



**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.  
REGISTRATION No S.A. 347/06/B/86/10  
99 KIFFISIAS AVE-151 24 MAROUSSI**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
(SEPARATE AND CONSOLIDATED)  
AS OF 31 MARCH 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 1-27, were approved by the Board of Directors on 6 May 2009 and are signed on its behalf by:

Chairman  
& Managing Director

Panagis Vourloumis

Vice Chairman

Charalambos Dimitriou

Chief Financial Officer

Christini Spanoudaki

Chief Accounting Officer

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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**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM STATEMENTS OF FINANCIAL POSITION (SEPARATE AND CONSOLIDATED) AS OF 31 MARCH**  
**2009**

(Amounts in millions of Euro)

	Notes	31 /3/2009		31/12/2008	
		COMPANY	GROUP	COMPANY	GROUP
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		2,130.9	5,650.9	2,191.5	5,872.8
Goodwill		-	529.1	-	530.7
Telecommunication licenses		2.8	317.1	3.0	329.5
Other intangible assets		-	550.3	-	556.2
Investments	4	4,890.0	157.0	4,890.0	156.6
Loans and advances to pension funds		184.5	184.5	194.5	194.5
Deferred tax assets		151.3	252.1	188.0	286.8
Other non-current assets		66.2	120.5	112.4	120.7
<b>Total non – current assets</b>		<b>7,425.7</b>	<b>7,761.5</b>	<b>7,579.4</b>	<b>8,047.8</b>
<b>Current assets</b>					
Inventories		32.0	216.7	32.2	201.3
Trade receivables		654.5	1,173.0	697.5	1,194.2
Other financial assets	6	192.4	204.8	119.6	135.9
Other current assets		182.7	311.6	99.8	261.6
Cash and cash equivalents		287.1	1,460.5	344.5	1,427.8
<b>Total current assets</b>		<b>1,348.7</b>	<b>3,366.6</b>	<b>1,293.6</b>	<b>3,220.8</b>
Assets classified as held for sale	5	-	160.4	-	156.6
<b>TOTAL ASSETS</b>		<b>8,774.4</b>	<b>11,288.5</b>	<b>8,873.0</b>	<b>11,425.2</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to shareholders of the Company</b>					
Share capital	7	1,171.5	1,171.5	1,171.5	1,171.5
Share premium		498.5	498.5	497.9	497.9
Statutory reserve		330.2	330.2	330.2	330.2
Foreign exchange and other reserves		(0.5)	(37.9)	1.4	73.9
Changes in minority interests		-	(3,315.2)	-	(3,315.2)
Retained earnings		1,675.5	2,820.3	1,523.0	2,553.6
		3,675.2	1,467.4	3,524.0	1,311.9
<b>Minority Interests</b>		-	815.4	-	861.3
<b>Total Equity</b>		<b>3,675.2</b>	<b>2,282.8</b>	<b>3,524.0</b>	<b>2,173.2</b>
<b>Non – current liabilities</b>					
Long-term borrowings	8	3,288.3	5,409.7	3,288.2	5,409.6
Provision for staff retirement indemnities		239.5	260.4	233.8	254.9
Cost of voluntary retirement scheme	12	117.0	117.0	107.2	107.2
Provision for youth account		285.4	285.4	286.3	286.3
Deferred tax liabilities		-	116.5	-	116.7
Other non – current liabilities		44.7	79.0	41.4	74.6
<b>Total non – current liabilities</b>		<b>3,974.9</b>	<b>6,268.0</b>	<b>3,956.9</b>	<b>6,249.3</b>
<b>Current liabilities</b>					
Trade accounts payable		464.7	851.3	526.1	943.9
Short-term borrowings	9	-	2.3	-	5.1
Short-term portion of long-term borrowings	8	18.9	633.1	18.9	633.0
Income tax		22.3	123.1	4.0	58.0
Deferred revenue		178.3	230.7	158.4	228.4
Cost of voluntary retirement scheme	12	85.4	85.4	275.8	275.8
Dividends payable		3.6	3.6	3.8	3.8
Other current liabilities		351.1	787.3	405.1	838.2
<b>Total current liabilities</b>		<b>1,124.3</b>	<b>2,716.8</b>	<b>1,392.1</b>	<b>2,986.2</b>
Liabilities directly associated with the assets classified as held for sale	5	-	20.9	-	16.5
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,774.4</b>	<b>11,288.5</b>	<b>8,873.0</b>	<b>11,425.2</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM INCOME STATEMENTS (SEPARATE AND CONSOLIDATED) FOR THE THREE MONTH PERIOD**  
**ENDED AT 31 MARCH 2009**

	Notes	1/1/2009 – 31/3/2009		1/1/2008 – 31/3/2008	
		COMPANY	GROUP	COMPANY(*)	GROUP
<i>(Amounts in millions of Euro, except for the per share data)</i>					
<b>Revenues</b>					
Domestic telephony	11	309.5	410.1	349.0	466.0
International telephony	11	39.7	56.6	52.9	78.9
Mobile telephony	11	-	579.0	-	559.8
Other revenues	11	255.8	408.8	236.1	432.8
<b>Total revenues</b>		<b>605.0</b>	<b>1,454.5</b>	<b>638.0</b>	<b>1,537.5</b>
<b>Operating expenses</b>					
Payroll and employee benefits		(177.8)	(293.4)	(159.8)	(279.5)
Provision for staff retirement indemnities and youth account		(21.2)	(21.7)	(20.4)	(21.0)
Cost of early retirement program	12	190.9	187.6	(12.2)	(41.8)
Charges from international operators		(27.1)	(48.8)	(29.3)	(48.1)
Charges from domestic operators		(54.3)	(126.6)	(72.2)	(155.6)
Depreciation and amortization		(109.6)	(277.8)	(121.5)	(294.3)
Cost of telecommunications equipment		(20.2)	(101.7)	(21.3)	(153.3)
Other operating expenses	13	(114.4)	(329.3)	(111.8)	(304.4)
<b>Total operating expenses</b>		<b>(333.7)</b>	<b>(1,011.7)</b>	<b>(548.5)</b>	<b>(1,298.0)</b>
<b>Operating income before financial activities</b>		<b>271.3</b>	<b>442.8</b>	<b>89.5</b>	<b>239.5</b>
<b>Income and expense from financial activities</b>					
Interest expense		(70.7)	(103.0)	(53.0)	(87.1)
Interest income		7.1	25.9	9.1	18.5
Foreign exchange differences, net		(0.3)	3.4	0.5	5.8
Gains/Losses from investments		-	-	(1.5)	13.8
<b>Total profit (loss) from financial activities</b>		<b>(63.9)</b>	<b>(73.7)</b>	<b>(44.9)</b>	<b>(49.0)</b>
<b>Profit before tax</b>		<b>207.4</b>	<b>369.1</b>	<b>44.6</b>	<b>190.5</b>
<b>Income tax</b>		<b>(54.9)</b>	<b>(98.5)</b>	<b>(15.9)</b>	<b>(53.6)</b>
<b>Profit for the period</b>		<b>152.5</b>	<b>270.6</b>	<b>28.7</b>	<b>136.9</b>
Attributable to:					
Shareholders of the parent		152.5	266.7	28.7	141.1
Minority interests		-	3.9	-	(4.2)
		<b>152.5</b>	<b>270.6</b>	<b>28.7</b>	<b>136.9</b>
<b>Basic earnings per share</b>	15	-	<b>0.5441</b>	-	<b>0.2879</b>
<b>Diluted earnings per share</b>	15	-	<b>0.5341</b>	-	<b>0.2879</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

(\*): Amounts adjusted due to the merger, by absorption, of OTE NET by OTE (see note 19)

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM STATEMENTS OF COMPREHENSIVE INCOME (SEPARATE AND CONSOLIDATED) FOR THE**  
**THREE MONTH PERIOD ENDED AT 31 MARCH 2009**

*(Amounts in millions of Euro)*

	1/1/2009 - 31/3/2009		1/1/2008 - 31/3/2008	
	COMPANY	GROUP	COMPANY	GROUP
<b>Profit for the period</b>	<b>152.5</b>	<b>270.6</b>	<b>28.7</b>	<b>136.9</b>
Foreign currency translation	-	(159.7)	-	(79.7)
Available for sale financial assets	(1.9)	(1.9)	(13.8)	(13.8)
Other comprehensive income / (loss) for the period	(1.9)	(161.6)	(13.8)	(93.5)
<b>Total comprehensive income for the period</b>	<b>150.6</b>	<b>109.0</b>	<b>14.9</b>	<b>43.4</b>
<b>Attributable to:</b>				
Shareholders of the parent	150.6	154.9	14.9	71.3
Minority interests	-	(45.9)	-	(27.9)
	<b>150.6</b>	<b>109.0</b>	<b>14.9</b>	<b>43.4</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM STATEMENTS OF CHANGES IN EQUITY (SEPARATE) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2009**

*(Amounts in millions of Euro)*

	Share capital	Share Premium	Statutory reserve	Foreign exchange and other reserves	Retained earnings	Total equity
<b>Balance as at 31 December 2007 (*)</b>	<b>1,171.5</b>	<b>485.9</b>	<b>312.1</b>	<b>36.2</b>	<b>1,543.3</b>	<b>3,549.0</b>
Profit for the period	-	-	-	-	28.7	28.7
Other comprehensive income (loss)	-	-	-	(13.8)	-	(13.8)
<b>Total comprehensive income</b>	-	-	-	<b>(13.8)</b>	<b>28.7</b>	<b>14.9</b>
Share-based payment	-	1.0	-	-	-	1.0
<b>Balance as at 31 March 2008 (*)</b>	<b>1,171.5</b>	<b>486.9</b>	<b>312.1</b>	<b>22.4</b>	<b>1,572.0</b>	<b>3,564.9</b>
<b>Balance as at 31 December 2008</b>	<b>1,171.5</b>	<b>497.9</b>	<b>330.2</b>	<b>1.4</b>	<b>1,523.0</b>	<b>3,524.0</b>
Profit for the period	-	-	-	-	152.5	152.5
Other comprehensive income (loss)	-	-	-	(1.9)	-	(1.9)
<b>Total comprehensive income</b>	-	-	-	<b>(1.9)</b>	<b>152.5</b>	<b>150.6</b>
Share-based payment	-	0.6	-	-	-	0.6
<b>Balance as at 31 March 2009</b>	<b>1,171.5</b>	<b>498.5</b>	<b>330.2</b>	<b>(0.5)</b>	<b>1,675.5</b>	<b>3,675.2</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

(\*) **Amounts adjusted due to the merger, by absorption, of OTENET by OTE (see Note 19)**

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2009**

(Amounts in millions of Euro)

Attributed to equity holders of the parent

	Share capital	Share Premium	Statutory reserve	Foreign exchange and other reserves	Changes in minority interests	Retained Earnings	Total	Minority Interest	Total Equity
<b>Balance as at 31 December 2007</b>	<b>1,171.5</b>	<b>485.9</b>	<b>312.1</b>	<b>258.3</b>	<b>(2,533.8)</b>	<b>2,337.5</b>	<b>2,031.5</b>	<b>1,023.1</b>	<b>3,054.6</b>
Profit for the period	-	-	-	-	-	141.1	141.1	(4.2)	136.9
Other comprehensive income / (loss)	-	-	-	(69.8)	-	-	(69.8)	(23.7)	(93.5)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69.8)</b>	<b>-</b>	<b>141.1</b>	<b>71.3</b>	<b>(27.9)</b>	<b>43.4</b>
Share-based payment	-	1.0	-	-	-	-	1.0	-	1.0
Net change of participation in subsidiaries	-	-	-	-	(702.2)	-	(702.2)	(59.3)	(761.5)
<b>Balance as at 31 March 2008</b>	<b>1,171.5</b>	<b>486.9</b>	<b>312.1</b>	<b>188.5</b>	<b>(3,236.0)</b>	<b>2,478.6</b>	<b>1,401.6</b>	<b>935.9</b>	<b>2,337.5</b>
<b>Balance as at 31 December 2008</b>	<b>1,171.5</b>	<b>497.9</b>	<b>330.2</b>	<b>73.9</b>	<b>(3,315.2)</b>	<b>2,553.6</b>	<b>1,311.9</b>	<b>861.3</b>	<b>2,173.2</b>
Profit for the period	-	-	-	-	-	266.7	266.7	3.9	270.6
Other comprehensive income / (loss)	-	-	-	(111.8)	-	-	(111.8)	(49.8)	(161.6)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(111.8)</b>	<b>-</b>	<b>266.7</b>	<b>154.9</b>	<b>(45.9)</b>	<b>109.0</b>
Share-based payment	-	0.6	-	-	-	-	0.6	-	0.6
<b>Balance as at 31 March 2009</b>	<b>1,171.5</b>	<b>498.5</b>	<b>330.2</b>	<b>(37.9)</b>	<b>(3,315.2)</b>	<b>2,820.3</b>	<b>1,467.4</b>	<b>815.4</b>	<b>2,282.8</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**  
**INTERIM CASH FLOW STATEMENTS (SEPARATE AND CONSOLIDATED) FOR THE THREE MONTH**  
**PERIOD ENDED 31 MARCH 2009**

<i>(Amounts in millions of Euro)</i>	1/1/2009 – 31/3/2009		1/1/2008 – 31/3/2008	
	COMPANY	GROUP	COMPANY(*)	GROUP
<b>Cash flows from operating activities</b>				
Profit before tax	207.4	369.1	44.6	190.5
Adjustments for:				
Depreciation and amortization	109.6	277.8	121.5	294.3
Share-based payment	0.6	0.6	1.0	1.0
Cost of early retirement program	(190.9)	(187.6)	12.2	41.8
Provision for staff retirement indemnities and youth account	21.2	21.7	20.4	21.0
Other provisions	13.2	26.8	17.2	24.9
Foreign exchange differences, net	0.3	(3.4)	(0.5)	(5.8)
Interest income	(7.1)	(25.9)	(9.1)	(18.5)
Dividend income, gains/(losses) and impairment of investments	-	-	1.5	(13.8)
Release of EDEKT fund prepayment	8.8	8.8	8.8	8.8
Interest expense	70.7	103.0	53.0	87.1
Working capital adjustments:				
Decrease/ (increase) in inventories	0.2	(2.8)	11.4	4.4
Increase in accounts receivable	(7.6)	(40.3)	(57.1)	(126.1)
Decrease in liabilities (except bank liabilities)	(55.6)	(101.8)	(76.3)	(150.9)
Minus:				
Interest and related expenses paid	(113.1)	(130.3)	(28.8)	(28.5)
Income taxes paid	-	(4.9)	(0.4)	(7.7)
<b>Total cash flows from operating activities</b>	<b>57.7</b>	<b>310.8</b>	<b>119.4</b>	<b>322.5</b>
<b>Cash flows from investing activities</b>				
Acquisition of minority interest and participation in subsidiaries' share capital increase	-	-	(762.9)	(762.9)
Purchase of financial assets	(181.2)	(181.2)	-	-
Sale or maturity of financial assets	108.2	113.5	-	-
Loans proceeds	2.4	2.4	-	-
Purchase of property plant and equipment and intangible assets	(50.3)	(221.4)	(40.1)	(139.0)
Interest received	6.0	19.3	5.7	10.0
<b>Total cash flows used in investing activities</b>	<b>(114.9)</b>	<b>(267.4)</b>	<b>(797.3)</b>	<b>(891.9)</b>
<b>Cash flows from financing activities</b>				
Proceeds from minority shareholders for their participation in subsidiaries' share capital increase	-	-	-	16.9
Proceeds from loans granted and issued	-	8.3	2,700.0	2,700.0
Repayment of loans	-	(12.1)	(2,100.0)	(2,100.8)
Dividends paid to Company's shareholders	(0.2)	(0.2)	(0.1)	(0.1)
Dividends paid to minority interests	-	(1.2)	-	-
<b>Total cash flows from/(used in) financing activities</b>	<b>(0.2)</b>	<b>(5.2)</b>	<b>599.9</b>	<b>616.0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(57.4)</b>	<b>38.2</b>	<b>(78.0)</b>	<b>46.6</b>
<b>Cash and cash equivalents, at the beginning of the period</b>	<b>344.5</b>	<b>1,429.7</b>	<b>459.2</b>	<b>1,316.3</b>
<b>Net foreign exchange differences</b>	-	(5.2)	-	-
<b>Cash and cash equivalents classified as held for sale</b>	-	(2.2)	-	-
<b>Cash and cash equivalents, at the end of the period</b>	<b>287.1</b>	<b>1,460.5</b>	<b>381.2</b>	<b>1,362.9</b>

The accompanying notes on pages 9-27 form an integral part of these financial statements.

(\*): Amounts adjusted due to the merger, by absorption, of OTENET by OTE (see note 19)



**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(SEPARATE AND CONSOLIDATED) AS OF 31 MARCH 2009  
(Amounts in millions of Euro, unless otherwise stated)**

**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](http://www.ote.gr).

The Company is listed on the Athens Stock 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 («financial statements») as at 31 March 2009 were approved for issuance by the Board of Directors on 6 May 2009.

The total number of Group and Company employees as at the current and previous period end were as follows:

	<u>Group</u>	<u>Company</u>
<b>31 March 2009</b>	33,646	12,086
<b>31 March 2008</b>	34,715	11,950

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

<u>Company Name</u>	<u>Line of Business</u>	<u>Country</u>	<u>Ownership interest</u>	
			<u>31/03/2009</u>	<u>31/12/2008</u>
<b>Direct ownership</b>				
• COSMOTE MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE”)	Mobile telecommunications services	Greece	100.00%	100.00%
• OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	Greece	100.00%	100.00%
• HELLAS SAT CONSORTIUM LIMITED («HELLAS-SAT”)	Satellite communications	Cyprus	99.05%	100.00%
• 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%

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(SEPARATE AND CONSOLIDATED) AS OF 31 MARCH 2009  
(Amounts in millions of Euro, unless otherwise stated)**

**Indirect ownership**

• 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%	100.00%
• COSMOFON MOBILE TELECOMMUNICATIONS SERVICES A.D. – SKOPJE ("COSMOFON")	Mobile telecommunications services	Skopje	100.00%	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	82.45%	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%	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%
• 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 Financial Statements for the three months ended 31 March 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These Interim Condensed 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 31 December 2008, which are available on the Company's website ([www.ote.gr](http://www.ote.gr)).

The financial statements have been prepared on the historical cost basis, except for 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 cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements of 31 December 2008 and which are comprehensively presented in the notes of those financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning 1 January 2009 and which did not have any impact on the financial position or performance of the Group or Company:

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 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 revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; 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”.
- IFRIC 17, “Distributions of Non-cash Assets to Owners”.
- IFRS 2, “Share-based Payments” (Amended).
- IAS 32 and IAS 1, “Puttable Financial Instruments” (Amended).
- IAS 23, “Borrowing Costs” (Revised).
- IAS 39 “Financial Instruments: Recognition and Measurement - Eligible Hedged Items”.
- 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.

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**4. INVESTMENTS**

Investments are analyzed as follows:

	31/3/2009		31/12/2008	
	COMPANY	GROUP	COMPANY	GROUP
(a) Investments in subsidiaries	4,733.6	-	4,733.6	-
(b) Other investments	156.4	157.0	156.4	156.6
	<b>4,890.0</b>	<b>157.0</b>	<b>4,890.0</b>	<b>156.6</b>

**(a) Investment in subsidiaries:**

	Country of incorporation	31/03/2009	31/12/2008
• COSMOTE	Greece	3,505.7	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	336.3	336.3
• OTE-GLOBE	Greece	163.7	163.7
• OTE INSURANCE	Greece	0.6	0.6
• OTE ACADEMY	Greece	6.6	6.6
		<b>4,733.6</b>	<b>4,733.6</b>

On 18 December 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). As at 31 March 2009, the return of capital had not yet taken place.

On 12 February 2009, OTE announced that its 100% subsidiary COSMOTE, had acquired, after participating in an international competition, a further 12.6% of AMC. The holding was purchased from the Albanian State for Euro 48.2. Following the transaction COSMOTE's holding in AMC, direct and indirect via its 97% subsidiary COSMOHOLDING ALBANIA, is 95%. The transaction is subject to the approval of the relevant Albanian governmental and regulatory authorities.

**(b) Other investments**

OTE's other investments can be analyzed as follows:

	31/3/2009	31/12/2008
TELEKOM SRBIJA	155.1	155.1
Other	1.3	1.3
	<b>156.4</b>	<b>156.4</b>

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**5. ASSETS HELD FOR SALE**

On 15 September 2008, OTE publicly announced that it had appointed financial advisors for the sale of COSMOFON, which is a mobile telephony provider in Skopje. GERMANOS Telecom Skopje S.A (GTS), a subsidiary of GERMANOS will be sold together with COSMOFON, the impact of the sale of GERMANOS Telecom Skopje S.A (GTS) is insignificant.

Taking into account the provisions of IFRS 5, COSMOFON meets the criteria for classification as held for sale and, therefore, in the consolidated balance sheet as of 31 March 2009, COSMOFON's assets and liabilities are presented separately from other assets and liabilities of the Group in line items "Assets classified as held for sale" and in "Liabilities directly associated with assets classified as held for sale", respectively. The afore-mentioned classification did not affect OTE's separate balance sheet, as of 31 March 2009.

The assets and liabilities of COSMOFON, after the elimination of intercompany balances as of 31 March 2009, are analyzed as follows:

<b>ASSETS</b>	<b>31/3/2009</b>
<b>Non -current assets</b>	
Property, plant and equipment	101.9
Telecommunication licenses	30.2
<b>Total non-current assets</b>	<b>132.1</b>
<b>Current assets</b>	
Inventories	2.1
Trade receivables	18.4
Other current assets	5.6
Cash and cash equivalents	2.2
<b>Total current assets</b>	<b>28.3</b>
<b>Assets classified as held for sale</b>	<b>160.4</b>
<b>LIABILITIES</b>	
Trade accounts payable	14.1
Deferred tax liability	1.6
Other current liabilities	5.2
<b>Total liabilities</b>	<b>20.9</b>
<b>Liabilities directly associated with the assets classified as held for sale</b>	<b>20.9</b>

Condensed income statements of COSMOFON for the periods presented are included in the table below for information purposes, amounts presented are before the elimination of inter company transactions:

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**5. ASSETS HELD FOR SALE (continued)**

	<u>1/1/2009 – 31/3/2009</u>	<u>1/1/2008 – 31/3/2008</u>
Revenue	14.3	14.6
Operating expenses	<u>(17.7)</u>	<u>(14.5)</u>
Operating income before financial activities	<u>(3.4)</u>	<u>0.1</u>
Total profit (loss) from financial activities	<u>(1.3)</u>	<u>(1.2)</u>
Profit before tax	(4.7)	(1.1)
Income tax	<u>-</u>	<u>-</u>
Profit for the period	<u><b>(4.7)</b></u>	<u><b>(1.1)</b></u>

On 30 March 2009, OTE announced that the agreements between COSMOTE and Telekom Slovenije have been signed in Athens regarding the transfer of 100% of COSMOFON, through the sale of the 100% subsidiary of COSMOTE, OTE MTS HOLDING B.V., as well as GERMANOS TELECOM AD SKOPJE (GTS) to Telekom Slovenije. The total value of the transaction amounts to Euro 190. The transaction is subject to the approval of the relevant Skopje governmental and regulatory authorities.

According to the sale agreement, the two loans OTE has granted to COSMOFON will be fully repaid on completion of the transaction. Therefore, the two loans which amounted Euro 46.2 as of 31 March 2009 have been transferred from non-current assets to current assets.

**6. OTHER FINANCIAL ASSETS**

Other financial assets are analyzed as follows:

	<u>31/3/2009</u>		<u>31/12/2008</u>	
	<u>COMPANY</u>	<u>GROUP</u>	<u>COMPANY</u>	<u>GROUP</u>
Equity securities	11.3	23.7	13.0	26.2
Government bonds	181.1	181.1	106.6	109.7
	<u><b>192.4</b></u>	<u><b>204.8</b></u>	<u><b>119.6</b></u>	<u><b>135.9</b></u>

Other financial assets comprise of shares listed on the Stock Exchange. In addition, other financial assets include Greek, Dutch and German government bonds. The above financial assets are classified as available-for-sale or held-to-maturity

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**7. SHARE CAPITAL**

OTE's share capital as at 31 March 2009 and 31 December 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 12 below, on 4 March 2009 a 4% of OTE's share capital currently held by the Hellenic State was transferred to IKA.

The following is an analysis of the ownership of OTE's shares as of 31 March 2009:

<b>Shareholder</b>	<b>Number of shares</b>	<b>Percentage %</b>
Hellenic State	87,878,811	17.93%
D.E.K.A. S.A. (indirect participation of the Hellenic State)	15,052,773	3.07%
IKA – ETAM (See Note 12)	19,606,015	4.00%
DEUTSCHE TELEKOM AG	122,537,599	25.00%
Institutional Investors	206,505,640	42.13%
Private Investors	38,569,550	7.87%
<b>Total</b>	<b>490,150,389</b>	<b>100.00%</b>

**8. LONG-TERM BORROWINGS**

Long-term borrowings are analyzed as follows:

	<u>31/3/2009</u>	<u>31/12/2008</u>
<b><u>COMPANY</u></b>		
(a) Loan from European Investment Bank / Hellenic State	18.9	18.9
(b) Intercompany loans from OTE PLC	3,288.3	3,288.2
<b><i>Total long-term debt</i></b>	<b>3,307.2</b>	<b>3,307.1</b>
Short-term portion	(18.9)	(18.9)
<b><i>Long-term portion</i></b>	<b>3,288.3</b>	<b>3,288.2</b>
<b><u>GROUP</u></b>		
(a) Loan from European Investment Bank / Hellenic State	18.9	18.9
(b) Syndicated loans	500.0	500.0
(c) Global Medium-Term Note Programme	5,468.9	5,464.5
(d) Other bank loans	55.0	59.2
<b><i>Total long-term debt</i></b>	<b>6,042.8</b>	<b>6,042.6</b>
Short-term portion	(633.1)	(633.0)
<b><i>Long-term portion</i></b>	<b>5,409.7</b>	<b>5,409.6</b>

**9. SHORT-TERM BORROWINGS**

The outstanding balance as of 31 March 2009 for the Group amounted to Euro 2.3 and is analyzed as follows:

- OTE PLUS and its subsidiaries loans of Euro 1.6.
- VOICENET loans of Euro 0.7

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**10. 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:

<u>Company</u>	<u>OPEN TAX YEARS</u>
<b><u>Full Consolidation method (Direct ownership)</u></b>	
• 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 2003
• OTE GLOBE	From 2007
• OTE INSURANCE	From 2003
• OTE ACADEMY	From 2007
• HATWAVE	From 1996
<u>Company</u>	<u>OPEN TAX YEARS</u>
<b><u>Full Consolidation method (Indirect ownership)</u></b>	
• OTE INVESTMENTS SERVICES S.A.	From 2005
• ROMTELECOM	From 2006
• AMC	From 2006
• COSMOFON	From 2001
• GLOBUL	From 2005
• COSMOTE ROMANIA	From 2007
• GERMANOS	From 2004
• E-VALUE S.A.	From 2003
• GERMANOS TELECOM SKOPJE S.A.	From 2008
• 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 A.E	From 2008
• OTE MTS HOLDING B.V	From 2005
• 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 open tax years 2006 and 2007 commenced on February 2009, and is expected to be completed within 2009.

On January 2009, the tax authorities concluded their audit of OTE PLUS, without any impact to the financial statements. The tax audit covered the open tax years 2005-2007.

The tax audit of GERMANOS for the fiscal years 2004 and 2007 is in progress and is expected to be completed within 2009.



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**10. INCOME TAXES (continued)**

The tax audit of OTE ESTATE for the fiscal years 2003 - 2007 is in progress and is expected to be completed within 2009.

The tax audit of OTE SAT - MARITEL for the fiscal years 2004 and 2005 is in progress and is expected to be completed within 2009.

Tax audit of AMC for fiscal years 2006 and 2007 is in progress and is expected to be completed within 2009.

The tax audit of E-VALUE S.A. for the fiscal years 2003-2005 is in progress and is expected to be completed within 2009.

Tax audit of OTE PLUS-BULGARIA, which is under liquidation, is in progress and is expected to be completed within 2009.

**11. REVENUES**

Revenues are analyzed as follows:

	<u>1<sup>st</sup> Quarter</u>	<u>2009</u>	<u>1<sup>st</sup> Quarter</u>	<u>2008</u>
	<u>COMPANY</u>	<u>GROUP</u>	<u>COMPANY(*)</u>	<u>GROUP</u>
(i) Domestic Telephony				
• Monthly network service fees	147.4	216.8	160.2	233.0
• Local and long-distance calls				
- Fixed to fixed	103.2	116.0	113.8	128.1
- Fixed to mobile	42.4	62.7	57.2	82.0
	145.6	178.7	171.0	210.1
• Other	16.5	14.6	17.8	22.9
	<b>309.5</b>	<b>410.1</b>	<b>349.0</b>	<b>466.0</b>
(ii) International Telephony				
• International traffic	13.7	20.6	15.9	23.8
• Dues from international operators	14.6	24.0	25.8	43.0
• Dues from mobile operators	11.4	12.0	11.2	12.1
	<b>39.7</b>	<b>56.6</b>	<b>52.9</b>	<b>78.9</b>
(iii) Mobile Telephony	-	<b>579.0</b>	-	<b>559.8</b>
(iv) Other revenues				
• Prepaid cards	8.3	9.3	9.7	11.7
• Leased lines and Data ATM communications	52.2	82.2	54.9	76.4
• Integrated Services Digital Network	33.0	36.4	34.5	37.4
• Sales of telecommunication equipment	9.8	95.0	11.9	152.9
• Internet/ ADSL	52.7	73.3	39.1	54.5
• Co-location / Local Loop	32.5	33.8	14.2	15.6
• Metro Ethernet & IP CORE	5.2	6.8	3.6	4.4
• Provision for services	34.4	20.7	37.0	25.2
• Interconnection charges	25.0	25.4	29.0	29.2
• Miscellaneous	2.7	25.9	2.2	25.5
Total other revenues	<b>255.8</b>	<b>408.8</b>	<b>236.1</b>	<b>432.8</b>
<b>Total revenues</b>	<b>605.0</b>	<b>1,454.5</b>	<b>638.0</b>	<b>1,537.5</b>

(\*) : Amounts adjusted due to the merger, by absorption, of OTENET by OTE (see Note 19)

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**12. COST OF EARLY RETIREMENT PROGRAM**

On 28 January 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 30 December 2009, would be entitled to benefits in order to retire the latest by this date. The deadline for the applications for participating in this Voluntary Leave Scheme was due on 16 February 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 quarter of 2009.

In addition, an amount of Euro 3.3 which is the cost of ROMTELECOM's early retirement program is included in Group's income statement for the first quarter of 2009.

On 4 March 2009, 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 10 May 2007 of 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 Stock Exchange, the date the transfer was signed) per share. The total fair value of the transferred shares amounts to Euro 201.9 and is included in the results of OTE for the first quarter of 2009, under the account "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 the number of shares that will be repurchased and the time period.
- If IKA-ETAM, for any reason, decides to sell 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, 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 fulfill 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.

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**12. COST OF EARLY RETIREMENT PROGRAM (continued)**

- If OTE decides to increase its share capital with a preference right in favor of the existing shareholders, 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.
- 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 market value 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.

Based on the estimated period of payment, these obligations are classified as follows:

	<b><u>31/3/2009</u></b>
Short-term portion of the provision for Voluntary Leave Scheme	85.4
Long-term portion of the provision for Voluntary Leave Scheme	117.0
<b>Total</b>	<b><u><u>202.4</u></u></b>

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

<b>Balance as of 31 December 2008</b>	<b>383.0</b>
Payments during period	(5.8)
Release of liability due to the transfer of 4% to IKA-ETAM	(201.9)
Adjustment due to time value of money	27.1
<b>Balance as of 31 March 2009</b>	<b><u><u>202.4</u></u></b>

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

- 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 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.

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**12. COST OF EARLY RETIREMENT PROGRAM (continued)**

- 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 TEAYTEKO for the factitious time recognized to these employees as well as the pensions that TEAYTEKO (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 TEAYTEKO (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 TEAYTEKO will be required to pay to these employees, OTE should grant a long-term loan to TEAYTEKO.

As of 31 March 2009, the above-mentioned law has not yet been enacted.

**13. OTHER OPERATING EXPENSES**

Other operating expenses are analyzed as follows:

	<u>1<sup>st</sup> Quarter</u>	<u>2009</u>	<u>1<sup>st</sup> Quarter</u>	<u>2008</u>
	<u>COMPANY</u>	<u>GROUP</u>	<u>COMPANY(*)</u>	<u>GROUP</u>
Third party fees	25.6	45.2	23.1	44.7
Cost of telecommunication materials, repairs and maintenance	18.7	47.9	17.2	48.9
Advertising and promotion costs	10.7	51.0	12.4	43.2
Utilities	13.7	31.4	12.3	22.3
Provision for doubtful accounts	13.2	26.8	17.4	25.5
Travel costs	1.6	4.1	1.8	3.9
Commissions to independent commercial distributors	-	64.4	-	65.3
Payments to Audiotex providers	1.9	3.0	1.8	2.4
Rents	18.9	24.6	18.4	24.9
Taxes, other than income tax	3.3	12.7	2.7	11.4
Transportation costs	0.8	2.6	1.0	2.2
Other	6.0	15.6	3.7	9.7
	<u>114.4</u>	<u>329.3</u>	<u>111.8</u>	<u>304.4</u>

(\*) : Amounts adjusted due to the merger, by absorption, of OTENET by OTE(see note 19)

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**14. 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 Company'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 as 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, operating income and net income.

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

<u>Three month period ended 31 March 2009</u>	<u>OTE</u>	<u>COSMOTE</u>	<u>ROMTELECOM</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Eliminations</u>	<u>GROUP</u>
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 expense	(333.7)	(582.5)	(178.2)	(82.1)	(1,176.5)	164.8	(1,011.7)
Operating income	271.3	133.9	23.2	14.3	442.7	0.1	442.8
Operating profit before depreciation	380.9	240.2	74.3	25.5	720.9	(0.3)	720.6
Net income	152.5	88.0	7.7	12.2	260.4	6.3	266.7

<u>Three month period ended 31 March 2008</u>	<u>OTE (*)</u>	<u>COSMOTE</u>	<u>ROMTELECOM</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Eliminations</u>	<u>GROUP</u>
Revenue from external customers	588.2	699.8	215.3	34.2	1,537.5	-	1,537.5
Intersegment revenue	49.8	47.5	3.9	52.9	154.1	(154.1)	-
Total Revenue	638.0	747.3	219.2	87.1	1,691.6	(154.1)	1,537.5
Operating expense	(548.5)	(608.0)	(224.3)	(70.9)	(1,451.7)	153.7	(1,298.0)
Operating income	89.5	139.3	(5.1)	16.2	239.9	(0.4)	239.5
Operating profit before depreciation	211.0	240.0	55.8	27.8	534.6	(0.8)	533.8
Net income	28.7	77.1	(10.9)	15.3	110.2	30.9	141.1

(\*) : Amounts adjusted due to the merger, by absorption, of OTENET by OTE (see Note 19)

**15. EARNINGS PER SHARE**

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the shareholders 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.

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**15. EARNINGS PER SHARE (continued)**

Earnings per share are analyzed as follows:

	<b>GROUP</b>	
	<b>1<sup>st</sup> Quarter 2009</b>	<b>1<sup>st</sup> Quarter 2008</b>
Profit attributable to shareholders of the parent	266.7	141.1
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389
Share options	9,233,730	-
Weighted average number of shares adjusted for the effect of dilutions	<u>499,384,119</u>	<u>490,150,389</u>
Basic earnings per share	0.5441	0.2879
Diluted earnings per share	0.5341	0.2879

(Earnings per share are in absolute amounts)

**16. 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 control 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:

	<b>1<sup>st</sup> Quarter 2009</b>		<b>1<sup>st</sup> Quarter 2008(*)</b>	
	<b>Sales OTE</b>	<b>Purchases OTE</b>	<b>Sales OTE</b>	<b>Purchases OTE</b>
COSMOTE	44.5	30.7	41.6	31.1
OTE INTERNATIONAL INVESTMENTS LTD	0.1	1.0	0.1	1.2
HELLAS-SAT	0.1	0.4	0.2	0.4
COSMO-ONE	-	0.2	-	0.3
VOICENET	1.4	1.1	0.1	0.9
HELLASCOM	0.1	2.0	0.1	1.9
OTE SAT – MARITEL	0.3	0.6	0.2	0.6
OTE PLUS	0.1	8.3	0.1	9.0
OTE ESTATE	0.2	16.2	0.1	15.5
OTE-GLOBE	6.7	18.2	6.4	13.9
OTE ACADEMY	-	1.0	-	0.9
DEUTSCHE TELEKOM AG	1.6	2.6	-	-
MAKEDONSKI TELECOMMUNIKACII A.	0.2	-	-	-
	<u><b>55.3</b></u>	<u><b>82.3</b></u>	<u><b>48.8</b></u>	<u><b>74.8</b></u>

(\*) : Amounts adjusted due to the merger, by absorption, of OTENET by OTE (see note 19)

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**16. RELATED PARTY DISCLOSURES (continued)**

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

	<b>1<sup>st</sup> Quarter 2009</b>	
	<b>Group's Sales</b>	<b>Group's Purchases</b>
DEUTSCHE TELEKOM AG MAKEDONSKI TELEKOMMUNIKACII A.	5.6	5.0
T-Mobile Deutschland	0.1	0.2
T-Mobile (UK)	-	0.1
T-Mobile USA	0.1	0.1
	<b>6.0</b>	<b>5.4</b>

There were no transactions between the Group and related parties during the 1<sup>st</sup> quarter 2008 which are not eliminated in the consolidation.

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

	<b>1<sup>st</sup> Quarter 2009</b>		<b>1<sup>st</sup> Quarter 2008</b>	
	<b>Finance income OTE</b>	<b>Finance expense OTE</b>	<b>Finance income OTE</b>	<b>Finance expense OTE</b>
COSMOFON	0.7	-	0.9	-
OTE PLC	-	44.0	0.4	41.0
	<b>0.7</b>	<b>44.0</b>	<b>1.3</b>	<b>41.0</b>

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

	<b>31/3/2009</b>		<b>31/12/2008</b>	
	<b>Amounts owed to OTE</b>	<b>Amounts owed by OTE</b>	<b>Amounts owed to OTE</b>	<b>Amounts owed by OTE</b>
COSMOTE	59.4	34.5	37.9	50.4
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.7	0.3	1.0
HELLAS-SAT	0.4	0.3	0.5	0.3
COSMO-ONE	-	0.4	-	0.7
VOICENET	1.8	0.8	1.7	0.9
HELLASCOM	-	3.8	-	2.9
OTE SAT – MARITEL	0.8	1.3	0.3	0.6
OTE PLUS	0.2	10.8	0.2	15.9
OTE AKINHTA	2.1	16.9	0.7	0.4
OTE-GLOBE	26.3	57.3	68.0	91.8
OTE ACADEMY	0.4	0.6	-	0.1
DEUTSCHE TELEKOM AG	6.9	7.1	6.3	7.2
MAKEDONSKI TELEKOMMUNIKACII A.	0.2	0.2	-	-
	<b>98.6</b>	<b>134.7</b>	<b>115.9</b>	<b>172.2</b>

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**16. RELATED PARTY DISCLOSURES (continued)**

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

	<u>31/3/2009</u>		<u>31/12/2008</u>	
	<u>Amounts owed to the Group</u>	<u>Amounts owed by the Group</u>	<u>Amounts owed to the Group</u>	<u>Amounts owed by the Group</u>
DEUTSCHE TELEKOM AG	11.5	8.8	6.5	7.5
MAKEDONSKI				
TELEKOMMUNIKACII A.	0.2	0.2	-	-
MAGYAR TELECOM				
TELECOMMUNICATI	-	0.1	-	-
T-Mobile Deutschland	1.3	1.3	-	-
T-Mobile Hungary	-	0.1	-	-
T-Mobile Czech	-	0.1	-	-
T-Mobile (UK)	0.3	0.6	-	-
T-Mobile Austria	0.1	0.2	-	-
T-Mobile Netherlands	-	0.2	-	-
T-Mobile International AG	0.7	5.2	-	-
T-Mobile USA	1.9	2.6	-	-
	<u>16.0</u>	<u>19.4</u>	<u>6.5</u>	<u>7.5</u>

Of the entities included in the above table, at 31 December 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:

	<u>31/3/2009</u>		<u>31/12/2008</u>	
	<u>Receivable OTE</u>	<u>Payable by OTE</u>	<u>Receivable OTE</u>	<u>Payable by OTE</u>
COSMOFON	47.5	-	46.8	-
OTE PLC	-	3,344.2	-	3,423.1
	<u>47.5</u>	<u>3,344.2</u>	<u>46.8</u>	<u>3,423.1</u>

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 key management personnel amounted to Euro 0.7 and Euro 0.8 for the 1<sup>st</sup> quarter 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.



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**17. SHARE OPTION PLAN**

On 20 February 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 31 December 2008 the total number of share options granted was 6,008,060, while on 31 March 2009 after the additional grant the total number of share options granted was 9,233,730.

**18. LITIGATION AND CLAIMS**

On 3 February 2009, HTPC imposed a fine of Euro 2.0 to OTE, for the alleged non provision of information relating of control over the application of competition rules and particularly the control over the price margins for voice telephony. OTE intends to appeal against this decision, before the Athens Administrative Court of Appeals requesting for its annulment.

On 17 March 2009 HTPC imposed a fine of Euro 7.5 for delayed delivery of lease circuits to Hellas On Line S.A. OTE intends to appeal against this decision, before the Athens Administrative Court of Appeals requesting for its annulment. In addition, on 17 March 2009 HTPC imposed a fine of Euro 0.5 for non-compliance with its decision of provisional measures, regarding the delivery of leased circuits to Hellas On Line S.A. OTE intends to appeal against this decision, before the Athens Administrative Court of Appeals requesting for its annulment.

Other than the above mentioned cases, there are no significant changes with respect to pending litigation and claims that have been reported in the notes to the annual financial statements of 31 December 2008. OTE has made appropriate provisions in relation to litigations and claims, when it is probable an outflow of recourses will be required to settle the obligations and it can be reasonably estimated.

**19. RECLASSIFICATIONS**

Due to OTENET's merger by absorption by OTE, which was concluded on 27 June 2008, the comparative company's financial statements have been adjusted in order to be comparable with the company's financial statements as of 31 March 2009.

These adjustments did not have a significant effect on the company's financial statements, while there was no equivalent change to the Consolidated Financial Statements, as OTENET was already consolidated as subsidiary.

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**19. RECLASSIFICATIONS (continued)**

Changes due to the adjustments that have occurred in basic lines of the comparable financial statements are presented at the tables below:

**Company's Income Statement**

	<b>REPORTED DATA</b>	<b>ADJUSTED DATA</b>
	<b>01.01-31.03.2008</b>	<b>01.01-31.03.2008</b>
Revenue	633.3	638.0
Operating expenses	(546.1)	(548.5)
Operating income before financial results	87.2	89.5
Financial activities	(45.0)	(44.9)
Profit before tax	42.2	44.6
Profit for the period	27.0	28.7

**Company's Cash Flow Statement**

	<b>REPORTED DATA</b>	<b>ADJUSTED DATA</b>
	<b>01.01-31.03.2008</b>	<b>01.01-31.03.2008</b>
Net cash from operating activities	113.1	119.4
Cash flows from investing activities	(796.2)	(797.3)
Net increase in cash and cash equivalents	(83.2)	(78.0)
Cash and cash equivalents at beginning of period	453.1	459.2
Cash and cash equivalents at end of period	369.9	381.2

**20. POST BALANCE SHEET EVENTS**

The most significant post balance sheet events as of 31 March 2009 are as follows:

1. On 1 April 2009, the subsidiary OTE ESTATE deposited in a bank account of OTE an amount of Euro 102.2 relating to the reduction of its share capital.
2. On 7 April 2009, the Extraordinary General Meeting of Shareholders approved the following:
  - a. Amendments of certain paragraphs of the Articles of Incorporation.
  - b. A share buy back program, of OTE in accordance with the article 16 of the Law 2190/1920 of up to 1/10 of the total OTE share capital, with the highest price set at Euro 30.0 (in absolute amount) and the minimum price set at Euro 3.0 (in absolute amount), with a concurrent suspension of the relevant decision of the Extraordinary Shareholders Meeting of OTE on 11 November 2007.
  - c. Appointment of the members of the Audit Committee, pursuant to article 37 of Law 3693/2008.
  - d. The replacement of the members of the Board of Directors who have resigned.

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**20. POST BALANCE SHEET EVENTS (continued)**

3. On 8 April 2009 the H.T.P.C. imposed a fine of Euro 1.5 to OTE for breach of the telecommunications law, more specifically for delaying the submission of costing data for 2009 and the accounting separation statements of 2007-2009, as well as for not submitting the reference models for the costing information through the costing system Long Run Average Incremental Costs (LRAIC). OTE intends to appeal against this decision, before the Athens Administrative Court of Appeals requesting for its annulment.
4. On 24 April 2009 the transfer of 12.6% of AMC, held by the Albanian State, to COSMOTE was completed following approval by the relevant authorities in Albania. Following the official completion of the transaction, COSMOTE owns directly or indirectly (through its 97% owned subsidiary COSMO-HOLDING ALBANIA S.A.) a 95% stake in AMC.