1	0.2
VOICENET	1.1	0.7	1.1	0.9
HELLASCOM	-	1.5	-	1.8
OTE SAT – MARITEL	2.3	3.3	2.2	2.0
OTE PLUS	0.1	15.5	0.1	12.3
OTE ESTATE	0.6	16.5	1.2	0.7
OTE-GLOBE	50.8	69.4	47.3	71.5
OTE ACADEMY	0.4	0.4	0.4	-
ROMTELECOM	-	0.3	-	-
TOTAL	**101.1**	**160.1**	**100.1**	**143.5**

Amounts owed to and by the related parties as a result of the Group's transactions with them, which are not eliminated in the consolidation, are analyzed as follows:

(amounts in millions of Euro)	30/06/2010 Amounts owed to Group	30/06/2010 Amounts owed by Group	31/12/2009 Amounts owed to Group	31/12/2009 Amounts owed by Group
TELEKOM DEUTSCHLAND	6.1	5.7	6.9	0.6
DETEKON	-	-	-	0.1
HT HRVATSKE	0.1	0.2	-	-
COMBRIDGE	0.4	-	0.6	-
ORBITEL	-	0.1	-	0.1
T-SYSTEMS	0.2	-	0.1	-
T-MOBILE HUNGARY	-	0.4	0.1	0.2
T-MOBILE CZECH	0.1	0.2	0.1	0.2
T-MOBILE UK	-	1.0	0.1	0.7
T-MOBILE AUSTRIA	0.1	0.3	-	0.3
T-MOBILE NETHERLANDS	-	0.2	-	0.3
T-MOBILE USA	-	1.5	1.9	3.8
TOTAL	**7.0**	**9.6**	**9.8**	**6.3**

Amounts due to related parties as a result of OTE's dividend distribution are analyzed as follows:

(amounts in millions of Euro)	30/06/2010	31/12/2009
DEUTSCHE TELEKOM AG	27.9	-

Amounts owed by and to OTE relating to loans advanced and received, are analyzed as follows:

(amounts in millions of Euro)	30/06/2010 Amounts owed to OTE	30/06/2010 Amounts owed by OTE	31/12/2009 Amounts owed to OTE	31/12/2009 Amounts owed by OTE
OTE PLC	-	2,968.0	-	3,038.2
TOTAL	**-**	**2,968.0**	**-**	**3,038.2**

Key management personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Compensation includes all employee benefits (as defined in IAS 19 "Employee Benefits") including employee benefits to which IFRS 2 "Share-based Payment" applies.

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 2.2 million and Euro 2.0 million for the first half of 2010 and 2009, respectively.

As of June 30, 2010, 2,577,628 options under OTE's share based payment plan have been granted to the Company's key management personnel.

E. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST HALF OF 2010

The most significant events after June 30, 2010 are as follows:

On July 16, 2010, OTE PLC completed the repurchase of Euro 7.0 million of the Euro 1,250.0 million 5% Notes due on August 5, 2013 at market price of 95.6%.The repurchased Notes have been cancelled. The outstanding nominal amount of the Notes following cancellation is Euro 1,243.0 million.

Athens, August 4, 2010

Panagis Vourloumis
Chairman and Managing Director

III. AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)

ERNST & YOUNG (HELLAS)
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(THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK)

REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the shareholders of
HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. ("the Company") and its subsidiaries ("the Group") as at June 30, 2010 and the related condensed separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six month period then ended, as well as the selected explanatory notes comprising the interim financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review did not reveal any inconsistency between the information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 and the accompanying interim condensed financial information.

Athens, August 4, 2010

The Certified Auditors Accountants

CHRIS PELENDRIDIS R.N. ICA (GR) 17831	GEORGE ANASTOPOULOS R.N. ICA (GR) 15451

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

IV. INTERIM CONDENSED FINANCIAL STATEMENTS

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF JUNE 30, 2010

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
as adopted by the European Union

(TRANSLATED FROM THE GREEK ORIGINAL)

The Interim Condensed Financial Statements presented on pages 18-45, were approved by the Board of Directors on August 4, 2010 and are signed by:

Chairman & Managing Director	Board Member & Group Chief Financial Officer	OTE Chief Financial Officer	Chief Accounting Officer
Panagis Vourloumis	Kevin Copp	George Mavrakis	Konstantinos Vasilopoulos

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
REGISTRATION No S.A. 347/06/B/86/10
99 KIFFISIAS AVE–151 24 MAROUSSI ATHENS, GREECE

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	30/06/2010	31/12/2009 [1,2]	30/06/2010	31/12/2009 [1]
ASSETS					
Non-current assets					
Property, plant and equipment		5,369.8	5,596.2	1,932.2	2,026.7
Goodwill	4	574.7	577.4	-	-
Telecommunication licenses		348.7	365.0	2.3	2.5
Other intangible assets		493.8	523.5	-	-
Investments	5	156.7	157.0	4,779.0	4,777.4
Loans and advances to pension funds		141.6	154.5	141.6	154.5
Deferred tax assets		258.8	278.7	190.9	203.6
Other non-current assets		142.0	127.3	102.3	83.8
Total non-current assets		**7,486.1**	**7,779.6**	**7,148.3**	**7,248.5**
Current assets					
Inventories		205.5	229.1	32.1	31.1
Trade receivables		1,120.5	1,153.0	588.0	608.0
Other financial assets		43.0	35.4	6.0	16.3
Other current assets		271.0	255.6	246.1	108.7
Cash and cash equivalents		761.1	868.8	95.1	224.0
Total current assets		**2,401.1**	**2,541.9**	**967.3**	**988.1**
TOTAL ASSETS		**9,887.2**	**10,321.5**	**8,115.6**	**8,236.6**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	6	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	6	508.0	505.1	508.0	505.1
Statutory reserve		344.1	344.1	344.1	344.1
Foreign exchange and other reserves		(215.4)	(162.0)	(119.0)	(102.9)
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		2,507.6	2,589.2	1,455.5	1,430.0
Total equity attributable to owners of the Parent		**994.3**	**1,126.4**	**3,360.1**	**3,347.8**
Non-controlling interests		703.5	757.7	-	-
Total equity		**1,697.8**	**1,884.1**	**3,360.1**	**3,347.8**
Non-current liabilities					
Long-term borrowings	8	3,893.3	5,385.7	1,863.4	2,930.1
Provision for staff retirement indemnities		334.6	316.8	307.0	293.0
Provision for voluntary leave scheme	12	48.3	109.9	48.3	109.9
Provision for youth account		353.2	361.9	353.2	361.9
Deferred tax liabilities		109.5	117.9	-	-
Other non-current liabilities		67.9	66.9	44.2	35.8
Total non-current liabilities		**4,806.8**	**6,359.1**	**2,616.1**	**3,730.7**
Current liabilities					
Trade accounts payable		720.0	813.2	351.6	373.1
Short-term borrowings		5.9	3.3	-	-
Short-term portion of long-term borrowings	8	1,476.0	32.9	1,012.7	-
Income tax payable	9	107.4	133.2	22.7	41.0
Deferred revenue		260.8	256.6	228.0	225.3
Provision for voluntary leave scheme	12	86.5	149.0	86.5	149.0
Dividends payable	7	88.8	4.2	88.8	4.2
Other current liabilities		637.2	685.9	349.1	365.5
Total current liabilities		**3,382.6**	**2,078.3**	**2,139.4**	**1,158.1**
TOTAL EQUITY AND LIABILITIES		**9,887.2**	**10,321.5**	**8,115.6**	**8,236.6**

[1] Adjusted due to change in accounting policy (see Note 19)
The allocation of actuarial gains and losses results in an increase in “Provision for staff retirement indemnities” of Euro 50.3 for the Group and Euro 51.4 for the Company, an increase in “Provision for youth account” of Euro 79.6 for the Group and the Company and a decrease in “Other non-current liabilities” (provision for phone credits) of Euro 9.2 for the Group and the Company. The corresponding taxes recognized in “Deferred tax assets” amount to Euro 25.1 for the Group and the Company, resulting in a reduction in shareholders’ equity of Euro 95.6 for the Group and Euro 96.7 for the Company.
[2] Adjusted due to finalization of ZAPP’s purchase price allocation (see Note 4)

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	2nd Quarter 2010	2nd Quarter 2009[1]	1st Half 2010	1st Half 2009[1]
Revenue					
Domestic telephony	10	352.6	413.6	722.1	823.7
International telephony	10	50.7	62.3	103.7	118.9
Mobile telephony	10	555.6	599.7	1,116.1	1,178.7
Other revenue	10	399.7	405.8	817.8	808.9
Total revenue		**1,358.6**	**1,481.4**	**2,759.7**	**2,930.2**
Other income/ (expense), net	11	**21.5**	**7.0**	**30.9**	**13.3**
Operating expenses					
Payroll and employee benefits		(289.8)	(302.2)	(583.9)	(595.6)
Provision for staff retirement indemnities and youth account		(13.9)	(10.7)	(26.6)	(21.9)
Cost of early retirement program	12	4.4	(152.6)	(32.8)	35.0
Charges from international operators		(50.0)	(40.5)	(92.9)	(83.4)
Charges from domestic operators		(107.4)	(132.0)	(212.4)	(258.6)
Depreciation and amortization		(284.8)	(284.4)	(561.7)	(562.2)
Cost of telecommunications equipment		(99.0)	(119.6)	(212.4)	(221.3)
Other operating expenses	13	(361.2)	(356.3)	(687.7)	(692.1)
Total operating expenses		**(1,201.7)**	**(1,398.3)**	**(2,410.4)**	**(2,400.1)**
Operating profit before financial activities		**178.4**	**90.1**	**380.2**	**543.4**
Income and expense from financial activities					
Interest expense		(97.1)	(83.0)	(170.1)	(194.1)
Interest income		7.0	13.7	14.6	39.6
Foreign exchange differences, net		(13.2)	0.3	(10.2)	3.7
Dividend income	5	9.0	9.6	9.0	9.6
Gains / (losses) from investments - Impairments		(4.6)	24.4	(2.8)	24.4
Total profit /(loss) from financial activities		**(98.9)**	**(35.0)**	**(159.5)**	**(116.8)**
Profit before tax		**79.5**	**55.1**	**220.7**	**426.6**
Income tax expense	9	(169.4)	(45.6)	(244.9)	(144.7)
Profit /(loss) for the period		**(89.9)**	**9.5**	**(24.2)**	**281.9**
Attributable to:					
Owners of the parent		(60.8)	6.4	5.0	274.9
Non-controlling interests		(29.1)	3.1	(29.2)	7.0
		(89.9)	**9.5**	**(24.2)**	**281.9**
Basic earnings / (losses) per share	14	(0.1240)	0.0131	0.0102	0.5608
Diluted earnings / (losses) per share	14	(0.1240)	0.0131	0.0102	0.5608

[1] Adjusted due to change in accounting policy (see Note 19)

The reversal of amortization of actuarial gains and losses results in a decrease in “Provision for staff retirement indemnities and youth account” of Euro 2.3 for the 2nd Quarter and Euro 4.7 for the 1st Half 2009. The above result in an increase in “Income tax expense” of Euro 0.6 for the 2nd Quarter and Euro 1.2 for the 1st Half 2009. Interest cost of an amount of Euro 8.3 for the 2nd Quarter and Euro 16.4 for the 1st Half 2009 arising from the relative plans is classified in “Interest expense” rather than in “Provision for staff retirement indemnities and youth account”.

INTERIM INCOME STATEMENT (SEPARATE)

		2nd Quarter		1st Half	
(Amounts in millions of Euro)	Notes	2010	2009[1]	2010	2009[1]
Revenue					
Domestic telephony	10	263.0	308.5	535.0	618.0
International telephony	10	39.9	42.0	77.2	81.7
Other revenue	10	245.3	240.3	496.6	496.1
Total revenue		**548.2**	**590.8**	**1,108.8**	**1,195.8**
Other income/ (expense), net	11	**13.5**	**0.7**	**14.4**	**1.2**
Operating expenses					
Payroll and employee benefits		(174.6)	(179.2)	(352.2)	(357.0)
Provision for staff retirement indemnities and youth account		(13.3)	(11.3)	(25.2)	(22.7)
Cost of early retirement program	12	21.6	(152.0)	(9.9)	38.9
Charges from international operators		(32.3)	(31.0)	(58.3)	(58.1)
Charges from domestic operators		(46.3)	(56.7)	(91.7)	(111.0)
Depreciation and amortization		(93.9)	(106.4)	(189.8)	(216.0)
Cost of telecommunications equipment		(19.6)	(21.8)	(34.8)	(42.0)
Other operating expenses	13	(111.6)	(121.1)	(211.8)	(236.0)
Total operating expenses		**(470.0)**	**(679.5)**	**(973.7)**	**(1,003.9)**
Operating profit /(loss) before financial activities		**91.7**	**(88.0)**	**149.5**	**193.1**
Income and expense from financial activities					
Interest expense		(66.2)	(56.3)	(113.6)	(134.7)
Interest income		1.7	3.7	4.1	10.8
Foreign exchange differences, net		0.2	1.5	-	1.2
Dividend income	5	200.9	312.1	200.9	312.1
Gains/ (losses) from investments – Impairments		(3.6)	-	(1.8)	-
Total profit /(loss) from financial activities		**133.0**	**261.0**	**89.6**	**189.4**
Profit before tax		**224.7**	**173.0**	**239.1**	**382.5**
Income tax expense	9	(88.3)	(8.6)	(127.0)	(64.0)
Profit for the period		**136.4**	**164.4**	**112.1**	**318.5**

[1] Adjusted due to change in accounting policy (see Note 19)
The reversal of amortization of actuarial gains and losses results in a decrease in "Provision for staff retirement indemnities and youth account" of Euro 2.0 for the 2nd Quarter and Euro 4.1 for the 1st Half 2009. The above result in an increase in "Income tax expense" of Euro 0.5 and for the 2nd Quarter and Euro 1.0 for the 1st Half 2009. Interest cost of an amount of Euro 7.8 for the 2nd Quarter and Euro 15.5 for the 1st Half 2009 arising from the relative plans is classified in "Interest expense" rather than in "Provision for staff retirement indemnities and youth account".

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2010	2009[1]	2010	2009[1]
Profit / (loss) for the period	**(89.9)**	**9.5**	**(24.2)**	**281.9**
Foreign currency translation	(150.3)	8.2	(64.1)	(151.5)
Net gain/ (loss) on cash flow hedge	1.5	(2.2)	1.8	(2.2)
Actuarial losses due to change in interest cost	(3.9)	-	(14.6)	-
Deferred taxes on actuarial losses due to change in interest cost	0.9	-	3.1	-
Net movement in available for sale financial assets	(0.5)	4.1	(4.6)	2.2
Other comprehensive income / (loss) for the period	**(152.3)**	**10.1**	**(78.4)**	**(151.5)**
Total comprehensive income / (loss) for the period	**(242.2)**	**19.6**	**(102.6)**	**130.4**
Attributable to:				
Owners of the parent	(164.2)	12.7	(48.4)	169.4
Non-controlling interests	(78.0)	6.9	(54.2)	(39.0)
	(242.2)	**19.6**	**(102.6)**	**130.4**

[1] Adjusted due to change in accounting policy (see Note 19)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2010	2009[1]	2010	2009[1]
Profit for the period	**136.4**	**164.4**	**112.1**	**318.5**
Actuarial losses due to change in interest cost	(3.9)	-	(14.6)	-
Deferred taxes on actuarial losses due to change in interest cost	0.9	-	3.1	-
Net movement in available for sale financial assets	(0.5)	4.1	(4.6)	2.2
Other comprehensive income / (loss) for the period	**(3.5)**	**4.1**	**(16.1)**	**2.2**
Total comprehensive income for the period	**132.9**	**168.5**	**96.0**	**320.7**

[1] Adjusted due to change in accounting policy (see Note 19)

The accompanying notes on pages 27-45 form an integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to owners of the parent								
(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2009 [1]	**1,171.5**	**497.9**	**330.2**	**(23.9)**	**(3,315.2)**	**2,559.8**	**1,220.3**	**861.3**	**2,081.6**
Profit for the period [1]	-	-	-	-	-	274.9	**274.9**	7.0	**281.9**
Other comprehensive income / (loss)	-	-	-	(105.5)	-	-	**(105.5)**	(46.0)	**(151.5)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(105.5)**	**-**	**274.9**	**169.4**	**(39.0)**	**130.4**
Dividends	-	-	-	-	-	(367.6)	**(367.6)**	-	**(367.6)**
Share-based payment	-	4.0	-	-	-	-	**4.0**	-	**4.0**
Net change of participation in subsidiaries	-	-	-	-	(4.7)	-	**(4.7)**	(43.7)	**(48.4)**
Obligation to acquire non-controlling interests	-	-	-	-	-	-	**-**	(10.0)	**(10.0)**
Balance as at June 30, 2009 [1]	**1,171.5**	**501.9**	**330.2**	**(129.4)**	**(3,319.9)**	**2,467.1**	**1,021.4**	**768.6**	**1,790.0**
Balance as at January 1, 2010 [1]	**1,171.5**	**505.1**	**344.1**	**(162.0)**	**(3,321.5)**	**2,589.2**	**1,126.4**	**757.7**	**1,884.1**
Profit / (loss) for the period	-	-	-	-	-	5.0	**5.0**	(29.2)	**(24.2)**
Other comprehensive income / (loss)	-	-	-	(53.4)	-	-	**(53.4)**	(25.0)	**(78.4)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(53.4)**	**-**	**5.0**	**(48.4)**	**(54.2)**	**(102.6)**
Dividends	-	-	-	-	-	(93.1)	**(93.1)**	-	**(93.1)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	-	6.5	**6.5**	-	**6.5**
Share-based payment	-	2.9	-	-	-	-	**2.9**	-	**2.9**
Balance as at June 30, 2010	**1,171.5**	**508.0**	**344.1**	**(215.4)**	**(3,321.5)**	**2,507.6**	**994.3**	**703.5**	**1,697.8**

[1] Adjusted due to change in accounting policy (see Note 19)

INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Retained earnings	Total equity
Balance as at January 1, 2009 [1]	**1,171.5**	**497.9**	**330.2**	**(95.4)**	**1,527.9**	**3,432.1**
Profit for the period [1]	-	-	-	-	318.5	**318.5**
Other comprehensive income	-	-	-	2.2	-	**2.2**
Total comprehensive income	**-**	**-**	**-**	**2.2**	**318.5**	**320.7**
Dividends	-	-	-	-	(367.6)	**(367.6)**
Share-based payment	-	4.0	-	-	-	**4.0**
Balance as at June 30, 2009 [1]	**1,171.5**	**501.9**	**330.2**	**(93.2)**	**1,478.8**	**3,389.2**
Balance as at January 1, 2010 [1]	**1,171.5**	**505.1**	**344.1**	**(102.9)**	**1,430.0**	**3,347.8**
Profit for the period	-	-	-	-	112.1	**112.1**
Other comprehensive income / (loss)	-	-	-	(16.1)	-	**(16.1)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(16.1)**	**112.1**	**96.0**
Dividends	-	-	-	-	(93.1)	**(93.1)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	6.5	**6.5**
Share-based payment	-	2.9	-	-	-	**2.9**
Balance as at June 30, 2010	**1,171.5**	**508.0**	**344.1**	**(119.0)**	**1,455.5**	**3,360.1**

[1] Adjusted due to change in accounting policy (see Note 19)

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01/-30/06/2010	01/01/-30/6/2009[1]	01/01/-30/06/2010	01/01-30/6/2009[1]
Cash flows from operating activities					
Profit before tax		220.7	426.6	239.1	382.5
Adjustments for:					
Depreciation and amortization		561.7	562.2	189.8	216.0
Share-based payment	17	2.9	4.0	1.3	1.7
Cost of early retirement program	12	32.8	(35.0)	9.9	(38.9)
Provision for staff retirement indemnities and youth account		26.6	21.9	25.2	22.7
Provisions for doubtful accounts	13	68.5	62.6	17.1	26.4
Other provisions		(4.2)	-	(4.3)	-
Foreign exchange differences, net		10.2	(3.7)	-	(1.2)
Interest income		(14.6)	(39.6)	(4.1)	(10.8)
Dividend income	5	(9.0)	(9.6)	(200.9)	(312.1)
(Gains)/ losses from investments – Impairments		2.8	(24.4)	1.8	-
Release of EDEKT fund prepayment		17.6	17.6	17.6	17.6
Interest expense		170.1	194.1	113.6	134.7
Working capital adjustments:					
Decrease/ (increase) in inventories		23.6	(36.4)	(1.0)	(3.5)
Decrease / (increase) in accounts receivable		(45.8)	(58.4)	(5.0)	31.8
(Decrease) in liabilities (except borrowings)		(103.6)	(66.4)	(24.9)	(76.4)
Plus/(Minus):					
Payment for early retirement programs	12	(135.9)	(22.4)	(120.6)	(18.5)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(46.8)	(34.8)	(45.1)	(34.4)
Interest and related expenses paid		(163.8)	(179.1)	(95.5)	(113.1)
Income taxes paid	9	(235.8)	(78.5)	(113.7)	(13.4)
Settlement of receivables due from disposed subsidiaries		-	16.6	-	-
Net cash flows from operating activities		**378.0**	**717.3**	**0.3**	**211.1**
Cash flows from investing activities					
Acquisition of non-controlling interest and participation in subsidiaries' share capital increase	4	(7.9)	(48.4)	-	-
Acquisition of subsidiary net of cash acquired		(1.7)	-	-	-
Purchase of financial assets		(52.8)	(298.2)	-	(290.4)
Sale or maturity of financial assets		36.5	115.0	3.7	108.2
Repayments of loans receivable		4.9	4.8	4.9	51.1
Loans granted	12	(19.3)	-	(19.3)	-
Loans proceeds in conjunction with disposal of subsidiaries		-	78.5	-	-
Purchase of property plant and equipment and intangible assets		(398.0)	(441.5)	(102.0)	(114.1)
Proceeds from disposal of subsidiaries		-	84.8	-	-
Interest received		8.6	31.5	1.5	9.0
Dividends received		-	0.3	40.0	0.3
Return of capital invested in subsidiary		-	-	-	102.2
Net cash flows from/(used in) investing activities		**(429.7)**	**(473.2)**	**(71.2)**	**(133.7)**
Cash flows from financing activities					
Proceeds from loans granted and issued		2.6	-	-	-
Repayment of loans	8	(59.7)	(35.7)	(56.0)	-
Dividends paid to Company's owners		(2.0)	(0.3)	(2.0)	(0.3)
Dividends paid to non-controlling interests		-	(1.2)	-	-
Net cash flows from/(used in) financing activities		**(59.1)**	**(37.2)**	**(58.0)**	**(0.3)**
Net increase/(decrease) in cash and cash equivalents		**(110.8)**	**206.9**	**(128.9)**	**77.1**
Cash and cash equivalents, at the beginning of the period		**868.8**	**1,429.7**	**224.0**	**344.5**
Net foreign exchange differences		3.1	(12.4)	-	-
Cash and cash equivalents, at the end of the period		**761.1**	**1,624.2**	**95.1**	**421.6**

[1] Adjusted due to change in accounting policy (see Note 19)

1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. ("Company", "OTE" or "parent"), was incorporated as a société anonyme in Athens, Greece in 1949, and is listed in the Greek Register of Sociétés Anonymes (M.A.E.) with the unique number (AP. MAE) 347/06/B/86/10. The registered office is located at 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, and the website is www.ote.gr. The Company is listed on the Athens Exchange and New York Stock Exchange.

OTE's principal activities are the provision of telecommunications and related services.

Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and currently holds a 30.00% plus one share interest in OTE.

The OTE Group ("Group") includes other than the parent Company, all the entities which OTE controls directly or indirectly.

The Interim Condensed Consolidated and Separate Financial Statements ("interim financial statements") as of June 30, 2010 and for the six month period then ended, were approved for issuance by the Board of Directors on August 4, 2010.

The total numbers of Group and Company employees as of June 30, 2010 and 2009 were as follows:

	GROUP	COMPANY
June 30, 2010	31,538	11,198
June 30, 2009	33,160	11,941

The consolidated financial statements include the financial statements of OTE and the following subsidiaries which OTE controls directly or indirectly:

			30/06/2010	31/12/2009
COMPANY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE")	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	Cyprus	100.00%	100.00%
HELLAS SAT CONSORTIUM LIMITED ("HELLAS-SAT")	Satellite communications	Cyprus	99.05%	99.05%
COSMO-ONE HELLAS MARKET SITE S.A. ("COSMO-ONE")	E-commerce services	Greece	61.74%	61.74%
VOICENET S.A. ("VOICENET")	Telecommunications services	Greece	100.00%	100.00%
HELLASCOM S.A. ("HELLASCOM")	Telecommunication projects	Greece	100.00%	100.00%
OTE PLC	Financing services	U.K.	100.00%	100.00%
OTE SAT-MARITEL S.A. ("OTE SAT – MARITEL")	Satellite telecommunications services	Greece	94.08%	94.08%
OTE PLUS S.A. ("OTE PLUS")	Consulting services	Greece	100.00%	100.00%
OTE ESTATE S.A. ("OTE ESTATE")	Real estate	Greece	100.00%	100.00%
OTE INTERNATIONAL SOLUTIONS S.A. ("OTE-GLOBE")	Wholesale telephony services	Greece	100.00%	100.00%
HATWAVE HELLENIC-AMERICAN TELECOMMUNICATIONS WAVE LTD. ("HATWAVE")	Investment holding company	Cyprus	52.67%	52.67%
OTE INSURANCE AGENCY S.A. ("OTE INSURANCE")	Insurance brokerage services	Greece	100.00%	100.00%
OTE ACADEMY S.A. ("OTE ACADEMY")	Training services	Greece	100.00%	100.00%
ROMTELECOM S.A. ("ROMTELECOM")	Fixed line telephony services	Romania	54.01%	54.01%
S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE ROMANIA")	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO BULGARIA MOBILE EAD ("GLOBUL")	Mobile telecommunications services	Bulgaria	100.00%	100.00%
COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	Greece	97.00%	97.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	Albania	97.21%	95.03%
COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS")	Investment holding company	Cyprus	100.00%	100.00%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
E-VALUE S.A.	Marketing Services	Greece	100.00%	100.00%
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	100.00%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	100.00%	100.00%
GERMANOS TELECOM BULGARIA A.D.	Retail services	Bulgaria	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%

			30/06/2010	31/12/2009
COMPANY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
OTE PROPERTIES	Real estate	Greece	100.00%	100.00%
HELLAS SAT S.A.	Satellite communications	Greece	99.05%	99.05%
OTE INVESTMENT SERVICES S.A.	Investment holding company	Greece	100.00%	100.00%
OTE PLUS BULGARIA [1]	Consulting services	Bulgaria	-	100.00%
COSMOHOLDING ROMANIA LTD	Investment holding company	Cyprus	100.00%	100.00%
TELEMOBIL S.A. ("ZAPP")	Mobile telecommunications services	Romania	99.99%	99.99%
E-VALUE DEBTORS AWARENESS ONE PERSON LTD ("E-VALUE LTD")	Overdue accounts	Greece	100.00%	100.00%

[1] The liquidation process of OTE-PLUS BULGARIA was finalized on January 11, 2010.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These interim financial statements do not include all the information required in the annual financial statements and they should be read in conjunction with the annual audited financial statements as of December 31, 2009, which are available on the Company's website www.ote.gr.

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available-for-sale financial assets and derivative financial instruments which have been measured at fair values in accordance with IFRS. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges that would otherwise be carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks hedged in an effective hedge relationship.

The interim financial statements are presented in millions of Euro, except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2009 and which are comprehensively presented in the notes of the annual financial statements, except for:
- the change in accounting policy concerning provisions for pensions and other employee benefits (see Note 19)
- the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2010:

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
- IFRS 1 Additional Exemptions for First-time Adopters (Amended)
- In May 2008, the Board issued its first omnibus of amendments to its standards. All amendments issued are effective as at December 31, 2009, apart from the following:
  IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.
- In April 2009 the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning on or after July 1, 2009.

The adoption of the above new and amended IFRS and IFRIC interpretations did not have an impact on the financial statements or performance of the Group or the Company, however IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after January 1, 2010. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results.

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2010. They have not been early adopted and the Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**: The interpretation is effective for annual periods beginning on or after July 1, 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability. This interpretation has not yet been endorsed by the EU.

- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended):** The amendment is effective for annual periods beginning on or after January 1, 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. Earlier application is permitted and must be applied retrospectively.

- **IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement:** The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU.

- **IAS 32 Classification on Rights Issues (Amended):** The amendment is effective for annual periods beginning on or after February 1, 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively.

- **IAS 24 Related Party Disclosures (Revised):** The revision is effective for annual periods beginning on or after January 1, 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively.

- **IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for first time adopters (Amended):** The amendment is effective for annual periods beginning on or after July 1, 2010.

- In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning on July 1, 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

4. GOODWILL

The movement of the goodwill and its allocation to each cash generating unit is analyzed as follows:

COUNTRY	31/12/2009	Adjustments	31/12/2009 Adjusted	Foreign exchange differences	Acquisition of subsidiary	30/06/2010
Greece	376.6	-	376.6	-	-	376.6
Albania	55.5	-	55.5	0.5	-	56.0
Romania	59.4	25.6	85.0[1]	(2.8)	(0.4)	81.8
Bulgaria	60.3	-	60.3	-	-	60.3
TOTAL	**551.8**	**25.6**	**577.4**	**(2.3)**	**(0.4)**	**574.7**

[1] Adjusted due to finalization of ZAPP's purchase price allocation

ZAPP

The Group acquired ZAPP on October 31, 2009. The net assets recognized in the December 31, 2009 consolidated financial statements were based on a provisional assessment of fair value. The valuation of the net assets acquired was completed in June 2010. The adjustment to the provisional valuation is shown in the table below and the 2009 comparatives have been restated to reflect this information. The impact on the depreciation charge on the non-current assets from the acquisition date to December 31, 2009 was insignificant.

	Book value	Preliminary adjustments	Preliminary Fair value	Changes in adjustments due to final PPA	Final Fair value
Assets					
Non-current assets					
Property, plant and equipment	83.4	-	83.4	(28.9)	54.5
Telecommunication licenses	21.0	52.4	73.4	2.8	76.2
Intangible assets	-	22.0	22.0	2.9	24.9
Other non-current assets	0.3	-	0.3	-	0.3
Total	**104.7**	**74.4**	**179.1**	**(23.2)**	**155.9**
Current assets					
Inventories	2.1	-	2.1	-	2.1
Trade receivables	2.4	-	2.4	-	2.4
Other current assets	2.9	-	2.9	-	2.9
Cash and cash equivalents	0.8	-	0.8	-	0.8
Total	**8.2**	**-**	**8.2**	**-**	**8.2**
Total Assets	**112.9**	**74.4**	**187.3**	**(23.2)**	**164.1**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	-	-	-	4.2	4.2
Borrowings	122.4	-	122.4	-	122.4
Other non-current liabilities	7.6	1.8	9.4	(1.8)	7.6
Total	**130.0**	**1.8**	**131.8**	**2.4**	**134.2**
Current liabilities					
Trade accounts payable	6.8	-	6.8	-	6.8
Borrowings	7.2	-	7.2	-	7.2
Other current liabilities	4.0	-	4.0	-	4.0
Total	**18.0**	**-**	**18.0**	**-**	**18.0**
Total liabilities	**148.0**	**1.8**	**149.8**	**2.4**	**152.2**
Net assets acquired	**(35.1)**	**72.6**	**37.5**	**(25.6)**	**11.9**
Purchase price			67.5	(0.4)	67.1
Expenses of acquisition			3.5	-	3.5
Goodwill			**33.5**	**25.2**	**58.7**

5. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
(a) Investments in subsidiaries	-	-	4,622.7	4,621.1
(b) Other investments	156.7	157.0	156.3	156.3
TOTAL	**156.7**	**157.0**	**4,779.0**	**4,777.4**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/06/2010	31/12/2009
COSMOTE	100.00%	Greece	3,511.7	3,510.1
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	483.9	483.9
HELLAS-SAT	99.05%	Cyprus	194.7	194.7
COSMO-ONE	30.87%	Greece	0.6	0.6
VOICENET	100.00%	Greece	3.7	3.7
HELLASCOM	100.00%	Greece	8.4	8.4
OTE SAT- MARITEL	94.08%	Greece	11.2	11.2
OTE PLC	100.00%	U.K.	-	-
OTE PLUS	100.00%	Greece	3.8	3.8
OTE ESTATE	100.00%	Greece	234.1	234.1
OTE GLOBE	100.00%	Greece	163.7	163.7
OTE INSURANCE	100.00%	Greece	0.6	0.6
OTE ACADEMY	100.00%	Greece	6.3	6.3
TOTAL			**4,622.7**	**4,621.1**

AMC

As of June 30, 2010 COSMOTE holds directly a 14.76% stake in AMC's share capital after buying a further 2.18% for an amount of approximately Euro 7.9. As a result of the above transaction, COSMOTE Group holds directly or indirectly 97.21% of AMC.

(b) Other investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
TELEKOM SRBIJA	155.1	155.1	155.1	155.1
OTHER	1.6	1.9	1.2	1.2
TOTAL	**156.7**	**157.0**	**156.3**	**156.3**

The Group's dividend income is analyzed as follows:

	2nd Quarter		1st Half	
	2010	2009	2010	2009
TELEKOM SRBIJA	8.9	9.3	8.9	9.3
Other available for sale investments	0.1	0.3	0.1	0.3
TOTAL	**9.0**	**9.6**	**9.0**	**9.6**

OTE's dividend income is analyzed as follows:

	2nd Quarter		1st Half	
	2010	2009	2010	2009
COSMOTE	151.2	282.2	151.2	282.2
OTE ESTATE	37.0	18.9	37.0	18.9
OTE SAT- MARITEL	1.7	1.0	1.7	1.0
OTE PLUS	-	0.4	-	0.4
OTE INTERNATIONAL	2.0	-	2.0	-
TELEKOM SRBIJA	8.9	9.3	8.9	9.3
Other available for sale investments	0.1	0.3	0.1	0.3
TOTAL	**200.9**	**312.1**	**200.9**	**312.1**

Of the total dividend income an amount of Euro 35.3 (net of withholding tax on dividends of 10% Euro 3.7) has been received and the outstanding dividend receivable as of June 30, 2010 amounted to Euro 144.1 (net of withholding tax on dividends of Euro 17.8) and is included in "Other current assets" in the accompanying separate statement of financial position as of June 30, 2010.

6. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of June 30, 2010 and December 31, 2009, amounted to Euro 1,171.5, divided into 490,150,389 registered shares, with a nominal value of Euro 2.39 (absolute amount) per share. The share premium as of June 30, 2010 and as of December 31, 2009 amounted to Euro 508.0 and Euro 505.1, respectively, the increase (Euro 2.9) being the amount charged to the income statement of the first half 2010 under the Group's share option plan (Note 17).

The following is an analysis of the ownership of OTE's shares as of June 30, 2010:

Shareholder	Number of shares	Percentage %
Hellenic State	63,371,292	12.93%
D.E.K.A. S.A.	15,052,773	3.07%
IKA–ETAM	19,606,016	4.00%
DEUTSCHE TELEKOM AG	147,045,118	30.00%
Institutional Investors	190,876,568	38.94%
Private Investors	54,198,622	11.06%
TOTAL	**490,150,389**	**100.00%**

7. DIVIDENDS

Under Greek Corporate Law, each year companies are required to distribute to their owners dividends of at least 35% of profits which result from their accounting books and records (published financial statements), after allowing for the statutory reserve and income tax. However, companies can waive such dividend payment with the consent of the 70% of their owners.

On June 16, 2010, the General Assembly of OTE's Shareholders approved the distribution of a dividend from 2009 profits of a total amount of Euro 93.1 or Euro 0.19 (in absolute amount) per share. Pursuant to Law 3697/2008, dividends approved by General Meetings convened after January 1, 2009, are subject to 10% withholding tax which will be borne by the beneficiary, however, the related law provides for certain exceptions. The amount of dividends payable as of June 30, 2010, amounted to Euro 88.8 (December 31, 2009: Euro 4.2).

8. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2010	31/12/2009
(a) Syndicated loans	500.0	500.0
(b) Global Medium-Term Note Program	4,827.2	4,876.5
(c) Other bank loans	42.1	42.1
Total long-term debt	**5,369.3**	**5,418.6**
Short-term portion	(1,476.0)	(32.9)
Long-term portion	**3,893.3**	**5,385.7**

In February 2010, notes under the Global Medium-Term Note Program of OTE PLC of Euro 1,500.0 nominal value maturing in February 2011 with a carrying value as of June 30, 2010 of Euro 1,442.3 were reclassified to the "short-term portion of long-term borrowings" in the accompanying consolidated statement of financial position as of June 30, 2010. OTE has already started examining potential refinancing alternatives for this debt, including but not limited to, a shareholder loan from DEUTSCHE TELEKOM AG. In relation to the above, OTE's ordinary General Assembly approved of the granting of special permission pursuant to article 23[a], paragraph 2 of C.L.2190/1920, for the conclusion of a loan offered by DEUTSCHE TELEKOM AG to OTE, under financial terms and conditions equal to or better than the financial terms and conditions offered by a third party.

In May 2010, OTE PLC proceeded with the buyback of bonds of a total nominal amount of Euro 56.0 under the Euro 1,500.0, 5.375% bond due on February 14, 2011. The notes have been cancelled. The total amount paid including accruals and premium amounts to Euro 57.7.

On May 27, 2010 Standard & Poor's Ratings Services lowered its long-term corporate credit rating on OTE from "BBB" to "BBB-" with stable outlook. As a result, the spread of the syndicated loan increased from 0.25% to 0.2625%.

COMPANY	30/06/2010	31/12/2009
Intercompany loans from OTE PLC	2,876.1	2,930.1
Total long-term debt	**2,876.1**	**2,930.1**
Short-term portion	(1,012.7)	-
Long-term portion	**1,863.4**	**2,930.1**

In February 2010, OTE's loan with a nominal value Euro 1,500.0 maturing in February 2011 with a carrying value as of June 30, 2010 of Euro 1,012.7 was reclassified to the "short-term portion of long-term borrowings" in the accompanying separate statement of financial position as of June 30, 2010.

In May 2010, OTE prepaid to OTE PLC a nominal amount of Euro 56.0 from the intercompany loans referred to above. The total amount paid including accruals and premium amounts to Euro 57.7.

For the monitoring of liquidity risk, the Group prepares annual forecasted cash flows when drafting the annual budget and monthly rolling forecasts for three months' cash flows, in order to ensure that it has sufficient cash reserves to service its financial obligations.

Below is an analysis of the undiscounted contractual payments of the Group and the Company:

GROUP					
June 30, 2010	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Medium term bonds OTE PLC	1,686.1	814.2	2,207.2	941.6	5,649.1
Syndicated loan OTE PLC	30.7	33.6	446.4	-	510.7
Borrowings - Rom Telecom	9.3	9.5	18.0	9.8	46.6
Other Borrowings	6.0	-	-	-	6.0
Trade accounts payable	720.0	-	-	-	720.0
TOTAL	**2,452.1**	**857.3**	**2,671.6**	**951.4**	**6,932.4**
December 31, 2009	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Medium term bonds OTE PLC	245.1	2,395.1	1,607.9	1,619.3	5,867.4
Syndicated loan OTE PLC	30.8	33.8	448.7	-	513.3
Borrowings - Rom Telecom	8.4	9.1	16.9	12.6	47.0
Other Borrowings	3.3	-	-	-	3.3
Trade accounts payable	813.2	-	-	-	813.2
TOTAL	**1,100.8**	**2,438.0**	**2,073.5**	**1,631.9**	**7,244.2**

COMPANY					
June 30, 2010	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Intercompany loans (OTE PLC)	1,169.1	250.3	1,943.1	-	3,362.5
Trade accounts payable	351.6	-	-	-	351.6
TOTAL	**1,520.7**	**250.3**	**1,943.1**	**-**	**3,714.1**
December 31, 2009	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Intercompany loans (OTE PLC)	158.1	1,378.0	1,343.1	636.1	3,515.3
Trade accounts payable	373.1	-	-	-	373.1
TOTAL	**531.2**	**1,378.0**	**1,343.1**	**636.1**	**3,888.4**

9. INCOME TAXES

In accordance with the Greek tax regulations (Law 3296/2004), the income tax rate was 25% for 2007 and onwards. In accordance with article 19 of Law 3697/2008 the income tax rate will gradually reduce as follows: 24% for 2010, 23% for 2011, 22% for 2012, 21% for 2013 and 20% for 2014 and onwards.

New tax law

The new Law 3842/23-4-2010 introduces two separate corporate income tax rates for distributed and undistributed profits of legal entities. More specifically:

- Non-distributed profits are taxed at a tax rate of 24% (reduced annually by 1 percentage point until it reaches 20% by 2014)
- Distributed profits are taxed at a tax rate of 40%.
- No further withholding tax is imposed on dividends.

The new tax law applies to profits arising from the fiscal year 2010 onwards or to the profits of previous accounting periods distributed after December 31, 2010. The distribution of profits of previous accounting periods within 2010 is still taxed under the current regime (i.e. withholding tax of 10% is applicable).

Taxation of 40% on distributed profits of the legal entities exhausts the tax liability in case the beneficiaries are legal entities.

In cases where such legal entities proceed to the distribution of profits, in which dividends from other legal entities are included, the part of tax already paid for those dividends is deducted from the 40% tax imposed on distributed profits.

Special contribution Law 3808/2009

Following the enactment of Law 3808/2009, a special, one time contribution of social responsibility was charged to the Greek profitable entities calculated on their total net income of the fiscal year 2008, if it exceeded the amount of Euro 5.0, based on a progressive scale. Therefore income tax payable as of December 31, 2009 for the Group and the Company (Euro 133.2 and Euro 41.0 respectively) included the liability arising from the special one time contribution of social responsibility (Euro 113.1 and Euro 51.6 respectively). These amounts were paid to the Greek authorities in January 2010.

Special contribution Law 3845/2010

According to the new Law 3845/2010 “Measures for the application of the support scheme of the Greek Economy by the Members of the Euro Zone and the International Monetary Fund” a special contribution is imposed on Greek profitable entities calculated on their total net income for the fiscal year 2009 based on a progressive scale up to 10% of their total net income. The contribution was estimated to approximately Euro 97.0 and Euro 45.1 for the Group and the Company, it was charged to the income statement for the first half of 2010 and will be paid within 2011. The amount will be finalized after the receipt of the respective notifications by the tax authorities. The Company is currently in the process of evaluating the possibility (after the payment of the above mentioned contribution) of requesting a refund of approximately Euro 30.1 of such special contribution relating to dividend income derived from its subsidiaries’ 2008 profits, on which a special contribution has already been imposed based on the requirements of L. 3808/2009.

The Company and its subsidiaries have not been audited by the tax authorities for the following years and, therefore, the tax liabilities for these open years have not been finalized:

COMPANY	Open Tax Years
OTE	From 2009
COSMOTE	From 2009
OTE INTERNATIONAL INVESTMENTS LTD	From 2003
HELLAS SAT	From 2008
COSMO-ONE	From 2007
VOICENET	From 2004
HELLASCOM	From 2007
OTE PLC	From 2005
OTE SAT-MARITEL	From 2007
OTE PLUS	From 2008
OTE ESTATE	From 2008
OTE GLOBE	From 2007
OTE INSURANCE	From 2007
OTE ACADEMY	From 2007
HATWAVE	From 1996
OTE INVESTMENTS SERVICES S.A.	From 2005
ROMTELECOM	From 2006
AMC	From 2008
GLOBUL	From 2005
COSMOTE ROMANIA	From 2007
GERMANOS	From 2008
E-VALUE S.A.	From 2003
GERMANOS TELECOM ROMANIA S.A.	From 2003
SUNLIGHT ROMANIA S.R.L. -FILIALA	From 2005
GERMANOS TELECOM BULGARIA A.D.	From 2010
MOBILBEEEP LTD	From 2005
HELLAS SAT S.A.	From 2008
CHA	From 2007
COSMO-HOLDING CYPRUS	From 2006
COSMOHOLDING ROMANIA LTD	From 2009 (incorporation)
ZAPP	From 2009
OTE PROPERTIES	From 2008 (incorporation)
E-VALUE LTD	From 2009 (incorporation)

- The tax audit of the Company for the fiscal years 2006-2008 was completed in early May 2010 and the tax authorities imposed additional taxes amounting to Euro 57.7. The Company has accepted a partial settlement for an amount of Euro 37.7. Furthermore, based on the findings of the tax audit, the Company has reassessed the income tax expense for the year 2009 and an additional tax expense of Euro 6.3 was required. The amount settled with the tax authorities, the additional estimate for 2009, less the previously established provision for open tax years of Euro 14.0 resulted in an amount of Euro 30.0 being charged to the income statement for the first half of 2010. The remaining amount of taxes imposed (Euro 20.0) relate to costs associated with OTE's Voluntary Leave Scheme and the early retirement programs. OTE decided not to include this particular item in the partial settlement and has appealed against the tax authorities' position before the administrative courts. Based on the respective law, the Company will be required to pay an advance of approximately Euro 5.0 (25% of the assessed taxes and penalties) in order to appeal, which will be reimbursed to the Company in the event of a favorable court outcome. Based on the management's assessment, OTE considers there are good grounds to believe that OTE will win this case in court.
- The tax audit of COSMOTE for the fiscal years 2006 – 2008 was completed in May 2010, without any significant impact for the Group.
- The tax audit of OTE SAT - MARITEL for the fiscal years 2004 - 2006 was completed in June 2010 without any significant impact for the Group.
- The tax audit of E-VALUE S.A. for the fiscal years 2003 - 2005 is in progress.
- The tax audit of HELLASCOM for the fiscal years 2007 - 2008 is in progress.
- The tax audit of GERMANOS TELECOM BULGARIA A.D. for the fiscal years 2005-2009 was completed in June 2010, without any significant impact for the Group.

The major components of income tax expense are as follows:

GROUP	2nd Quarter		1st Half	
	2010	2009	2010	2009
Current income tax	34.3	44.5	80.9	105.3
Special contribution (Law 3845/2010)	97.0	-	97.0	-
Tax on dividends (Law 3697/2008)	19.0	30.3	19.0	30.3
Differences arising from tax audits	-	-	30.0	-
Deferred income tax	19.1	(29.2)	18.0	9.1
Total income tax	**169.4**	**45.6**	**244.9**	**144.7**

COMPANY	2nd Quarter		1st Half	
	2010	2009	2010	2009
Current income tax	5.0	11.2	16.9	29.4
Special contribution (Law 3845/2010)	45.1	-	45.1	-
Tax on dividends (Law 3697/2008)	19.0	30.3	19.0	30.3
Differences arising from tax audits	-	-	30.0	-
Deferred income tax	19.2	(32.9)	16.0	4.3
Total income tax	**88.3**	**8.6**	**127.0**	**64.0**

Considering the impact of the special contribution described above, income tax payable for the Group and the Company as of June 30, 2010 amounted to Euro 107.4 and Euro 22.7 respectively.

10. REVENUE

Revenue is analyzed as follows:

GROUP	2nd Quarter		1st Half	
	2010	2009	2010	2009
DOMESTIC TELEPHONY				
Monthly network service fees	189.7	216.3	388.5	433.1
Local and long-distance calls				
-Fixed to fixed	101.9	115.4	208.5	231.4
-Fixed to mobile	43.3	65.0	89.0	127.7
	145.2	180.4	297.5	359.1
Other	17.7	16.9	36.1	31.5
	352.6	**413.6**	**722.1**	**823.7**
INTERNATIONAL TELEPHONY				
International traffic	18.7	20.5	35.8	41.1
Dues from international operators	22.8	28.5	48.8	52.5
Dues from mobile operators	9.2	13.3	19.1	25.3
	50.7	**62.3**	**103.7**	**118.9**
MOBILE TELEPHONY	**555.6**	**599.7**	**1,116.1**	**1,178.7**
OTHER REVENUE				
Prepaid cards	4.7	8.7	12.0	18.0
Leased lines and Data ATM communications	72.1	82.2	146.3	164.4
Integrated Services Digital Network (ISDN)	33.0	35.7	66.8	72.1
Sales of telecommunication equipment	85.3	110.4	188.8	205.4
Internet/ ADSL	77.5	73.1	154.6	146.4
Co-location / Local Loop	41.3	24.9	81.7	58.7
Metro Ethernet & IP CORE	10.2	6.5	20.8	13.3
Provision for services	34.4	22.2	64.8	42.9
Interconnection charges	21.2	19.7	41.8	45.1
Miscellaneous	20.0	22.4	40.2	42.6
	399.7	**405.8**	**817.8**	**808.9**
TOTAL REVENUE	**1,358.6**	**1,481.4**	**2,759.7**	**2,930.2**

COMPANY	2nd Quarter		1st Half	
	2010	2009	2010	2009
DOMESTIC TELEPHONY				
Monthly network service fees	126.9	143.9	259.0	291.3
Local and long-distance calls				
-Fixed to fixed	90.9	103.4	184.3	206.6
-Fixed to mobile	30.1	44.7	61.0	87.1
	121.0	148.1	245.3	293.7
Other	15.1	16.5	30.7	33.0
	263.0	**308.5**	**535.0**	**618.0**
INTERNATIONAL TELEPHONY				
International traffic	12.3	13.6	23.2	27.3
Dues from international operators	17.1	15.7	34.3	30.3
Dues from mobile operators	10.5	12.7	19.7	24.1
	39.9	**42.0**	**77.2**	**81.7**
OTHER REVENUE				
Prepaid cards	5.0	7.6	11.8	15.9
Leased lines and Data ATM communications	34.5	45.4	75.9	94.2
Integrated Services Digital Network (ISDN)	29.8	32.2	60.5	65.2
Sales of telecommunication equipment	8.0	11.0	17.4	20.8
Internet/ ADSL	55.6	52.6	111.7	105.3
Co-location / Local Loop	40.0	23.5	78.9	56.0
Metro Ethernet & IP CORE	8.5	4.7	17.2	9.9
Provision for services	38.8	36.6	69.1	71.0
Interconnection charges	17.0	19.7	37.4	44.7
Miscellaneous	8.1	7.0	16.7	13.1
	245.3	**240.3**	**496.6**	**496.1**
TOTAL REVENUE	**548.2**	**590.8**	**1,108.8**	**1,195.8**

11. OTHER INCOME/ (EXPENSE), NET

Other income/ (expense), net is analyzed as follows:

GROUP	2nd Quarter		1st Half	
	2010	2009	2010	2009
Forfeiture of letters of guarantee	13.0	-	13.3	-
Rents	8.5	6.3	16.8	12.2
Other	-	0.7	0.8	1.1
TOTAL	**21.5**	**7.0**	**30.9**	**13.3**

COMPANY	2nd Quarter		1st Half	
	2010	2009	2010	2009
Forfeiture of letters of guarantee	13.0	-	13.3	-
Rents	0.1	0.1	0.2	0.3
Other	0.4	0.6	0.9	0.9
TOTAL	**13.5**	**0.7**	**14.4**	**1.2**

The Board of Directors on April 23, 2010 declared one of OTE's suppliers to be in breach of its contractual obligations relating to prior years. As a result, OTE called in guarantees, amounting to Euro 12.6, which have been recorded in "Other income/ (expense), net".

12. COST OF EARLY RETIREMENT PROGRAM

On December 23, 2009, the management of OTE approved an early retirement program according to which employees who will complete the number of years required for retirement by December 29, 2010, would be entitled to benefits in order to retire by December 30, 2010. The deadline for the applications for participating in this early retirement program was due on January 15, 2010. The respective cost amounted to Euro 31.5 and is included in the line "Cost of early retirement program" in the consolidated and separate income statement for the first half of 2010. Amounts paid during the first half of 2010 in relation to the above program and prior years' early retirement programs were Euro 14.9 and are fully provided for.

By virtue of decisions by ROMTELECOM's CEO, dated February and April 2010, ROMTELECOM announced the restructuring of specific departments within the company. In the first six months of 2010, 943 employees voluntarily terminated their employment contracts and an amount of Euro 20.3, representing the relative costs of which Euro 12.7 has been paid, is included in the line "Cost of early retirement program" in the consolidated income statement for the first half of 2010.

A total of 350 employees of ZAPP (COSMOTE's subsidiary) voluntarily terminated their employment contracts and an amount of Euro 2.6, representing the relative costs, which was fully paid, was charged in the consolidated income statement for the first half of 2010.

Based on the estimated period of payment, the provision relating to the Voluntary Leave Scheme is classified as follows:

	30/06/2010	31/12/2009
Long-term portion	48.3	109.9
Short-term portion	86.5	149.0
TOTAL	**134.8**	**258.9**

Based on the recent developments and the new Law 3845/2010 "Measures for the application of the support scheme of the Greek Economy by the Members of the Euro Zone and the International Monetary Fund", certain changes have been made to the assumptions used in the calculation of OTE's outstanding liability for the Voluntary Leave Scheme programs. The adjustment was estimated to be approximately Euro 21.6 positive and is included in the line "Cost of early retirement program", in the income statement for the first half of 2010. The movement of the provision for the cost of the Voluntary Leave Scheme is as follows:

	01/01- 30/06/2010
Balance at the beginning of the period	**258.9**
Payments during the period	(105.7)
Adjustment due to time value of money	3.2
Adjustment due to changes in assumptions	(21.6)
Balance at the end of the period	**134.8**

Based on L. 3762/2009 (Voluntary Leave Scheme program for 600 employees) OTE was required to grant an interest-free long-term loan to TAYTEKO for the Lump Sum benefits that TAYTEKO will be required to pay to these employees. The respective loan agreement was signed in late June 2010 for a nominal amount of Euro 30.0 being interest free loan with a duration of 22 years. At the date of the contractual commitment the loan was discounted to its present value and as a result an amount of approximately Euro 18.6 was charged as a finance expense in June 2010 and is included in the income statement for the first half of 2010 in "interest expense". As of June 30, 2010 Euro 19.3 had been drawn down.

IKA-ETAM

By his letter dated January 19, 2010, the Minister of Labor and Social Security informed OTE that IKA-ETAM has incurred significant deficits attributable to the incorporation of the pension segment of TAP-OTE from August 1, 2008 into IKA-ETAM, and that further deficits are also anticipated for 2010. In his letter the Minister further explained that such deficits are currently covered primarily by the Hellenic State and partially absorbed by IKA-ETAM, he indicated that OTE should also contribute funds towards these deficits and requested a meeting with OTE's Chief Executive Officer in order to discuss the relevant issues. The meeting was held on January 26, 2010 where the two parties agreed to establish a committee to discuss the issues raised. A first meeting of this committee took place on February 11, 2010 and OTE requested the Ministry of Labor and Social Security's ("Ministry") official positions in writing. On February 23, 2010, the Ministry formally advised OTE that as a result of the Voluntary Leave Scheme it has estimated that IKA-ETAM has foregone contributions and pensions of approximately Euro 340.0. Furthermore, it also notes that the relevant outstanding contributions currently paid by OTE on a monthly basis, should be settled in full.

OTE examined the Ministry's position, however, its view is that this position is unsubstantiated, given that OTE has fulfilled and continues to fulfil in their totality all the financial obligations it has towards all social security funds, paying all contributions, as they are due, both in the context of its normal course of business, as well as the ones related to the company's voluntary retirement plans, strictly following all relevant laws, rules and regulations.

Therefore, in reply to the above mentioned letter, on March 9, 2010, OTE, in a letter to the Ministry, responded to all the specific issues included therein and reiterated its position that OTE fulfils in their totality all the financial obligations arising from L. 3371/2005 and the relevant Ministerial Decision, and requested that the Ministry address the pending issue regarding the issuance of the necessary decisions by the pension funds, in order to enable the participants of the voluntary leave scheme of L. 3762/2009 to receive their pension entitlements.

Based on article 3 of the F/10051/27177/2174 Ministerial Decision which was published in the Government Gazette, the additional financial burden of the Pension Sector of IKA-ETAM, the Auxiliary Insurance Sector for OTE personnel of TAYTEKO and the Medical Segment of TAYTEKO as derives from articles 2 and 4 of the Collective Labor Agreement signed between OTE and OME-OTE on July 20, 2005, should be paid for by OTE in a lump-sum to the above sectors by the last working day of September 2010. The amount of this additional financial burden will be determined by an actuarial study that will be performed by the Directorate of Actuarial Studies of the General Secretariat for Social Security in conjunction with the Directorate of Actuarial Studies and Statistics of IKA-ETAM by August 31, 2010.

On May 11, 2010 OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of L. 3762/2009 and consequently, there are valid grounds for the annulment of this article. On May 15, 2010 OTE also filed an appeal requesting the suspension of enforcement of this Ministerial Decision before the same Court. The hearing for the suspension of enforcement was held on June 8, 2010, before the Athens Administrative Court and the decision is pending.

As a result, and given that in OTE's view, as referred to above, the Ministry's position is unsubstantiated, OTE has not recorded any provision in the accompanying financial statements.

13. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

GROUP	2nd Quarter		1st Half	
	2010	2009	2010	2009
Third party fees	64.8	63.2	118.3	108.4
Cost of telecommunication materials, repairs and maintenance	42.0	48.8	78.3	96.7
Advertising and promotion costs	51.2	53.6	99.4	104.6
Utilities	49.2	36.9	90.1	74.2
Provision for doubtful accounts	36.1	35.8	68.5	62.6
Travel costs	4.9	5.1	8.5	9.2
Commissions to independent commercial distributors	58.3	56.0	109.5	120.4
Payments to Audiotex providers	1.0	1.5	2.1	4.5
Rents	27.3	24.6	55.5	49.2
Taxes, other than income tax	14.0	15.0	28.3	27.7
Transportation costs	2.6	2.9	5.3	5.5
Other	9.8	12.9	23.9	29.1
TOTAL	**361.2**	**356.3**	**687.7**	**692.1**

COMPANY	2nd Quarter		1st Half	
	2010	2009	2010	2009
Third party fees	29.5	32.6	53.8	58.2
Cost of telecommunication materials, repairs and maintenance	15.0	20.6	29.2	39.3
Advertising and promotion costs	10.0	11.5	19.6	22.2
Utilities	21.9	16.1	35.4	29.8
Provision for doubtful accounts	8.1	13.2	17.1	26.4
Travel costs	2.6	2.7	4.1	4.3
Payments to Audiotex providers	0.8	1.0	1.6	2.9
Rents	18.6	16.9	37.2	35.8
Taxes, other than income tax	3.0	2.9	6.3	6.2
Transportation costs	1.6	1.4	2.6	2.2
Other	0.5	2.2	4.9	8.7
TOTAL	**111.6**	**121.1**	**211.8**	**236.0**

14. EARNINGS PER SHARE

Earnings per share (after income taxes,) are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period, excluding the average number of own shares that the Company possessed during the period and including (for the diluted earnings per share) the number of share options outstanding at the end of the period that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

GROUP	2nd Quarter		1st Half	
	2010	2009 [1]	2010	2009 [1]
Profit/ (loss) attributable to owners of the parent	(60.8)	6.4	5.0	274.9
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389	490,150,389	490,150,389
Share options outstanding	12,971,686	9,100,080	12,971,686	9,100,080
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings/ (losses) per share	(0.1240)	0.0131	0.0102	0.5608
Diluted earnings/ (losses) per share	(0.1240)	0.0131	0.0102	0.5608

(Earnings/ (losses) per share are in absolute amounts)

[1] Adjusted due to change in accounting policy (see Note 19)

For June 30, 2010 and 2009 the outstanding options did not have a dilutive effect on earnings per share and, therefore, are not included in the earnings per share calculation.

15. OPERATING SEGMENT INFORMATION

The following information is provided for the reportable segments, which are separately disclosed in the financial statements and which are regularly reviewed by the Group's chief operating decision makers. Segments were determined based on the Group's legal structure, as the Group's chief operating decision makers review financial information separately reported by the parent company (OTE) and each of the Group's consolidated subsidiaries, or the sub groups included in the consolidation.

Using the quantitative thresholds OTE, COSMOTE GROUP and ROMTELECOM have been determined to be reportable segments. Information about operating segments that do not constitute reportable segments has been combined and disclosed in an "Other" category. The types of services provided by the reportable segments are as follows:

- OTE is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Greece.
- COSMOTE group is a provider of mobile telecommunications services in Greece, Albania, Bulgaria and Romania (and in FYROM until May 2009).
- ROMTELECOM is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Romania.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Management evaluates segment performance based on operating profit before depreciation, amortization and cost of early retirement program; operating profit and profit for the period.

Segment information and reconciliation to the Group's consolidated figures are as follows:

Six month period ended June 30, 2010	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,004.3	1,314.0	357.1	84.3	2,759.7	-	2,759.7
Intersegment revenue	104.5	83.1	8.2	137.6	333.4	(333.4)	-
Total revenue	1,108.8	1,397.1	365.3	221.9	3,093.1	(333.4)	2,759.7
Other income/(expense), net	14.4	-	18.2	1.1	33.7	(2.8)	30.9
Operating expenses	(973.7)	(1,175.4)	(404.8)	(191.6)	(2,745.5)	335.1	(2,410.4)
Operating profit/(loss)	149.5	221.7	(21.3)	31.4	381.3	(1.1)	380.2
Operating profit before depreciation, amortization and cost of early retirement program	349.2	472.7	104.0	53.2	979.1	(4.4)	974.7
Profit/(loss) for the period	112.1	71.7	(32.5)	13.7	165.0	(189.2)	(24.2)

Six month period ended June 30, 2009[1]	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,095.8	1,380.8	388.5	65.1	2,930.2	-	2,930.2
Intersegment revenue	100.0	89.6	8.3	133.1	331.0	(331.0)	-
Total revenue	1,195.8	1,470.4	396.8	198.2	3,261.2	(331.0)	2,930.2
Other income/(expense), net	1.2	-	11.9	1.2	14.3	(1.0)	13.3
Operating expenses	(1,003.9)	(1,179.5)	(376.9)	(171.1)	(2,731.4)	331.3	(2,400.1)
Operating profit	193.1	290.9	31.8	28.3	544.1	(0.7)	543.4
Operating profit before depreciation, amortization and cost of early retirement program	370.2	511.3	138.8	51.0	1,071.3	(0.7)	1,070.6
Profit for the period	318.5	215.8	21.9	24.0	580.2	(298.3)	281.9

[1] Adjusted due to change in accounting policy (see Note 19)

16. RELATED PARTY DISCLOSURES

OTE's related parties have been identified based on the requirements of IAS 24 Related Party Disclosures.

The Company purchases goods and services from these related parties, and provides services to them. Furthermore, OTE grants and receives loans to / from its subsidiaries, receives dividends and pays dividends.

OTE's purchases and sales with related parties are analyzed as follows:

	1st Half 2010		1st Half 2009	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	75.5	52.1	80.9	48.7
OTE INTERNATIONAL INVESTMENTS LTD	0.2	2.2	0.3	2.0
HELLAS-SAT	0.3	0.8	0.3	0.8
COSMO-ONE	-	0.3	-	0.4
VOICENET	2.2	1.8	2.7	2.1
HELLASCOM	0.1	4.2	0.1	4.3
OTE SAT – MARITEL	0.6	0.9	0.6	1.0
OTE PLUS	0.2	17.1	0.2	17.1
OTE ESTATE	-	32.0	0.3	30.2
OTE-GLOBE	25.4	42.5	14.6	38.6
OTE ACADEMY	-	2.4	-	2.9
ROMTELECOM	-	0.3	-	-
HT HRVATSKE	-	-	-	0.1
TOTAL	**104.5**	**156.6**	**100.0**	**148.2**

Purchases and sales of the Group with related parties which are not eliminated in the consolidation are analyzed as follows:

	1st Half 2010		1st Half 2009	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
TELEKOM DEUTSCHLAND	6.5	4.6	5.7	4.1
HT HRVATSKE	0.1	0.1	0.1	0.1
COMBRIDGE	1.9	0.1	1.4	-
ORBITEL	-	0.2	-	-
DETEKON	-	-	-	0.3
T-SYSTEMS	0.5	-	0.5	0.1
T-MOBILE CZECH	0.1	0.1	0.1	-
T-MOBILE UK	0.3	0.2	0.2	0.2
T-MOBILE AUSTRIA	0.2	0.4	0.1	-
T-MOBILE NETHERLANDS	0.1	0.1	0.1	-
T-MOBILE USA	0.3	0.2	0.1	0.2
T-MOBILE HUNGARY	0.3	0.1	-	-
T-MOBILE HRVATSKA	0.1	0.1	-	-
T-MOBILE TELEKOMUNIKASYON	-	0.2	-	-
PCT POLSKA TELEFONIA	0.2	-	0.1	-
TEL SIM GSM	-	-	-	0.2
TOTAL	**10.6**	**6.4**	**8.4**	**5.2**

OTE's financial activities with its related parties comprise interest on loans granted and received and are analyzed as follows:

	1st Half 2010		1st Half 2009	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
COSMOFON	-	-	1.1	-
OTE PLC	-	81.1	-	89.6
TOTAL	**-**	**81.1**	**1.1**	**89.6**

OTE's dividend income from its related parties is analyzed as follows:

	1st Half 2010	1st Half 2009
COSMOTE	151.2	282.2
OTE ESTATE	37.0	18.9
OTE SAT- MARITEL	1.7	1.0
OTE PLUS	-	0.4
OTE INTERNATIONAL	2.0	-
TOTAL	**191.9**	**302.5**

Amounts owed to and by the related parties as a result of OTE's transactions with them are analyzed as follows:

	30/06/2010		31/12/2009	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	44.7	51.0	47.2	52.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	0.8	0.1	1.2
HELLAS-SAT	0.7	0.3	0.4	0.4
COSMO-ONE	0.2	0.4	0.1	0.2
VOICENET	1.1	0.7	1.1	0.9
HELLASCOM	-	1.5	-	1.8
OTE SAT – MARITEL	2.3	3.3	2.2	2.0
OTE PLUS	0.1	15.5	0.1	12.3
OTE ESTATE	0.6	16.5	1.2	0.7
OTE-GLOBE	50.8	69.4	47.3	71.5
OTE ACADEMY	0.4	0.4	0.4	-
ROMTELECOM	-	0.3	-	-
TOTAL	**101.1**	**160.1**	**100.1**	**143.5**

Amounts owed to and by the related parties as a result of the Group's transactions with them, which are not eliminated in the consolidation, are analyzed as follows:

	30/06/2010		31/12/2009	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
TELEKOM DEUTSCHLAND	6.1	5.7	6.9	0.6
DETEKON	-	-	-	0.1
HT HRVATSKE	0.1	0.2	-	-
COMBRIDGE	0.4	-	0.6	-
ORBITEL	-	0.1	-	0.1
T-SYSTEMS	0.2	-	0.1	-
T-MOBILE HUNGARY	-	0.4	0.1	0.2
T-MOBILE CZECH	0.1	0.2	0.1	0.2
T-MOBILE UK	-	1.0	0.1	0.7
T-MOBILE AUSTRIA	0.1	0.3	-	0.3
T-MOBILE NETHERLANDS	-	0.2	-	0.3
T-MOBILE USA	-	1.5	1.9	3.8
TOTAL	**7.0**	**9.6**	**9.8**	**6.3**

Amounts due to related parties as a result of OTE's dividend distribution are analyzed as follows:

	30/06/2010	31/12/2009
DEUTSCHE TELEKOM AG	27.9	-

Amounts owed by and to OTE relating to loans advanced and received, are analyzed as follows:

	30/06/2010		31/12/2009	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	2,968.0	-	3,038.2
TOTAL	**-**	**2,968.0**	**-**	**3,038.2**

Key management personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Compensation includes all employee benefits (as defined in IAS 19 "Employee Benefits") including employee benefits to which IFRS 2 "Share-based Payment" applies.

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 2.2 and Euro 2.0 for the first half of 2010 and 2009, respectively.

As of June 30, 2010, 2,577,628 options under OTE's share based payment plan have been granted to the Company's key management personnel.

17. SHARE OPTION PLAN

On January 28, 2010, OTE's Board of Directors decided on and approved granting 1,259,078 Additional Options to the executives of OTE and its subsidiaries, 672,018 Basic Options to the executives of OTE and 336,780 Basic and 2,403,560 Additional Options to the executives of COSMOTE Group for the year 2009. The preferential purchase price is equal to Euro 11.26 (absolute amount).

The total number of share options outstanding is analyzed as follows:

	01/01- 30/06/2010		01/01- 31/12/2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	8,674,600	15.59	6,008,060	15.66
Granted	4,671,436	9.32	3,225,670	16.21
Forfeited	(374,350)	13.23	(559,130)	16.23
Outstanding at the end of the period	12,971,686	13.40	8,674,600	15.59
Exercisable at the end of the period	4,463,780	15.04	4,485,370	15.05

The fair value is reflected in the income statement during the vesting period. An amount of Euro 2.9 and Euro 1.3 was charged to the consolidated and separate income statements respectively in the 1st half of 2010. The amounts are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium.

18. LITIGATION AND CLAIMS

In addition to litigations and claims referred to the financial statements as of December 31, 2009 the following are presented:

TELECOM SLOVENIJE NOTICES OF CLAIMS

On May 12, 2010 Telecom Slovenije, the purchaser of COSMOFON, sent to COSMOTE notices of claims relating to alleged breaches of warranties and indemnity provisions under the Share Purchase Agreement concluded on March 30, 2009, for an amount of approximately Euro 9.3. COSMOTE will take all necessary actions to oppose eventual unsubstantiated and unfounded claims.

ROMTELECOM'S CUSTOM AUTHORITIES AUDIT

ROMTELECOM is currently subject to a custom authorities' audit focusing on import transactions during 2007-2009. A final decision of the customs authorities on this issue is expected within 2010.

CRIMINAL PROCEECINGS

GERMANOS acquisition case: As part of the investigation process, the expert's report prepared by the independent accounting firms was submitted to the Investigating Judge on March 17, 2010 and concluded that the price paid by COSMOTE for the acquisition of GERMANOS was fair and that COSMOTE did not suffer loss or damage as a result of the acquisition (rather the acquisition was to the corporate benefit of COSMOTE). In conjunction with the matter of the acquisition of GERMANOS by COSMOTE, the Administrative Court of Appeal recently repealed a fine that had been imposed by the Greek Capital Markets Commission on Mr. Panos Germanos and other directors of GERMANOS in connection with alleged manipulation of the share price of GERMANOS prior to the time of the acquisition, judging that no manipulation had taken place.

Maintenance contracts case: The Judicial Council of Athens accepted the proposal of the District Attorney of Athens and by the 1693/2010 ruling, referred the CEO of OTE and the CEO of ROMTELECOM (acting in the past as OTE's General Director of Technology) to a hearing before the Three Member Court of Appeal of Athens (for felonies), accused for the crime of abuse of trust ("Apistia"). Furthermore, for the rest of the accused ordered the cessation of the prosecution. The date of the trial hasn't yet been assigned.

FINES OF HTPC AGAINST OTE SA:

On July 25, 2008, HTPC imposed a fine on OTE for an amount of Euro 9.0 for alleged obstacles to the business promotion of the "Double play" service by TELLAS S.A. (fixed telephony with fast Internet combination). OTE has filed an appeal against this decision before the Athens Administrative Court of Appeals which was partially accepted reducing the fine to Euro 5.7. OTE intends to appeal against this decision before the Council of State.

On April 8, 2009, HTPC imposed a fine of Euro 1.5 to OTE for allegedly delaying the provision of information requested from OTE for the purpose of the cost audit. OTE has appealed against this decision, before the Athens Administrative Court of Appeals. On March 23, 2010 a decision was issued reducing the fine to Euro 1.0.

19. CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATIONS

Effective January 1, 2010 OTE changed its accounting policy concerning provisions for pensions and other employee benefits and adopted the third option available under IAS 19.93A, which allows for actuarial gains and losses to be recognized directly in equity. This step is a voluntary change in accounting policies (IAS 8.14). OTE believes that fully recognizing actuarial gains and losses when they occur results in a better presentation of the financial position, since hidden reserves and liabilities are realized and the financial statements thus provide more relevant information. The corresponding prior-year comparatives have been adjusted accordingly.

In addition interest cost arising from the benefit plans will be classified in finance costs rather than in "provision for staff retirement indemnities and youth account" as inclusion in finance costs better reflects the nature of that component of pension cost. The corresponding prior year comparatives have been adjusted accordingly.

The impact of the change in accounting policies on profit after income taxes, shareholders equity, and provisions for pensions in prior years is analyzed as follows:

	GROUP		COMPANY	
PROFIT AFTER INCOME TAXES	2nd Quarter 2009	1st Half 2009	2nd Quarter 2009	1st Half 2009
Profit before change in accounting policy	7.8	278.4	162.9	315.4
Reversal of actuarial (gains) / losses previously recognized in the income statement	2.3	4.7	2.0	4.1
Adjustment of income taxes	(0.6)	(1.2)	(0.5)	(1.0)
Profit after change in accounting policy	**9.5**	**281.9**	**164.4**	**318.5**

EQUITY	GROUP		COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Equity before change in accounting policy	1,979.7	2,173.2	3,444.5	3,524.0
Allocation of unrecognized actuarial gains /(losses) in equity	(130.0)	(124.2)	(130.0)	(122.7)
Reversal of actuarial gains / (losses) recognized in the income statement	9.3	8.2	8.2	6.4
Change in deferred tax assets recognized in equity	27.5	26.4	27.2	25.9
Change in deferred tax assets recognized in the income statement	(2.4)	(2.0)	(2.1)	(1.5)
Equity after change in accounting policy	**1,884.1**	**2,081.6**	**3,347.8**	**3,432.1**

PROVISION FOR STAFF RETIREMENT INDEMNITIES	31/12/2009	
	GROUP	COMPANY
Provision before change in accounting policy	266.5	241.6
Allocation of unrecognized actuarial gains /(losses) in equity	53.1	53.1
Reversal of actuarial gains / (losses) recognized in the income statement	(2.8)	(1.7)
Provision after change in accounting policy	**316.8**	**293.0**

PROVISION FOR YOUTH ACCOUNT	31/12/2009	
	GROUP	COMPANY
Provision before change in accounting policy	282.3	282.3
Allocation of unrecognized actuarial gains /(losses) in equity	86.1	86.1
Reversal of actuarial gains / (losses) recognized in the income statement	(6.5)	(6.5)
Provision after change in accounting policy	**361.9**	**361.9**

PROVISION FOR PHONE CREDITS	31/12/2009	
	GROUP	COMPANY
Provision before change in accounting policy	36.1	36.1
Allocation of unrecognized actuarial gains /(losses) in equity	(9.2)	(9.2)
Provision after change in accounting policy	**26.9**	**26.9**

In the consolidated income statement for the first half of 2009, an amount of Euro 14.0 (8.1 for the second quarter) which was included in “Charges from international operators” was reclassified to “Other operating expenses”.

In the consolidated and separate cash flow statements for the first half of 2009, the amount reflected in “Other provisions” has been reflected in “Provisions for doubtful accounts” for better presentation. In addition, the amount reflected in “Decrease in liabilities (except borrowings)” has been analyzed and reflected in “Payment of early retirement programs”, “Payment of staff retirement indemnities and youth account, net of employees’ contributions” and “(Decrease) in liabilities (except borrowings)”.

In the consolidated income statement for the first half of 2009, an amount of Euro 11.9 (6.2 for the second quarter) which was included in “Other revenue” and an amount of Euro 1.4 (0.8 for the second quarter) which was included in “Other operating expenses” were reclassified to the new line “Other income/ (expense), net”. In the separate income statement for the first half of 2009, an amount of Euro 1.2 (0.7 for the second quarter) which was included in “Other operating expenses” was reclassified to the new line “Other income/ (expense), net”.

20. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2010 are as follows:

On July 16, 2010, OTE PLC completed the repurchase of Euro 7.0 of the Euro 1,250.0 5% Notes due on August 5, 2013 at market price of 95.6%.The repurchased Notes have been cancelled. The outstanding nominal amount of the Notes following cancellation is Euro 1,243.0.

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

AR.MAE 347/06/B86/10

REGISTERED OFFICE: 99 KIFFISIAS AVE - 15124 MAROUSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2010 TO JUNE 30, 2010

(In accordance with the Decision 4/507/28.4.2009 of the Hellenic Capital Market Commission)

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A ("Company") and the OTE Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report, when required.

Company's Web Site : www.ote.gr
Date of approval of financial statements from the Board of Directors: August 4, 2010
The Certified Auditors : Chris Pelendridis RN ICA(GR): 17831- George Anastopoulos RN ICA(GR): 15451
Auditing Company : ERNST & YOUNG (HELLAS) Certified Auditors Accountants S.A. SOEL RGG: No 107
Type of Review Report : Unqualified

DATA FROM STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
ASSETS				
Property, plant and equipment	5,369.8	5,596.2	1,932.2	2,026.7
Intangible assets	1,417.2	1,465.9	2.3	2.5
Other non current assets	699.1	717.5	5,213.8	5,219.3
Inventories	205.5	229.1	32.1	31.1
Trade receivables	1,120.5	1,153.0	588.0	608.0
Other current assets	314.0	291.0	252.1	125.0
Cash and cash equivalents	761.1	868.8	95.1	224.0
TOTAL ASSETS	**9,887.2**	**10,321.5**	**8,115.6**	**8,236.6**
EQUITY AND LIABILITIES				
Share capital	1,171.5	1,171.5	1,171.5	1,171.5
Other equity items	(177.2)	(45.1)	2,188.6	2,176.3
Equity attributable to owners of the parent (a)	994.3	1,126.4	3,360.1	3,347.8
Non-controlling interests (b)	703.5	757.7	-	-
Total equity (c) = (a) + (b)	**1,697.8**	**1,884.1**	**3,360.1**	**3,347.8**
Long-term borrowings	3,893.3	5,385.7	1,863.4	2,930.1
Provisions / Other non current liabilities	913.5	973.4	752.7	800.6
Short-term borrowings	1,481.9	36.2	1,012.7	-
Other current liabilities	1,900.7	2,042.1	1,126.7	1,158.1
Total liabilities (d)	**8,189.4**	**8,437.4**	**4,755.5**	**4,888.8**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**9,887.2**	**10,321.5**	**8,115.6**	**8,236.6**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

GROUP	01.01-30.06.2010	01.01-30.06.2009	01.04-30.06.2010	01.04-30.06.2009
Total revenue	2,759.7	2,930.2	1,358.6	1,481.4
Profit before taxes, investment and financial activities	**380.2**	**543.4**	**178.4**	**90.1**
Profit before tax	220.7	426.6	79.5	55.1
Profit / (loss) after tax (A)	**(24.2)**	**281.9**	**(89.9)**	**9.5**
Attributable to:				
- Owners of the parent	5.0	274.9	(60.8)	6.4
- Non controlling interests	(29.2)	7.0	(29.1)	3.1
Other comprehensive income / (loss) after tax (B)	**(78.4)**	**(151.5)**	**(152.3)**	**10.1**
Total comprehensive income / (loss) after tax (A)+(B)	**(102.6)**	**130.4**	**(242.2)**	**19.6**
Attributable to:				
- Owners of the parent	(48.4)	169.4	(164.2)	12.7
- Non controlling interests	(54.2)	(39.0)	(78.0)	6.9
Basic earnings / (losses) per share (in €)	**0.0102**	**0.5608**	**(0.1240)**	**0.0131**
Profit before taxes, investment, financial activities and depreciation and amortization	**941.9**	**1,105.6**	**463.2**	**374.5**

COMPANY	01.01-30.06.2010	01.01-30.06.2009	01.04-30.06.2010	01.04-30.06.2009
Total revenue	1,108.8	1,195.8	548.2	590.8
Profit / (loss) before taxes, investment and financial activities	**149.5**	**193.1**	**91.7**	**(88.0)**
Profit before tax	239.1	382.5	224.7	173.0
Profit after tax (A)	**112.1**	**318.5**	**136.4**	**164.4**
Other comprehensive income / (loss) after tax (B)	**(16.1)**	**2.2**	**(3.5)**	**4.1**
Total comprehensive income after tax (A)+(B)	**96.0**	**320.7**	**132.9**	**168.5**
Profit before taxes, investment, financial activities and depreciation and amortization	**339.3**	**409.1**	**185.6**	**18.4**

DATA FROM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Total equity at the beginning of the period (01.01.2010 and 01.01.2(	1,884.1	2,081.6	3,347.8	3,432.1
Total comprehensive income / (loss) after tax	(102.6)	130.4	96.0	320.7
Dividends	(93.1)	(367.6)	(93.1)	(367.6)
Withholding tax related to dividend paid out of dividend income subject to withholding tax	6.5	-	6.5	-
Share-based payments	2.9	4.0	2.9	4.0
Net change of participation in subsidiaries	-	(48.4)	-	-
Obligation to acquire non-controlling interests	-	(10.0)	-	-
Total equity at the end of the period (30.06.2010 and 30.06.2009)	**1,697.8**	**1,790.0**	**3,360.1**	**3,389.2**

DATA FROM STATEMENT OF CASH FLOWS (SEPARATE AND CONSOLIDATED) (Amounts in millions of Euro)

	GROUP		COMPANY	
	01.01-30.06.2010	01.01-30.06.2009	01.01-30.06.2010	01.01-30.06.2009
Cash flows from operating activities				
Profit before tax	220.7	426.6	239.1	382.5
Adjustments for:				
Depreciation and amortization	561.7	562.2	189.8	216.0
Share-based payment	2.9	4.0	1.3	1.7
Cost of early retirement program	32.8	(35.0)	9.9	(38.9)
Provisions for staff retirement indemnities and youth account	26.6	21.9	25.2	22.7
Provisions for doubtful accounts	68.5	62.6	17.1	26.4
Other provisions	(4.2)	-	(4.3)	-
Foreign exchange differences, net	10.2	(3.7)	-	(1.2)
Interest income	(14.6)	(39.6)	(4.1)	(10.8)
Dividend income	(9.0)	(9.6)	(200.9)	(312.1)
(Gains) / losses from investments - impairments	2.8	(24.4)	1.8	-
Release of EDEKT fund prepayment	17.6	17.6	17.6	17.6
Interest expense	170.1	194.1	113.6	134.7
Working capital adjustments:				
Decrease / (increase) in inventories	23.6	(36.4)	(1.0)	(3.5)
Decrease / (increase) in accounts receivables	(45.8)	(58.4)	(5.0)	31.8
(Decrease) in liabilities (except borrowings)	(103.6)	(66.4)	(24.9)	(76.4)
Plus/ (Minus):				
Payment of early retirement programs	(135.9)	(22.4)	(120.6)	(18.5)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(46.8)	(34.8)	(45.1)	(34.4)
Interest and related expenses paid	(163.8)	(179.1)	(95.5)	(113.1)
Income taxes paid	(235.8)	(78.5)	(113.7)	(13.4)
Settlement of receivables due from disposed subsidiaries	-	16.6	-	-
Net cash flows from operating activities (a)	**378.0**	**717.3**	**0.3**	**211.1**
Cash flows from investing activities				
Acquisition of non-controlling interest and participation in subsidiaries' share capital increase	(7.9)	(48.4)	-	-
Acquisition of subsidiary net of cash acquired	(1.7)	-	-	-
Purchase of financial assets	(52.8)	(298.2)	-	(290.4)
Sale or maturity of financial assets	36.5	115.0	3.7	108.2
Repayments of loans receivable	4.9	4.8	4.9	51.1
Loans granted	(19.3)	-	(19.3)	-
Loans proceeds in conjunction with disposal of subsidiaries	-	78.5	-	-
Purchase of property plant and equipment and intangible assets	(398.0)	(441.5)	(102.0)	(114.1)
Proceeds from disposal of subsidiaries	-	84.8	-	-
Interest received	8.6	31.5	1.5	9.0
Dividends received	-	0.3	40.0	0.3
Return of capital invested in subsidiary	-	-	-	102.2
Net cash flows from / (used in) investing activities (b)	**(429.7)**	**(473.2)**	**(71.2)**	**(133.7)**
Cash flows from financing activities				
Proceeds of loans granted and issued	2.6	-	-	-
Repayment of loans	(59.7)	(35.7)	(56.0)	-
Dividends paid to Company's owners	(2.0)	(0.3)	(2.0)	(0.3)
Dividends paid to non-controlling interests	-	(1.2)	-	-
Net cash flows from / (used in) financing activities (c)	**(59.1)**	**(37.2)**	**(58.0)**	**(0.3)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(110.8)**	**206.9**	**(128.9)**	**77.1**
Cash and cash equivalents at the beginning of the period	**868.8**	**1,429.7**	**224.0**	**344.5**
Net foreign exchange differences	3.1	(12.4)	-	-
Cash and cash equivalents at the end of the period	**761.1**	**1,624.2**	**95.1**	**421.6**

ADDITIONAL DATA AND INFORMATION

1) The companies which are included in the interim condensed financial statements (consolidated and separate), their country, the Group's participating interest (direct and indirect) and the method of consolidation, are presented in Notes 1 and 5 of the financial statements. During the first six months of 2010 the Group acquired an extra stake in AMC and as a result as of June 30, 2010 holds directly or indirectly the 97.21% of AMC.
2) The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries and the results of the tax audits completed, are presented in Note 9 of the financial statements.
3) The outcome of pending litigation and claims is not expected to have a material impact on the financial statements. The amount of provisions that have been established as of June 30, 2010 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 90.3 million and € 25.8 million respectively and b) for the Company € 88.8 million and € 6.0 million respectively.
4) Number of employees at the end of the period: Group 31,538 (30.06.2009: 33,160), Company 11,198 (30.06.2009: 11,941).
5) Other comprehensive income / (loss) after tax for the first six months 2010 which was recognized directly in equity for the Group, relates to foreign currency translation € (64.1) million, actuarial losses due to change in interest cost € (11.5) million, net movement of available for sale investments € (4.6) million and the impact of cash flow hedge € 1.8 million. As for the Company, it relates to actuarial losses due to change in interest cost € (11.5) million and the net movement of available for sale securities € (4.6) million.
6) Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and holds a 30.00% plus one share interest in the Company.
7) The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the first six months of 2010,amounted to € 104.5 million and € 156.6 million, respectively. Interest expense for the first six months of 2010 amounted to € 81.1 million. The outstanding balance of receivables and payables from/to related parties as of June 30, 2010 that derived from current transactions amounted to € 101.1 million and € 160.1 million, respectively. The outstanding balance of payables to related parties from the loans granted amounted to € 2,968.0 million. Fees paid to the members of the Board of Directors of the Company and the Company's key management personnel compensation charged to the income statement for the first six months 2010, amount to € 2.2 million. Based on OTE's share option plan, until June 30, 2010, 2,577,628 stock options have been granted to key management personnel. At Group level sales and purchases of goods and services, between related parties which are not eliminated, for the first six months of 2010 amounted to € 10.6 million and € 6.4 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of June 30, 2010 derived from operating transactions amounted to € 7.0 million and € 9.6 million, respectively.
8) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
9) Effective January 1, 2010 OTE changed its accounting policy concerning provisions for pensions and other employee benefits and adopted the third option available under IAS 19.93A, which allows for actuarial gains and losses to be recognized directly in equity. The corresponding prior-year comparatives have been adjusted accordingly. In addition interest cost arising from the benefit plans are classified in finance costs rather than in "provision for staff retirement indemnities and youth account" as this better reflects the nature of that component of pension cost. The impact of the change in accounting policy is presented in Note 19 of the financial statements. In June 2010 the valuation of the net assets of ZAPP, which has been acquired on October 31, 2010 was completed. The impact of the adjustment due to the finalization of the purchase price allocation of ZAPP is presented in Note 4 of the financial statements.
10)The most signicant events that have occurred after June 30, 2010 are presented in the Note 20 of the financial statements.

Athens, August 4, 2010

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND GROUP CHIEF FINANCIAL OFFICER	OTE CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTING OFFICER
PANAGIS VOURLOUMIS I.D. Number N 032981	KEVIN COPP I.D. Number 446059212	GEORGE MAVRAKIS I.D. Number T 004893	KONSTANTINOS VASILOPOULOS I.D.Number Π 529399 License Number 032033