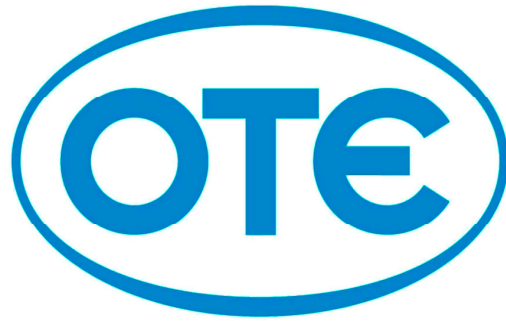


HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF MARCH 31, 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 1-22 were approved by the Board of Directors on May 11, 2010 and are signed by:

Chairman
& Managing Director

Vice Chairman

Chief Financial Officer

Chief Accounting Officer

Panagis Vourloumis

Charalambos Dimitriou

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



TABLE OF CONTENTS

PAGE

INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2010

INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)	3
INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE).....	4
INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)	5
INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED).....	6
INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE).....	7
INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE).....	8

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2010

1. CORPORATE INFORMATION.....	9
2. BASIS OF PREPARATION	10
3. SIGNIFICANT ACCOUNTING POLICIES	10
4. INVESTMENTS	11
5. SHARE CAPITAL	12
6. LONG-TERM BORROWINGS	12
7. INCOME TAXES	13
8. REVENUE	14
9. COST OF EARLY RETIREMENT PROGRAM.....	14
10. OTHER OPERATING EXPENSES	16
11. OPERATING SEGMENT INFORMATION	16
12. EARNINGS PER SHARE	17
13. RELATED PARTY DISCLOSURES	17
14. SHARE OPTION PLAN	19
15. LITIGATION AND CLAIMS.....	20
16. CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATIONS.....	20
17. EVENTS AFTER THE FINANCIAL POSITION DATE	21



INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		31/03/2010	31/12/2009 ¹	31/03/2010	31/12/2009 ¹
ASSETS					
Non-current assets					
Property, plant and equipment		5,613.1	5,625.1	1,973.6	2,026.7
Goodwill		553.4	551.8	-	-
Telecommunication licenses		359.9	362.2	2.4	2.5
Other intangible assets		504.7	520.6	-	-
Investments	4	157.0	157.0	4,778.1	4,777.4
Loans and advances to pension funds		144.3	154.5	144.3	154.5
Deferred tax assets		283.0	278.7	209.3	203.6
Other non-current assets		127.7	127.3	83.8	83.8
Total non-current assets		7,743.1	7,777.2	7,191.5	7,248.5
Current assets					
Inventories		219.3	229.1	34.1	31.1
Trade receivables		1,114.8	1,153.0	599.2	608.0
Other financial assets		42.4	35.4	12.0	16.3
Other current assets		268.6	255.6	109.5	108.7
Cash and cash equivalents		878.5	868.8	160.8	224.0
Total current assets		2,523.6	2,541.9	915.6	988.1
TOTAL ASSETS		10,266.7	10,319.1	8,107.1	8,236.6
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	5	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	5	506.4	505.1	506.4	505.1
Statutory reserve		344.1	344.1	344.1	344.1
Foreign exchange and other reserves		(112.0)	(162.0)	(115.5)	(102.9)
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		2,655.0	2,589.2	1,405.7	1,430.0
Total equity attributable to owners of the Parent		1,243.5	1,126.4	3,312.2	3,347.8
Non-controlling Interests		781.5	757.7	-	-
Total equity		2,025.0	1,884.1	3,312.2	3,347.8
Non-current liabilities					
Long-term borrowings	6	3,893.4	5,385.7	1,862.9	2,930.1
Provision for staff retirement indemnities		329.3	316.8	303.6	293.0
Provision for voluntary leave scheme	9	70.5	109.9	70.5	109.9
Provision for youth account		362.4	361.9	362.4	361.9
Deferred tax liabilities		114.5	113.7	-	-
Other non-current liabilities		68.9	68.7	41.8	35.8
Total non-current liabilities		4,839.0	6,356.7	2,641.2	3,730.7
Current liabilities					
Trade accounts payable		762.2	813.2	339.1	373.1
Short-term borrowings		3.3	3.3	-	-
Short-term portion of long-term borrowings	6	1,530.7	32.9	1,068.1	-
Income tax payable	7	73.4	133.2	31.2	41.0
Deferred revenue		247.8	256.6	218.2	225.3
Provision for voluntary leave scheme	9	166.6	149.0	166.6	149.0
Dividends payable		3.0	4.2	3.0	4.2
Other current liabilities		615.7	685.9	327.5	365.5
Total current liabilities		3,402.7	2,078.3	2,153.7	1,158.1
TOTAL EQUITY AND LIABILITIES		10,266.7	10,319.1	8,107.1	8,236.6

¹ Adjusted due to change in accounting policy (see Note 16)

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.



INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		01/01-31/03/2010	01/01-31/03/2009 ¹	01/01-31/03/2010	01/01-31/03/2009 ¹
Revenue					
Domestic telephony	8	369.5	410.1	272.0	309.5
International telephony	8	53.0	56.6	37.3	39.7
Mobile telephony	8	560.5	579.0	-	-
Other revenue	8	426.3	408.8	251.3	255.8
Total revenue		1,409.3	1,454.5	560.6	605.0
Operating expenses					
Payroll and employee benefits		(294.1)	(293.4)	(177.6)	(177.8)
Provision for staff retirement indemnities and youth account		(12.7)	(11.2)	(11.9)	(11.4)
Cost of early retirement program	9	(37.2)	187.6	(31.5)	190.9
Charges from international operators		(42.9)	(42.9)	(26.0)	(27.1)
Charges from domestic operators		(105.0)	(126.6)	(45.4)	(54.3)
Depreciation and amortization		(276.9)	(277.8)	(95.9)	(109.6)
Cost of telecommunications equipment		(113.4)	(101.7)	(15.2)	(20.2)
Other operating expenses	10	(325.3)	(335.2)	(99.3)	(114.4)
Total operating expenses		(1,207.5)	(1,001.2)	(502.8)	(323.9)
Operating profit before financial activities		201.8	453.3	57.8	281.1
Income and expense from financial activities					
Interest expense		(73.0)	(111.1)	(47.4)	(78.4)
Interest income		9.4	25.9	4.2	7.1
Foreign exchange differences, net		3.0	3.4	(0.2)	(0.3)
Total (loss) from financial activities		(60.6)	(81.8)	(43.4)	(71.6)
Profit before tax		141.2	371.5	14.4	209.5
Income tax expense		(75.5)	(99.1)	(38.7)	(55.4)
Profit/(loss) for the period		65.7	272.4	(24.3)	154.1
Attributable to:					
Owners of the parent		65.8	268.5	(24.3)	154.1
Non-controlling interests		(0.1)	3.9	-	-
		65.7	272.4	(24.3)	154.1
Basic earnings per share	12	0.1342	0.5478		
Diluted earnings per share	12	0.1342	0.5478		

¹ Adjusted due to change in accounting policy (see Note 16)

The reversal of amortization of actuarial gains and losses results in a decrease in "Provision for staff retirement indemnities and youth account" of Euro 2.4 for the Group and Euro 2.1 for the Company. The above result in an increase in "Income tax expense" of Euro 0.6 for the Group and Euro 0.5 for the Company. Interest cost of an amount of Euro 8.1 for the Group and Euro 7.7 for the Company arising from the relative plans is classified in "Interest expense" rather than in "Provision for staff retirement indemnities and youth account".



INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

	GROUP		COMPANY	
	01/01- 31/03/2010	01/01- 31/03/2009 ¹	01/01- 31/03/2010	01/01- 31/03/2009 ¹
(Amounts in millions of Euro)				
Profit / (loss) for the period	65.7	272.4	(24.3)	154.1
Foreign currency translation	86.2	(159.7)	-	-
Net loss on cash flow hedge	0.3	-	-	-
Actuarial losses due to change in interest cost	(10.7)	-	(10.7)	-
Deferred taxes on actuarial losses due to change in interest cost	2.2	-	2.2	-
Fair value movement in available for sale financial assets	(4.1)	(1.9)	(4.1)	(1.9)
Other comprehensive income / (loss) for the period	73.9	(161.6)	(12.6)	(1.9)
Total comprehensive income / (loss) for the period	139.6	110.8	(36.9)	152.2
Attributable to:				
Owners of the parent	115.8	156.7	(36.9)	152.2
Non-controlling interests	23.8	(45.9)	-	-
	139.6	110.8	(36.9)	152.2

¹ Adjusted due to change in accounting policy (see Note 16)

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to equity holders of the parent							Non-controlling Interest	Total Equity
	Share capital	Share Premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
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	-	-	-	-	-	268.5	268.5	3.9	272.4
Other comprehensive income / (loss)	-	-	-	(111.8)	-	-	(111.8)	(49.8)	(161.6)
Total comprehensive income / (loss)	-	-	-	(111.8)	-	268.5	156.7	(45.9)	110.8
Share-based payment	-	0.6	-	-	-	-	0.6	-	0.6
Balance as at March 31, 2009 ¹	1,171.5	498.5	330.2	(135.7)	(3,315.2)	2,828.3	1,377.6	815.4	2,193.0
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 for the period	-	-	-	-	-	65.8	65.8	(0.1)	65.7
Other comprehensive income / (loss)	-	-	-	50.0	-	-	50.0	23.9	73.9
Total comprehensive income / (loss)	-	-	-	50.0	-	65.8	115.8	23.8	139.6
Share-based payment	-	1.3	-	-	-	-	1.3	-	1.3
Balance as at March 31, 2010	1,171.5	506.4	344.1	(112.0)	(3,321.5)	2,655.0	1,243.5	781.5	2,025.0

¹ Adjusted due to change in accounting policy (see Note 16)



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	-	-	-	-	154.1	154.1
Other comprehensive income / (loss)	-	-	-	(1.9)	-	(1.9)
Total comprehensive income / (loss)	-	-	-	(1.9)	154.1	152.2
Share-based payment	-	0.6	-	-	-	0.6
Balance as at March 31, 2009 ¹	1,171.5	498.5	330.2	(97.3)	1,682.0	3,584.9
Balance as at January 1, 2010 ¹	1,171.5	505.1	344.1	(102.9)	1,430.0	3,347.8
Loss for the period	-	-	-	-	(24.3)	(24.3)
Other comprehensive income (loss)	-	-	-	(12.6)	-	(12.6)
Total comprehensive income (loss)	-	-	-	(12.6)	(24.3)	(36.9)
Share-based payment	-	1.3	-	-	-	1.3
Balance as at March 31, 2010	1,171.5	506.4	344.1	(115.5)	1,405.7	3,312.2

¹ Adjusted due to change in accounting policy (see Note 16)



INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01- 31/03/2010	01/01- 31/03/2009 ¹	01/01- 31/03/2010	01/01- 31/03/2009 ¹
Cash flows from operating activities					
Profit before tax		141.2	371.5	14.4	209.5
Adjustments for:					
Depreciation and amortization		276.9	277.8	95.9	109.6
Share-based payment	14	1.3	0.6	0.6	0.6
Cost of early retirement program	9	37.2	(187.6)	31.5	(190.9)
Provision for staff retirement indemnities and youth account		12.7	11.2	11.9	11.4
Provisions for doubtful accounts	10	32.4	26.8	9.0	13.2
Foreign exchange differences, net		(3.0)	(3.4)	0.2	0.3
Interest income		(9.4)	(25.9)	(4.2)	(7.1)
Release of EDEKT fund prepayment		8.8	8.8	8.8	8.8
Interest expense		73.0	111.1	47.4	78.4
Working capital adjustments:					
Decrease/ (increase) in inventories		9.8	(2.8)	(3.0)	0.2
Decrease / (increase) in accounts receivable		(6.5)	(40.3)	0.6	(7.6)
(Decrease) in liabilities (except borrowings)		(79.4)	(70.7)	(43.2)	(28.4)
Plus/(Minus):					
Payment for early retirement programs	9	(31.7)	(14.1)	(28.6)	(10.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(18.6)	(17.0)	(17.8)	(16.4)
Interest and related expenses paid		(118.5)	(130.3)	(93.8)	(113.1)
Income taxes paid		(123.3)	(4.9)	(51.6)	-
Net cash flows from / (used in) operating activities		202.9	310.8	(21.9)	57.7
Cash flows from investing activities					
Purchase of financial assets		(10.5)	(181.2)	-	(181.2)
Sale or maturity of financial assets		2.0	113.5	2.0	108.2
Repayments of loans receivable		2.4	2.4	2.4	2.4
Purchase of property plant and equipment and intangible assets		(191.3)	(221.4)	(45.3)	(50.3)
Interest received		5.7	19.3	0.8	6.0
Net cash flows used in investing activities		(191.7)	(267.4)	(40.1)	(114.9)
Cash flows from financing activities					
Proceeds from loans granted and issued		-	8.3	-	-
Repayment of loans		(0.3)	(12.1)	-	-
Dividends paid to Company's owners		(1.2)	(0.2)	(1.2)	(0.2)
Dividends paid to non-controlling interests		-	(1.2)	-	-
Net cash flows used in financing activities		(1.5)	(5.2)	(1.2)	(0.2)
Net increase/(decrease) in cash and cash equivalents		9.7	38.2	(63.2)	(57.4)
Cash and cash equivalents, at the beginning of the period		868.8	1,429.7	224.0	344.5
Net foreign exchange differences		-	(5.2)	-	-
Cash and cash equivalents classified as held for sale / disposed of		-	(2.2)	-	-
Cash and cash equivalents, at the end of the period		878.5	1,460.5	160.8	287.1

¹ Adjusted due to change in accounting policy (see Note 16)



1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. (“Company” or “OTE”), 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 principle 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 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 March 31, 2010 and the period then ended, were approved for issuance by the Board of Directors on May 11, 2010.

The total numbers of Group and Company employees as of March 31, 2010 and 2009 were as follows:

	GROUP	COMPANY
March 31, 2010	32,117	11,308
March 31, 2009	33,646	12,086

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

COMPANY NAME	LINE OF BUSINESS	COUNTRY	31/03/2010	31/12/2009
			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	95.03%	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%
OTE PROPERTIES	Real estate	Greece	100.00%	100.00%
HELLAS SAT S.A.	Satellite communications	Greece	99.05%	99.05%



COMPANY NAME	LINE OF BUSINESS	COUNTRY	31/03/2010	31/12/2009
			GROUP'S OWNERSHIP INTEREST	
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 for the three months ended March 31, 2010 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 that are being in effective hedge relationships.

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 16)
- 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 31 December 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. This amendment has not yet been endorsed by the EU.
- **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. This interpretation has not yet been endorsed by the EU.
- **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. This interpretation has not yet been endorsed by the EU.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
(a) Investments in subsidiaries	-	-	4,621.8	4,621.1
(b) Other investments	157.0	157.0	156.3	156.3
TOTAL	157.0	157.0	4,778.1	4,777.4

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	31/03/2010	31/12/2009
COSMOTE	100.00%	Greece	3,510.8	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			4,621.8	4,621.1



(b) Other investments can be analyzed as follows:

	GROUP		COMPANY	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
TELEKOM SRBJIA	155.1	155.1	155.1	155.1
OTHER	1.9	1.9	1.2	1.2
TOTAL	157.0	157.0	156.3	156.3

5. SHARE CAPITAL

OTE's share capital as of March 31, 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 March 31, 2010 and December 31, 2009 amounted to Euro 506.4 and Euro 505.1, respectively, the increase (Euro 1.3) being the amount charged in the income statement for the first three months of 2010 under the Group's share option plan (see Note 14).

The following is an analysis of the ownership of OTE's shares as of March 31, 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	194,120,349	39.60%
Private Investors	50,954,841	10.40%
TOTAL	490,150,389	100.00%

6. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

COMPANY	31/03/2010	31/12/2009
Intercompany loans from OTE PLC	2,931.0	2,930.1
Total long-term debt	2,931.0	2,930.1
Short-term portion	(1,068.1)	-
Long-term portion	1,862.9	2,930.1

On February 2010, the loan of OTE of nominal value Euro 1,500.0 maturing in February 2011 with outstanding value as of March 31, 2010 Euro 1,068.1 was reclassified to the short-term portion of long-term borrowings..

GROUP	31/03/2010	31/12/2009
(a) Syndicated loans	500.0	500.0
(b) Global Medium-Term Note Program	4,880.2	4,876.5
(c) Other bank loans	43.9	42.1
Total long-term debt	5,424.1	5,418.6
Short-term portion	(1,530.7)	(32.9)
Long-term portion	3,893.4	5,385.7

On February 2010, notes under the Global Medium-Term Note Program of OTE PLC of Euro 1,500.0 nominal value maturing on February 2011 with outstanding balance as of March 31, 2010 Euro 1,497.5 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.



7. 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.

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.

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 2006
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 2004
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 2005
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 an amount of Euro 30.0 being charged to the income statement for the first quarter 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 intends to appeal 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 win this case in courts.



- The tax audit of COSMOTE for the fiscal years 2006 – 2008 is in progress.
- The tax audit of OTE SAT - MARITEL for the fiscal years 2004 - 2006 is in progress.
- 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.

As a result of the payment of the special contribution and the effect of OTE's tax audit described above, income tax payable for the Group and the Company as of March 31, 2010 amounted to Euro 73.4 and Euro 31.2 respectively.

8. REVENUE

Revenue is analyzed as follows:

	GROUP		COMPANY	
	1 st Quarter 2010	1 st Quarter 2009	1 st Quarter 2010	1 st Quarter 2009
DOMESTIC TELEPHONY				
Monthly network service fees	198.8	216.8	132.1	147.4
Local and long-distance calls				
-Fixed to fixed	106.6	116.0	93.4	103.2
-Fixed to mobile	45.7	62.7	30.9	42.4
	152.3	178.7	124.3	145.6
Other	18.4	14.6	15.6	16.5
	369.5	410.1	272.0	309.5
INTERNATIONAL TELEPHONY				
International traffic	17.1	20.6	10.9	13.7
Dues from international operators	26.0	24.0	17.2	14.6
Dues from mobile operators	9.9	12.0	9.2	11.4
	53.0	56.6	37.3	39.7
MOBILE TELEPHONY	560.5	579.0	-	-
OTHER REVENUE				
Prepaid cards	7.3	9.3	6.8	8.3
Leased lines and Data ATM communications	74.2	82.2	41.4	48.8
Integrated Services Digital Network (ISDN)	33.8	36.4	30.7	33.0
Sales of telecommunication equipment	103.5	95.0	9.4	9.8
Internet/ ADSL	77.1	73.3	56.1	52.7
Co-location / Local Loop	40.4	33.8	38.9	32.5
Metro Ethernet & IP CORE	10.6	6.8	8.7	5.2
Provision for services	30.4	20.7	30.3	34.4
Interconnection charges	20.6	25.4	20.4	25.0
Miscellaneous	28.4	25.9	8.6	6.1
	426.3	408.8	251.3	255.8
TOTAL REVENUE	1,409.3	1,454.5	560.6	605.0

9. 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 income statement for the first three months of 2010. Amounts paid during the first three months of 2010 in relation to prior years' early retirement programs were Euro 4.7 and are fully provided for.

In addition, in the consolidated income statement for the first three months of 2010, an amount of Euro 6.0 is included in the line "Cost of early retirement program", which consists of the costs of early retirement programs of ROMTELECOM that have already been paid (Euro 3.1) and of COSMOTE's subsidiary ZAPP (Euro 2.6).

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



	31/03/2010	31/12/2009
Long-term portion	70.5	109.9
Short-term portion	166.6	149.0
TOTAL	237.1	258.9

The movement of the provision for the cost of the Voluntary Leave Scheme is as follows:

	01/01- 31/03/2010
Balance at the beginning of the period	258.9
Payments during the period	(23.9)
Adjustment due to time value of money	2.1
Balance at the end of the period	237.1

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.

OTE intends to appeal against this Ministerial Decision by 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.

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.



10. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	GROUP		COMPANY	
	1 st Quarter 2010	1 st Quarter 2009	1 st Quarter 2010	1 st Quarter 2009
Third party fees	53.5	45.2	24.3	25.6
Cost of telecommunication materials, repairs and maintenance	36.3	47.9	14.2	18.7
Advertising and promotion costs	48.2	51.0	9.6	10.7
Utilities	40.9	37.3	13.5	13.7
Provision for doubtful accounts	32.4	26.8	9.0	13.2
Travel costs	3.6	4.1	1.5	1.6
Commissions to independent commercial distributors	51.2	64.4	-	-
Payments to Audiotex providers	1.1	3.0	0.8	1.9
Rents	28.2	24.6	18.6	18.9
Taxes, other than income tax	14.3	12.7	3.3	3.3
Transportation costs	2.7	2.6	1.0	0.8
Other	12.9	15.6	3.5	6.0
TOTAL	325.3	335.2	99.3	114.4

11. 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 "All 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 year.

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

Three month period ended March 31, 2010	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	513.9	664.8	190.2	40.4	1,409.3	-	1,409.3
Intersegment revenue	46.7	40.4	4.6	64.2	155.9	(155.9)	-
Total Revenue	560.6	705.2	194.8	104.6	1,565.2	(155.9)	1,409.3
Operating expenses	(502.8)	(591.5)	(181.5)	(87.0)	(1,362.8)	155.3	(1,207.5)
Operating profit	57.8	113.7	13.3	17.6	202.4	(0.6)	201.8
Operating profit before depreciation and amortization and early retirement program	185.2	241.4	62.4	27.5	516.5	(0.6)	515.9
Profit/(loss) for the period	(24.3)	73.0	9.0	11.6	69.3	(3.6)	65.7



Three month period ended March 31, 2009 ¹	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	551.5	672.1	197.3	33.6	1,454.5	-	1,454.5
Intersegment revenue	53.5	44.3	4.1	62.8	164.7	(164.7)	-
Total Revenue	605.0	716.4	201.4	96.4	1,619.2	(164.7)	1,454.5
Operating expenses	(323.9)	(582.5)	(178.2)	(82.1)	(1,166.7)	165.5	(1,001.2)
Operating profit	281.1	133.9	23.2	14.3	452.5	0.8	453.3
Operating profit before depreciation and amortization and early retirement program	199.8	240.2	77.6	25.5	543.1	0.4	543.5
Profit for the period	154.1	88.0	7.7	12.2	262.0	10.4	272.4

¹ Adjusted due to change in accounting policy (see Note 16)

12. 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 shares corresponding to the stock option rights granted.

Earnings per share are analyzed as follows:

GROUP	1 st Quarter 2010	1 st Quarter 2009 ¹
Profit attributable to owners of the parent	65.8	268.5
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389
Share options	-	-
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389
Basic earnings per share	0.1342	0.5478
Diluted earnings per share	0.1342	0.5478

(Earnings per share are in absolute amounts)

¹ Adjusted due to change in accounting policy (see Note 16)

For March 31, 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.

13. 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:

	1 st Quarter 2010		1 st Quarter 2009	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	35.3	24.7	44.5	30.7
OTE INTERNATIONAL INVESTMENTS LTD	0.1	1.1	0.1	1.0
HELLAS-SAT	0.1	0.4	0.1	0.4
COSMO-ONE	-	0.2	-	0.2
VOICENET	1.0	1.0	1.4	1.1
HELLASCOM	0.1	2.0	0.1	2.0
OTE SAT - MARITEL	0.3	0.4	0.3	0.6
OTE PLUS	0.1	8.5	0.1	8.3
OTE ESTATE	-	15.9	0.2	16.2
OTE-GLOBE	9.7	18.7	6.7	18.2
OTE ACADEMY	-	0.9	-	1.0
ROMTELECOM	-	0.3	-	-
DEUTSCHE TELEKOM AG	-	-	1.6	2.6
MAKEDONSKI TELECOMMUNIKACII A.	-	-	0.2	-
TOTAL	46.7	74.1	55.3	82.3



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

	1 st Quarter 2010		1 st Quarter 2009	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
DEUTSCHE TELEKOM AG	2.5	1.8	5.6	5.0
MAKEDONSKI TELEKOMUNIKACII A.	0.1	0.1	0.2	-
HT HRVATSKE	0.1	-	-	-
COMBRIDGE	1.0	0.1	-	-
ORBITEL	-	0.1	-	-
T-SYSTEMS	0.2	-	-	-
T-MOBILE DEUTSCHLAND	0.2	0.1	0.1	0.2
T-MOBILE UK	0.1	0.1	-	0.1
T-MOBILE AUSTRIA	-	0.2	-	-
T-MOBILE USA	0.1	0.1	0.1	0.1
T-MOBILE HUNGARY	0.2	-	-	-
T-MOBILE MACEDONIA	0.1	-	-	-
T-SYSTEMS TELEKOMUNIKASYON	-	0.1	-	-
TOTAL	4.6	2.7	6.0	5.4

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

	1 st Quarter 2010		1 st Quarter 2009	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
COSMOFON	-	-	0.7	-
OTE PLC	-	40.1	-	44.0
TOTAL	-	40.1	0.7	44.0

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

	31/03/2010		31/12/2009	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	53.8	50.6	47.2	52.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	0.8	0.1	1.2
HELLAS-SAT	0.5	0.6	0.4	0.4
COSMO-ONE	0.1	0.3	0.1	0.2
VOICENET	1.0	0.7	1.1	0.9
HELLASCOM	-	2.2	-	1.8
OTE SAT - MARITEL	2.5	2.5	2.2	2.0
OTE PLUS	0.1	11.1	0.1	12.3
OTE AKINHITA	1.2	0.2	1.2	0.7
OTE-GLOBE	37.7	63.7	47.3	71.5
OTE ACADEMY	0.4	0.4	0.4	-
ROMTELECOM	-	0.3	-	-
TOTAL	97.5	133.4	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:

	31/03/2010		31/12/2009	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM AG	5.1	3.3	6.9	-
MAKEDOSNKI TELEKOMUNIKACII A.	-	-	0.1	-
DETEKON	-	-	-	0.1
COMBRIDGE	0.7	-	0.6	-
ORBITEL	-	-	-	0.1
T-SYSTEMS	0.2	-	0.1	-
T-MOBILE DEUTSCHLAND	0.9	2.3	-	0.6
T-MOBILE HUNGARY	-	0.5	0.1	0.2
T-MOBILE CZECH	0.1	0.2	0.1	0.2
T-MOBILE UK	0.1	0.8	0.1	0.7
T-MOBILE AUSTRIA	-	0.4	-	0.3
T-MOBILE NETHERLANDS	0.2	0.6	-	0.3
T-MOBILE USA	0.1	1.7	1.9	3.8
T-MOBILE MACEDONIA	0.5	0.4	0.2	0.1
TELEKOM SRBJIA	0.3	0.9	-	-
PCT POLSKA TELEFONIA	-	0.1	-	-
TOTAL	8.2	11.2	10.1	6.4

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

	31/03/2010		31/12/2009	
	Receivable OTE	Payable by OTE	Receivable OTE	Payable by OTE
OTE PLC	-	2,984.6	-	3,038.2
TOTAL	-	2,984.6	-	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 0.8 and Euro 0.8 for the 1st quarter of 2010 and 2009, respectively.

As of March 31, 2010, 2,594,968 options under OTE's share based payment plan have been granted to the Company's key management personnel.

14. 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- 31/03/2010		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	(224,250)	14.06	(559,130)	16.23
Exercised	-	-	-	-
Expired at the end of the period	-	-	-	-
Outstanding at the end of the period	13,121,786	13.44	8,674,600	15.59
Exercisable at the end of the period	4,463,780	15.05	4,485,370	15.05



The fair value is reflected in the income statement during the vesting period. An amount of Euro 0.6 and Euro 1.3 was charged to the separate and consolidated income statements respectively in the 1st quarter of 2010. The amounts are recorded in the line “Payroll and employee benefits” with a corresponding entry in the Share Premium.

15. LITIGATION AND CLAIMS

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

CRIMINAL PROCEEDINGS

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.

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.

16. 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 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:

PROFIT AFTER INCOME TAXES	1 st Quarter 2009	
	GROUP	COMPANY
Profit before change in accounting policy	270.6	152.5
Reversal of actuarial (gains) losses previously recognized in the income statement	2.4	2.1
Adjustment of income taxes	(0.6)	(0.5)
Profit after change in accounting policy	272.4	154.1

The change in accounting policy has no impact on the presentation of basic and diluted earnings per share in prior years.

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) to retained earnings	(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 retained earnings	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) to retained earnings	53.1	53.1
Reversal of actuarial gains / (losses) recognized in the income statement	(2.8)	(1.7)
Provisions 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) to retained earnings	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) to retained earnings	(9.2)	(9.2)
Provision after change in accounting policy	26.9	26.9

In the consolidated income statement for the first three months of 2009, an amount of Euro 5.9 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 three months 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)".

17. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after March 31, 2010 are as follows:

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 for legal entities

According to the tax bill “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 to the Greek profitable entities calculated on their total net income of the fiscal year 2009 based on a progressive scale up to 10% of their total net income.

OTE PLC loans

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. Simultaneously, OTE proceeded with the equivalent partial prepayment of a total nominal amount of Euro 56.0 to OTE plc under the Euro 1,070.0 intercompany loan due on February 2011. The total amount paid including accruals and premium amounts to Euro 57.7.