



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

**INTERIM FINANCIAL STATEMENTS
(STAND-ALONE AND CONSOLIDATED)
AS OF MARCH 31, 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 MARCH 31, 2006 AND DECEMBER 31, 2005

(Amounts in millions of Euro)

	Notes	31/3/2006		31/12/2005	
		COMPANY	GROUP	COMPANY	GROUP
ASSETS					
Non - current assets:					
Telecommunication property, plant and equipment		2,930.4	6,687.2	3,032.2	6,739.6
Goodwill		-	72.4	-	72.4
Telecommunication licenses		4.0	388.1	4.2	393.0
Investments		1,679.7	158.9	1,684.1	159.3
Advances to pension funds		171.8	171.8	180.7	180.7
Deferred taxes		226.9	267.4	222.2	257.7
Other non-current assets		63.1	139.3	63.2	126.6
Total non - current assets		5,075.9	7,885.1	5,186.6	7,929.3
Current assets:					
Materials and supplies		26.1	137.0	29.7	130.3
Accounts receivable		824.8	1,077.2	779.4	1,066.7
Other current assets		322.6	421.9	321.1	411.1
Cash and cash equivalents		913.1	1,710.6	844.3	1,512.2
Total current assets		2,086.6	3,346.7	1,974.5	3,120.3
TOTAL ASSETS		7,162.5	11,231.8	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		831.4	1,567.0	798.0	1,401.6
		2,741.3	3,476.9	2,707.9	3,311.5
Minority interest		-	1,284.1	-	1,201.9
Total equity		2,741.3	4,761.0	2,707.9	4,513.4
Non - current liabilities:					
Long-term debt	4	1,793.8	2,605.3	1,951.9	3,104.3
Reserve for staff retirement indemnities		162.3	173.8	162.1	172.7
Reserve for voluntary retirement program		607.4	607.4	603.8	603.8
Reserve for Youth Account		284.1	284.1	284.0	284.0
Other non - current liabilities		51.5	146.6	43.6	139.9
Total non - current liabilities		2,899.1	3,817.2	3,045.4	4,304.7
Current liabilities:					
Accounts payable		503.7	668.6	558.8	720.6
Short-term borrowings		-	13.1	-	14.3
Current maturities of long-term debt	4	174.0	794.6	14.9	321.3
Income taxes payable		13.4	138.2	-	81.9
Deferred revenue		100.6	141.9	102.2	179.1
Reserve for voluntary retirement program		408.0	408.0	434.9	434.9
Dividends payable		5.2	5.2	5.3	5.2
Other current liabilities		317.2	484.0	291.7	474.2
Total current liabilities		1,522.1	2,653.6	1,407.8	2,231.5
TOTAL EQUITY AND LIABILITIES		7,162.5	11,231.8	7,161.1	11,049.6

The accompanying notes on pages 8 – 16 form an integral part of these Interim Financial Statements

The Financial Statements presented on pages 3 - 16 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 AND CONSOLIDATED)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

	Notes	1/1/2006 - 31/3/2006		1/1/2005 - 31/3/2005	
		COMPANY	GROUP	COMPANY	GROUP
<i>(Amounts in millions of Euro, except share and per share data)</i>					
Revenues:					
Domestic telephony	6	403.8	572.6	401.0	569.7
International telephony	6	42.5	83.4	55.0	96.8
Mobile telephony	6	-	449.3	-	389.1
Other revenues	6	238.4	281.4	206.8	245.9
Total revenues		684.7	1,386.7	662.8	1,301.5
Operating expenses:					
Payroll and employee benefits		(215.2)	(318.6)	(217.6)	(347.7)
Charges for voluntary retirement program		-	-	(27.0)	(27.0)
Charges from international operators		(30.0)	(47.2)	(33.0)	(41.5)
Charges from domestic operators		(93.1)	(174.9)	(82.3)	(145.6)
Depreciation and amortization		(134.7)	(284.3)	(136.4)	(289.5)
Cost of telecommunications equipment		(48.7)	(65.1)	(23.0)	(37.9)
Other operating expenses	7	(114.1)	(268.4)	(122.9)	(257.6)
Total operating expenses		(635.8)	(1,158.5)	(642.2)	(1,146.8)
Operating income		48.9	228.2	20.6	154.7
Other income/ (expense):					
Interest expense		(26.8)	(42.3)	(30.0)	(39.3)
Interest income		7.4	10.3	10.2	11.8
Foreign exchange gains/ (losses), net		(0.3)	1.4	(1.1)	25.5
Dividends		-	-	183.1	5.0
Gains/(losses) from investments		-	5.8	13.8	19.2
		(19.7)	(24.8)	176.0	22.2
Profit before tax		29.2	203.4	196.6	176.9
Income taxes		(8.7)	(61.5)	(12.3)	(60.5)
Profit for the period		20.5	141.9	184.3	116.4
Attributable to:					
Equity holders of the parent		20.5	109.7	184.3	79.3
Minority interest		-	32.2	-	37.1
		20.5	141.9	184.3	116.4
Basic earnings per share	9	0.0418	0,2238	0.3760	0.1618
Weighted average number of shares outstanding		490,150,389	490,150,389	490,150,389	490,150,389

The accompanying notes on pages 8 - 16 form an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM STATEMENT OF CHANGES IN EQUITY (STAND-ALONE)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

(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	-	-	-	-	2.3	2.3
Net income recognized directly in Equity	-	-	-	-	2.3	2.3
Profit for the period	-	-	-	-	184.3	184.3
Balance at March 31, 2005	1,174.1	487.5	(15.1)	256.7	1,224.2	3,127.4
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	-	-	-	-	12.9	12.9
Net income recognized directly in Equity	-	-	-	-	12.9	12.9
Profit for the period	-	-	-	-	20.5	20.5
Balance at March 31, 2006	1,172.5	486.6	(5.9)	256.7	831.4	2,741.3

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HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

(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 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	-	-	-	-	-	-	(123.6)	(123.6)
Unrealized gains on available-for-sale securities	-	-	-	-	2.3	2.3	-	2.3
Foreign currency translation	-	-	-	-	101.4	101.4	64.1	165.5
Net change of investment in subsidiaries	-	-	-	-	-	-	(1.1)	(1.1)
Net income recognized directly in equity	-	-	-	-	103.7	103.7	62.9	166.6
Profit for the period	-	-	-	-	79.3	79.3	37.1	116.4
Balance at March 31, 2005	1,174.1	487.5	(15.1)	256.7	1,868.0	3,771.2	1,219.7	4,990.9
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	-	-	-	-	-	-	-	-
Unrealized gains on available-for-sale securities	-	-	-	-	12.9	12.9	-	12.9
Foreign currency translation	-	-	-	-	42.8	42.8	43.9	86.7
Net change of investment in subsidiaries	-	-	-	-	-	-	6.1	6.1
Net income recognized directly in equity	-	-	-	-	55.7	55.7	50.0	105.7
Profit for the period	-	-	-	-	109.7	109.7	32.2	141.9
Balance at March 31, 2006	1,172.5	486.6	(5.9)	256.7	1,567.0	3,476.9	1,284.1	4,761.0

The accompanying notes on pages 8 - 16 form 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 THREE MONTH PERIODS ENDED MARCH 31, 2006 AND 2005**

	<u>1/1/2006 - 31/3/2006</u>		<u>1/1/2005 - 31/3/2005</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	29.2	203.4	196.6	176.9
Adjustments for:				
Depreciation and amortization	134.7	284.3	136.4	289.5
Provisions	46.3	51.7	53.6	49.0
Investment and financial (income) / loss	(7.1)	(17.6)	(206.8)	(36.0)
Amortization of advances to pension funds	8.8	8.8	8.8	8.8
Interest expense	26.8	42.3	30.0	39.3
Adjustments for working capital movements related to operating activities:				
Decrease / (increase) in materials and supplies	3.6	(6.7)	6.5	1.6
Decrease / (increase) in accounts receivable	(26.4)	(13.4)	22.9	(48.4)
Decrease in liabilities	(82.9)	(123.0)	(85.3)	(86.5)
Minus:				
Interest paid	(12.6)	(42.1)	(63.0)	(74.3)
Income taxes paid	-	(14.9)	-	(11.6)
Net cash provided by operating activities	120.4	372.8	99.7	308.3
Cash flows from investing activities				
Acquisition of subsidiary or associate, net of cash acquired	-	-	(56.3)	(56.3)
Loans granted	-	-	13.7	9.7
Proceeds from loans	5.9	-	-	-
Purchase of property, plant and equipment or intangible assets	(61.1)	(168.5)	(53.2)	(124.0)
Proceeds from sale of investment	-	-	26.7	26.7
Interest received	3.7	9.0	3.2	9.3
Dividends received	-	-	180.6	5.0
Net cash provided by / (used in) investing activities	(51.5)	(159.5)	114.7	(129.6)
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	-	-	-	21.6
Repayment of long-term debt and short-term borrowings	-	(26.9)	-	-
Dividends paid	(0.1)	-	(0.3)	(123.9)
Net cash used in financing activities	(0.1)	(14.9)	(0.3)	(89.5)
Net increase in cash and cash equivalents	68.8	198.4	214.1	89.2
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	913.1	1,710.6	584.1	959.5

The accompanying notes on pages 8 - 16 form an integral part of these Interim Financial Statements

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 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. 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>31/3/06</u>	<u>31/12/05</u>
• COSMOTE MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE”)	Mobile telecommunications services	64.14%	64.37%
• 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%
• COSMOTE ROMANIA S.A. (ex COSMOROM)	Mobile telecommunications services	61.10%	61.26%
• ALBANIAN MOBILE COMMUNICATIONS Sh.a (“AMC”)	Mobile telecommunications services	52.88%	53.07%
• ARMENIA TELEPHONE COMPANY CJSC (“ARMENTEL”)	Fixed line and mobile telephony services	90.00%	90.00%
• OTE MTS Holding B.V.	Investment holding company	64.14%	64.37%
• COSMOFON MOBILE TELECOMMUNICATIONS SERVICES A.D. – SKOPJE (“COSMOFON”)	Mobile telecommunications services	64.14%	64.37%
• OTE AUSTRIA HOLDING GMBH	Investment holding company	100.00%	100.00%
• COSMO BULGARIA MOBILE EAD (“GLOBUL”)	Mobile telecommunications services	64.14%	64.37%
• HELLAS SAT CONSORTIUM LIMITED (“HELLAS-SAT”)	Satellite communications	95.69%	95.69%
• COSMO-ONE HELLAS MARKET SITE S.A. (“COSMO-ONE”)	E-commerce services	50.67%	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.	Satellite telecommunications services	93.91%	93.91%
• 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. (OTE-GLOBE”)	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	62.22%	62.44%
• OTE ACADEMY A.E. (“OTE ACADEMY”)	Training services	100.00%	100.00%

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements: The accompanying Stand-Alone and Consolidated Financial Statements (hereinafter «Financial Statements») have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be examined in conjunction with the published annual financial statements as of 31 December 2005, which are available on the Company’s website (www.ote.gr).

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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 31/12/2006 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. LONG -TERM DEBT

Long-term debt is analyzed as follows:

	<u>31/3/2006</u>	<u>31/12/2005</u>
<u>COMPANY</u>		
(a) Loan from European Investment Bank	67.4	67.4
(b) Intercompany loan from OTE PLC	1,900.4	1,899.4
<i>Total long-term debt</i>	<u>1,967.8</u>	<u>1,966.8</u>
<i>Current maturities</i>	<u>(174.0)</u>	<u>(14.9)</u>
<i>Long-term portion</i>	<u>1,793.8</u>	<u>1,951.9</u>
<u>GROUP</u>		
(a) Loan from European Investment Bank	67.4	67.4
(b) Loans from suppliers	30.8	33.5
(c) Consortium loans	500.0	500.0
(d) Eurobond	1,110.1	1,108.9
(e) Global Medium Term Note Program	1,489.4	1,489.1
(f) Other bank loans	202.2	226.7
<i>Total long-term debt</i>	<u>3,399.9</u>	<u>3,425.6</u>
<i>Current maturities</i>	<u>(794.6)</u>	<u>(321.3)</u>
<i>Long-term portion</i>	<u>2,605.3</u>	<u>3,104.3</u>

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2006
(Amounts in millions of Euro, unless otherwise stated)

5. INCOME TAXES

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

The Company and its subsidiaries have not been audited by the tax authorities as described below and therefore their tax liabilities have not been conclusively decided:

<u>Company</u>	<u>UNAUDITED TAX YEARS</u>
• OTE	From 2002
• COSMOTE	From 2004
• OTE INTERNATIONAL	From 1998
• ROMTELECOM	From 2001
• AMC	From 2002
• ARMENTEL	None
• COSMOFON	Full income tax exemption for a period of three years commencing from the first year taxable profits are reported
• GLOBUL	From 2005
• COSMOTE ROMANIA	From 2004
• OTE MTS HOLDING B.V.	From 2001
• HELLAS SAT	From 2003
• COSMOONE	From 2002
• OTENET	From 2004
• HELLASCOM	From 2003
• OTE PLC	From 2000
• OTE SAT- MARITEL	From 2000
• OTE PLUS	From 2005
• OTE ESTATE	From 2001
• INFOTE	From 2001
• OTE GLOBE	From 2002
• OTE INSURANCE	From 2003
• OTE ACADEMY	From 2000
• CHA	From 2000
• OTE INVESTMENT SERVICES	From 2005

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2006
(Amounts in millions of Euro, unless otherwise stated)

6. REVENUES

Revenues in the accompanying income statements consist of income from:

	<u>COMPANY</u>		<u>GROUP</u>	
	<u>1st Quarter 2006</u>	<u>1st Quarter 2005</u>	<u>1st Quarter 2006</u>	<u>1st Quarter 2005</u>
(i) Domestic Telephony				
• Monthly network service fees	169.3	167.3	241.0	232.3
• Local and long-distance calls				
- Fixed to fixed	137.0	139.1	193.8	202.4
- Fixed to mobile	79.8	77.1	116.0	114.8
	216.8	216.2	309.8	317.2
• Other	17.7	17.5	21.8	20.2
	403.8	401.0	572.6	569.7
(ii) International Telephony				
• International traffic	18.3	25.7	32.0	38.2
• Payments from international operators	17.9	20.5	43.6	48.9
• Payments from mobile operators	6.3	8.8	7.8	9.7
	42.5	55.0	83.4	96.8
(iii) Mobile Telephony	-	-	449.3	389.1
(iv) Other revenues				
• Prepaid cards	11.5	21.1	20.6	30.5
• Directories	-	-	14.6	13.8
• Leased lines and Data communications	48.3	53.2	47.0	50.8
• VoIP through MSP	9.8	3.4	7.8	3.4
• ISDN	34.6	31.5	39.4	33.3
• Sales of telecommunication equipment	39.8	13.5	54.3	24.8
• Internet / ADSL	11.5	4.9	25.0	18.3
• ATM	7.9	6.8	7.9	6.8
• Services rendered	40.3	37.5	14.4	12.1
• Interconnection charges	28.4	24.7	31.3	26.7
• Miscellaneous	6.3	10.2	19.1	25.4
• Total other revenues	238.4	206.8	281.4	245.9
Total revenues	684.7	662.8	1,386.7	1,301.5

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2006
(Amounts in millions of Euro, unless otherwise stated)

7. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	<u>COMPANY</u>		<u>GROUP</u>	
	1 st Quarter 2006	1 st Quarter 2005	1 st Quarter 2006	1 st Quarter 2005
Services and fees	26.2	29.4	34.2	34.4
Cost of telecommunication material, repairs and maintenance	17.6	19.7	51.3	44.5
Advertising costs	7.8	9.1	31.0	22.8
Utilities	12.4	10.3	27.5	36.2
Provision for doubtful accounts	15.7	20.0	21.2	25.9
Other provisions	7.5	5.0	7.2	5.0
Travel costs	1.3	1.3	3.1	2.6
Commissions to independent distributors	-	-	43.7	35.9
Payments to audiotex providers	2.5	5.1	4.8	8.1
Rent	16.3	14.1	18.3	16.5
Taxes, other than income taxes	2.7	2.0	11.5	10.1
Transportation	1.0	1.0	1.6	1.5
Other	3.1	5.9	13.0	14.1
	<u>114.1</u>	<u>122.9</u>	<u>268.4</u>	<u>257.6</u>

8. 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.

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8. SEGMENT REPORTING (continued)

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

<u>Three months period</u> <u>ended 31/3/2006</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	633.6	456.9	218.8	77.4	1,386.7	-	1,386.7
Intersegment Revenues	51.1	39.5	4.0	39.9	134.5	(134.5)	-
Total Operating Revenues	684.7	496.4	222.8	117.3	1,521.2	(134.5)	1,386.7
Operating Expenses	(635.8)	(379.1)	(187.3)	(92.0)	(1,294.2)	135.7	(1,158.5)
Operating income	48.9	117.3	35.5	25.3	227.0	1.2	228.2
Net income	20.5	75.2	27.9	11.5	135.1	(25.4)	109.7

<u>Three months period</u> <u>ended 31/3/2005</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	616.7	336.4	227.6	120.8	1,301.5	-	1,301.5
Intersegment Revenues	46.1	43.9	0.7	40.0	130.7	(130.7)	-
Total Operating Revenues	662.8	380.3	228.3	160.8	1,432.2	(130.7)	1,301.5
Operating Expenses	(642.2)	(264.9)	(228.7)	(144.1)	(1,279.9)	133.1	(1,146.8)
Operating income	20.6	115.4	(0.4)	16.7	152.3	2.4	154.7
Net income	184.3	74.6	22.2	1.9	283.0	(203.7)	79.3

9. 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:

	<u>COMPANY</u>		<u>GROUP</u>	
	<u>1st</u> <u>Quarter</u> <u>2006</u>	<u>1st</u> <u>Quarter</u> <u>2005</u>	<u>1st</u> <u>Quarter</u> <u>2006</u>	<u>1st</u> <u>Quarter</u> <u>2005</u>
Earnings attributable to the shareholders of the parent	20.5	184.3	109.7	79.3
Weighted average number of shares outstanding	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings per share	0.0418	0.3760	0.2238	0.1618
Diluted earnings per share	0.0418	0.3760	0.2238	0.1618

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10. 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.

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

	1 st Quarter 2006		1 st Quarter 2005	
	OTE's sales	OTE's purchases	OTE's sales	OTE's purchases
COSMOTE	35.4	33.6	34.4	42.2
OTE INTERNATIONAL INVESTMENTS LTD	0.5	2.0	0.5	3.0
ROMTELECOM	0.5	-	-	-
ARMENTEL	0.3	-	0.1	-
COSMOFON	-	-	0.5	-
GLOBUL	0.8	-	-	-
HELLAS-SAT	1.8	0.4	2.1	0.1
COSMO-ONE	-	0.3	-	0.3
OTENET	8.8	3.0	7.2	9.4
HELLASCOM	-	1.3	-	1.5
OTE SAT- MARITEL	0.3	0.6	0.3	0.5
OTE PLUS	0.1	4.6	0.1	2.6
OTE ESTATE	0.1	13.8	1.2	13.2
INFOTE	2.3	1.9	2.6	-
OTE GLOBE	0.2	8.3	10.1	15.4
OTE ACADEMY	-	0.5	-	-
	51.1	70.3	59.1	88.2

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

	1 st Quarter 2006		1 st Quarter 2005	
	OTE's interest income	OTE's interest expense	OTE's interest income	OTE's interest expense
ARMENTEL	0.1	-	0.1	-
COSMOFON	0.7	-	0.5	-
HELLAS-SAT	1.7	-	1.7	-
OTE PLC	-	23.3	-	32.5
	2.5	23.3	2.3	32.5

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

	1 st Quarter 2006	1 st Quarter 2005
COSMOTE	-	175.6
OTE GLOBE	-	2.5
	-	178.1

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10. 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 :

	31/03/2006		31/12/2005	
	OTE's receivables	OTE's payables	OTE's receivables	OTE's payables
COSMOTE	47.7	40.8	35.9	45.1
OTE INTERNATIONAL INVESTMENTS LTD	6.6	9.8	6.0	7.4
ROMTELECOM	0.3	1.5	0.3	1.4
ARMENTEL	0.1	-	6.0	-
HELLAS-SAT	149.0	0.4	147.2	0.4
COSMO-ONE	-	0.4	-	0.5
OTENET	6.4	6.3	7.2	7.3
HELLASCOM	1.3	0.8	1.3	1.4
OTE SAT- MARITEL	0.8	1.2	0.8	1.2
OTE PLUS	4.7	7.2	4.7	5.6
OTE ESTATE	8.8	67.2	8.7	104.1
INFOTE	2.6	19.2	5.4	24.4
OTE GLOBE	39.0	41.1	23.9	27.6
OTE ACADEMY	0.3	-	0.3	1.5
OTE PLC	-	1,975.1	-	1,962.8
	267.6	2,171.0	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 Quarter 2006 and 2005, amounted to Euro 0.6 and 0.5, respectively.

11. 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.

12. SUBSEQUENT EVENTS

The most significant events that have occurred after 31 March 2006 are the following :

- 1) In May 2006, the tax authorities commenced the tax audit of OTE's books for the fiscal years 2002 - 2004.
- 2) 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.

12. SUBSEQUENT EVENTS (continued)

- 3) 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 intends to execute the acquisition through a Special Purpose Vehicle, which following such acquisition, shall launch a public tender offer for the remaining shares of GERMANOS S.A. In accordance with all the above, the public tender offer is expected to be completed by the end of September 2006.