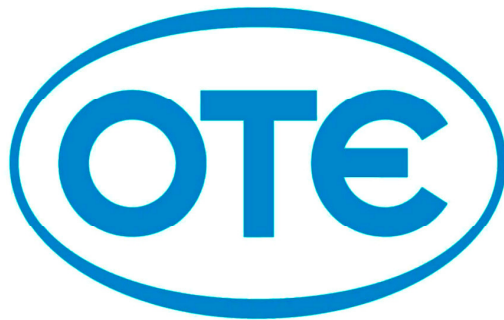


HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED)
AS OF SEPTEMBER 30, 2009**

**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 1-25 were approved by the Board of Directors on November 4, 2009 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

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INTERIM STATEMENTS OF FINANCIAL POSITION (SEPARATE AND CONSOLIDATED)

(Amounts in millions of Euro)	Notes	30/09/2009		31/12/2008	
		COMPANY	GROUP	COMPANY	GROUP
ASSETS					
Non-current assets					
Property, plant and equipment		2,057.7	5,539.9	2,191.5	5,872.8
Goodwill		-	518.8	-	530.7
Telecommunication licenses		2.6	302.0	3.0	329.5
Other intangible assets		-	534.9	-	556.2
Investments	4	4,790.8	156.4	4,890.0	156.6
Loans and advances to pension funds		164.3	164.3	194.5	194.5
Deferred tax assets		179.2	289.8	188.0	286.8
Other non-current assets		80.5	126.4	112.4	120.7
Total non - current assets		7,275.1	7,632.5	7,579.4	8,047.8
Current assets					
Inventories		32.0	220.4	32.2	201.3
Trade receivables		617.2	1,150.9	697.5	1,194.2
Other financial assets	5	22.6	42.9	119.6	135.9
Other current assets		129.8	302.9	99.8	261.6
Cash and cash equivalents		535.0	1,636.1	344.5	1,427.8
Total current assets		1,336.6	3,353.2	1,293.6	3,220.8
Assets classified as held for sale		-	-	-	156.6
TOTAL ASSETS		8,611.7	10,985.7	8,873.0	11,425.2
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	6	1,171.5	1,171.5	1,171.5	1,171.5
Share premium		503.4	503.4	497.9	497.9
Statutory reserve		330.2	330.2	330.2	330.2
Foreign exchange and other reserves		11.1	(26.9)	1.4	73.9
Changes in non-controlling interests		-	(3,319.9)	-	(3,315.2)
Retained earnings		1,479.8	2,620.5	1,523.0	2,553.6
Total equity attributable to owners of the Company		3,496.0	1,278.8	3,524.0	1,311.9
Non-controlling interests		-	772.9	-	861.3
Total equity		3,496.0	2,051.7	3,524.0	2,173.2
Non - current liabilities					
Long-term borrowings	8	3,288.3	5,386.7	3,288.2	5,409.6
Provision for staff retirement indemnities		231.0	253.0	233.8	254.9
Provision for voluntary retirement scheme	11	149.3	149.3	107.2	107.2
Provision for youth account		277.7	277.7	286.3	286.3
Deferred tax liabilities		-	129.5	-	116.7
Other non - current liabilities		49.6	77.5	41.4	74.6
Total non - current liabilities		3,995.9	6,273.7	3,956.9	6,249.3
Current liabilities					
Trade accounts payable		431.5	836.6	526.1	943.9
Short-term borrowings		-	2.9	-	5.1
Short-term portion of long-term borrowings	8	-	608.5	18.9	633.0
Income tax payable		1.9	69.9	4.0	58.0
Deferred revenue		197.3	225.9	158.4	228.4
Provision for voluntary retirement scheme	11	141.0	141.0	275.8	275.8
Dividends payable	7	4.2	4.2	3.8	3.8
Other current liabilities		343.9	771.3	405.1	838.2
Total current liabilities		1,119.8	2,660.3	1,392.1	2,986.2
Liabilities directly associated with the assets classified as held for sale		-	-	-	16.5
TOTAL EQUITY AND LIABILITIES		8,611.7	10,985.7	8,873.0	11,425.2

**INTERIM INCOME STATEMENT (SEPARATE)**

(Amounts in millions of Euro)	Notes	2009		2008	
		3 rd Quarter	First nine months	3 rd Quarter	First nine months
Revenue					
Domestic telephony	10	299.1	917.1	327.6	1,021.3
International telephony	10	55.1	136.8	54.2	157.6
Other revenue	10	242.7	738.8	253.7	741.4
Total revenue		596.9	1,792.7	635.5	1,920.3
Operating expenses					
Payroll and employee benefits		(174.9)	(531.9)	(163.5)	(495.2)
Provision for staff retirement indemnities and youth account		(21.3)	(63.6)	(20.5)	(61.3)
Cost of early retirement program	11	-	38.9	-	(12.2)
Charges from international operators		(39.5)	(97.6)	(31.6)	(91.7)
Charges from domestic operators		(59.5)	(170.5)	(78.1)	(226.0)
Depreciation and amortization		(103.2)	(319.2)	(116.2)	(355.4)
Cost of telecommunications equipment		(22.5)	(64.5)	(28.2)	(75.5)
Other operating expenses	12	(115.3)	(350.1)	(124.3)	(352.9)
Total operating expenses		(536.2)	(1,558.5)	(562.4)	(1,670.2)
Operating income before financial activities		60.7	234.2	73.1	250.1
Income and expense from financial activities					
Interest expense		(47.8)	(167.0)	(47.8)	(148.8)
Interest income		3.5	14.3	9.1	27.4
Foreign exchange differences, net		-	1.2	(1.4)	(2.1)
Dividend income	4	-	312.1	-	288.1
Gains from investments		-	-	16.9	15.9
Total profit / (loss) from financial activities		(44.3)	160.6	(23.2)	180.5
Profit before tax		16.4	394.8	49.9	430.6
Income tax expense		(7.4)	(70.4)	(17.9)	(56.7)
Profit for the period		9.0	324.4	32.0	373.9



INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro, except for the per share data)	Notes	2009		2008	
		3 rd Quarter	First nine months	3 rd Quarter	First nine months
Revenue					
Domestic telephony	10	395.9	1,219.6	442.2	1,370.5
International telephony	10	71.3	190.2	69.4	219.1
Mobile telephony	10	620.0	1,798.7	671.4	1,834.2
Other revenue	10	429.6	1,250.4	455.5	1,342.7
Total revenue		1,516.8	4,458.9	1,638.5	4,766.5
Operating expenses					
Payroll and employee benefits		(289.0)	(884.6)	(287.1)	(865.4)
Provision for staff retirement indemnities and youth account		(21.9)	(64.9)	(21.1)	(63.0)
Cost of early retirement program	11	(1.2)	33.8	(3.5)	(48.3)
Charges from international operators		(62.9)	(160.3)	(49.8)	(143.3)
Charges from domestic operators		(131.3)	(389.9)	(168.7)	(484.0)
Depreciation and amortization		(278.0)	(840.2)	(293.2)	(878.0)
Cost of telecommunications equipment		(118.8)	(340.1)	(154.0)	(464.3)
Other operating expenses	12	(320.7)	(997.4)	(334.0)	(965.3)
Total operating expenses		(1,223.8)	(3,643.6)	(1,311.4)	(3,911.6)
Operating income before financial activities		293.0	815.3	327.1	854.9
Income and expense from financial activities					
Interest expense		(76.5)	(254.2)	(88.4)	(254.6)
Interest income		11.2	50.8	20.5	60.5
Foreign exchange differences, net		1.3	5.0	2.7	9.8
Dividend income	4	-	9.6	-	12.1
Gains / (losses) from investments	4	(1.0)	23.4	16.0	33.2
Total profit / (loss) from financial activities		(65.0)	(165.4)	(49.2)	(139.0)
Profit before tax		228.0	649.9	277.9	715.9
Income tax expense		(61.6)	(205.1)	(72.3)	(212.9)
Profit for the period		166.4	444.8	205.6	503.0
Attributable to:					
Owners of the parent		163.1	434.5	201.3	501.7
Non-controlling interests		3.3	10.3	4.3	1.3
		166.4	444.8	205.6	503.0
Basic earnings per share	14	0.3328	0.8865	0.4107	1.0236
Diluted earnings per share	14	0.3269	0.8708	0.4081	1.0170



INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

(Amounts in millions of Euro)	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
Profit for the period	9.0	324.4	32.0	373.9
Available for sale financial assets	7.5	9.7	(0.8)	(21.4)
Other comprehensive income / (loss) for the period	7.5	9.7	(0.8)	(21.4)
Total comprehensive income for the period	16.5	334.1	31.2	352.5

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(Amounts in millions of Euro)	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
Profit for the period	166.4	444.8	205.6	503.0
Foreign currency translation	(3.2)	(154.7)	(60.4)	(104.4)
Net gain / (loss) on cash flow hedge	1.4	(0.8)	-	-
Available for sale financial assets	7.5	9.7	(0.8)	(21.4)
Other comprehensive income / (loss) for the period	5.7	(145.8)	(61.2)	(125.8)
Total comprehensive income for the period	172.1	299.0	144.4	377.2
Attributable to:				
Owners of the parent	167.8	333.7	160.8	410.6
Non-controlling interests	4.3	(34.7)	(16.4)	(33.4)
	172.1	299.0	144.4	377.2

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, 2008	1,171.5	485.9	312.1	36.2	1,543.3	3,549.0
Profit for the period	-	-	-	-	373.9	373.9
Other comprehensive loss	-	-	-	(21.4)	-	(21.4)
Total comprehensive income / (loss)	-	-	-	(21.4)	373.9	352.5
Dividends	-	-	-	-	(367.6)	(367.6)
Share-based payment	-	6.0	-	-	-	6.0
Balance as at September 30, 2008	1,171.5	491.9	312.1	14.8	1,549.6	3,539.9
Balance as at January 1, 2009	1,171.5	497.9	330.2	1.4	1,523.0	3,524.0
Profit for the period	-	-	-	-	324.4	324.4
Other comprehensive income	-	-	-	9.7	-	9.7
Total comprehensive income	-	-	-	9.7	324.4	334.1
Dividends	-	-	-	-	(367.6)	(367.6)
Share-based payment	-	5.5	-	-	-	5.5
Balance as at September 30, 2009	1,171.5	503.4	330.2	11.1	1,479.8	3,496.0

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to equity holders of the parent						Total	Non-controlling Interest	Total Equity
	Share Capital	Share Premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings			
Balance as at January 1, 2008	1,171.5	485.9	312.1	258.3	(2,533.8)	2,337.5	2,031.5	1,023.1	3,054.6
Profit for the period	-	-	-	-	-	501.7	501.7	1.3	503.0
Other comprehensive loss	-	-	-	(91.1)	-	-	(91.1)	(34.7)	(125.8)
Total comprehensive income / (loss)	-	-	-	(91.1)	-	501.7	410.6	(33.4)	377.2
Dividends	-	-	-	-	-	(367.6)	(367.6)	-	(367.6)
Share-based payment	-	6.0	-	-	-	-	6.0	-	6.0
Net change of participation in subsidiaries	-	-	-	-	(776.3)	-	(776.3)	(65.8)	(842.1)
Balance as at September 30, 2008	1,171.5	491.9	312.1	167.2	(3,310.1)	2,471.6	1,304.2	923.9	2,228.1
Balance as at January 1, 2009	1,171.5	497.9	330.2	73.9	(3,315.2)	2,553.6	1,311.9	861.3	2,173.2
Profit for the period	-	-	-	-	-	434.5	434.5	10.3	444.8
Other comprehensive loss	-	-	-	(100.8)	-	-	(100.8)	(45.0)	(145.8)
Total comprehensive income / (loss)	-	-	-	(100.8)	-	434.5	333.7	(34.7)	299.0
Dividends	-	-	-	-	-	(367.6)	(367.6)	-	(367.6)
Share-based payment	-	5.5	-	-	-	-	5.5	-	5.5
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 September 30, 2009	1,171.5	503.4	330.2	(26.9)	(3,319.9)	(2,620.5)	1,278.8	772.9	2,051.7



INTERIM STATEMENTS OF CASH FLOW (SEPARATE AND CONSOLIDATED)

(Amounts in millions of Euro)	Notes	1/1/2009-30/9/2009		1/1/2008-30/9/2008	
		COMPANY	GROUP	COMPANY	GROUP
Cash flows from operating activities					
Profit before tax		394.8	649.9	430.6	715.9
Adjustments for:					
Depreciation and amortization		319.2	840.2	355.4	878.0
Share-based payment		2.5	5.5	6.0	6.0
Cost of early retirement program		(38.9)	(33.8)	12.2	48.3
Provision for staff retirement indemnities and youth account		63.6	64.9	61.3	63.0
Other provisions		28.0	81.1	52.0	82.6
Foreign exchange differences, net		(1.2)	(5.0)	2.1	(9.8)
Interest income		(14.3)	(50.8)	(27.4)	(60.5)
Dividend income, (gains)/losses and impairment of investments		(312.1)	(33.0)	(304.0)	(45.3)
Release of EDEKT fund prepayment		26.4	26.4	26.4	26.4
Interest expense		167.0	254.2	148.8	254.6
Working capital adjustments:					
Decrease/ (increase) in inventories		0.2	(24.5)	19.9	22.5
Decrease / (Increase) in accounts receivable		19.4	(87.5)	(7.3)	(199.5)
(Decrease) in liabilities (except bank liabilities)		(65.7)	(78.0)	(67.8)	(89.9)
Plus/(Minus):					
Payment of early retirement programs		(76.5)	(81.6)	(43.0)	(79.1)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(84.6)	(84.9)	(55.3)	(57.0)
Interest and related expenses paid		(173.2)	(248.2)	(91.6)	(172.0)
Income taxes paid		(63.7)	(198.0)	(51.6)	(161.1)
Settlement of receivables due from disposed subsidiaries	4	-	16.6	-	-
Total cash flows from operating activities		190.9	1,013.5	466.7	1,223.1
Cash flows from investing activities					
Acquisition of non-controlling interest and participation in subsidiaries' share capital increase		-	(48.4)	(852.4)	(848.9)
Purchase of financial assets		(290.6)	(301.5)	(101.5)	(101.6)
Sale or maturity of financial assets		397.3	404.2	-	21.1
Loans granted		-	-	(1.3)	(1.3)
Loans proceeds		53.5	7.3	-	-
Loans proceeds in conjunction with disposal of subsidiaries	4	-	78.5	-	-
Purchase of property plant and equipment and intangible assets		(192.8)	(637.7)	(197.7)	(602.4)
Proceeds from disposal of subsidiaries	4	-	87.1	20.9	24.2
Interest received		11.0	39.8	19.2	45.8
Dividends received		305.1	3.7	280.9	4.9
Return of capital invested in subsidiary		102.2	-	-	-
Total cash flows from/(used in) investing activities		385.7	(367.0)	(831.9)	(1,458.2)
Cash flows from financing activities					
Proceeds from non-controlling interests for their participation in subsidiaries' share capital increase		-	-	-	16.9
Proceeds from loans granted and issued		-	24.4	2,700.0	2,702.4
Repayment of loans		(18.9)	(82.0)	(2,117.5)	(2,168.6)
Dividends paid to Company's owners		(367.2)	(367.2)	(367.7)	(367.7)
Dividends paid to non-controlling interests		-	(1.2)	-	(0.3)
Total cash flows from/(used in) financing activities		(386.1)	(426.0)	214.8	182.7
Net increase/(decrease) in cash and cash equivalents		190.5	220.5	(150.4)	(52.4)
Cash and cash equivalents, at the beginning of the period		344.5	1,429.7	459.2	1,316.3
Net foreign exchange differences		-	(14.1)	-	-
Cash and cash equivalents included in non-current assets held for sale		-	-	-	(6.1)
Cash and cash equivalents, at the end of the period		535.0	1,636.1	308.8	1,257.8



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.

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

The Interim Condensed Separate and Consolidated Financial Statements («interim financial statements») as of September 30, 2009, were approved for issuance by the Board of Directors on November 4, 2009.

The total numbers of Group and Company employees as of September 30, 2009 and 2008 were as follows:

	GROUP	COMPANY
September 30, 2009	32,579	11,495
September 30, 2008	33,505	12,160

The Group includes the financial statements of OTE and the following subsidiaries which OTE controls directly or indirectly:

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/9/2009 OWNERSHIP INTEREST	31/12/2008
DIRECT OWNERSHIP (full consolidation)				
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 INTERNATIONAL 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%
INDIRECT OWNERSHIP (full consolidation)				
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%
OTE MTS HOLDING B.V.	Investment holding company	Holland	-	100.00%
COSMOFON MOBILE TELECOMMUNICATIONS SERVICES A.D. – SKOPJE (“COSMOFON”)	Mobile telecommunications services	Skopje	-	100.00%
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	95.00%	82.45%
COSMOHOLDING CYPRUS LTD (“COSMOHOLDING CYPRUS”)	Investment holding company	Cyprus	90.00%	90.00%
GERMANOS S.A.	Retail services	Greece	90.00%	90.00%
E-VALUE S.A.	Marketing Services	Greece	90.00%	90.00%
GERMANOS TELECOM SKOPJE S.A.	Retail services	Skopje	-	90.00%
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	90.00%	90.00%
SUNLIGHT ROMANIA S.R.L. -FILIALA	Retail services	Romania	90.00%	90.00%
GERMANOS TELECOM BULGARIA A.D.	Retail services	Bulgaria	90.00%	90.00%
MOBILBEEEP LTD	Retail services	Greece	90.00%	90.00%



			30/9/2009	31/12/2008
COMPANY NAME	LINE OF BUSINESS	COUNTRY	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	Consulting services	Bulgaria	100.00%	100.00%

2. BASIS OF PREPARATION

The interim financial statements for the nine months ended September 30, 2009 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, 2008, 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 available-for-sale financial assets, financial assets classified as held for trading and derivative financial instruments which have been measured at fair values in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The carrying values of recognized assets and liabilities that are hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

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, 2008 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2009 and which did not have any impact on the financial position or performance of the Group or Company:

- IFRS 8, "Operating Segments": This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determines that the operating segments were the same as the segments previously disclosed under IAS 14 "Segment Reporting".
- IAS 1, "Presentation of Financial Statements" (Revised): The main requirements are that the statement of changes in equity includes only transactions with owners and the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income" either in one single statement or in two linked statements. The Group and the Company have elected to present two statements.
- IFRIC 13, "Customer Loyalty Programs".
- IFRIC 15, "Agreements for the Construction of Real Estate".
- IFRIC 16, "Hedges of a net investment in a foreign operation".
- IFRS 2, "Share-based Payments" (Amended) vesting conditions and cancellations.
- IAS 32 and IAS 1, "Puttable Financial Instruments" (Amended).
- IAS 23, "Borrowing Costs" (Revised).
- IAS 39, "Financial Instruments: Recognition and Measurement" and IFRIC 9, "Reassessment of embedded derivatives" (Amended).
- IFRS 7, "Financial Instruments: Disclosures" (Amended).
- Amendments to IFRS 1 and IAS 27, "Cost of an investment in a subsidiary".
- Improvements to IFRS: In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to remove inconsistencies and clarifying wording.
- IFRIC 18, "Transfers of Assets from Customers" which became effective for all transfers of assets received from customers on or after July 1, 2009.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2009 and have not been early adopted by the Group or the Company :

- IFRS 2, “Share-based Payments” (Amended), effective for annual periods beginning on or after January 1, 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and withdraws IFRIC 8 and IFRIC 11. More specifically, it clarifies how an individual subsidiary in a group should account for share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers. The amendments make clear that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Also, it clarifies that in IFRS 2 a 'group' has the same meaning as in IAS 27 “Consolidated and Separate Financial Statements”, that is, it includes only a parent and its subsidiaries. This amendment must be applied retrospectively. The amendment has not yet been endorsed by the EU. The Group and the Company are still assessing the impact this amendment will have on the financial position or performance of the Group and the Company.
- 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 July 1, 2009. This annual improvements project has not yet been endorsed by the EU. The Group and the Company are still assessing the impact these amendments will have on the financial position or performance of the Group and the Company.
- Amendment to IAS 32 “Financial Instruments: Presentation”, effective for annual periods beginning on or after February 1, 2010. The amendment alters the definition of a financial liability such that rights issues and certain options denominated in a currency other than their functional currency are no longer considered to be derivatives but will now be classified as equity instruments when certain conditions are met. Application of the amendment is retrospective. The amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendment will have any impact on the financial position or performance of the Group or the Company.
- Amendments to IFRS 1 First-time Adoption of IFRS, Additional Exemptions, effective for annual periods beginning on or after January 1, 2010. The amendments provide relief from the full retrospective application of IFRS for the measurement of oil and gas assets and leases. The amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendment will have any impact on the financial position or performance of the Group or the Company.

4. INVESTMENTS

Investments are analyzed as follows:

	30/09/2009		31/12/2008	
	COMPANY	GROUP	COMPANY	GROUP
(a) Investments in subsidiaries	4,634.4	-	4,733.6	-
(b) Other investments	156.4	156.4	156.4	156.6
TOTAL	4,790.8	156.4	4,890.0	156.6

(a) Investment in subsidiaries are analyzed as follows:

	Country of incorporation	30/09/2009	31/12/2008
COSMOTE	Greece	3,508.7	3,505.7
OTE INTERNATIONAL INVESTMENTS LTD	Cyprus	497.9	497.9
HELLAS-SAT	Cyprus	194.7	194.7
COSMO-ONE	Greece	0.7	0.7
VOICENET	Greece	4.0	4.0
HELLASCOM	Greece	8.4	8.4
OTE SAT- MARITEL	Greece	11.2	11.2
OTE PLC	U.K.	-	-
OTE PLUS	Greece	3.8	3.8
OTE ESTATE	Greece	234.1	336.3
OTE GLOBE	Greece	163.7	163.7
OTE INSURANCE	Greece	0.6	0.6
OTE ACADEMY	Greece	6.6	6.6
TOTAL		4,634.4	4,733.6

OTE ESTATE

On December 18, 2008, the amendment to article 5 of OTE ESTATE's charter was finalized following the decision by the General Assembly of Shareholders. After the amendment, OTE ESTATE's share capital was reduced by Euro 102.2 as a result of a reduction in the nominal amount of the shares from Euro 2.93 (absolute amount) to Euro 2.43 (absolute amount). On April 1, 2009, OTE received from OTE ESTATE an amount of Euro 102.2 from the reduction of its share capital thereby reducing the carrying value of its investment by an equivalent amount.

**AMC**

On April 27, 2009 OTE announced that its 100% subsidiary COSMOTE completed the acquisition process of a 12.6% interest held by the Albanian State, in its subsidiary AMC following the approvals of the relevant authorities in Albania. The cash consideration for the related acquisition amounted to Euro 48.4. The difference arising from the acquisition of the above non-controlling interests of Euro 4.7 was recognized directly in equity (column "Changes in non-controlling interests"), as it relates to the acquisition of non – controlling interests in an entity where control already exists. Following the official conclusion of the transaction, COSMOTE owns directly or indirectly (through its 97% owned subsidiary COSMO-HOLDING ALBANIA S.A.) a 95% interest in AMC.

COSMOFON AND GERMANOS TELECOM SKOPJE

On March 30, 2009 OTE announced that the agreements between COSMOTE and Telekom Slovenije were signed in Athens regarding the transfer of 100% of COSMOFON, through the sale of COSMOTE's wholly owned subsidiary, OTE MTS HOLDING B.V., as well as GERMANOS TELECOM AD SKOPJE (GTS) to Telekom Slovenije. The transaction was completed on May 12, 2009 following approval by the relevant governmental and regulatory authorities in Skopje. COSMOFON and GERMANOS TELECOM SKOPJE are included in the consolidated financial statements until the date the Group ceased to control those companies (May 12, 2009).

The following table presents COSMOFON's and GERMANOS TELECOM SKOPJE income statements for the first nine months of 2008 and for the period from January 1, 2009 to May 12, 2009:

	COSMOFON		GERMANOS TELECOM SKOPJE	
	1/1-12/5/2009	First nine months of 2008	1/1-12/5/2009	First nine months of 2008
Revenue	19.1	47.6	2.5	7.1
Total operating expenses	(23.4)	(47.5)	(2.9)	(7.8)
Operating income / (loss) before financial activities	(4.3)	0.1	(0.4)	(0.7)
Financial activities	(1.9)	(1.4)	(0.1)	(0.2)
Loss before tax	(6.2)	(1.3)	(0.5)	(0.9)
Income tax expense	-	-	-	-
Loss for the period	(6.2)	(1.3)	(0.5)	(0.9)

In the consolidated interim financial statements, the gain from the sale was determined as the difference between the selling price less related expenses and the value of COSMOFON's and GERMANOS TELECOM SKOPJE net assets at the date of disposal.

The assets and liabilities of COSMOFON and GERMANOS TELECOM SKOPJE at the date of disposal are as follows:

	COSMOFON	GERMANOS TELECOM SKOPJE	Total
ASSETS			
Non current assets	149.1	6.4	155.5
Cash and cash equivalents	1.9	0.1	2.0
Other currents assets	31.1	2.9	34.0
Total Assets	182.1	9.4	191.5
LIABILITIES			
Non-current liabilities	35.0	2.0	37.0
Current liabilities	83.4	5.4	88.8
Total Liabilities	118.4	7.4	125.8
Net assets disposed	63.7	2.0	65.7
Group's share in COSMOFON & GERMANOS TELECOM SKOPJE net assets sold (100%)	63.7	2.0	65.7
Selling Price	92.3	0.5	92.8
Disposal expenses	(3.7)	-	(3.7)
Group's share in COSMOFON & GERMANOS TELECOM SKOPJE net assets (100%)	(63.7)	(2.0)	(65.7)
Gain / (loss) from sale of investment in the consolidated income statement	24.9	(1.5)	23.4



As part of the agreement Telekom Slovenije undertook to settle COSMOFON's and GERMANOS TELECOM SKOPJE intra-group liabilities. The total effect of the above transaction on the interim consolidated cash flow statement is as follows:

	COSMOFON	GERMANOS TELECOM SKOPJE	Total
Selling Price	92.3	0.5	92.8
Less cash and equivalents disposed	(1.9)	(0.1)	(2.0)
Less disposal expenses	(3.7)	-	(3.7)
Net inflow from the sale of subsidiary	86.7	0.4	87.1
Loans proceeds in conjunction with disposal of subsidiaries	76.3	2.2	78.5
Settlement of receivables due from disposed subsidiaries	14.0	2.6	16.6
Total consideration	177.0	5.2	182.2

ZAPP

On July 1, 2009, OTE announced that its subsidiary COSMOTE signed on June 30, 2009, a share purchase agreement for the acquisition of TELEMobil S.A. (ZAPP) in Romania. The consideration for the shares of ZAPP is estimated at approximately Euro 61 (equity value), while COSMOTE will also assume the debt and other liabilities of ZAPP, estimated at approximately Euro 146. The acquisition is subject, among other conditions, to the approval of relevant Romanian authorities.

(b) OTE's other investments can be analyzed as follows:

	30/09/2009	31/12/2008
TELEKOM SRBIJA	155.1	155.1
OTHER	1.3	1.3
TOTAL	156.4	156.4

OTE's dividend income is analyzed as follows:

COMPANY	2009		2008	
	3 rd Quarter	Nine months	3 rd Quarter	Nine months
COSMOTE	-	282.2	-	245.2
OTE ESTATE	-	18.9	-	30.3
OTE SAT- MARITEL	-	1.0	-	0.5
OTE PLUS	-	0.4	-	-
TELEKOM SRBIJA	-	9.3	-	11.2
Other available for sale investments	-	0.3	-	0.9
TOTAL	-	312.1	-	288.1

Pursuant to Law 3697/2008 (article 18, par. 7 – FEK A 194), dividends approved by the General Assembly of Greek companies convened after January 1, 2009, are subject to 10% withholding tax.

The Group's dividend income is analyzed as follows:

GROUP	2009		2008	
	3 rd Quarter	Nine months	3 rd Quarter	Nine months
TELEKOM SRBIJA	-	9.3	-	11.2
Other available for sale investments	-	0.3	-	0.9
TOTAL	-	9.6	-	12.1

5. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	30/09/2009		31/12/2008	
	COMPANY	GROUP	COMPANY	GROUP
Equity securities	22.6	30.2	13.0	26.2
Government bonds and Treasury Bills	-	12.7	106.6	109.7
TOTAL	22.6	42.9	119.6	135.9

Other financial assets include shares listed on the Athens Exchange and Greek, Dutch and German government bonds. The above financial assets are classified into one of the categories permitted by IAS 39.



6. SHARE CAPITAL

OTE's share capital as at September 30, 2009 and December 31, 2008 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.

As described in Note 11 below, on March 4, 2009, 4% of OTE's share capital held by the Hellenic State was transferred to IKA-ETAM.

On July 10, 2009, the Hellenic State notified DEUTSCHE TELEKOM AG of its intent to exercise the first of two put options provided by the share purchase agreement, referring to the acquisition by DEUTSCHE TELEKOM AG of an additional 5% interest in OTE's share capital in a defined price per share. On July 31, 2009, as a result of the exercise of the above put option, the Hellenic State sold to DEUTSCHE TELEKOM AG 24,507,519 shares of OTE representing 5% of its share capital.

The following is an analysis of the ownership of OTE's shares as of September 30, 2009:

Shareholder	Number of shares	Percentage %
Hellenic State	63,371,292	12.93%
D.E.K.A. S.A. (indirect participation of the Hellenic State)	15,052,773	3.07%
IKA-ETAM (See Note 11)	19,606,015	4.00%
DEUTSCHE TELEKOM AG	147,045,118	30.00%
Institutional Investors	189,547,599	38.67%
Private Investors	55,527,592	11.33%
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 requirement with the unanimous consent of their owners.

On June 24, 2009, the General Assembly of OTE's Shareholders approved the distribution of a dividend from 2008 profits of a total amount of Euro 367.6 or Euro 0.75 (in absolute amount) per share. Pursuant to Law 3697/2008 (article 18, par. 7 – FEK A 194), dividends approved by General Meetings convened after January 1, 2009, are be 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 at September 30, 2009, amounted to Euro 4.2.

8. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

COMPANY	30/9/2009	31/12/2008
(a) Loan from European Investment Bank / Hellenic State	-	18.9
(b) Intercompany loans from OTE PLC	3,288.3	3,288.2
Total long-term debt	3,288.3	3,307.1
Short-term portion	-	(18.9)
Long-term portion	3,288.3	3,288.2
GROUP		
(a) Loan from European Investment Bank / Hellenic State	-	18.9
(b) Syndicated loans	500.0	500.0
(c) Global Medium-Term Note Program	5,446.0	5,464.5
(d) Other bank loans	49.2	59.2
Total long-term debt	5,995.2	6,042.6
Short-term portion	(608.5)	(633.0)
Long-term portion	5,386.7	5,409.6

During May 2009, OTE PLC repurchased in total a principal amount of Euro 28.1 under the Euro 600.0 Floating Rate Notes (FRN), issued on November 21, 2006 and maturing on November 21, 2009. The notes were cancelled and, therefore, the outstanding nominal balance of the aforementioned FRN is now Euro 571.9.

In July 2009, OTE paid the last installment (Euro 18.9) of the loan from the European Investment Bank.



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.

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
Direct ownership	
OTE	From 2006
COSMOTE	From 2006
OTE INTERNATIONAL INVESTMENTS LTD	From 2003
HELLAS SAT	From 2008
COSMO-ONE	From 2002
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
Indirect ownership	
OTE INVESTMENTS SERVICES S.A.	From 2005
ROMTELECOM	From 2006
AMC	From 2006
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 2003
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
REAL ESTATE INVESTMENT COMPANY	From 2008 (incorporation)
OTE PLUS BULGARIA	Tax exempt

- The tax audit of the Company for the fiscal years 2006 and 2007 is in progress.
- The tax audit of OTE PLUS for the fiscal years 2005-2007 was completed during 2009, without any impact to the Group.
- The tax audit of GERMANOS for the fiscal years 2004-2007 was completed during 2009, without any impact to the Group, as the additional taxes imposed of approximately Euro 17 are due from this company's previous owner.
- The tax audit of OTE ESTATE for the fiscal years 2003 - 2007 was completed during 2009, without any significant impact to the Group.
- The tax audit of OTE SAT - MARITEL for the fiscal years 2004 and 2005 is in progress.
- The tax audit of AMC for the fiscal years 2006 and 2007 was completed during 2009, without any impact to the Group.
- The tax audit of E-VALUE S.A. for the fiscal years 2003-2005 is in progress.
- As part of its liquidation process, the tax audit in OTE PLUS-BULGARIA was completed during 2009 without any impact to the Group.

**10. REVENUE**

Revenue is analyzed as follows:

COMPANY	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
DOMESTIC TELEPHONY				
Monthly network service fees	138.8	430.1	152.2	471.1
Local and long-distance calls				
-Fixed to fixed	98.2	304.8	100.5	323.7
-Fixed to mobile	45.6	132.7	57.5	173.5
	143.8	437.5	158.0	497.2
Other	16.5	49.5	17.4	53.0
	299.1	917.1	327.6	1,021.3
INTERNATIONAL TELEPHONY				
International traffic	14.7	42.0	15.9	47.5
Dues from international operators	26.3	56.6	23.4	69.7
Dues from mobile operators	14.1	38.2	14.9	40.4
	55.1	136.8	54.2	157.6
OTHER REVENUE				
Prepaid cards	9.5	25.4	13.0	34.3
Leased lines and Data ATM communications	44.9	139.1	56.2	163.1
Integrated Services Digital Network	31.8	97.0	33.5	102.2
Sales of telecommunication equipment	11.0	31.8	14.8	41.3
Internet/ ADSL	51.3	156.6	40.8	121.0
Co-location / Local Loop	28.3	84.3	21.6	54.5
Metro Ethernet & IP CORE	6.6	16.5	4.5	11.9
Provision for services	30.3	101.3	38.4	110.4
Interconnection charges	21.1	65.8	26.5	84.8
Miscellaneous	7.9	21.0	4.4	17.9
	242.7	738.8	253.7	741.4
TOTAL REVENUE	596.9	1,792.7	635.5	1,920.3

GROUP	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
DOMESTIC TELEPHONY				
Monthly network service fees	207.3	640.4	225.6	691.1
Local and long-distance calls				
-Fixed to fixed	109.2	340.6	111.1	361.2
-Fixed to mobile	63.7	191.4	81.3	246.7
	172.9	532.0	192.4	607.9
Other	15.7	47.2	24.2	71.5
	395.9	1,219.6	442.2	1,370.5
INTERNATIONAL TELEPHONY				
International traffic	21.3	62.4	23.5	70.8
Dues from international operators	34,7	87,2	30,2	105,0
Dues from mobile operators	15,3	40,6	15,7	43,3
	71.3	190.2	69.4	219.1
MOBILE TELEPHONY	620.0	1,798.7	671.4	1,834.2
OTHER REVENUE				
Prepaid cards	10.6	28.6	14.7	39.7
Leased lines and Data ATM communications	77.4	241.8	91.1	254.5
Integrated Services Digital Network	35.3	107.4	36.5	111.2
Sales of telecommunication equipment	114.8	320.2	153.2	461.2
Internet/ ADSL	74.9	221.3	57.2	170.9
Co-location / Local Loop	29.8	88.5	22.8	58.3
Metro Ethernet & IP CORE	8.3	21.6	5.9	15.2
Provision for services	27.2	70.1	25.2	76.1
Interconnection charges	21.2	66.3	29.8	89.7
Miscellaneous	30.1	84.6	19.1	65.9
	429.6	1,250.4	455.5	1,342.7
TOTAL REVENUE	1,516.8	4,458.9	1,638.5	4,766.5



11. PROVISION FOR EARLY RETIREMENT PROGRAM

On January 28, 2009, the management of OTE and OME-OTE (the personnel union body) signed a Collective Labor Agreement according to which employees who will complete the number of years required for retirement by December 30, 2009, would be entitled to benefits in order to retire by this date at the latest. The deadline for the applications for participating in this early retirement program was due on February 16, 2009. Applications were irrevocable. The respective cost amounted to Euro 11.0 and is included in the line "Cost of early retirement program" in the income statement for the first nine months of 2009.

In addition, an amount of Euro 5.1 which is the cost of ROMTELECOM's early retirement program is included in the consolidated income statement for the first nine months of 2009.

VOLUNTARY RETIREMENT SCHEME

On March 4, 2009, the Hellenic State and IKA-ETAM (general successor of TAP-OTE) signed a transfer agreement of 19,606,015 ordinary shares held by the Hellenic State to IKA-ETAM without cash consideration. These shares represent 4% of OTE's share capital, in accordance with articles 74 par. 4a of L.3371/2005 and articles 1 and 2 par. 4 and 5 of L3655/2008, in combination with the decision of May 10, 2007, of the European Community Committee (C 2/2206). The fair value of the transaction was set at Euro 10.30 (in absolute amount) (closing price of the OTE's share at Athens Exchange, the date the transfer was signed) per share. The total value of the transferred shares amounted to Euro 201.9 and reduces OTE's liability to IKA-ETAM by this amount and is included in the results of OTE for the first nine months of 2009, in the line "Cost of early retirement program".

The above transfer is subject to the following terms:

- The Hellenic State retains the option to repurchase a part or the total of the transferred shares. This option can be exercised at any time, following a written declaration to IKA-ETAM, stating at a minimum the number of shares that will be repurchased and the time period, as one or a series of transactions.
- If IKA-ETAM, for any reason, decides to sell all or a part of the shares, it is obliged to communicate this intention in writing to the Hellenic State. The Hellenic State retains the right to repurchase part or the whole of the shares that IKA-ETAM intends to sell. To exercise this right, the Hellenic State must provide written notice of its intentions within one month. If the Hellenic State does not wish to exercise its right or does not exercise its rights within one month, then IKA-ETAM can sell freely those shares.
- The Hellenic State has the exclusive obligation to repurchase the shares that IKA-ETAM intends to sell if the reason for the sale is to fund the pensions of the participants in OTE's Voluntary Leave Scheme based on article 74 of L3371/2005. In this instance, IKA-ETAM must provide specific economic analysis that evidences its inability to fulfil its obligation to disburse pensions to the above mentioned participants without the sale of the shares.
- In all the afore-mentioned cases (call option and/or put option) the value of the total of the transferred shares will be calculated based on the closing price of the share of OTE at the signing date (i.e. Euro 10.30 (in absolute amount) per share).
- If IKA-ETAM sells the shares to a third party without complying with all the afore-mentioned terms, IKA-ETAM is obliged to pay to the Hellenic State an amount equal to 10 times the consideration received from the sale to the third party as a financial penalty and compensation which is agreed as fair.
- If OTE decides to increase its share capital with a preference right in favor of the existing owners, or issues convertible bonds and IKA-ETAM decides to exercise these rights, IKA-ETAM is required to inform the Hellenic State in writing. The Hellenic State retains the right to request IKA-ETAM to transfer, through an over the counter transaction, the additional shares obtained. In this case IKA-ETAM is obliged to transfer the shares obtained at the price obtained, otherwise it is obliged to pay compensation equal to 10 times the consideration invested for participating in the share capital increase and terms mentioned in the preceding paragraph will apply.
- IKA-ETAM undertakes to exercise its voting rights corresponding to the above shares, in coordination with the Hellenic State and has to instruct individuals who will be authorized to exercise the voting rights at any General Assembly of the OTE's shareholders on its behalf in the same way the Hellenic State does. Otherwise, IKA-ETAM has to pay to the Hellenic State a penalty equal to the listed price of the transferred shares at the date of the General Assembly of the OTE's shareholders as well as any other compensation for any consequential loss the Hellenic State suffers.



On March 26, 2009 an amendment was submitted to a draft law of the Ministry of Employment and Social Security, where:

- OTE's employees who: (i) have submitted a written application to participate in the Voluntary Leave Scheme, within the deadlines defined in par.2, article 74 of L.3371/2005 (A178/14.7.2005) and, (ii) do not submit an irrevocable application within one (1) month from the law's enactment that would recall the initial application submitted, are considered to be retired based on the article 74 of L. 3371/2005 within three (3) months from the expiration of the deadline described in ii) above.
- The cost that will arise from a) the employer's and the employee's contributions to IKA-ETAM (both for the sections of pensions and medical benefits) for the factitious time recognized to these employees and b) the pensions that IKA-ETAM's pension section will be required to pay to these employees based on the above, will be covered by OTE.
- The cost that will arise from the employer's and the employee's contributions to TAYTEKO for the factitious time recognized to these employees as well as the pensions that TAYTEKO (Auxiliary Insurance Sector for OTE Personnel) will be required to pay to these employees based on the above, will be covered by OTE.
- The cost that will arise from the employer's and the employee's contributions to TAYTEKO (Health Insurance Sector for OTE Personnel) for the factitious time recognized to these employees will be covered by OTE. For the Lump Sum benefits that TAYTEKO will be required to pay to these employees, OTE should grant a long-term loan to TAYTEKO.

On May 15, 2009 the aforementioned amendment was enacted by the L. 3762/ FEK A' 75/15.5.2009.

The movement of the provision for the cost of the voluntary retirement scheme is as follows:

Balance as of December 31, 2008	383.0
Payments during period	(66.2)
Release of liability due to the transfer of 4% to IKA-ETAM	(201.9)
Early retirement program cost	152.0
Cost related to provision for staff retirement indemnities	(10.8)
Adjustment due to time value of money	34.2
Balance as of September 30, 2009	290.3

Based on the estimated period of payment, the total obligations of the voluntary leave scheme are classified as follows:

	30/9/2009	31/12/2008
Short-term portion of the provision for voluntary retirement scheme	141.0	275.8
Long-term portion of the provision for voluntary retirement scheme	149.3	107.2
TOTAL	290.3	383.0

12. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

COMPANY	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
Third party fees	34.3	92.5	28.0	79.1
Cost of telecommunication materials, repairs and maintenance	16.8	56.1	16.1	50.7
Advertising and promotion costs	11.7	33.9	9.6	35.8
Utilities	20.5	50.3	17.5	43.0
Provision for doubtful accounts	1.6	28.0	22.1	52.1
Travel costs	1.8	6.1	1.8	5.8
Payments to Audiotex providers	1.5	4.4	1.0	4.6
Rents	18.8	54.6	18.3	54.9
Taxes, other than income tax	3.1	9.3	3.6	10.4
Transportation costs	1.5	3.7	1.4	3.9
Other	3.7	11.2	4.9	12.6
TOTAL EXPENSES	115.3	350.1	124.3	352.9



GROUP	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
Third party fees	58.3	166.7	50.5	141.3
Cost of telecommunication materials, repairs and maintenance	41.6	138.3	54.0	154.3
Advertising and promotion costs	51.7	156.3	48.1	146.3
Utilities	36.4	96.6	32.7	84.6
Provision for doubtful accounts	18.5	81.1	35.1	83.0
Travel costs	3.9	13.1	4.2	12.9
Commissions to independent commercial distributors	55.6	176.0	63.9	184.5
Payments to Audiotex providers	2.2	6.7	1.8	6.5
Rents	25.5	74.7	19.8	66.9
Taxes, other than income tax	13.6	41.3	12.2	43.3
Transportation costs	2.6	8.1	2.9	8.0
Other	10.8	38.5	8.8	33.7
TOTAL EXPENSES	320.7	997.4	334.0	965.3

13. SEGMENT INFORMATION

The following information is provided for the reportable segments, which are separately disclosed in the financial statements and which is 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.

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 income before depreciation and amortization, operating income and profit for the period.

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

Nine month period ended September 30, 2009	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,639.5	2,121.6	596.1	101.7	4,458.9	-	4,458.9
Intersegment revenue	153.2	139.9	13.3	205.3	511.7	(511.7)	-
Total Revenue	1,792.7	2,261.5	609.4	307.0	4,970.6	(511.7)	4,458.9
Operating expenses	(1,558.5)	(1,772.9)	(559.3)	(263.2)	(4,153.9)	510.3	(3,643.6)
Operating income	234.2	488.6	50.1	43.8	816.7	(1.4)	815.3
Operating income before depreciation and amortization	553.4	824.7	201.9	76.9	1,656.9	(1.4)	1,655.5
Profit for the period	324.4	355.1	35.7	37.3	752.5	(307.7)	444.8

Nine month period ended September 30, 2008	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,751.1	2,274.2	639.9	101.3	4,766.5	-	4,766.5
Intersegment revenue	169.2	143.5	16.5	178.6	507.8	(507.8)	-
Total Revenue	1,920.3	2,417.7	656.4	279.9	5,274.3	(507.8)	4,766.5
Operating expenses	(1,670.2)	(1,868.6)	(643.6)	(236.1)	(4,418.5)	506.9	(3,911.6)
Operating income	250.1	549.1	12.8	43.8	855.8	(0.9)	854.9
Operating income before depreciation and amortization	605.5	855.3	196.3	77.7	1,734.8	(1.9)	1,732.9
Profit for the period	373.9	334.9	3.7	44.3	756.8	(253.8)	503.0



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 shares corresponding to the stock option rights granted.

Earnings per share are analyzed as follows:

GROUP	2009		2008	
	3 rd Quarter	First nine months	3 rd Quarter	First nine months
(Earning per share are in absolute amount)				
Profit attributable to owners of the parent	163.1	434.5	201.3	501.7
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	8,797,720	8,797,720	3,141,620	3,141,620
Weighted average number of shares adjusted for the effect of dilutions	498,948,109	498,948,109	493,292,009	493,292,009
Basic earnings per share	0.3328	0.8865	0.4107	1.0236
Diluted earnings per share	0.3269	0.8708	0.4081	1.0170

15. RELATED PARTY DISCLOSURES

OTE's related parties have been identified based on the requirements of IAS 24 and comprise of its subsidiaries, its associates, the entity which controls OTE (together with its subsidiaries), the members of the Board of Directors and the key management personnel.

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 and receives dividends.

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

	First nine months of 2009		First nine months of 2008	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	121.6	80.1	138.4	91.4
OTE INTERNATIONAL INVESTMENTS LTD	0.4	3.4	0.3	4.1
HELLAS-SAT	0.4	1.2	0.5	1.3
COSMO-ONE	-	0.6	-	0.5
VOICENET	4.0	3.2	4.0	1.7
HELLASCOM	0.1	6.7	0.1	6.0
OTE SAT - MARITEL	0.8	1.4	0.6	1.3
OTE PLUS	0.3	26.3	0.2	27.2
OTE ESTATE	1.0	46.7	1.7	46.6
OTE-GLOBE	24.8	66.1	23.3	48.9
OTE ACADEMY	-	3.6	0.1	2.8
DEUTSCHE TELEKOM AG	3.8	2.1	-	-
MAKEDONSKI TELEKOMUNIKACII A.	0.5	0.4	-	-
HT HRVATSKE	0.1	0.1	-	-
TOTAL	157.8	377.3	169.2	231.8



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

	First nine months of 2009	
	Group's Sales	Group's Purchases
DEUTSCHE TELEKOM AG	12.8	8.2
MAKEDONSKI TELEKOMUNIKACII A.	0.5	0.6
HT HRVATSKE	0.3	0.2
COMBRIDGE	4.4	-
DETEKON	-	0.6
ORBITEL	-	0.3
T-SYSTEMS	0.9	-
T-Mobile Deutschland	1.6	0.5
T-Mobile Czech	0.2	0.1
T-Mobile UK	0.6	0.2
T-Mobile Austria	0.2	0.1
T-Mobile Netherlands	0.3	-
T-Mobile USA	0.2	0.2
T-Mobile Hungary	0.1	-
T-Mobile Macedonia	0.2	0.1
T-Mobile Hrvatska	-	0.1
PCT POLSKA TELEFONIA	0.4	-
TOTAL	22.7	11.2

There were no transactions between the Group and related parties during the first nine months of 2008 which are not eliminated in the consolidation.

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

	First nine months of 2009		First nine months of 2008	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
COSMOFON	1.1	-	2.5	-
OTE PLC	-	135.4	1.3	132.1
TOTAL	1.1	135.4	3.8	132.1

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

	First nine months of 2009	First nine months of 2008
COSMOTE	282.2	245.2
OTE ESTATE	18.9	30.3
OTE SAT - MARITEL	1.0	0.5
OTE PLUS	0.4	-
TOTAL	302.5	276.0

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

	30/9/2009		31/12/2008	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	58.7	52.1	37.9	50.4
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.2	0.3	1.0
HELLAS-SAT	0.4	0.4	0.5	0.3
COSMO-ONE	0.1	0.4	-	0.7
VOICENET	1.5	0.8	1.7	0.9
HELLASCOM	-	2.5	-	2.9
OTE SAT - MARITEL	1.9	1.3	0.3	0.6
OTE PLUS	0.1	13.2	0.2	15.9
OTE ESTATE	0.9	14.3	0.7	0.4
OTE-GLOBE	38.3	75.8	68.0	91.8
OTE ACADEMY	0.4	0.1	-	0.1
DEUTSCHE TELEKOM AG	5.3	0.7	6.3	7.2
TOTAL	107.8	162.8	115.9	172.2



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:

	30/9/2009		31/12/2008	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM AG	11.3	5.4	6.5	7.5
DETEKON	-	0.1	-	-
HT HRVATSKE	0.1	-	-	-
COMBRIDGE	1.1	-	-	-
ORBITEL	-	0.1	-	-
T-SYSTEMS	0.3	-	-	-
T-Mobile Deutschland	0.1	0.1	-	-
T-Mobile Hungary	-	0.1	-	-
T-Mobile Czech	0.3	0.2	-	-
T-Mobile UK	0.3	0.6	-	-
T-Mobile Austria	0.1	0.2	-	-
T-Mobile Netherlands	0.1	0.3	-	-
T-Mobile USA	2.5	3.3	-	-
T-Mobile Macedonia	0.1	0.1	-	-
PCT POLSKA TELEFONIA	0.3	0.3	-	-
TOTAL	16.6	10.8	6.5	7.5

Of the entities included in the above table, as of December 31, 2008 only DEUTSCHE TELEKOM AG was a related party to OTE.

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

	30/9/2009		31/12/2008	
	Receivable OTE	Payable by OTE	Receivable OTE	Payable by OTE
COSMOFON	-	-	46.8	-
OTE PLC	-	3,374.8	-	3,423.1
TOTAL	-	3,374.8	46.8	3,423.1

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 3.7 million and Euro 3.7 million for the first nine months of 2009 and 2008, respectively.

999,230 options under OTE's share based payment plan have been granted to the Company's key management personnel as of September 30, 2009.

16. SHARE OPTION PLAN

On February 20, 2009, OTE's Board of Directors decided on and approved the introduction of new beneficiaries to the existing Share Option Plan, with the simultaneous granting of 1,107,780 Basic Options to them, of which 590,000 are to be granted to executives of OTE and 517,780 to executives of OTE's subsidiaries. Furthermore, the Board of Directors, decided on and approved the granting of 2,117,890 Additional Options to existing beneficiaries, of which 927,110 are to be granted to executives of OTE and 1,190,780 to executives of OTE's subsidiaries.

On December 31, 2008 the total number of share options outstanding was 6,008,060, while on September 30, 2009 after the additional grant the total number of share options outstanding was 8,797,720.

The fair value is reflected in the income statement during the vesting period. An amount of Euro 2.5 and Euro 5.5 was charged to the separate and consolidated income statements respectively in the nine months of 2009. The amounts are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium.



17. LITIGATION AND CLAIMS

In addition to litigations and claims referred to the financial statements as of December 31, 2008 the below are presented:

CIVIL PROCEEDINGS

In May 2009, Lannet filed a claim against OTE before the Court of First Instance for an aggregate amount of Euro 175.6, claiming restitution for our alleged illegal termination of services. The hearing of this case is scheduled for February 17, 2011.

Timeapply Ltd, has filed a claim against OTE in the Court of First Instance for Euro 17.3 for restitution due to damage caused by alleged patent infringement, as a result of our sale and advertisement of a prepaid telephone card called "Promocard". The case was heard on January 22, 2009. The Court under the number 2854/2009 decision declared itself incompetent to judge this difference and Timeapply Ltd filed a new claim which is scheduled to be heard on April 14, 2010. In addition, Timeapply filed a claim against OTE in the Court of First Instance for Euro 68.4 for alleged breach of a decision of the Court of First Instance granting an injunction prohibiting distribution of "Promocard". The Court of First Instance rejected the claim and Timeapply filed an appeal, which was heard on May 12, 2009; a decision has not yet been issued.

In September 2009, THRAHERN CAPITAL Sarl (a foreign company) and the Greek registered company YELLOW PAGES SA, filed a claim against OTE before the Multi Member Court of First Instance for an amount of Euro 60.5 for compensation and Euro 2.0 for restitution of moral damage. The hearing of this case is scheduled for June 2, 2011.

On February 3, 2009, the Hellenic Telecommunications and Post Commission ("HTPC") imposed a fine of Euro 2.0 to OTE, for the alleged refusal to provide the information requested for the purpose of price squeezing control over the price margins for voice telephony. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and also intends to seek the suspension of this decision.

On March 17, 2009, HTPC imposed a fine of Euro 7.0 to OTE for allegedly delayed delivery of lease lines to Hellas On Line S.A. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and also intends to seek the suspension of this decision.

In addition, on March 17, 2009, HTPC imposed a fine of Euro 0.5 to OTE for non-compliance with its decision of provisional measures, regarding the delivery of leased circuits to Hellas On Line S.A. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and also intends to seek the suspension of this decision.

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 and also intends to seek the suspension of this decision.

On May 5, 2009, HTPC imposed a fine of Euro 2.0 to OTE for violation of telecommunications law and specifically on the Company's obligation, as a company with significant market power (SMP) in the relevant market, to maintain maximum price level at the retention fee for calls from subscribers of its network to subscribers of mobile network providers. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and also intends to seek the suspension of this decision.

Regarding the series of fines imposed by HTPC on OTE for a total amount of Euro 27.4, the Athens Administrative Court of Appeal with its relevant decision has partially upheld the appeal of OTE, reducing the fine of Euro 20.1 to Euro 10.1. OTE intends to appeal against this decision before the Council of State.



CRIMINAL PROCEEDINGS

Germanos acquisition case. In 2007, the District Attorney of Athens commenced a preliminary investigation with respect to the propriety of the acquisition of Germanos by COSMOTE following the submission of a report by a number of members of the opposition party of the Greek Parliament, which claimed among other things that the acquisition was not in the business interest of COSMOTE. During the course of the preliminary investigation, members of the board of directors of COSMOTE at the time of the acquisition of Germanos were called and requested to submit explanations in connection with this case. Following the completion of the preliminary investigation, an investigating judge (the 20th Investigating Judge of Athens) was appointed to lead a formal criminal investigation in connection with the potential perpetration of offences. The investigating judge initiated criminal proceedings against the members of the board of directors of COSMOTE at the time of the acquisition of Germanos, investigating alleged abuse of trust ("Apistia"). Upon conclusion of the criminal investigation, a decision will be made on whether an indictment is warranted. Four of the then members of the board of directors of COSMOTE, are still members of the current board of COSMOTE and senior executives of the Group. In addition, the investigating judge ordered the appointment of two independent accounting firms to conduct an expert investigation in order to assess whether the consideration for the acquisition of Germanos (of approximately Euro 1.5 billion for 99.03% of the share capital of Germanos) was reasonable in view of business judgment and internationally accepted and customary financial and contractual practices, and whether the acquisition resulted in financial detriment to COSMOTE, and, in that event, to assess the amount of such detriment. To the extent so be requested, the Group intends to cooperate in relation to this investigation.

Siemens AG case. The District Attorney of Athens has conducted a preliminary investigation in connection with allegations of bribery, money laundering and other criminal offences committed in Germany and Greece by employees of Siemens AG and a number of Greek government officials and other individuals, relating to the award of supply contracts to Siemens AG. In connection with the investigation, the District Attorney has investigated, among other matters, the propriety of, and allegations of criminal conduct in connection with, a framework contract 8002/1997 with Siemens AG, and various equipment orders pursuant to that framework contract in the period following its signing and up to 2004. Framework contract 8002/1997 was signed on December 12, 1997 and related to the supply to OTE by Siemens AG of equipment for the digitalization of the network. In connection with this preliminary investigation, the Company has provided to the investigating authorities certain documents requested. Following the conclusion of the preliminary investigation, criminal charges were filed and an investigating judge was appointed to lead a formal criminal investigation. To the extent so requested, the Group has cooperated and intends to continue to cooperate with the competent authorities in relation to this investigation. We have also taken the necessary legal action before the investigating judge in order to assert our civil rights with respect to any damages we may have incurred as a result of any criminal offences committed. It is understood that, as part of the same investigation, a former senior executive of the Group, was charged for certain criminal offences, including receipt of bribes, and that in May 2009, was remanded in custody pending his trial for the same charges, until September 2009 when he was released. In connection with the same matter, OTE has filed a claim against Siemens AG before German Courts.

Maintenance contracts case. Following the conclusion of a preliminary investigation on the matter, an investigating judge (the 2nd Investigating Judge of Athens) was appointed to lead a formal criminal investigation into the potential perpetration of offences in connection with the propriety of a technical maintenance contract with three of OTE's suppliers. In June 2009, the investigating judge initiated criminal proceedings against members of OTE's Board of Directors and a member of OTE's senior management serving at the time of signing of the relevant contract, in 2004 and 2005, investigating alleged abuse of trust ("Apistia"). Three of these members, are still members of the current Board, whereas the member of OTE's senior management is currently the C.E.O. of ROMTELECOM. The above individuals have by this time testified in connection with the case by filing defense briefs and a decision is expected on whether an indictment is warranted.

18. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant event after the financial position date is as follows:

On November 2, 2009 COSMOTE announced that the transfer of 100% of Telemobil SA's (Zapp) shares was completed following the approval of relevant Authorities.