



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

**INTERIM CONDENSED FINANCIAL STATEMENTS
(STAND-ALONE AND CONSOLIDATED)
AS OF JUNE 30, 2006
IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

(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 30 JUNE 2006

(Amounts in millions of Euro)

	Notes	30/6/2006		31/12/2005	
		COMPANY	GROUP	COMPANY	GROUP
ASSETS					
Non - current assets:					
Telecommunication property, plant and equipment		2,836.4	6,413.1	3,032.2	6,739.6
Goodwill		-	72.2	-	72.4
Telecommunication licenses		4.0	390.6	4.2	393.0
Investments	4	1,823.6	158.6	1,684.1	159.3
Financial assets	5	-	219.3	-	-
Advances to pension funds		163.0	163.0	180.7	180.7
Deferred taxes		219.8	250.0	222.2	257.7
Other non-current assets		74.8	126.9	63.2	126.6
Total non - current assets		5,121.6	7,793.7	5,186.6	7,929.3
Current assets:					
Materials and supplies		21.5	123.6	29.7	130.3
Accounts receivable		825.0	1,065.6	779.4	1,066.7
Non-current assets held for sale	6	49.0	273.9	-	-
Other current assets		305.1	411.8	321.1	411.1
Cash and cash equivalents		822.0	1,370.2	844.3	1,512.2
Total current assets		2,022.6	3,245.1	1,974.5	3,120.3
TOTAL ASSETS		7,144.2	11,038.8	7,161.1	11,049.6
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent:					
Share capital		1,172.5	1,172.5	1,172.5	1,172.5
Paid-in surplus		486.6	486.6	486.6	486.6
Treasury stock		(5.9)	(5.9)	(5.9)	(5.9)
Legal reserve		256.7	256.7	256.7	256.7
Retained earnings		1,039.3	1,493.0	798.0	1,401.6
		2,949.2	3,402.9	2,707.9	3,311.5
Minority interest		-	1,208.0	-	1,201.9
Total equity		2,949.2	4,610.9	2,707.9	4,513.4
Non – current liabilities:					
Long-term debt	7	1,795.0	2,573.8	1,951.9	3,104.3
Reserve for staff retirement indemnities		168.5	180.3	162.1	172.7
Reserve for voluntary retirement program		614.8	614.8	603.8	603.8
Reserve for Youth Account		282.6	282.6	284.0	284.0
Other non – current liabilities		44.0	149.4	43.6	139.9
Total non – current liabilities		2,904.9	3,800.9	3,045.4	4,304.7
Current liabilities:					
Accounts payable		416.6	633.8	558.8	720.6
Short-term borrowings		-	9.8	-	14.3
Current maturities of long-term debt	7	16.1	782.7	14.9	321.3
Income taxes payable		42.2	136.4	-	81.9
Deferred revenue		94.5	132.4	102.2	179.1
Reserve for voluntary retirement program		321.7	321.7	434.9	434.9
Dividends payable		3.9	3.9	5.3	5.2
Liabilities associated with non-current assets held for sale	6	-	58.7	-	-
Other current liabilities		395.1	547.6	291.7	474.2
Total current liabilities		1,290.1	2,627.0	1,407.8	2,231.5
TOTAL EQUITY AND LIABILITIES		7,144.2	11,038.8	7,161.1	11,049.6

The accompanying Notes on pages 9 – 23 form an integral part of these Interim Condensed Financial Statements.

The Interim Condensed Financial Statements presented on pages 3 - 23 were approved by the Board of Directors on 29 August 2006 and are signed by :

Chairman
& Managing Director

Chief Financial Officer

Accounting Manager

Panagis Vourloumis

Iordanis Aivazis

Antonis Mavromaras

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM INCOME STATEMENTS (STAND-ALONE)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2006

	Notes	2006		2005	
		2 nd Quarter	1 st Half	2 nd Quarter	1 st Half
<i>(Amounts in millions of Euro, except share and per share data)</i>					
Revenues:					
Domestic telephony	9	406.2	810.0	405.3	806.3
International telephony	9	49.2	91.7	58.7	113.7
Other revenues	9	237.2	475.6	215.9	422.7
Total revenues		692.6	1,377.3	679.9	1,342.7
Operating expenses:					
Payroll and employee benefits		(209.1)	(424.3)	(221.6)	(439.2)
Charges for voluntary retirement program		-	-	1.9	(25.1)
Charges from international operators		(33.6)	(63.6)	(42.2)	(75.2)
Charges from domestic operators		(95.4)	(188.5)	(93.4)	(175.7)
Depreciation and amortization		(131.2)	(265.9)	(133.5)	(269.9)
Cost of telecommunications equipment		(30.3)	(79.0)	(25.5)	(48.5)
Other operating expenses	10	(124.3)	(238.4)	(141.4)	(264.3)
Total operating expenses		(623.9)	(1,259.7)	(655.7)	(1,297.9)
Operating income		68.7	117.6	24.2	44.8
Other income/ (expense):					
Interest expense		(34.3)	(61.1)	(30.0)	(60.0)
Interest income		14.7	22.1	9.9	20.1
Foreign exchange gains/ (losses), net		1.3	1.0	(2.6)	(3.7)
Dividends	4	196.3	196.3	147.1	330.2
Gains from investments		-	-	3.3	17.1
		178.0	158.3	127.7	303.7
Profit before tax		246.7	275.9	151.9	348.5
Income taxes		(35.9)	(44.6)	(14.1)	(26.4)
Profit for the period		210.8	231.3	137.8	322.1
Attributable to:					
Equity holders of the parent		210.8	231.3	137.8	322.1
Minority interest		-	-	-	-
		210.8	231.3	137.8	322.1
Basic earnings per share	12	0.4301	0.4719	0.2811	0.6571
Weighted average number of shares outstanding		490,150,389	490,150,389	490,150,389	490,150,389

The accompanying Notes on pages 9 - 23 form an integral part of these Interim Condensed Financial Statements.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM INCOME STATEMENTS (CONSOLIDATED)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2006

	Notes	2006		2005	
		2 nd Quarter	1 st Half	2 nd Quarter	1 st Half
<i>(Amounts in millions of Euro, except share and per share data)</i>					
Revenues:					
Domestic telephony	9	568.9	1,141.5	584.3	1,154.0
International telephony	9	92.5	175.9	103.0	199.8
Mobile telephony	9	493.2	942.5	435.6	824.7
Other revenues	9	277.3	558.7	246.3	492.2
Total revenues		1,431.9	2,818.6	1,369.2	2,670.7
Operating expenses:					
Payroll and employee benefits		(334.5)	(653.1)	(330.5)	(678.2)
Charges for voluntary retirement program		-	-	1.9	(25.1)
Charges from international operators		(50.6)	(97.8)	(68.8)	(110.3)
Charges from domestic operators		(187.8)	(362.7)	(167.1)	(312.7)
Depreciation and amortization		(280.0)	(564.3)	(272.7)	(562.2)
Cost of telecommunications equipment		(44.7)	(109.8)	(43.9)	(81.8)
Other operating expenses	10	(296.7)	(565.1)	(256.0)	(513.6)
Total operating expenses		(1,194.3)	(2,352.8)	(1,137.1)	(2,283.9)
Operating income		237.6	465.8	232.1	386.8
Other income/ (expense):					
Interest expense		(46.8)	(89.1)	(40.7)	(80.0)
Interest income		18.4	28.7	16.9	28.7
Foreign exchange gains/ (losses), net		(1.2)	0.2	7.9	33.4
Dividends	4	22.5	22.5	14.7	19.7
Gains from investments		-	5.8	6.1	25.3
		(7.1)	(31.9)	4.9	27.1
Profit before tax		230.5	433.9	237.0	413.9
Income taxes		(84.7)	(146.2)	(69.3)	(129.8)
Profit for the period		145.8	287.7	167.7	284.1
Attributable to:					
Equity holders of the parent		112.2	221.9	117.2	196.5
Minority interest		33.6	65.8	50.5	87.6
		145.8	287.7	167.7	284.1
Basic earnings per share	12	0.2289	0.4527	0.2391	0.4009
Weighted average number of shares outstanding		490,150,389	490,150,389	490,150,389	490,150,389

The accompanying Notes on pages 9 - 23 form an integral part of these Interim Condensed Financial Statements.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM STATEMENTS OF CHANGES IN EQUITY (STAND-ALONE)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006

(Amounts in millions of Euro)

	<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 31 December 2004	1,174.1	487.5	(15.1)	256.7	1,037.6	2,940.8
Unrealized gains on available-for-sale securities	-	-	-	-	2.4	2.4
Net income recognized directly in Equity	-	-	-	-	2.4	2.4
Profit for the period	-	-	-	-	322.1	322.1
Balance at 30 June 2005	1,174.1	487.5	(15.1)	256.7	1,362.1	3,265.3
Balance at 31 December 2005	1,172.5	486.6	(5.9)	256.7	798.0	2,707.9
Unrealized gains on available-for-sale securities	-	-	-	-	10.0	10.0
Net income recognized directly in Equity	-	-	-	-	10.0	10.0
Profit for the period	-	-	-	-	231.3	231.3
Balance at 30 June 2006	1,172.5	486.6	(5.9)	256.7	1,039.3	2,949.2

The accompanying Notes on pages 9 - 23 form an integral part of these Interim Condensed Financial Statements.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)

INTERIM STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006

(Amounts in millions of Euro)

	Attributable to equity holders of the parent							
	Share Capital	Paid-in Surplus	Treasury Stock	Legal Reserve	Retained Earnings	Total	Minority Interest	Total equity
Balance at 31 December 2004	1,174.1	487.5	(15.1)	256.7	1,685.0	3,588.2	1,243.2	4,831.4
Dividends declared	-	-	-	-	-	-	(191.1)	(191.1)
Unrealized gains on available-for-sale securities	-	-	-	-	2.4	2.4	-	2.4
Foreign currency translation	-	-	-	-	119.4	119.4	82.5	201.9
Net change of investment in subsidiaries	-	-	-	-	-	-	(47.6)	(47.6)
Net income recognized directly in equity	-	-	-	-	121.8	121.8	34.9	156.7
Profit for the period	-	-	-	-	196.5	196.5	87.6	284.1
Balance at 30 June 2005	1,174.1	487.5	(15.1)	256.7	2,003.3	3,906.5	1,174.6	5,081.1
Balance at 31 December 2005	1,172.5	486.6	(5.9)	256.7	1,401.6	3,311.5	1,201.9	4,513.4
Dividends declared	-	-	-	-	-	-	(72.3)	(72.3)
Unrealized gains on available-for-sale securities	-	-	-	-	6.5	6.5	-	6.5
Foreign currency translation	-	-	-	-	32.8	32.8	27.8	60.6
Net change of investment in subsidiaries	-	-	-	-	(169.8)	(169.8)	(15.2)	(185.0)
Net income recognized directly in equity	-	-	-	-	(130.5)	(130.5)	12.6	(117.9)
Profit for the period	-	-	-	-	221.9	221.9	65.8	287.7
Balance at 30 June 2006	1,172.5	486.6	(5.9)	256.7	1,493.0	3,402.9	1,208.0	4,610.9

The accompanying Notes on pages 9 - 23 form an integral part of these Interim Condensed Financial Statements.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)

**INTERIM STATEMENTS OF CASH FLOWS (STAND-ALONE AND CONSOLIDATED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006**

	<u>1/1/2006 - 30/6/2006</u>		<u>1/1/2005 - 30/6/2005</u>	
	<u>COMPANY</u>	<u>GROUP</u>	<u>COMPANY</u>	<u>GROUP</u>
<i>(Amounts in millions of Euro)</i>				
Cash flows from operating activities				
Profit before taxes	275.9	433.9	348.5	413.9
Adjustments for:				
Depreciation and amortization	265.9	564.3	269.9	562.2
Provisions	90.2	104.2	115.8	117.5
Investment and financial income	(219.4)	(57.2)	(363.7)	(106.9)
Amortization of advances to pension funds	17.6	17.6	17.6	17.6
Interest expense	61.1	89.1	60.0	80.0
Adjustments for working capital movements related to operating activities:				
Decrease / (increase) in materials and supplies	8.2	(6.9)	9.8	9.7
Decrease / (increase) in accounts receivable	19.9	(11.3)	18.5	(112.8)
Decrease in liabilities	(239.4)	(213.9)	(88.7)	(140.3)
Minus:				
Interest paid	(15.3)	(48.4)	(62.0)	(82.5)
Income taxes paid	-	(82.6)	-	(75.0)
Net cash provided by operating activities	264.7	788.8	325.7	683.4
Cash flows from investing activities				
Acquisition of subsidiary or associate, net of cash acquired	(191.1)	(191.1)	(285.7)	(285.7)
Acquisition of financial assets	-	(222.8)	-	-
Loans granted	(11.2)	-	(3.2)	7.8
Proceeds from loans	5.9	-	-	-
Purchase of property, plant and equipment or intangible assets	(95.8)	(399.4)	(105.6)	(237.8)
Proceeds from sale of investment	-	-	30.0	30.0
Interest received	12.4	19.8	5.3	13.9
Dividends received	152.1	6.8	193.0	12.7
Net cash used in investing activities	(127.7)	(786.7)	(166.2)	(459.1)
Cash flows from financing activities				
Proceeds from minority shareholders for issuance of subsidiary's share capital	-	12.0	-	12.8
Proceeds from long-term debt and short-term borrowings	-	-	-	56.1
Repayment of long-term debt and short-term borrowings	(157.9)	(45.7)	-	(52.1)
Dividends paid	(1.4)	(72.9)	(1.7)	(125.6)
Net cash used in financing activities	(159.3)	(106.6)	(1.7)	(108.8)
Net increase / (decrease) in cash and cash equivalents	(22.3)	(104.5)	157.8	115.5
Cash and cash equivalents at beginning of period	844.3	1,512.2	370.0	870.3
Cash and cash equivalents at end of period (in total)	822.0	1,407.7	527.8	985.8
Cash and cash equivalents included in non-current assets held for sale	-	(37.5)	-	-
Cash and cash equivalents at end of period	822.0	1,370.2	527.8	985.8

The accompanying Notes on pages 9 - 23 form an integral part of these Interim Condensed Financial Statements.

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2006
(Amounts in millions of Euro, unless otherwise stated)

1. COMPANY'S FORMATION AND OPERATIONS

The Hellenic Telecommunications Organization S.A. (hereinafter referred to as the "Company" or "OTE"), was founded in 1949 in accordance with Law 1049/49, as a state-owned Société Anonyme and operates pursuant to Law 2246/94 (as amended), Law 2257/94 (OTE's Charter) and Presidential Decree 437/95, in order to provide telecommunications and other related services.

The address of its registered office is: 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, while its website is www.ote.gr.

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>30/6/2006</u>	<u>31/12/2005</u>
<i>Direct ownership</i>			
• COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("Cosmote")	Mobile telecommunications services	67.00%	64.37%
• OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	100.00%	100.00%
• ARMENIA TELEPHONE COMPANY CJSC ("Armetel")	Fixed line and mobile telephony services	90.00%	90.00%
• OTE AUSTRIA HOLDING GMBH	Investment holding company	100.00%	100.00%
• HELLAS SAT CONSORTIUM LIMITED ("HellasSat")	Satellite communications	95.69%	95.69%
• COSMO-ONE HELLAS MARKET SITE S.A. ("Cosmo One")	E-commerce services	51.55%	50.74%
• OTENET S.A. ("OTEnet")	Internet services	94.59%	94.59%
• HELLASCOM INTERNATIONAL S.A. ("Hellascom")	Telecommunication projects	100.00%	100.00%
• OTE PLC	Financing services	100.00%	100.00%
• OTE SAT-MARITEL S.A. ("OTE Sat – Maritel")	Satellite telecommunications services	94.08%	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 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%
• OTE ACADEMY S.A. ("OTE Academy")	Training services	100.00%	100.00%
<i>Indirect ownership</i>			
• ROMTELECOM S.A. ("Romtelecom")	Fixed line telephony services	54.01%	54.01%
• COSMOTE ROMANIA S.A. (previously named COSMOROM)	Mobile telecommunications services	63.10%	61.26%
• OTE MTS Holding B.V.	Investment holding company	67.00%	64.37%
• COSMOFON MOBILE TELECOMMUNICATIONS SERVICES A.D. – SKOPJE ("Cosmofon")	Mobile telecommunications services	67.00%	64.37%
• COSMO BULGARIA MOBILE EAD ("Globul")	Mobile telecommunications services	67.00%	64.37%
• COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	64.99%	62.44%
• ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	55.24%	53.07%
• VOICENET S.A. ("Voicenet")	Telecommunication services	79.52%	79.52%
• OTENET CYPRUS S.A.	Investment holding company	56.75%	56.75%
• OTENET TELECOMMUNICATIONS L.T.D.	Telecommunication services	58.51%	58.51%
• HELLAS SAT S.A.	Satellite telecommunications services	95.69%	95.69%
• OTE INVESTMENTS SERVICES S.A.	Investment holding company	100.00%	100.00%
• OTE PLUS BULGARIA	Consulting services	99.00%	99.00%
• OTE PLUS ROMANIA	Consulting services	99.00%	99.00%

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying Interim Condensed Stand-Alone and Consolidated Financial Statements (hereinafter «Financial Statements») have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

These Financial Statements do not include all the information required for the preparation of a complete set of annual financial statements and therefore they should be examined in conjunction with the published most recent annual financial statements as of 31 December 2005, which are available on the Company’s website (www.ote.gr).

During the preparation of the annual consolidated financial statements as of 31 December 2005, it was noted that certain changes should be made in the amounts included in the interim consolidated financial statements, as compared to the way they were disclosed at their initial publication. The detailed presentation and explanation of all the above changes and their effect on the financial statements are available on the Company’s website www.ote.gr. Hence, in the accompanying Financial Statements, certain comparative figures of the interim period ended 30 June 2005, have been restated in relation to their initial publication, based on the changes described above.

The above Financial Statements have been prepared on a historical cost basis, except for the available for sale securities, which are at fair value with the changes recognized directly in equity.

The Financial Statements were approved for issue by the Board of Directors on 29 August 2006.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and accounting estimates adopted by OTE for the preparation of these Financial Statements are the same with those referred to, in the notes to the financial statements as of 31 December 2005.

The adoption by the European Union, up to 31 December 2006 of new standards, interpretations or modifications, that might be issued by the International Accounting Standards Board (IASB) within this year and their adoption will cover periods beginning after 1 January 2006, might have a retrospective effect on the periods covered by these Financial Statements.

4. INVESTMENTS

Investments are analyzed as follows:

	30/6/2006		31/12/2005	
	COMPANY	GROUP	COMPANY	GROUP
(a) Investments in subsidiaries	1,665.9	-	1,526.3	-
(b) Other investments	157.7	158.6	157.8	159.3
	1,823.6	158.6	1,684.1	159.3

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2006
(Amounts in millions of Euro, unless otherwise stated)

4. INVESTMENTS (continued)

(a) Investments in subsidiaries are analyzed as follows:

	Country	30/6/2006	31/12/2005
• Cosmote	Greece	556.7	365.6
• OTE International Investments Ltd	Cyprus	497.9	497.9
• ArmenTel	Armenia	-	55.0
• OTE Austria Holding GMBH	Austria	0.1	0.1
• HellasSat	Cyprus	193.0	189.5
• Cosmo One	Greece	3.2	3.2
• OTEnet	Greece	24.7	24.7
• Hellascom	Greece	20.4	20.4
• OTE Sat – Maritel	Greece	11.2	11.2
• OTE Plus	Greece	2.6	2.6
• OTE Estate	Greece	336.3	336.3
• InfOTE	Greece	12.4	12.4
• OTEGlobe	Greece	0.9	0.9
• OTE Insurance	Greece	0.6	0.6
• OTE Academy	Greece	5.9	5.9
		<u>1,665.9</u>	<u>1,526.3</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 April 2006, OTE acquired 9,547,579 shares of COSMOTE for a total consideration of Euro 191.1, increasing its participating interest in COSMOTE's share capital from 64.14% to 67.00% and obtaining the statutory majority of the subsidiary.

The difference between the consideration given to acquire the additional share of the subsidiary's share capital and the minority interest's share at the date of acquisition, has been accounted for as equity transaction and has been recognized directly in equity in the consolidated Financial Statements.

OTE's investment in Armentel was classified as non-current asset held for sale and the amount of Euro 49.0 was transferred in the respective line in the balance sheet. For further details see Note 6 below. The outstanding balance of the loan granted to that company of Euro 6.0, was repaid during the first half of 2006.

(b) Other investments

OTE's other investments are analyzed as follows:

	30/6/2006	31/12/2005
Telekom Srbija	155.1	155.1
Other	2.6	2.7
	<u>157.7</u>	<u>157.8</u>

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4. INVESTMENTS (continued)

Dividends from investments are analyzed as follows:

<u>COMPANY</u>	2006		2005	
	2 nd	1 st	2 nd	1 st
	<u>Quarter</u>	<u>Half</u>	<u>Quarter</u>	<u>Half</u>
Cosmote	145.3	145.3	122.2	297.6
OTE Estate	15.0	15.0	1.1	1.1
InfOTE	3.5	3.5	9.3	9.3
OTEGlobe	2.5	2.5	-	2.5
OTESat – Maritel	0.7	0.7	-	-
Armentel	6.8	6.8	-	-
TELEKOM SRBIJA	21.6	21.6	14.5	14.5
EUTELSAT	-	-	-	4.9
Other	0.9	0.9	-	0.3
	196.3	196.3	147.1	330.2

<u>GROUP</u>	2006		2005	
	2 nd	1 st	2 nd	1 st
	<u>Quarter</u>	<u>Half</u>	<u>Quarter</u>	<u>Half</u>
TELEKOM SRBIJA	21.6	21.6	14.5	14.5
EUTELSAT	-	-	-	4.9
Other	0.9	0.9	0.2	0.3
	22.5	22.5	14.7	19.7

5. FINANCIAL ASSETS

On 9 May 2006, Cosmote announced that it has reached an agreement with and Mr. P. Germanos, major shareholder and founder of the listed company GERMANOS S.A. for the acquisition of a 42% interest in the above company, for a consideration of 19 Euro per share, subject to the receipt of all necessary approvals from the proper authorities. Cosmote plans to acquire the 42% interest through a Special Purpose Vehicle (SPV), which following such acquisition, shall launch a public tender offer for the remaining shares of GERMANOS S.A. According to the agreement, following the completion of the acquisition of the 42%, certain activities of GERMANOS S.A that are not considered to be core to COSMOTE's operations will be repurchased by Mr. P. Germanos or a company controlled by him.

Following the public tender offer, Mr. P.Germanos or a company controlled by him will reinvest in GERMANOS S.A. for a period of 3 to 5 years through the SPV.

5. FINANCIAL ASSETS (continued)

The aggregate gross consideration for the acquisition of 100% of GERMANOS S.A.. share capital may be up to Euro 1.58 billion (absolute figure), while the net cost of the transaction to Cosmote, following the disposals to, and the reinvestment of Mr P. Germanos, will be approximately Euro1.3 billion (absolute figure), without taking into consideration the cash and cash equivalents of GERMANOS S.A.. COSMOTE shall finance this acquisition through the issuance of bonds.

During the second quarter of 2006, Cosmote acquired 11,729,103 shares of GERMANOS S.A., for a total consideration of Euro 222.8, through the Athens Stock Exchange, with an average acquisition cost Euro 18.99 per share. These shares represent a 14.37% interest of GERMANOS S.A.'s, share capital. These shares are accounted for at fair value with changes recognized directly in equity. Their fair value on 30 June 2006 amounted to Euro 219.3 and the change of Euro 3.5 was recognized directly in the Group's equity.

6. NON-CURRENT ASSETS HELD FOR SALE

In April 2006, OTE announced that after consultation with the Government of Armenia, it has initiated the process of examining options for the disposal of its 90% participating interest in Armentel, through an auction process. HSBC Bank PLC was appointed as financial consultant in this process. At the initial phase of the process OTE received ten non-binding offers. In the second phase of the process, after reviewing the ten offers, four bidders were invited to participate in the final negotiations which are expected to begin on September 2006. The four qualifying bidders are: AO Vimpelcom, Mobile Telesystems (MTS) OJCS, Emirates Telecommunications Corporation (ETISALAT) / Istithmar PJSC / Emergent Telecom Ventures (ETV) and VTEL Holdings / Knightbridge Associates.

Based on the above, Armentel meets the criteria set out in I.F.R.S. 5 for its classification as held for sale and therefore in the 30 June 2006 balance sheets, it was presented as follows:

In the stand-alone balance sheet, OTE's investment in Armentel was classified as non-current asset held for sale and the amount of Euro 49.0 was transferred from "Investments" to "Non-current assets held for sale", representing the lower of its carrying amount and fair value, in accordance with the measurement requirements of I.F.R.S. 5. (See Note 4).

In the consolidated balance sheet, Armentel's assets and liabilities were presented separately from other assets and liabilities of the Group in "Non-current assets held for sale" and in "Liabilities associated with non-current assets held for sale", respectively.

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6. NON-CURRENT ASSETS HELD FOR SALE (continued)

The assets and liabilities of Armentel (after the elimination of inter company transactions) as of 30 June 2006 are as follows:

ASSETS	30/06/2006
Non-current assets:	
Telecommunication property, plant and equipment	184.1
Other non-current assets	12.3
Total non-current assets	196.4
Current assets	
Materials and supplies	13.6
Accounts receivable	20.4
Other current assets	6.0
Cash and cash equivalents	37.5
Total current assets	77.5
NON-CURRENT ASSETS HELD FOR SALE	273.9
LIABILITIES	
Non-current liabilities	
Long-term debt (Note 7)	20.8
Other non-current liabilities	0.3
Total non-current liabilities	21.1
Current liabilities	
Suppliers	17.2
Current maturities of long-term debt (Note 7)	11.6
Income taxes payable	1.4
Deferred revenue	2.0
Other current liabilities	5.4
Total current liabilities	37.6
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	58.7

Condensed income statements of Armentel for the periods presented are included in the table below (before any elimination entry for inter company transactions) for information purposes:

	2nd Quarter 2006	1st Half 2006	2nd Quarter 2005	1st Half 2005
Revenues	36.2	68.4	28.6	51.6
Operating expenses	(26.6)	(46.6)	(18.5)	(35.2)
Operating income	9.6	21.8	10.1	16.4
Other income / (expense)	0.5	(0.9)	1.0	1.2
Profit before tax	10.1	20.9	11.1	17.6
Income taxes	(2.4)	(6.1)	(1.7)	(3.0)
Profit for the period	7.7	14.8	9.4	14.6

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7. LONG -TERM DEBT

Long-term debt is analyzed as follows:

<u>COMPANY</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
(a) Loan from European Investment Bank	67.4	67.4
(b) Inter-company loans from OTE PLC	1,743.7	1,899.4
<i>Total long-term debt</i>	1,811.1	1,966.8
<i>Current maturities</i>	(16.1)	(14.9)
<i>Long-term portion</i>	1,795.0	1,951.9
<u>GROUP</u>		
(a) Loan from European Investment Bank	67.4	67.4
(b) Loans from suppliers	-	33.5
(c) Consortium loans	500.0	500.0
(d) Eurobond	1,112.1	1,108.9
(e) Global Medium Term Note Program	1,489.7	1,489.1
(f) Other bank loans	187.3	226.7
<i>Total long-term debt</i>	3,356.5	3,425.6
<i>Current maturities</i>	(782.7)	(321.3)
<i>Long-term portion</i>	2,573.8	3,104.3

Within June 2006, OTE repaid an intercompany loan of Euro 157.9 to its subsidiary OTE PLC.

On 18 May 2006, OTE's Board of Directors approved to raise the aggregate principal amount of notes under the Global Medium Term Note Program from 3,500 tot Euro 5,000, with effect from August 2006, when the required approvals were granted.

After the classification of Armentel as non-current asset held for sale, in the consolidated balance sheet as of 30 June 2006, Armentel's long-term debt of Euro 32.4, (including Euro 11.6 short-term portion), were transferred in "Liabilities associated with non-current assets held for sale". For further details see Note 6 above.

8. INCOME TAXES

In accordance with Law 3296/2004, the income tax rate in Greece was reduced from 32% in 2005, to 29% in 2006 and 25% in 2007 and onwards.

Up to 30 June 2006 there are no significant developments relating to the unaudited tax years of the Group as compared to 31 December 2005 disclosures, except of the following:

- A. In May 2006, the tax authorities commenced the tax audit of OTE's books for the fiscal years 2002 - 2005, which is expected to be completed within 2006.
- B. In Romtelecom, the tax authorities have commenced the tax audit of the company's books for the fiscal years 2001 - 2005, which is expected to be completed within 2006.
- C. In OTE Estate, the tax authorities have commenced the tax audit of the company's books for the fiscal years 2001 – 2002, which is expected to be completed in September 2006.
- D. In AMC, the tax authorities have commenced the tax audit of the company's books for the fiscal years 2002 - 2005, which is expected to be completed in September 2006.

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9. REVENUES

Revenues in the accompanying income statements consist of income from:

COMPANY

	2006		2005	
	2 nd Quarter	1 st Half	2 nd Quarter	1 st Half
(i) Domestic Telephony				
• Monthly network service fees	175.0	344.3	165.4	332.7
• Local and long-distance calls				
- Fixed to fixed	131.0	268.0	137.8	276.9
- Fixed to mobile	82.2	162.0	86.7	163.8
	213.2	430.0	224.5	440.7
• Other	18.0	35.7	15.4	32.9
	406.2	810.0	405.3	806.3
(ii) International Telephony				
• International traffic	21.7	40.0	23.3	49.0
• Payments from international operators	18.2	36.1	27.3	47.8
• Payments from mobile operators	9.3	15.6	8.1	16.9
	49.2	91.7	58.7	113.7
(iii) Other revenues				
• Prepaid cards	22.5	34.0	23.5	44.6
• Leased lines and Data communications	48.8	97.1	47.7	100.9
• VoIP through MSP	11.4	21.2	6.1	9.5
• ISDN	36.1	70.7	32.9	64.4
• Sales of telecommunication equipment	19.5	59.3	12.3	25.8
• Internet / ADSL	14.7	26.2	5.9	10.8
• ATM	9.0	16.9	7.7	14.5
• Services rendered	40.3	80.6	41.3	78.8
• Interconnection charges	27.6	56.0	26.5	51.2
• Miscellaneous	7.3	13.6	12.0	22.2
Total other revenues	237.2	475.6	215.9	422.7
Total revenues	692.6	1,377.3	679.9	1,342.7

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9. REVENUES (continued)

GROUP

	2006		2005	
	2nd Quarter	1st Half	2nd Quarter	1st Half
(i) Domestic Telephony				
• Monthly network service fees	244.3	485.3	241.5	473.8
• Local and long-distance calls				
- Fixed to fixed	176.6	370.4	195.3	397.7
- Fixed to mobile	125.3	241.3	129.2	244.0
	<u>301.9</u>	<u>611.7</u>	<u>324.5</u>	<u>641.7</u>
• Other	22.7	44.5	18.3	38.5
	<u>568.9</u>	<u>1,141.5</u>	<u>584.3</u>	<u>1,154.0</u>
(ii) International Telephony				
• International traffic	37.3	69.3	38.4	76.6
• Payments from international operators	44.4	88.0	55.7	104.6
• Payments from mobile operators	10.8	18.6	8.9	18.6
	<u>92.5</u>	<u>175.9</u>	<u>103.0</u>	<u>199.8</u>
(iii) Mobile Telephony	<u>493.2</u>	<u>942.5</u>	<u>435.6</u>	<u>824.7</u>
(iv) Other revenues				
• Prepaid cards	26.7	47.3	32.4	62.9
• Directories	14.0	28.6	13.9	27.7
• Leased lines and Data communications	46.6	93.6	49.4	100.2
• VoIP through MSP	8.6	16.4	2.9	6.3
• ISDN	40.0	79.4	35.0	68.3
• Sales of telecommunication equipment	31.0	85.3	24.9	49.7
• Internet / ADSL	32.0	57.0	19.4	37.7
• ATM	9.0	16.9	5.8	12.6
• Services rendered	17.1	31.5	15.7	27.8
• Interconnection charges	29.7	61.0	22.8	49.5
• Miscellaneous	22.6	41.7	24.1	49.5
• Total other revenues	<u>277.3</u>	<u>558.7</u>	<u>246.3</u>	<u>492.2</u>
Total revenues	<u>1,431.9</u>	<u>2,818.6</u>	<u>1,369.2</u>	<u>2,670.7</u>

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10. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	2006		2005	
	2nd	1st	2nd	1st
	Quarter	Half	Quarter	Half
Services and fees	36.4	62.6	33.3	62.7
Cost of telecommunication material, repairs and maintenance	16.4	34.0	34.3	54.0
Advertising costs	6.7	14.5	7.7	16.8
Utilities	13.0	25.4	12.5	22.8
Provision for doubtful accounts	18.3	34.0	20.0	40.0
Other provisions	7.5	15.0	5.0	10.0
Travel costs	1.8	3.1	2.0	3.3
Payments to audiotex providers	2.3	4.8	4.0	9.1
Rent	15.6	31.9	14.9	29.0
Taxes, other than income taxes	-	2.7	3.4	5.4
Transportation	1.3	2.3	1.2	2.2
Other	5.0	8.1	3.1	9.0
	124.3	238.4	141.4	264.3

	2006		2005	
	2nd	1st	2nd	1st
	Quarter	Half	Quarter	Half
Services and fees	45.5	79.7	41.1	75.5
Cost of telecommunication material, repairs and maintenance	42.5	93.8	58.9	103.4
Advertising costs	45.6	76.6	33.9	56.7
Utilities	20.8	48.3	13.3	49.5
Provision for doubtful accounts	27.9	49.1	25.8	51.7
Other provisions	6.7	13.9	(5.0)	-
Travel costs	4.9	8.0	4.4	7.0
Commissions to independent distributors	53.6	97.3	39.0	74.9
Payments to audiotex providers	3.3	8.1	6.2	14.3
Rent	24.2	42.5	17.3	33.8
Taxes, other than income taxes	9.9	21.4	6.7	16.8
Transportation	2.0	3.6	1.6	3.1
Other	9.8	22.8	12.8	26.9
	296.7	565.1	256.0	513.6

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

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

<u>Six months period ended</u> <u>30/6/2006</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>GROUP</u>
Revenues from external customers	1,274.8	950.8	431.8	161.2	2,818.6	-	2,818.6
Intersegment Revenues	102.5	86.3	8.2	84.8	281.8	(281.8)	-
Total Operating Revenues	1,377.3	1,037.1	440.0	246.0	3,100.4	(281.8)	2,818.6
Operating Expenses	(1,259.7)	(791.7)	(389.3)	(196.0)	(2,636.7)	283.9	(2,352.8)
Operating income	117.6	245.4	50.7	50.0	463.7	2.1	465.8
Operating income before depreciation and amortization	383.5	394.4	166.7	85.1	1,029.7	0.4	1,030.1
Profit for the period	231.3	156.7	32.8	32.6	453.4	(231.5)	221.9

<u>Six months period ended</u> <u>30/6/2005</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>GROUP</u>
Revenues from external customers	1,241.7	701.0	464.5	263.5	2,670.7	-	2,670.7
Intersegment Revenues	101.0	90.2	2.9	65.5	259.6	(259.6)	-
Total Operating Revenues	1,342.7	791.2	467.4	329.0	2,930.3	(259.6)	2,670.7
Operating Expenses	(1,297.9)	(547.8)	(418.3)	(277.9)	(2,541.9)	258.0	(2,283.9)
Operating income	44.8	243.4	49.1	51.1	388.4	(1.6)	386.8
Operating income before depreciation and amortization	314.7	345.8	176.8	115.0	952.3	(3.3)	949.0
Profit for the period	322.1	158.6	78.0	32.1	590.8	(394.3)	196.5

12. 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.

Earnings per share (after income taxes) are analyzed as follows:

COMPANY

	2006		2005	
	2nd Quarter	1st Half	2nd Quarter	1st Half
Earnings attributable to the shareholders of the parent	210.8	231.3	137.8	322.1
Weighted average number of shares outstanding	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings per share	0.4301	0.4719	0.2811	0.6571
Diluted earnings per share	0.4301	0.4719	0.2811	0.6571

GROUP

	2006		2005	
	2nd Quarter	1st Half	2nd Quarter	1st Half
Earnings attributable to the shareholders of the parent	112.2	221.9	117.2	196.5
Weighted average number of shares outstanding	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings per share	0.2289	0.4527	0.2391	0.4009
Diluted earnings per share	0.2289	0.4527	0.2391	0.4009

13. RELATED PARTY TRANSACTIONS

OTE's related parties are its subsidiaries, the members of the Board of Directors and the key management personnel of the Company.

The Company purchases goods and services from the related entities, provides goods and services to them, grants and obtains loans and finally receives dividends.

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13. RELATED PARTY TRANSACTIONS (continued)

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

	<u>1st Half 2006</u>		<u>1st Half 2005</u>	
	<u>OTE's sales</u>	<u>OTE's purchases</u>	<u>OTE's sales</u>	<u>OTE's purchases</u>
COSMOTE	75.1	73.4	70.2	89.2
OTE INTERNATIONAL				
INVESTMENTS LTD	0.9	4.4	1.2	6.0
ROMTELECOM	1.3	-	0.1	0.6
ARMENTEL	0.6	-	0.1	0.1
HELLAS-SAT	0.3	0.9	1.1	0.8
COSMO-ONE	-	0.5	-	0.8
OTENET	17.4	8.0	12.5	2.9
HELLASCOM	-	2.7	0.1	2.3
OTE SAT- MARITEL	0.6	1.1	0.6	1.1
OTE PLUS	0.2	10.8	0.1	5.0
OTE ESTATE	1.0	27.2	2.8	26.3
INFOTE	4.6	3.8	5.3	-
OTE GLOBE	0.4	18.3	1.0	15.2
OTE ACADEMY	0.1	1.3	-	-
	102.5	152.4	95.1	150.3

OTE's interest income and interest expense with its related parties, are analyzed as follows:

	<u>1st Half 2006</u>		<u>1st Half 2005</u>	
	<u>OTE's interest income</u>	<u>OTE's interest expense</u>	<u>OTE's interest income</u>	<u>OTE's interest expense</u>
ARMENTEL	0.1	-	0.2	-
COSMOFON	1.6	-	1.1	-
HELLAS-SAT	3.4	-	3.4	-
OTE PLC	-	49.3	-	65.1
	5.1	49.3	4.7	65.1

OTE's revenues from dividends from its related parties, are analyzed as follows :

	<u>1st Half 2006</u>	<u>1st Half 2005</u>
COSMOTE	145.3	297.6
INFOTE	3.5	9.3
OTE GLOBE	2.5	2.5
OTE ESTATE	15.0	1.1
OTE SAT- MARITEL	0.7	-
ARMENTEL	6.8	-
	173.8	310.5

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13. RELATED PARTY TRANSACTIONS (continued)

OTE 's receivables and payables with its related parties from their operating transactions and from loans granted and obtained, are analyzed as follows :

	30/6/2006		31/12/2005	
	OTE's receivables	OTE's payables	OTE's receivables	OTE's payables
COSMOTE	93.0	34.3	35.9	45.1
OTE INTERNATIONAL INVESTMENTS LTD	0.7	0.6	6.0	7.4
ROMTELECOM	-	-	0.3	1.4
ARMENTEL	7.2	0.3	6.0	-
HELLAS-SAT	150.9	0.3	147.2	0.4
COSMO-ONE	-	0.3	-	0.5
OTENET	9.5	6.8	7.2	7.3
HELLASCOM	1.4	0.6	1.3	1.4
OTE SAT- MARITEL	1.7	2.0	0.8	1.2
OTE PLUS	4.0	8.4	4.7	5.6
OTE ESTATE	24.6	80.8	8.7	104.1
INFOTE	7.5	27.6	5.4	24.4
OTE GLOBE	26.1	24.6	23.9	27.6
OTE ACADEMY	0.3	0.2	0.3	1.5
OTE PLC	-	1,837.5	-	1,962.8
	326.9	2,024.3	247.7	2,190.7

Fees paid to the members of the Board of Directors and key management personnel compensation charged in the Income Statements of the 1st Half 2006 and 2005, amounted to Euro 2.0 and 1.5, respectively.

14. 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 31 December 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.

15. SUBSEQUENT EVENTS

The most significant events that have occurred after 30 June 2006 are the following :

1. The repeating General Assembly of 31 July 2006, approved the cancellation of 432,490 own shares, as the period that these shares could be held by OTE had expired. Following such resolution, OTE has no own shares and its Share Capital amounts to Euro 1,171.5, divided into 490,150,389 registered shares with a nominal value Euro 2.39 (two point thirty nine Euro) each.
2. On 4 August 2006, Cosmote acquired through the Stock Exchange, apart from the shares mentioned in note 5 of the Financial Statements, another 5,200,000 shares of GERMANOS S.A., which represent an additional participating interest of 6.38% in the share capital of that company, increasing its participation in GERMANOS S.A.'s share capital to 20.75%.

15. SUBSEQUENT EVENTS (continued)

3. The competition authorities of Bulgaria, FYROM and Ukraine have unconditionally approved the acquisition of GERMANOS S.A., while on 16 August 2006, the National Telecommunications and Post Commission (NTPC) also approved the acquisition, subject to specific conditions. The approval from the competition authority of Romania is still pending.
4. On 24 May 2006, OTE' s Board of Directors approved OTE to be the guarantor against the banks, for an amount of up to Euro 1.6 billion bond that will be issued by Cosmote, for the acquisition of GERMANOS S.A.
5. On 3 August 2006, an agreement between Cosmote and the banks JP MORGAN and CITIGROUP (as arrangers), was signed in London, for the issuance of a bond for an amount of up to Euro 1.5 billion for the bridge financing of the acquisition of GERMANOS S.A. The bond has a maximum duration of 12 months with possibility of prepayment from Cosmote. Under the above agreement, on 7 August 2006 Cosmote has withdrawn an amount of Euro 223.0.

Translation from the original in Greek

Review Report of Certified Auditors Accountants

To the Shareholders of
Hellenic Telecommunications Organization S.A.

We have reviewed the accompanying Condensed Stand Alone and Consolidated Financial Statements (the "Financial Statements") of Hellenic Telecommunications Organization S.A. (the "Company"), which comprise the balance sheet as at 30 June 2006 and the income statement, statement of changes in equity and cash flow statement for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. These Financial Statements are the responsibility of the Company's management. Our responsibility is to issue a report on these Financial Statements based on our review. Our review relates to the entire six-month period and does not extend to a review of the financial information regarding the results of the second quarter of 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as specified by the Greek Auditing Standards. This Standard requires that we plan and perform our review to obtain sufficient evidence as to the whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Stand Alone and Consolidated Financial Statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRS) which have been adopted by the EU applicable to interim financial statements (IAS 34).

Athens, 30 August 2006

KPMG Kyriacou Certified Auditors A.E.

Marios T. Kyriacou
Certified Auditor Accountant
AM ΣΟΕΑ 11121

Michael Kokkinos
Certified Auditor Accountant
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