



**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
(OTE)**

**INTERIM FINANCIAL STATEMENTS
(STAND-ALONE AND CONSOLIDATED)
AS OF SEPTEMBER 30, 2005
IN ACCORDANCE WITH IFRS**

(TRANSLATED FROM THE GREEK ORIGINAL)

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
AP.M.A.E. 347/06/B/86/10
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HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM BALANCE SHEETS (STAND ALONE AND CONSOLIDATED)
AS OF SEPTEMBER 30, 2005 AND DECEMBER 31, 2004

(Amounts in millions of Euro)

	Notes	30/9/2005		31/12/2004	
		Stand-Alone	Consolidated	Stand-Alone	Consolidated
ASSETS					
Non - current assets:					
Telecommunication property, plant and equipment		3,128.1	6,788.4	3,404.7	6,972.1
Goodwill		-	72.0	-	70.8
Telecommunication licenses		4.3	395.7	4.6	382.7
Investments	5	1,676.7	158.6	1,834.5	221.3
Advances to pension funds		189.4	189.4	215.8	215.8
Deferred taxes	9	266.1	291.5	17.7	66.3
Other non-current assets		140.6	414.6	89.8	150.3
Total non - current assets		5,405.5	8,310.2	5,567.1	8,079.3
Current assets:					
Materials and supplies		24.6	118.5	34.6	132.4
Accounts receivable		779.8	1,100.3	908.3	1,071.7
Other current assets		273.1	306.0	188.5	257.9
Cash and cash equivalents		669.3	1,267.2	370.0	870.3
Total current assets		1,746.8	2,792.0	1,501.4	2,332.3
TOTAL ASSETS		7,152.3	11,102.2	7,068.5	10,411.6
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent:					
Share capital	6	1,172.5	1,172.5	1,174.1	1,174.1
Paid-in surplus		486.6	486.6	487.5	487.5
Treasury stock	6	(5.9)	(5.9)	(15.1)	(15.1)
Legal reserve		256.7	256.7	256.7	256.7
Retained earnings		795.5	1,576.2	1,037.6	1,732.1
		2,705.4	3,486.1	2,940.8	3,635.3
Minority interest		-	1,223.8	-	1,260.9
Total equity		2,705.4	4,709.9	2,940.8	4,896.2
Non - current liabilities:					
Long-term debt	7	1,940.6	3,330.5	2,446.2	2,820.6
Reserve for staff retirement indemnities	8	157.0	164.2	278.5	283.2
Reserve for voluntary retirement program	8	610.8	610.8	-	-
Reserve for Youth Account	8	290.7	290.7	301.9	301.9
Other non - current liabilities		12.0	85.8	9.4	96.3
Total non - current liabilities		3,011.1	4,482.0	3,036.0	3,502.0
Current liabilities:					
Accounts payable		511.5	624.2	662.5	843.4
Short-term borrowings		-	16.2	-	37.3
Current maturities of long-term debt	7	14.9	70.9	13.7	320.6
Income taxes payable	9	29.0	133.4	-	99.8
Deferred revenue		107.5	136.7	111.8	178.9
Dividends payable		5.5	5.5	7.2	7.2
Reserve for voluntary retirement program	8	432.9	432.9	-	-
Other current liabilities		334.5	490.5	296.5	526.2
Total current liabilities		1,435.8	1,910.3	1,091.7	2,013.4
TOTAL EQUITY AND LIABILITIES		7,152.3	11,102.2	7,068.5	10,411.6

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)

INTERIM INCOME STATEMENTS (STAND-ALONE)
FOR THE THREE MONTH AND THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2005 KAI 2004

	Notes	2005		2004	
		3 rd Quarter	Nine months	3 rd Quarter	Nine Months
<i>(Amounts in millions of Euro, except share and per share data)</i>					
Revenues:					
Domestic telephony	10	398.6	1,204.9	406.0	1,242.4
International telephony	10	52.9	166.6	62.4	175.6
Other revenues	10	225.4	648.1	227.6	654.9
Total revenues		676.9	2,019.6	696.0	2,072.9
Operating expenses:					
Payroll and employee benefits		(204.9)	(644.1)	(199.2)	(606.6)
Charges for voluntary retirement program	8	(912.9)	(938.0)	(1.2)	(28.9)
Charges from international operators		(29.7)	(87.9)	(31.8)	(89.6)
Charges from domestic operators		(101.2)	(276.9)	(108.4)	(309.1)
Depreciation and amortization		(134.0)	(403.9)	(141.5)	(424.4)
Other operating expenses	11	(172.5)	(502.3)	(237.0)	(563.6)
Total operating expenses		(1,555.2)	(2,853.1)	(719.1)	(2,022.2)
Operating income/ (loss)		(878.3)	(833.5)	(23.1)	50.7
Other income/ (expense):					
Interest expense		(42.8)	(102.8)	(36.2)	(97.1)
Interest income		7.8	27.9	12.4	35.5
Provision for management fees related to Telekom Srbija		-	-	(21.3)	(21.3)
Foreign exchange gains/ (losses), net		1.1	(2.6)	(0.5)	(2.7)
Dividends		5.1	335.3	-	112.4
Gains/(losses) from investments		132.8	149.9	(0.1)	(2.1)
		104.0	407.7	(45.7)	24.7
Profit/ (loss) before tax		(774.3)	(425.8)	(68.8)	75.4
Income taxes	9	218.4	192.0	15.1	(13.3)
Profit/ (loss) for the period		(555.9)	(233.8)	(53.7)	62.1
Basic earnings/ (losses) per share		(1.1341)	(0.4770)	(0.1096)	0.1267
Weighted average number of shares outstanding		490,150,389	490,150,389	490,150,389	490,150,389

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)

INTERIM INCOME STATEMENTS (CONSOLIDATED)
FOR THE THREE MONTH AND THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2005 KAI 2004

	Notes	2005		2004	
		3 rd Quarter	Nine months	3 rd Quarter	Nine Months
<i>(Amounts in millions of Euro, except share and per share data)</i>					
Revenues:					
Domestic telephony	10	565.1	1,714.1	557.5	1,690.3
International telephony	10	97.2	297.0	103.6	295.0
Mobile telephony	10	482.5	1,307.2	436.3	1,164.5
Other revenues		257.7	749.9	265.5	749.9
Total revenues		1,402.5	4,068.2	1,362.9	3,899.7
Operating expenses:					
Payroll and employee benefits		(309.9)	(984.9)	(282.6)	(910.0)
Charges for voluntary retirement program	8	(912.9)	(938.0)	(1.2)	(28.9)
Charges from international operators		(47.4)	(140.7)	(45.6)	(129.7)
Charges from domestic operators		(174.0)	(486.7)	(177.8)	(494.2)
Depreciation and amortization		(266.5)	(791.4)	(259.4)	(772.0)
Extinguishment of liabilities	5	23.8	23.8	-	-
Other operating expenses	11	(321.2)	(932.4)	(393.5)	(995.8)
Total operating expenses		(2,008.1)	(4,250.3)	(1,160.1)	(3,330.6)
Operating income		(605.6)	(182.1)	202.8	569.1
Other income/ (expense):					
Interest expense		(37.5)	(117.5)	(43.1)	(119.0)
Interest income		9.8	38.5	9.5	29.7
Provision for management fees related to Telekom Srbija		-	-	(21.3)	(21.3)
Foreign exchange gains/ (losses), net		(5.9)	27.0	(5.7)	14.0
Dividends		0.6	20.3	-	-
Gains/(losses) from investments		7.5	32.8	(1.4)	1.5
		(25.5)	1.1	(62.0)	(95.1)
Profit before tax		(631.1)	(181.0)	140.8	474.0
Income taxes	9	161.7	25.4	(30.9)	(195.9)
Profit for the period		(469.4)	(155.6)	109.9	278.1
Attributable to:					
Equity holders of the parent		(535.2)	(322.7)	46.4	148.7
Minority interest		65.8	167.1	63.5	129.4
		(469.4)	(155.6)	109.9	278.1
Basic earnings/ (losses) per share		(1.0919)	(0.6584)	0.0947	0.3034
Weighted average number of shares outstanding		490,150,389	490,150,389	490,150,389	490,150,389

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM STATEMENTS OF CHANGES IN EQUITY (STAND-ALONE)
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2005 KAI 2004

(Amounts in millions of Euro)

	<u>Attributable to equity holders of the parent</u>					
	<u>Share Capital</u>	<u>Paid-in Surplus</u>	<u>Treasury Stock</u>	<u>Legal Reserve</u>	<u>Retained Earnings</u>	<u>Total equity</u>
Balance at December 31, 2003	1,204.7	505.6	(276.6)	256.7	1,451.2	3,141.6
Profit for the period	-	-	-	-	62.1	62.1
Dividends declared	-	-	-	-	(171.6)	(171.6)
Treasury stock cancelled	(30.6)	(18.2)	261.5	-	(212.7)	-
Deferred compensation	-	0.1	-	-	-	0.1
Valuation gains on available-for-sale securities taken directly to equity	-	-	-	-	(0.6)	(0.6)
Balance at September 30, 2004	<u>1,174.1</u>	<u>487.5</u>	<u>(15.1)</u>	<u>256.7</u>	<u>1,128.4</u>	<u>3,031.6</u>
Balance at December 31, 2004	1,174.1	487.5	(15.1)	256.7	1,037.6	2,940.8
Profit for the period	-	-	-	-	(233.8)	(233.8)
Treasury stock cancelled	(1.6)	(0.9)	9.2	-	(6.7)	0.0
Valuation gains on available-for-sale securities taken directly to equity	-	-	-	-	(1.6)	(1.6)
Balance at September 30, 2005	<u>1,172.5</u>	<u>486.6</u>	<u>(5.9)</u>	<u>256.7</u>	<u>795.5</u>	<u>2,705.4</u>

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED)
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2005 KAI 2004

(Amounts in millions of Euro)

	<u>Attributable to equity holders of the parent</u>							
	<u>Share Capital</u>	<u>Paid-in Surplus</u>	<u>Treasury Stock</u>	<u>Legal Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>	<u>Minority Interest</u>	<u>Total equity</u>
Balance at December 31, 2003	1,204.7	505.6	(276.6)	256.7	1,920.1	3,610.5	1,078.1	4,688.6
Profit for the period	-	-	-	-	148.7	148.7	129.4	278.1
Dividends declared	-	-	-	-	(171.6)	(171.6)	(68.3)	(239.9)
Treasury stock cancelled	(30.6)	(18.2)	261.5	-	(212.7)	-	-	-
Deferred compensation	-	0.1	-	-	-	0.1	-	0.1
Valuation gains on available-for- Sale securities taken directly to equity	-	-	-	-	(0.6)	(0.6)	-	(0.6)
Foreign currency translation	-	-	-	-	37.1	37.1	30.4	67.5
Net participation of minority shareholders	-	-	-	-	-	-	5.2	5.2
Balance at September 30, 2004	<u>1,174.1</u>	<u>487.5</u>	<u>(15.1)</u>	<u>256.7</u>	<u>1,721.0</u>	<u>3,624.2</u>	<u>1,174.8</u>	<u>4,799.0</u>
Balance at December 31, 2004	1,174.1	487.5	(15.1)	256.7	1,732.1	3,635.3	1,260.9	4,896.2
Profit for the period	-	-	-	-	(322.7)	(322.7)	167.1	(155.6)
Dividends declared	-	-	-	-	-	-	(191.6)	(191.6)
Treasury stock cancelled	(1.6)	(0.9)	9.2	-	(6.7)	-	-	-
Valuation gains on available-for- Sale securities taken directly to equity	-	-	-	-	(1.6)	(1.6)	-	(1.6)
Foreign currency translation	-	-	-	-	110.4	110.4	95.0	205.4
Net change of investment in subsidiary	-	-	-	-	64.7	64.7	(107.6)	(42.9)
Balance at September 30, 2005	<u>1,172.5</u>	<u>486.6</u>	<u>(5.9)</u>	<u>256.7</u>	<u>1,576.2</u>	<u>3,486.1</u>	<u>1,223.8</u>	<u>4,709.9</u>

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)

**INTERIM STATEMENTS OF CASH FLOWS (STAND-ALONE AND CONSOLIDATED)
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2005 KAI 2004**

	<u>1/1/2005 - 30/9/2005</u>		<u>1/1/2004 - 30/9/2004</u>	
	<u>Stand- Alone</u>	<u>Consolidated</u>	<u>Stand- Alone</u>	<u>Consolidated</u>
<i>(Amounts in millions of Euro)</i>				
Cash flows from operating activities				
Profit before taxes	(425.8)	(181.0)	75.4	474.0
Adjustments for:				
Depreciation and amortization	403.9	791.4	424.4	772.0
Provision for voluntary retirement program's cost	912.9	912.9	-	-
Provisions	170.3	175.4	204.9	218.8
Extinguishment of liabilities	-	23.8	-	-
Investment and financial (income) / loss	(510.5)	(118.6)	(143.1)	(45.2)
Amortization of advances to pension funds	26.4	26.4	26.4	26.4
Interest expense	102.8	117.5	97.1	119.0
Adjustments for working capital movements related to operating activities:				
Decrease in materials and supplies	10.0	13.9	12.5	5.9
Decrease/ (increase) in accounts receivable	3.3	(112.2)	93.6	99.6
Decrease in liabilities	(155.4)	(227.2)	77.0	(294.4)
Minus:				
Interest paid	(149.0)	(153.0)	(131.0)	(151.7)
Income taxes paid	-	(176.1)	(90.8)	(205.7)
Net cash from operating activities	<u>388.9</u>	<u>1,045.6</u>	<u>492.4</u>	<u>1,018.7</u>
Cash flows from investing activities				
Acquisition of subsidiary or associate, net of cash acquired	(292.5)	(287.5)	(42.8)	(12.8)
Proceeds/(repayment) of loans and interest	(8.2)	7.8	(5.5)	17.8
Purchase of property, plant and equipment or intangible assets	(148.7)	(405.1)	(282.3)	(645.0)
Proceeds from sale of investment	524.8	34.8	-	-
Interest received	7.7	17.2	10.6	14.7
Dividends received	333.0	21.7	106.0	-
Net cash used in investing activities	<u>416.1</u>	<u>(611.1)</u>	<u>(214.0)</u>	<u>(625.3)</u>
Cash flows from financing activities				
Proceeds from minority shareholders for issuance of subsidiary's share capital	-	12.8	-	9.4
Proceeds from long-term debt and short-term borrowings	-	557.2	-	-
Repayment of long-term debt and short-term borrowings	(504.0)	(415.8)	(57.6)	(63.5)
Dividends paid	(1.7)	(191.8)	(147.6)	(215.9)
Net cash used in financing activities	<u>(505.7)</u>	<u>(37.6)</u>	<u>(205.2)</u>	<u>(270.0)</u>
Net increase / (decrease) in cash and cash equivalents	299.3	396.9	73.2	123.4
Cash and cash equivalents at beginning of period	<u>370.0</u>	<u>870.3</u>	<u>234.0</u>	<u>601.3</u>
Cash and cash equivalents at end of period	<u>669.3</u>	<u>1,267.2</u>	<u>307.2</u>	<u>724.7</u>

The accompanying notes are an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
CONSOLIDATED) AS OF SEPTEMBER 30, 2005
(Amounts in millions of Euro, unless otherwise stated)

1. COMPANY'S FORMATION AND OPERATIONS:

The Hellenic Telecommunications Organization S.A. (hereinafter referred to as "OTE"), was founded in 1949 in accordance with Law 1049/49, as a state-owned Société Anonyme. The address of its registered office is: 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, while its website is www.ote.gr. OTE operates pursuant to Law 2246/94 (as amended), Law 2257/94 (OTE's Charter) and Presidential Decree 437/95. Until December 31, 2000, based on an extension granted by the European Commission to the Greek State, OTE had the exclusive rights to install, operate and exploit the public fixed switched telecommunications network in Greece and to provide public fixed switched voice telephony services. Effective January 1, 2001 and pursuant to the provisions of the new Telecommunications Law 2867/2000, issued in December 2000, which amended certain provisions of the previous Law 2246/1994, the above mentioned exclusivity rights expired and the relevant market is open to competition.

OTE Group (hereinafter referred to as the "Group") include the accounts of OTE and the following subsidiaries where OTE has control:

<u>Company Name</u>	<u>Line of Business</u>	<u>Ownership interest</u>	
		<u>30/9/05</u>	<u>31/12/04</u>
• COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("Cosmote")	Mobile telecommunications services	64.37%	58.77%
• OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	100.00%	100.00%
• ROMTELECOM S.A. ("Romtelecom")	Fixed line and mobile telephony services	54.01%	54.01%
• COSMOROM S.A. ("Cosmorom")	Mobile telecommunications services	61.26%	54.01%
• ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	53.07%	48.46%
• ARMENIA TELEPHONE COMPANY CJSC ("ArmenTel")	Fixed line and mobile telephony services	90.00%	90.00%
• OTE MTS Holding B.V.	Investment holding company	64.37%	100.00%
• COSMOFON MOBILE TELECOMMUNICATIONS SERVICES A.D. – SKOPJE ("Cosmofon")	Mobile telecommunications services	64.37%	100.00%
• OTE AUSTRIA HOLDING GMBH	Investment holding company	100.00%	100.00%
• COSMO BULGARIA MOBILE EAD ("Globul")	Mobile telecommunications services	64.37%	100.00%
• HELLAS SAT CONSORTIUM LIMITED ("HellasSat")	Satellite communications	91.85%	83.34%
• COSMO-ONE HELLAS MARKET SITE S.A. ("COSMO-ONE")	E-commerce services	50.74%	49.01%
• OTENET S.A. ("OTEnet")	Internet services	90.20%	90.20%
• HELLASCOM INTERNATIONAL S.A. ("Hellascom")	Telecommunication projects	100.00%	51.40%
• OTE PLC	Financing services	100.00%	100.00%
• OTE SAT-Maritel S.A.	Satellite telecommunications services	93.99%	93.99%
• OTE PLUS S.A. ("Ote Plus")	Consulting services	99.00%	99.00%
• OTE ESTATE S.A. ("OTE Estate")	Real estate	100.00%	100.00%
• INFOTE S.A. (InfOTE")	Directory and other information services	100.00%	100.00%
• OTE INTERNATIONAL SOLUTIONS S.A. (OTEGlobe")	Wholesale telephony services	100.00%	100.00%
• HATWAVE HELLENIC-AMERICAN TELECOMMUNICATIONS WAVE LTD. ("Hatwave")	Holding company	52.67%	52.67%
• OTE INSURANCE AGENCY S.A. ("OTE Insurance")	Insurance brokerage services	100.00%	100.00%
• COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	62.44%	57.00%
• OTE ACADEMY A.E. ("OTE Academy")	Training services	100.00%	100.00%

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
CONSOLIDATED) AS OF SEPTEMBER 30, 2005
(Amounts in millions of Euro, unless otherwise stated)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- (a) ***Basis of preparation of financial statements:*** The accompanying Interim Stand-Alone and Consolidated Financial Statements (hereinafter «financial statements») have been prepared on a historical cost basis in accordance with International Financial Reporting Standards («IFRS»). They are covered by IFRS 1 «First Time Adoption of International Financial Reporting Standards» as they are part of the period covered by the first IFRS financial statements for the year ended December 31, 2005, with transition date the January 1, 2004, as well as by IAS 34 «Interim Financial Reporting» which requires the inclusion of selected explanatory notes just for the explanation of the significant developments of the current interim period. Consequently, the accompanying financial statements shall be examined together with the publicly available financial statements as of June 30, 2005 which have been prepared in accordance with IAS 1 «Presentation of Financial Statements».
- (b) ***First Time Adoption of IFRS:*** According to the EU Legislation 1606/2002 and based on Law 3229/04 (as amended by Law 3301/04), the Greek companies whose securities are listed in a stock exchange, shall prepare their financial statements in accordance with IFRS effective January 1, 2005. Based on the requirements of IFRS 1 and the requirements of the Greek law as well, the presentation of comparative financial statements in accordance with IFRS is required for at least one year (December 31, 2004).

OTE will prepare and publish its first annual IFRS financial statements for the year ended December 31, 2005, based on the above mentioned requirements.

The accompanying financial statements have been prepared based on management's estimates regarding the IFRS that will be effective at the first annual reporting date, December 31, 2005.

- (c) ***Effect of recently issued accounting standards (IFRS or IAS) and Interpretations (SIC):***

The Group has applied the transitional provisions of IFRS 2 «Share Based Payment», which was issued on February 19, 2004, for share options that were granted after the November 7, 2002 and had not yet vested at the effective date of this IFRS.

In accordance with IFRS 1, for the preparation of these financial statements an entity shall use the same accounting policies that comply with each IFRS effective at the reporting date in its opening IFRS balance sheet and throughout all periods presented. Consequently, as the reporting date for the first annual IFRS financial statements is December 31, 2005, all the approved standards described above, were used for the preparation of these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies adopted by OTE for the preparation of these financial statements under IFRS are the same with those referred to, in the notes of the financial statements as of June 30, 2005.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
CONSOLIDATED) AS OF SEPTEMBER 30, 2005
(Amounts in millions of Euro, unless otherwise stated)

4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (Law 2190/20):

The following tables present the effect of transition to IFRS on the Balance Sheets (Stand-Alone and Consolidated) as of December 31, 2003, as of September 30, 2004 and as of December 31, 2004, as well as on the Income Statements (Stand-Alone and Consolidated) of the nine-month period ended September 30, 2004 and the year ended December 31, 2004. Furthermore, the effect of transition on shareholders' equity and income statement is set out at the end of this note through reconciliation of shareholders' equity and income statement between previous GAAP (Law 2190/20) and IFRS.

RECONCILIATION OF BALANCE SHEETS AS OF DECEMBER 31, 2003

<i>(Amounts in millions of Euro)</i>	STAND-ALONE			CONSOLIDATED		
	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
ASSETS						
Non - current assets:						
Telecommunication property, plant and equipment	3,213.7	444.1	3,657.8	6,652.8	368.5	7,021.3
Goodwill	13.4	(13.4)	-	73.9	(16.4)	57.5
Telecommunication licenses	5.0	-	5.0	400.9	1.5	402.4
Investments	1,389.6	468.0	1,857.6	164.7	64.3	229.0
Advances to pension funds	253.3	(2.0)	251.3	253.3	(2.0)	251.3
Deferred taxes	-	48.1	48.1	-	95.9	95.9
Other non-current assets	216.4	(129.7)	86.7	362.8	(236.8)	126.0
Total non - current assets	5,091.4	815.1	5,906.5	7,908.4	275.0	8,183.4
Current assets:						
Materials and supplies	43.0	-	43.0	149.2	(1.1)	148.1
Accounts receivable	996.4	117.8	1,114.2	1,288.1	8.7	1,296.8
Other current assets	1,262.6	(1,065.4)	197.2	842.9	(590.6)	252.3
Cash and cash equivalents	234.0	-	234.0	601.3	-	601.3
Total current assets	2,536.0	(947.6)	1,588.4	2,881.5	(583.0)	2,298.5
TOTAL ASSETS	7,627.4	(132.5)	7,494.9	10,790.0	(308.1)	10,481.9
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent:						
Share capital	1,204.7	-	1,204.7	1,204.7	-	1,204.7
Paid-in surplus	716.7	(211.1)	505.6	716.7	(211.1)	505.6
Treasury stock	-	(276.6)	(276.6)	-	(276.6)	(276.6)
Legal reserve	256.7	-	256.7	278.6	(21.9)	256.7
Retained earnings	868.7	582.5	1,451.2	1,376.1	544.0	1,920.1
	3,046.8	94.8	3,141.6	3,576.1	34.4	3,610.5
Minority Interest	-	-	-	1,022.5	55.6	1,078.1
Total equity	3,046.8	94.8	3,141.6	4,598.6	90.0	4,688.6
Non - current liabilities:						
Long-term debt	2,590.7	-	2,590.7	3,220.9	(75.5)	3,145.4
Reserve for staff retirement indemnities	258.4	9.7	268.1	262.0	9.1	271.1
Reserve for Youth Account	227.7	82.2	309.9	227.7	82.2	309.9
Other non - current liabilities	126.5	(114.7)	11.8	363.3	(110.5)	252.8
Total non - current liabilities	3,203.3	(22.8)	3,180.5	4,073.9	(94.7)	3,979.2
Current liabilities:						
Accounts payable	491.2	144.6	635.8	767.0	155.3	922.3
Short-term borrowings	-	-	-	51.7	-	51.7
Current maturities of long-term debt	12.6	-	12.6	74.8	-	74.8
Income taxes payable	145.3	(74.2)	71.1	347.4	(191.7)	155.7
Deferred revenue	36.2	66.7	102.9	85.4	61.5	146.9
Dividends payable	180.2	(171.6)	8.6	180.2	(171.6)	8.6
Other current liabilities	511.8	(170.0)	341.8	611.0	(156.9)	454.1
Total current liabilities	1,377.3	(204.5)	1,172.8	2,117.5	(303.4)	1,814.1
TOTAL EQUITY AND LIABILITIES	7,627.4	(132.5)	7,494.9	10,790.0	(308.1)	10,481.9

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
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(Amounts in millions of Euro, unless otherwise stated)

4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (Law 2190/20) (continued):

RECONCILIATION OF BALANCE SHEETS AS OF SEPTEMBER 30, 2004

	STAND-ALONE			CONSOLIDATED		
	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<i>(Amounts in millions of Euro)</i>						
ASSETS						
Non - current assets:						
Telecommunication property, plant and equipment	2,968.7	501.2	3,469.9	6,410.9	533.9	6,944.8
Goodwill	12.7	(12.7)	-	69.4	(7.1)	62.3
Telecommunication licenses	4.7	-	4.7	382.5	6.4	388.9
Investments	1,398.7	510.8	1,909.5	156.5	51.5	208.0
Advances to pension funds	226.4	(1.3)	225.1	226.4	(1.3)	225.1
Deferred taxes	-	35.1	35.1	-	53.5	53.5
Other non-current assets	181.7	(111.6)	70.1	249.0	(118.2)	130.8
Total non - current assets	4,792.9	921.5	5,714.4	7,494.7	518.7	8,013.4
Current assets:						
Materials and supplies	28.1	2.4	30.5	137.8	4.4	142.2
Accounts receivable	798.3	203.4	1,001.7	1,100.6	53.0	1,153.6
Other current assets	1,073.0	(890.1)	182.9	635.6	(410.4)	225.2
Cash and cash equivalents	307.2	-	307.2	724.7	-	724.7
Total current assets	2,206.6	(684.3)	1,522.3	2,598.7	(353.0)	2,245.7
TOTAL ASSETS	6,999.5	237.2	7,236.7	10,093.4	165.7	10,259.1
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent:						
Share capital	1,174.1	-	1,174.1	1,174.1	-	1,174.1
Paid-in surplus	698.5	(211.0)	487.5	698.5	(211.0)	487.5
Treasury stock	-	(15.1)	(15.1)	-	(15.1)	(15.1)
Legal reserve	256.7	-	256.7	277.1	(20.4)	256.7
Retained earnings	630.9	497.5	1,128.4	1,279.8	441.2	1,721.0
	2,760.2	271.4	3,031.6	3,429.5	194.7	3,624.2
Minority Interest	-	-	-	1,112.9	61.9	1,174.8
Total equity	2,760.2	271.4	3,031.6	4,542.4	256.6	4,799.0
Non - current liabilities:						
Long-term debt	2,532.0	-	2,532.0	3,185.6	(68.5)	3,117.1
Reserve for staff retirement indemnities	259.0	16.3	275.3	263.6	15.6	279.2
Reserve for Youth Account	235.2	75.4	310.6	235.2	75.4	310.6
Other non - current liabilities	136.8	(127.0)	9.8	324.7	(116.1)	(208.6)
Total non - current liabilities	3,163.0	(35.3)	3,127.7	4,009.1	(93.6)	3,915.5
Current liabilities:						
Accounts payable	544.3	82.0	626.3	664.0	56.0	720.0
Short-term borrowings	-	-	-	32.3	-	32.3
Current maturities of long-term debt	13.7	-	13.7	58.4	-	58.4
Income taxes payable	54.5	(54.5)	-	156.7	(33.5)	12.2
Deferred revenue	48.6	55.6	104.2	109.6	54.0	163.6
Dividends payable	32.6	-	32.6	32.6	-	32.6
Other current liabilities	382.6	(82.0)	300.6	488.3	(73.8)	414.5
Total current liabilities	1,076.3	1.1	1,077.4	1,541.9	2.7	1,544.6
TOTAL EQUITY AND LIABILITIES	6,999.5	237.2	7,236.7	10,093.4	165.7	10,259.1

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
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4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (Law 2190/20) (continued):

RECONCILIATION OF BALANCE SHEETS AS OF DECEMBER 31, 2004

	STAND-ALONE			CONSOLIDATED		
	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<i>(Amounts in millions of Euro)</i>						
ASSETS						
Non - current assets:						
Telecommunication property, plant and equipment	2,901.7	503.0	3,404.7	6,464.2	507.9	6,972.1
Goodwill	13.0	(13.0)	-	68.5	2.3	70.8
Telecommunication licenses	4.6	-	4.6	376.6	6.1	382.7
Investments	1,645.5	189.0	1,834.5	158.6	62.7	221.3
Advances to pension funds	217.1	(1.3)	215.8	217.1	(1.3)	215.8
Deferred taxes	-	17.7	17.7	-	66.3	66.3
Other non-current assets	170.2	(80.4)	89.8	336.9	(186.6)	150.3
Total non - current assets	4,952.1	615.0	5,567.1	7,621.9	457.4	8,079.3
Current assets:						
Materials and supplies	34.6	-	34.6	131.4	1.0	132.4
Accounts receivable	817.8	90.5	908.3	1,107.1	(35.4)	1,071.7
Other current assets	614.7	(426.2)	188.5	518.5	(260.6)	257.9
Cash and cash equivalents	370.0	-	370.0	870.3	-	870.3
Total current assets	1,837.1	(335.7)	1,501.4	2,627.3	(295.0)	2,332.3
TOTAL ASSETS	6,789.2	279.3	7,068.5	10,249.2	162.4	10,411.6
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Share capital	1,174.1	-	1,174.1	1,174.1	-	1,174.1
Paid-in surplus	698.5	(211.0)	487.5	698.5	(211.0)	487.5
Treasury stock	-	(15.1)	(15.1)	-	(15.1)	(15.1)
Legal reserve	256.7	-	256.7	286.2	(29.5)	256.7
Retained earnings	498.8	538.8	1,037.6	1,122.3	609.8	1,732.1
	2,628.1	312.7	2,940.8	3,281.1	354.2	3,635.3
Minority Interest	-	-	-	1,008.6	252.3	1,260.9
Total equity	2,628.1	312.7	2,940.8	4,289.7	606.5	4,896.2
Non - current liabilities:						
Long-term debt	2,442.1	4.1	2,446.2	2,822.0	(1.4)	2,820.6
Reserve for staff retirement indemnities	272.0	6.5	278.5	277.4	5.8	283.2
Reserve for Youth Account	221.7	80.2	301.9	221.7	80.2	301.9
Other non - current liabilities	149.0	(139.6)	9.4	497.0	(400.7)	96.3
Total non - current liabilities	3,084.8	(48.8)	3,036.0	3,818.1	(316.1)	3,502.0
Current liabilities:						
Accounts payable	559.3	103.2	662.5	731.9	111.5	843.4
Short-term borrowings	-	-	-	37.3	-	37.3
Current maturities of long-term debt	13.7	-	13.7	430.6	(110.0)	320.6
Income taxes payable	-	-	-	244.4	(144.6)	99.8
Deferred revenue	60.7	51.1	111.8	126.3	52.6	178.9
Dividends payable	7.2	-	7.2	7.2	-	7.2
Other current liabilities	435.4	(138.9)	296.5	563.7	(37.5)	526.2
Total current liabilities	1,076.3	15.4	1,091.7	2,141.4	(128.0)	2,013.4
TOTAL EQUITY AND LIABILITIES	6,789.2	279.3	7,068.5	10,249.2	162.4	10,411.6

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
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(Amounts in millions of Euro, unless otherwise stated)

4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (Law 2190/20) (continued):

RECONCILIATION OF INCOME STATEMENT FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004

	STAND-ALONE			CONSOLIDATED		
	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<i>(Amounts in millions of Euro)</i>						
Revenues	2,148.1	(75.2)	2,072.9	3,916.5	(16.8)	3,899.7
Operating expenses:						
Cost of sales	(1,958.9)			(2,917.9)		
Administrative expenses	(42.6)			(86.5)		
Distribution expenses	-			(238.9)		
Other income/(expense)	1.7			6.3		
Total operating expenses	<u>(1,999.8)</u>	<u>(22.4)</u>	<u>(2,022.2)</u>	<u>(3,237.0)</u>	<u>(93.6)</u>	<u>(3,330.6)</u>
Operating income	148.3	(97.6)	50.7	679.5	(110.4)	569.1
Other income/(expense), net:						
Financial and extraordinary results	(158.6)	183.3	24.7	(273.8)	178.7	(95.1)
Profit before tax	<u>(10.3)</u>	<u>85.7</u>	<u>75.4</u>	<u>405.7</u>	<u>68.3</u>	<u>474.0</u>
Income taxes	-	(13.3)	(13.3)	-	(195.9)	(195.9)
Profit for the period	<u>(10.3)</u>	<u>72.4</u>	<u>62.1</u>	<u>405.7</u>	<u>(127.6)</u>	<u>278.1</u>
Attributable to:						
Equity holders of the parent	(10.3)	72.4	62.1	211.8	(63.1)	148.7
Minority interest	-	-	-	193.9	(64.5)	129.4
	<u>(10.3)</u>	<u>72.4</u>	<u>62.1</u>	<u>405.7</u>	<u>(127.6)</u>	<u>278.1</u>

RECONCILIATION OF INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004

	STAND-ALONE			CONSOLIDATED		
	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS	Previous GAAP Law 2190/20	Effect of transition to IFRS	IFRS
<i>(Amounts in millions of Euro)</i>						
Revenues	2,846.7	(100.3)	2,746.4	5,213.0	(1.9)	5,211.1
Operating expenses:						
Cost of sales	(2,648.4)			(3,991.5)		
Administrative expenses	(56.7)			(115.7)		
Distribution expenses	-			(324.9)		
Other income/(expense)	3.8			11.4		
Total operating expenses	<u>(2,701.3)</u>	<u>(48.0)</u>	<u>(2,749.3)</u>	<u>(4,420.7)</u>	<u>(143.7)</u>	<u>(4,564.4)</u>
Operating income	145.4	(148.3)	(2.9)	792.3	(145.6)	646.7
Financial and extraordinary results	(279.1)	290.4	11.3	(373.0)	276.8	(96.2)
Profit before tax	<u>(133.7)</u>	<u>142.1</u>	<u>8.4</u>	<u>419.3</u>	<u>131.2</u>	<u>550.5</u>
Income taxes	-	(41.9)	(41.9)	-	(235.1)	(235.1)
Profit for the period	<u>(133.7)</u>	<u>100.2</u>	<u>(33.5)</u>	<u>419.3</u>	<u>(103.9)</u>	<u>315.4</u>
Attributable to:						
Equity holders of the parent	(133.7)	100.2	(33.5)	172.1	(46.8)	125.3
Minority interest	-	-	-	247.2	(57.1)	190.1
	<u>(133.7)</u>	<u>100.2</u>	<u>(33.5)</u>	<u>419.3</u>	<u>(103.9)</u>	<u>315.4</u>

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
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4. RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN IFRS AND GREEK GAAP (Law 2190/20) (continued):

RECONCILIATION OF SHAREHOLDERS' EQUITY AND INCOME STATEMENT BETWEEN GREEK GAAP AND IFRS (STAND-ALONE FINANCIAL STATEMENTS)

<i>(Amounts in millions of Euro)</i>	Total equity 31.12.2003	Profit for the nine month period ended September 30, 2004	Total equity 30.09.2004	Profit for the year ended December 31, 2004	Total equity 31.12.2004
Balances in accordance with Greek GAAP	3,046.8	(10.3)	2,760.2	(133.7)	2,628.1
IFRS Adjustments					
Recognition of dividends declared in the period they are approved by the general Assembly	171.6	-	-	-	-
Presentation of treasury stock as a reduction of equity	(276.6)	-	(15.1)	-	(15.1)
Transfer of subsidies out of equity (reduction of fixed assets)	(98.3)	-	(83.4)	-	(78.7)
Adjustment of depreciation of fixed assets and subsidies based on useful lives and reversal of statutory revaluations	320.9	42.7	363.6	55.9	376.8
Capitalization of interest related to construction period and respective depreciation	186.6	(2.5)	184.1	(3.3)	183.3
Reserves for employee benefit plans based on IAS 19	(110.0)	8.7	(101.3)	53.2	(56.8)
Presentation of revenues in accordance with IFRS	(17.0)	(4.5)	(21.5)	-	(17.0)
Investments at cost less impairments	(98.1)	32.3	(65.8)	45.4	(52.7)
Inclusion of income tax in the income statement and recognition of deferred taxes	33.1	(13.3)	19.8	(41.9)	(5.3)
Reversal of capitalized expenses and reversal of respective amortization	(11.8)	7.4	(4.4)	(6.8)	(18.6)
Other adjustments	(5.6)	1.6	(4.6)	(2.3)	(3.2)
Total IFRS adjustments	94.8	72.4	271.4	100.2	312.7
Balances in accordance with IFRS	3,141.6	62.1	3,031.6	(33.5)	2,940.8

RECONCILIATION OF SHAREHOLDERS' EQUITY AND INCOME STATEMENT BETWEEN GREEK GAAP AND IFRS (CONSOLIDATED FINANCIAL STATEMENTS)

<i>(Amounts in millions of Euro)</i>	Total equity 31.12.2003	Profit for the nine month period ended September 30, 2004	Total equity 30.09.2004	Profit for the year ended December 31, 2004	Total equity 31.12.2004
Balances in accordance with Greek GAAP	4,598.6	405.7	4,542.4	419.3	4,289.7
IFRS Adjustments					
Recognition of dividends declared in the period they are approved by the general Assembly	171.6	-	-	-	-
Presentation of treasury stock as a reduction of equity	(276.6)	-	(15.1)	-	(15.1)
Transfer of subsidies out of equity (reduction of fixed assets)	(118.3)	-	(100.5)	-	(100.6)
Adjustment of depreciation of fixed assets and subsidies based on useful lives and reversal of statutory revaluations	170.9	62.5	233.4	81.6	105.8
Capitalization of interest related to construction period and respective depreciation	198.1	(2.5)	195.6	(3.3)	194.8
Reserves for employee benefit plans based on IAS 19	(109.4)	8.7	(100.7)	53.2	(56.2)
Presentation of revenues in accordance with IFRS	(17.0)	(4.5)	(21.5)	-	(17.0)
Investments at cost less impairments	(46.1)	-	(8.5)	-	(8.5)
Effect of hyperinflation and effect of changes in foreign exchange rates resulting from consolidation of subsidiaries operating outside Greece	87.2	-	246.8	-	285.5
Inclusion of income tax in the income statement and recognition of deferred taxes	39.8	(195.9)	(156.1)	(235.1)	233.1
Reversal of capitalized expenses and reversal of respective amortization	(14.0)	7.4	(6.6)	(7.9)	(21.9)
Other adjustments	3.8	(3.3)	(10.2)	7.6	6.6
Total IFRS adjustments	90.0	(127.6)	256.6	(103.9)	606.5
Balances in accordance with IFRS	4,688.6	278.1	4,799.0	315.4	4,896.2

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
CONSOLIDATED) AS OF SEPTEMBER 30, 2005
(Amounts in millions of Euro, unless otherwise stated)

5. INVESTMENTS:

Investments are analyzed as follows:

	30.09.2005		31.12.2004	
	STAND-ALONE	CONSOLIDATED	STAND-ALONE	CONSOLIDATED
(a) Investments in subsidiaries	1,518.9	-	1,615.0	-
(b) Other investments	157.8	158.6	186.2	188.0
(c) Available for sale securities	-	-	33.3	33.3
	<u>1,676.7</u>	<u>158.6</u>	<u>1,834.5</u>	<u>221.3</u>

(a) Investments in subsidiaries

	30.09.05	31.12.04
• Cosmote	365.6	91.4
• OTE INTERNATIONAL INVESTMENTS LTD	497.9	497.9
• ArmenTel	55.0	58.9
• OTE MTS Holding B.V.	-	140.1
• OTE AUSTRIA HOLDING GMBH	0.1	0.1
• Globul	-	250.9
• HellasSat	188.0	179.9
• COSMO-ONE	3.2	3.2
• OTEnet	18.8	18.8
• Hellascom	20.4	8.9
• OTE SAT- Maritel	11.2	11.2
• OTE Plus	2.6	2.6
• OTE Estate	336.3	336.3
• InfOTE	12.4	12.4
• OTEGlobe	0.9	0.9
• OTE Insurance	0.6	0.6
• OTE Academy	5.9	0.9
	<u>1,518.9</u>	<u>1,615.0</u>

Included in investments in subsidiaries are the amounts of loans granted by OTE to its subsidiaries and are outstanding at the balance sheet date.

Within the first half of 2005, OTE acquired 19,400,955 shares of Cosmote for a total consideration of Euro 274.2 increasing its participating interest in Cosmote's share capital from 58.77% to 64.37%.

In June 2005, OTE acquired the remaining 48.6% minority interests in Hellascom for a cash consideration of Euro 11.5, which became a wholly-owned subsidiary.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (STAND-ALONE AND
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5. INVESTMENTS (continued):

During the third quarter of 2005, OTE participated in OTE Academy's (wholly-owned subsidiary) share capital increase in the amount of Euro 5.0 and consequently the carrying amount of the investment therein was equally increased.

On May 27, 2005, Cosmote, Romtelecom and Cosmorom agreed the sale to Cosmote by Romtelecom of 70% of Cosmorom's share capital. The transaction was approved by the general meeting of Cosmote's shareholders on June 27, 2005. Subject to the completion of that transaction, the dispute related to the liabilities of Cosmorom was settled and the parties agreed to end the arbitration proceedings before the ICC. As a result of this settlement, η Cosmorom extinguished liabilities of Euro 23.8 against suppliers. This amount is presented as a reduction of operating expenses in the accompanying consolidated 2005 income statement.

On July 7, 2005 the acquisition by Cosmote of 70% of Cosmorom's share capital for a total consideration of Euro 120 as share capital increase, was completed. After the completion of this acquisition, Romtelecom's interest in Cosmorom's share capital is 30% ,and thus, the Group's interest in Cosmorom's share capital (through Cosmote and Romtelecom) increased by 7.3% from 54.01% to 61.26%.

On April 20, 2005, the Board of Directors of OTE and Cosmote decided on the acquisition, by Cosmote, of OTE's two wholly owned subsidiaries, Globul and Cosmofon. The transaction was approved by the general meetings of OTE's and Cosmote's shareholders on June 16, 2005. Globul's transfer was completed on August 1, 2005, while Cosmofon's transfer was completed on August 12, 2005.

The total consideration was Euro 490 (Euro 400 for Globul and Euro 90 for Cosmofon), and as a result OTE recognized a pre-tax gain from the sale of these investments of Euro 123.4.

After the completion of the above transactions, the Group's interest in Globul's and Cosmofon's share capital (through Cosmote) was reduced from 100.00% to 64.37%.

Armentel's General Assembly decided for dividend distribution out of the 2004 profits. As a result, during the quarter OTE recognized an amount of Euro 4.5 as dividend from investment.

6. SHARE CAPITAL:

As of December 31, 2004 and as of June 30, 2005 OTE's share capital amounted to Euro 1,174.1 divided into 491,259,299 registered shares with a nominal value Euro 2.39 (two point thirty nine Euro) each.

The extraordinary General Assembly of July 6, 2005, resolved to cancel 676,420 own shares, as the period that these shares could be hold by OTE had expired. Following such resolution, OTE owns 432,490 own shares representing 0.09% of its outstanding share capital, at cost of approximately Euro 5.9.

As of September 30, 2005, OTE's share capital amounts to Euro 1,172.5 divided into 490,582,879 registered shares with a nominal value Euro 2.39 (two point thirty nine Euro) each.

The Greek State is the major shareholder of OTE. On August 2, 2005, as a bond convertible to OTE's shares was matured, the Greek State bought back 53.679.000 OTE's shares. On September 9, 2005, the Greek State placed with institutional investors 49.058.200 OTE's shares.

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7. LONG-TERM DEBT:

Long-term debt is analyzed as follows:

	<u>30.09.05</u>	<u>31.12.04</u>
<u>STAND-ALONE</u>		
(a) Loan from European Investment Bank	67.4	81.1
(b) Intercompany loan from OTE PLC	1,888.1	2,378.8
<i>Total long-term debt</i>	<u>1,955.5</u>	<u>2,459.9</u>
<i>Current maturities</i>	<u>(14.9)</u>	<u>(13.7)</u>
<i>Long-term portion</i>	<u>1,940.6</u>	<u>2,446.2</u>
<u>CONSOLIDATED</u>		
(a) Loan from European Investment Bank	67.4	81.1
(b) Loans from suppliers and their affiliates	35.3	34.2
(c) Consortium loans	499.5	259.5
(d) Eurobond	1,098.4	1,097.5
(e) Global Medium Term Note Program	1,492.5	1,491.7
(f) Other bank loans	208.3	177.2
(g) Revolving credit facilities	-	-
<i>Total long-term debt</i>	<u>3,401.4</u>	<u>3,141.2</u>
<i>Current maturities</i>	<u>(70.9)</u>	<u>(320.6)</u>
<i>Long-term portion</i>	<u>3,330.5</u>	<u>2,820.6</u>

On July 2005, OTE prepaid intercompany loans to OTE PLC in an amount of Euro 490.7. Furthermore, during the third quarter 2005 OTE paid Euro 13.7 based on the repayment schedule of the loan from European Investment Bank.

On September 2005, Cosmote prepaid the balance of the long-term syndicated loan dated November 12, 2002.

On September 2, 2005, OTE PLC signed a Euro 850 million Syndicated Credit Facility guaranteed by OTE S.A. The facility consists of a Euro 500 million Term Loan and a Euro 350 million Revolving Credit Facility. The main terms of the facility are: the interest rate is floating euribor + margin. The margin is adjustable based on OTE S.A. long term credit rating. With the current OTE S.A.'s credit rating the margin is 0.2125% p.a. for the Term Loan and 0.1875% p.a. for the Revolving Credit Facility. The facility matures in September 2010 and has an extension option of 1+1 year subject to lenders' consent. On 6 September 2005 OTE PLC drew Euro 500 million under the Term Loan.

On March 2, 2004, OTE PLC entered into a credit facility agreement with a consortium of banks, which provided it with a revolving credit facility of Euro 350, guaranteed by OTE. Draw-downs under the facility are repayable within one year from the date of the agreement. On February 15, 2005 OTE-PLC received unanimous Bank Consent for the extension of the existing facility of Euro 350 for another 364 days. The new maturity date of the extended facility has been set to February 28, 2006. On September 8, 2005, the Euro 350 million Revolving Credit Facility was cancelled and refinanced by the Euro 350 million Revolving Credit Facility, which is part of the new Euro 850 million Syndicated Credit Facility described above. As of September 30, 2005, no drawn-downs have been made against this facility.

On September 13, 2005, OTE PLC entered in an Interest Rate Swap (IRS) agreement for the amount of Euro 289 million until February 7, 2007. Under the IRS OTE PLC will pay annually euribor + 3.7775% and will receive 6.125%.

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8. RESERVES FOR PENSIONS, STAFF RETIREMENT INDEMNITIES AND OTHER BENEFITS:

The provisions and liability for the defined benefit plans have been accounted for in the accompanying financial statements based on an independent actuarial study.

On May 25, 2005 OTE signed a collective labor agreement with its employees, which determines the employment status of all new employees recruited by OTE, who will be employed on the basis of employment contracts subject to private labor laws.

The enactment of Law 3371/2005 and the collective labor agreement signed between OTE and its employees on July 20, 2005, institute the framework for the voluntary retirement scheme. Pursuant to this law and the collective labor agreement, employees who would complete the number of years of service required for retirement within the period from 2005 to 2012 will be entitled to full pension and other benefits. Eligible employees must submit irrevocable applications within three months from the law's enactment (until October 14, 2005).

The estimated total cost of the voluntary retirement program in terms of payments amounts to approximately Euro 1.1 billion. This amount refers to 4,890 eligible employees who have submitted irrevocable applications.

The above mentioned amount includes:

- The total cost of employer's and employees' contributions to TAP-OTE for the period required to the employees in order to be entitled to pension.
- The amount of pensions TAP OTE will be required to prepay for these employees.
- The total cost of employer's and employees' contributions to Auxiliary Fund for the period required to the employees in order to be entitled to pension.
- The amount of pensions the Auxiliary Fund will be required to prepay for these employees.
- The total cost of employees' contributions to Auxiliary Fund for the Lump Sum benefit.
- The total cost of bonuses based on the collective labor agreement signed on July 20, 2005.
- The termination payments upon retirement of the employees (staff retirement indemnities).

Because of the periodical payments of the majority of the above mentioned costs (payments through 2012), the nominal amounts of these payments were discounted at their present values, using a discount rate of 3%. The effect of the discounting was approximately Euro 65. Furthermore, against the staff retirement indemnities, a reserve of Euro 131.0 has already been established in previous years for the eligible employees of the program. As a result of the above, the total charge for the voluntary retirement program in the third quarter of 2005 was Euro 912.9. After taking into account the cost of the earlier 2005 voluntary retirement plan of Euro 25.1 for 635 employees, a total charge of Euro 938.0 is included in the accompanying income statement for the nine months ended September 30, 2005.

Based on Law 3371/2005, the Greek State will contribute a 4% stake in OTE's share capital to TAP-OTE. This contribution is subject to EU approval. The charge for the voluntary retirement program might be partly reversed by the amount of the State's contribution to TAP-OTE.

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9. INCOME TAXES:

Income taxes reflected in the accompanying income statements are analyzed as follows:

	Nine months ended 30/09/2005		Nine months ended 30/09/2004	
	STAND- ALONE	CONSOLIDATED	STAND- ALONE	CONSOLIDATED
Current taxes	(54.8)	(209.7)		(154.6)
Deferred taxes	246.8	235.1	(13.3)	(41.3)
Total	192.0	25.4	(13.3)	(195.9)

Deferred taxes for the nine months ended September 30, 2005 include an amount of Euro 240.3 related to the cost of the voluntary retirement program. Management believes that in the following years, sufficient taxable profits will be available against which, the above mentioned deferred tax asset will be utilized.

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10. REVENUES:

Revenues in the accompanying income statements consist of income from:

STAND-ALONE

	2005		2004	
	3 rd Quarter	Nine Months	3 rd Quarter	Nine Months
(i) Domestic Telephony				
• Monthly network service fees	170.5	503.2	156.3	472.2
• Local and long-distance calls				
- Fixed to fixed	114.9	382.5	127.0	420.0
- Fixed to mobile	96.0	269.1	103.7	298.8
	210.9	651.6	230.7	718.8
• Other	17.2	50.1	19.0	51.4
	398.6	1,204.9	406.0	1,242.4
(ii) International Telephony				
• International traffic	22.3	71.3	29.6	88.8
• Payments from international operators	21.0	68.8	20.6	58.9
• Payments from mobile operators	9.6	26.5	12.2	27.9
	52.9	166.6	62.4	175.6
(iii) Other revenues				
Traditional Services:				
• Prepaid cards	25.4	70.0	33.5	85.9
• Directories	-	-	2.2	2.2
• Radio communications	0.6	1.8	0.7	2.5
• Audiotex	4.2	16.5	14.2	65.0
• Telex and telegraphy	0.7	2.3	1.3	4.8
	30.9	90.6	51.9	160.4
New Business:				
• Leased lines and Data communications	58.3	168.7	49.8	100.0
• Integrated Services Digital Network	33.4	97.8	29.7	83.9
• Sales of telecommunication equipment	16.3	42.1	21.0	58.8
• Internet services/ADSL	7.9	18.7	3.0	6.7
• Asynchronous Transfer Mode	7.6	22.1	6.5	18.1
	123.5	349.4	110.0	267.5
Other				
• Services rendered	48.6	127.4	50.8	153.6
• Interconnection charges	24.5	75.7	10.7	62.6
• Miscellaneous	-2.1	5.0	4.2	10.8
	71.0	208.1	65.7	227.0
Total other revenues	225.4	648.1	227.6	654.9
Total revenues	676.9	2,019.6	696.0	2,072.9

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10. REVENUES (continued):

CONSOLIDATED

	2005		2004	
	3 rd Quarter	Nine Months	3 rd Quarter	Nine Months
(i) Domestic Telephony				
• Monthly network service fees	240.6	709.4	205.7	636.0
• Local and long-distance calls				
- Fixed to fixed	170.2	567.9	189.5	590.4
- Fixed to mobile	132.9	376.9	140.0	402.8
	303.1	944.8	329.5	993.2
• Other	21.4	59.9	22.3	61.1
	565.1	1,714.1	557.5	1,690.3
(ii) International Telephony				
• International traffic	36.8	113.4	43.2	127.8
• Payments from international operators	49.1	153.7	47.4	137.0
• Payments from mobile operators	11.3	29.9	13.0	30.2
	97.2	297.0	103.6	295.0
(iii) Mobile telephony services	482.5	1,307.2	436.3	1,164.5
(iv) Other revenues				
Traditional Services:				
• Prepaid cards	34.2	97.1	46.5	119.0
• Directories	14.2	41.9	14.9	39.6
• Radio communications	4.6	14.2	4.5	14.3
• Audiotex	4.9	19.4	14.5	66.6
• Telex and telegraphy	0.8	2.7	1.4	5.3
	58.7	175.3	81.8	244.8
New Business:				
• Leased lines and Data communications	60.5	167.0	56.0	101.9
• Integrated Services Digital Network	35.3	103.6	31.5	89.3
• Sales of telecommunication equipment	21.3	71.0	33.6	88.9
• Internet services/ADSL	24.1	61.8	17.0	45.0
• Asynchronous Transfer Mode	4.6	17.2	6.6	18.1
	145.8	420.6	144.7	343.2
Other				
• Services rendered	21.9	49.7	18.3	67.9
• Interconnection charges	24.3	73.8	10.5	61.9
• Miscellaneous	7.0	30.5	10.2	32.1
	53.2	154.0	39.0	161.9
Total other revenues	257.7	749.9	265.5	749.9
Total revenues	1,402.5	4,068.2	1,362.9	3,899.7

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11. OTHER OPERATING EXPENSES:

Other operating expenses are analyzed as follows:

STAND-ALONE

	2005		2004	
	3 rd Quarter	Nine Months	3 rd Quarter	Nine Months
Services and fees	29.3	92.0	49.0	98.7
Cost of telecommunication material, repairs and maintenance	20.9	74.9	56.8	102.6
Advertising costs	11.7	28.5	11.7	23.0
Cost of equipment sold	26.9	71.0	25.3	67.0
Utilities	24.8	64.6	23.2	57.0
Provision for doubtful accounts	24.0	64.0	25.0	70.1
Other provisions	5.0	15.0	2.2	6.6
Travel costs	1.9	5.2	4.4	7.1
Cost of prepaid airtime cards	2.7	7.1	3.1	7.5
Payments to audiotex providers	3.2	12.3	7.6	43.1
Rent	14.7	43.7	14.3	42.7
Taxes, other than income taxes	2.4	7.8	3.0	8.4
Transportation	1.3	3.5	1.3	3.8
Other	3.7	12.7	10.1	26.0
	<u>172.5</u>	<u>502.3</u>	<u>237.0</u>	<u>563.6</u>

CONSOLIDATED

	2005		2004	
	3 rd Quarter	Nine Months	3 rd Quarter	Nine Months
Services and fees	32.9	108.4	43.8	112.9
Cost of telecommunication material, repairs and maintenance	41.3	142.8	95.8	205.0
Advertising costs	28.7	85.4	48.6	98.0
Cost of equipment sold	35.3	99.7	25.9	82.7
Utilities	42.1	108.6	30.0	85.4
Provision for doubtful accounts	27.6	79.3	30.1	84.2
Other provisions	4.8	4.8	2.8	6.4
Travel costs	3.0	10.0	5.6	11.2
Cost of prepaid airtime cards	7.4	24.7	13.4	23.9
Commissions to independent distributors	44.1	119.0	37.8	100.3
Payments to audiotex providers	3.0	17.3	9.6	48.8
Rent	21.8	55.6	15.8	44.9
Taxes, other than income taxes	8.9	25.7	7.9	25.1
Transportation	2.0	5.1	1.7	4.9
Other	18.3	46.0	24.7	62.1
	<u>321.2</u>	<u>932.4</u>	<u>393.5</u>	<u>995.8</u>

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12. SEGMENT REPORTING:

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

Using the quantitative thresholds OTE, Cosmote and, Romtelecom, have been determined as reportable segments. Information about operating segments that do not constitute reportable segments have been combined and disclosed in an "All Other" category.

Accounting policies of the segments are the same as those followed for the preparation of the financial statements. The Group evaluates segment performance based on operating income and net income.

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

<u>Nine month period ended</u> <u>30/09/2005</u>	<u>OTE</u>	<u>Cosmote</u>	<u>Romtelecom</u>	<u>All</u> <u>Other</u>	<u>Totals</u>	<u>Adjustments -</u> <u>Eliminations</u>	<u>Consolidated</u>
Revenues from external customers	1,863.6	1,157.4	680.5	366.7	4,068.2	-	4,068.2
Intersegment Revenues	156.0	134.9	5.7	102.5	399.1	(399.1)	-
Total Revenues	2,019.6	1,292.3	686.2	469.2	4,467.3	(399.1)	4,068.2
Operating expenses	(2,853.1)	(893.8)	(529.4)	(373.0)	(4,649.3)	399.0	(4,250.3)
Operating income	(833.5)	398.5	156.8	96.2	(182.0)	(0.1)	(182.1)
Net income	(233.8)	255.3	199.9	72.4	293.8	(616.5)	(322.7)

<u>Nine month period ended</u> <u>30/09/2004</u>	<u>OTE</u>	<u>Cosmote</u>	<u>Romtelecom</u>	<u>All</u> <u>Other</u>	<u>Totals</u>	<u>Adjustments -</u> <u>Eliminations</u>	<u>Consolidated</u>
Revenues from external customers	1,910.6	1,040.5	617.9	330.7	3,899.7	-	3,899.7
Intersegment Revenues	162.3	161.8	3.4	130.4	457.9	(457.9)	-
Total Revenues	2,072.9	1,202.3	621.3	461.1	4,357.6	(457.9)	3,899.7
Operating expenses	(2,022.2)	(827.3)	(522.5)	(424.1)	(3,796.1)	(465.5)	(3,330.6)
Operating income	50.7	375.0	98.8	37.0	561.5	7.6	569.1
Net income	62.1	234.3	88.7	(32.2)	352.9	(204.2)	148.7

13. LITIGATION AND CLAIMS:

There are no significant developments in the litigation and claims, as compared with the cases that have been disclosed in the notes to the June 30, 2005 financial statements. Appropriate provisions have been established in relation to litigation and claims, the outcome of which can be reasonably estimated and is expected to be unfavorable for the company.

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14. SUBSEQUENT EVENTS:

The major subsequent events occurred after September 30, 2005 are the following:

- a. On November 2005, OTE PLC completed the Exchange Bond Program in order to refinance part of the Eurobond of Euro 1.1 billion, bearing interest at 6.125%, maturing on February 7, 2007. Based on that Program, Euro 608.4 in principal amount of existing bonds was submitted by bondholders and given the exchange ratio of 1.0455, Euro 636.0 in principal amount of new notes were issued under the Global Medium Term Loan. For rounding purposes additional notes for an amount of Euro 14.0 were issued. After the completion of the transaction, the part of the Eurobond that was refinanced amounted to Euro 650.0, bearing interest at 3.75%, maturing on 2011.
- b. On October 6, 2005 OTE increased its participation interest in OTE NET by 3.83% through the acquisition of minority interests. After the acquisition OTE's stake in OTE NET stands at 94.03%.
- c. The extraordinary General Assembly of November 4, 2005, approved the termination of the two compensatory share option plans that had been put in place by the decisions of the extraordinary General Assemblies on September 4, 2001 and January 28, 2002, respectively.