HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF SEPTEMBER 30, 2011

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
as adopted by the European Union

(TRANSLATED FROM THE GREEK ORIGINAL)

The Interim Condensed Financial Statements presented on pages 1-28, were approved by the Board of Directors on November 9, 2011 and are signed by:

Chairman & Managing Director	Board Member & Group Chief Financial Officer	OTE Chief Financial Officer	Chief Accounting Officer
Michael Tsamaz	Kevin Copp	George Mavrakis	Konstantinos Vasilopoulos

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
REGISTRATION No S.A. 347/06/B/86/10
99 KIFFISIAS AVE–151 24 MAROUSSI ATHENS, GREECE

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	30/09/2011	31/12/2010	30/09/2011	31/12/2010
ASSETS					
Non-current assets					
Property, plant and equipment		4,715.2	5,061.9	1,738.1	1,864.0
Goodwill	4	584.4	572.4	-	-
Telecommunication licenses		319.3	331.9	4.3	2.1
Other intangible assets		423.6	455.5	-	-
Investments	5	371.2	156.5	4,913.3	4,778.2
Loans and advances to pension funds		122.8	126.2	122.8	126.2
Deferred tax assets		256.6	260.4	159.7	195.2
Other non-current assets		176.6	154.7	149.6	120.6
Total non-current assets		**6,969.7**	**7,119.5**	**7,087.8**	**7,086.3**
Current assets					
Inventories		150.5	160.8	30.1	27.9
Trade receivables		949.7	1,010.8	489.4	534.8
Other financial assets		99.2	12.5	88.8	2.1
Other current assets		217.0	229.9	100.2	108.6
Cash and cash equivalents		1,072.0	1,004.3	344.8	189.0
Total current assets		**2,488.4**	**2,418.3**	**1,053.3**	**862.4**
TOTAL ASSETS		**9,458.1**	**9,537.8**	**8,141.1**	**7,948.7**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	6	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	6	513.5	510.6	513.5	510.6
Statutory reserve		347.2	347.2	347.2	347.2
Foreign exchange and other reserves		26.4	(147.3)	145.5	(60.1)
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		2,683.0	2,539.1	1,361.2	1,401.2
Total equity attributable to owners of the Parent		**1,420.1**	**1,099.6**	**3,538.9**	**3,370.4**
Non-controlling interests		490.1	553.0	-	-
Total equity		**1,910.2**	**1,652.6**	**3,538.9**	**3,370.4**
Non-current liabilities					
Long-term borrowings	8	4,147.7	3,211.4	2,712.8	1,715.4
Provision for staff retirement indemnities		317.2	306.6	281.5	273.6
Provision for voluntary leave scheme	12	4.8	29.9	4.8	29.9
Provision for youth account		266.4	301.4	266.4	301.4
Deferred tax liabilities		93.2	66.3	-	-
Other non-current liabilities		43.1	43.5	27.4	21.5
Total non-current liabilities		**4,872.4**	**3,959.1**	**3,292.9**	**2,341.8**
Current liabilities					
Trade accounts payable		615.5	695.2	283.7	351.5
Short-term borrowings		2.0	5.6	-	-
Short-term portion of long-term borrowings	8	1,038.2	2,082.8	311.7	1,119.1
Income tax payable	9	36.4	70.9	-	1.6
Deferred revenue		232.5	249.0	236.7	233.1
Provision for voluntary leave scheme	12	171.0	189.4	171.0	189.4
Dividends payable	7	2.3	2.3	2.3	2.3
Other current liabilities		577.6	630.9	303.9	339.5
Total current liabilities		**2,675.5**	**3,926.1**	**1,309.3**	**2,236.5**
TOTAL EQUITY AND LIABILITIES		**9,458.1**	**9,537.8**	**8,141.1**	**7,948.7**

The accompanying notes on pages 10-28 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (CONSOLIDATED)

		3rd Quarter		First nine months	
(Amounts in millions of Euro except per share data)	Notes	2011	2010	2011	2010
Revenue					
Domestic telephony	10	286.3	342.7	885.9	1,064.8
International telephony	10	45.0	50.1	121.5	153.8
Mobile telephony	10	562.9	567.1	1,568.9	1,683.2
Other revenue	10	418.3	432.8	1,215.9	1,250.6
Total revenue		**1,312.5**	**1,392.7**	**3,792.2**	**4,152.4**
Other income/ (expense), net	11	**0.6**	**3.8**	**6.4**	**34.7**
Operating expenses					
Payroll and employee benefits		(255.4)	(273.3)	(795.9)	(857.2)
Provision for staff retirement indemnities		(6.0)	(6.9)	(17.7)	(20.4)
Provision for youth account		(4.8)	(6.7)	(14.3)	(19.8)
Cost of early retirement program	12	(4.1)	(3.4)	(53.8)	(36.2)
Charges from international operators		(57.4)	(52.5)	(159.5)	(145.4)
Charges from domestic operators		(92.5)	(100.0)	(266.0)	(312.4)
Depreciation, amortization and impairment		(257.3)	(266.1)	(785.9)	(827.8)
Cost of telecommunications equipment		(89.6)	(116.2)	(264.1)	(328.6)
Other operating expenses	13	(339.0)	(342.5)	(972.8)	(1,030.2)
Total operating expenses		**(1,106.1)**	**(1,167.6)**	**(3,330.0)**	**(3,578.0)**
Operating profit before financial activities		**207.0**	**228.9**	**468.6**	**609.1**
Income and expense from financial activities					
Interest expense		(74.9)	(69.2)	(209.8)	(239.3)
Interest income		6.3	5.5	17.1	20.1
Foreign exchange differences, net		(2.6)	4.6	6.1	(5.6)
Dividend income	5	-	-	10.4	9.0
(Losses) from investments and financial assets - Impairments		(0.1)	(0.2)	(0.3)	(3.0)
Total (loss) from financial activities		**(71.3)**	**(59.3)**	**(176.5)**	**(218.8)**
Profit before tax		**135.7**	**169.6**	**292.1**	**390.3**
Income tax expense	9	(31.5)	(46.2)	(106.7)	(291.1)
Profit for the period		**104.2**	**123.4**	**185.4**	**99.2**
Attributable to:					
Owners of the parent		104.4	126.3	196.8	131.3
Non-controlling interests		(0.2)	(2.9)	(11.4)	(32.1)
		104.2	**123.4**	**185.4**	**99.2**
Basic earnings per share	14	0.2130	0.2577	0.4015	0.2679
Diluted earnings per share	14	0.2130	0.2577	0.4015	0.2679

The accompanying notes on pages 10-28 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	3rd Quarter 2011	3rd Quarter 2010	First nine months 2011	First nine months 2010
Revenue					
Domestic telephony	10	218.4	255.8	669.0	790.8
International telephony	10	32.4	37.5	83.9	114.7
Other revenue	10	232.7	246.0	682.0	742.6
Total revenue		**483.5**	**539.3**	**1,434.9**	**1,648.1**
Other income/ (expense), net	11	**0.7**	**0.6**	**-**	**15.0**
Operating expenses					
Payroll and employee benefits		(155.0)	(162.3)	(483.4)	(514.5)
Provision for staff retirement indemnities		(5.0)	(6.0)	(15.1)	(18.1)
Provision for youth account		(4.8)	(6.7)	(14.3)	(19.8)
Cost of early retirement program	12	(3.7)	-	(14.2)	(9.9)
Charges from international operators		(26.1)	(27.6)	(69.1)	(85.9)
Charges from domestic operators		(37.6)	(44.1)	(105.9)	(135.8)
Depreciation, amortization and impairment		(79.7)	(90.9)	(249.2)	(280.7)
Cost of telecommunications equipment		(13.1)	(20.6)	(37.8)	(55.4)
Other operating expenses	13	(98.3)	(109.7)	(293.6)	(321.5)
Total operating expenses		**(423.3)**	**(467.9)**	**(1,282.6)**	**(1,441.6)**
Operating profit before financial activities		**60.9**	**72.0**	**152.3**	**221.5**
Income and expense from financial activities					
Interest expense		(49.7)	(46.3)	(125.0)	(159.9)
Interest income		3.5	2.0	8.8	6.1
Foreign exchange differences, net		-	0.4	1.7	0.4
Dividend income	5	-	-	11.6	200.9
(Losses) from investments and financial assets–Impairments		(0.2)	-	(0.4)	(1.8)
Total profit /(loss) from financial activities		**(46.4)**	**(43.9)**	**(103.3)**	**45.7**
Profit before tax		**14.5**	**28.1**	**49.0**	**267.2**
Income tax expense	9	(5.9)	(13.2)	(36.1)	(140.2)
Profit for the period		**8.6**	**14.9**	**12.9**	**127.0**

The accompanying notes on pages 10-28 form an integral part of these financial statements.

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	3rd Quarter		First nine months	
(Amounts in millions of Euro)	2011	2010	2011	2010
Profit for the period	**104.2**	**123.4**	**185.4**	**99.2**
Foreign currency translation	(50.8)	42.5	(39.7)	(21.6)
Net loss on cash flow hedge	-	(2.9)	-	(1.1)
Actuarial gains /(losses) due to change in interest cost	(9.1)	(9.6)	5.6	(24.2)
Deferred taxes on actuarial gains/ losses due to change in interest cost	-	2.0	(3.4)	5.1
Net movement of available for sale financial assets	215.0	0.2	215.0	(4.4)
Deferred taxes on net movement of available for sale financial assets	(11.6)	-	(11.6)	-
Other comprehensive income / (loss) for the period	**143.5**	**32.2**	**165.9**	**(46.2)**
Total comprehensive income for the period	**247.7**	**155.6**	**351.3**	**53.0**
Attributable to:				
Owners of the parent	261.0	140.6	370.5	92.2
Non-controlling interests	(13.3)	15.0	(19.2)	(39.2)
	247.7	**155.6**	**351.3**	**53.0**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	3rd Quarter		First nine months	
(Amounts in millions of Euro)	2011	2010	2011	2010
Profit for the period	**8.6**	**14.9**	**12.9**	**127.0**
Actuarial gains/(losses) due to change in interest cost	(11.3)	(9.6)	3.4	(24.2)
Deferred taxes on actuarial gains /losses due to change in interest cost	2.2	2.0	(1.2)	5.1
Net movement of available for sale financial assets	215.0	0.2	215.0	(4.4)
Deferred taxes on net movement of available for sale financial assets	(11.6)	-	(11.6)	-
Other comprehensive income / (loss) for the period	**194.3**	**(7.4)**	**205.6**	**(23.5)**
Total comprehensive income for the period	**202.9**	**7.5**	**218.5**	**103.5**

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to owners of the parent								
(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2010	**1,171.5**	**505.1**	**344.1**	**(162.0)**	**(3,321.5)**	**2,589.2**	**1,126.4**	**757.7**	**1,884.1**
Profit / (loss) for the period	-	-	-	-	-	131.3	**131.3**	(32.1)	**99.2**
Other comprehensive income / (loss)	-	-	-	(39.1)	-	-	**(39.1)**	(7.1)	**(46.2)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(39.1)**	**-**	**131.3**	**92.2**	**(39.2)**	**53.0**
Dividends	-	-	-	-	-	(93.1)	**(93.1)**	-	**(93.1)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	-	6.5	**6.5**	-	**6.5**
Share-based payment	-	4.6	-	-	-	-	**4.6**	-	**4.6**
Balance as at September 30, 2010	**1,171.5**	**509.7**	**344.1**	**(201.1)**	**(3,321.5)**	**2,633.9**	**1,136.6**	**718.5**	**1,855.1**
Balance as at January 1, 2011	**1,171.5**	**510.6**	**347.2**	**(147.3)**	**(3,321.5)**	**2,539.1**	**1,099.6**	**553.0**	**1,652.6**
Profit / (loss) for the period	-	-	-	-	-	196.8	**196.8**	(11.4)	**185.4**
Other comprehensive income / (loss)	-	-	-	173.7	-		**173.7**	(7.8)	**165.9**
Total comprehensive income / (loss)	**-**	**-**	**-**	**173.7**	**-**	**196.8**	**370.5**	**(19.2)**	**351.3**
Dividends	-	-	-	-	-	(57.8)	**(57.8)**	(43.7)	**(101.5)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	-	4.9	**4.9**	-	**4.9**
Share-based payment	-	2.9	-	-	-	-	**2.9**	-	**2.9**
Balance as at September 30, 2011	**1,171.5**	**513.5**	**347.2**	**26.4**	**(3,321.5)**	**2,683.0**	**1,420.1**	**490.1**	**1,910.2**

INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Retained earnings	Total equity
Balance as at January 1, 2010	**1,171.5**	**505.1**	**344.1**	**(102.9)**	**1,430.0**	**3,347.8**
Profit for the period	-	-	-	-	127.0	**127.0**
Other comprehensive income / (loss)	-	-	-	(23.5)	-	**(23.5)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(23.5)**	**127.0**	**103.5**
Dividends	-	-	-	-	(93.1)	**(93.1)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	6.5	**6.5**
Share-based payment	-	4.6	-	-	-	**4.6**
Balance as at September 30, 2010	**1,171.5**	**509.7**	**344.1**	**(126.4)**	**1,470.4**	**3,369.3**
Balance as at January 1, 2011	**1,171.5**	**510.6**	**347.2**	**(60.1)**	**1,401.2**	**3,370.4**
Profit for the period	-	-	-	-	12.9	**12.9**
Other comprehensive income	-	-	-	205.6	-	**205.6**
Total comprehensive income	**-**	**-**	**-**	**205.6**	**12.9**	**218.5**
Dividends	-	-	-	-	(57.8)	**(57.8)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	4.9	**4.9**
Share-based payment	-	2.9	-	-	-	**2.9**
Balance as at September 30, 2011	**1,171.5**	**513.5**	**347.2**	**145.5**	**1,361.2**	**3,538.9**

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP First nine months 2011	GROUP First nine months 2010	COMPANY First nine months 2011	COMPANY First nine months 2010
Cash flows from operating activities					
Profit before tax		292.1	390.3	49.0	267.2
Adjustments for:					
Depreciation, amortization and impairment		785.9	827.8	249.2	280.7
Share-based payment	17	2.9	4.6	0.8	2.0
Cost of early retirement program	12	53.8	36.2	14.2	9.9
Provision for staff retirement indemnities		17.7	20.4	15.1	18.1
Provision for youth account		14.3	19.8	14.3	19.8
Provisions for doubtful accounts	13	106.0	102.9	21.0	24.5
Other provisions		-	(4.3)	-	(4.3)
Foreign exchange differences, net		(6.1)	5.6	(1.7)	(0.4)
Interest income		(17.1)	(20.1)	(8.8)	(6.1)
Dividend income	5	(10.4)	(9.0)	(11.6)	(200.9)
Losses from investments and financial assets – Impairments		0.3	3.0	0.4	1.8
Release of EDEKT fund prepayment		26.4	26.4	26.4	26.4
Interest expense		209.8	239.3	125.0	159.9
Working capital adjustments:					
Decrease/ (increase) in inventories		10.3	41.9	(2.2)	-
Decrease / (increase) in accounts receivable		31.3	(52.7)	(10.1)	6.8
(Decrease) in liabilities (except borrowings)		(148.3)	(186.2)	(60.5)	(62.3)
Plus/(Minus):					
Payment for early retirement programs	12	(99.9)	(175.2)	(60.7)	(149.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(64.4)	(67.2)	(62.8)	(64.9)
Interest and related expenses paid		(261.9)	(224.8)	(170.7)	(153.9)
Income taxes paid		(133.7)	(300.5)	(19.0)	(129.6)
Net cash flows from operating activities		**809.0**	**678.2**	**107.3**	**44.9**
Cash flows from investing activities					
Acquisition of non-controlling interest		-	(7.9)	-	-
Acquisition of subsidiary and business units net of cash acquired	5	(11.2)	(1.8)	-	-
Purchase of financial assets		(68.5)	(71.9)	(68.3)	-
Sale or maturity of financial assets		-	80.1	-	3.7
Repayments of loans receivable		7.3	7.3	7.3	7.3
Loans granted		-	(30.0)	-	(30.0)
Purchase of property plant and equipment and intangible assets		(473.9)	(567.3)	(126.9)	(150.6)
Interest received		11.6	14.2	8.8	4.2
Dividends received		5.2	3.5	5.2	160.4
Return of capital invested in subsidiaries	5	-	-	82.0	-
Net cash flows (used in) investing activities		**(529.5)**	**(573.8)**	**(91.9)**	**(5.0)**
Cash flows from financing activities					
Proceeds from loans granted and issued	8	1,742.0	2.6	1,742.0	-
Repayment of loans	8	(1,852.5)	(91.3)	(1,548.7)	(56.0)
Dividends paid to Company's owners		(52.9)	(88.5)	(52.9)	(88.5)
Dividends paid to non-controlling interests		(43.7)	-	-	-
Net cash flows from/ (used in) financing activities		**(207.1)**	**(177.2)**	**140.4**	**(144.5)**
Net increase/(decrease) in cash and cash equivalents		**72.4**	**(72.8)**	**155.8**	**(104.6)**
Cash and cash equivalents, at the beginning of the period		**1,004.3**	**868.8**	**189.0**	**224.0**
Net foreign exchange differences		(4.7)	(1.1)	-	-
Cash and cash equivalents, at the end of the period		**1,072.0**	**794.9**	**344.8**	**119.4**

The accompanying notes on pages 10-28 form an integral part of these financial statements.

1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. ("Company", "OTE" or "parent"), was incorporated as a société anonyme in Athens, Greece in 1949, and is listed in the Greek Register of Sociétés Anonymes (M.A.E.) with the unique number (AP. MAE) 347/06/B/86/10. The registered office is located at 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, and the website is www.ote.gr. The Company is listed on the Athens Exchange. Until September 19, 2010, OTE ADRs (American Depositary Receipts) were also listed on the New York Stock Exchange. Following OTE's delisting from NYSE, OTE ADRs now trade in the US OTC (Over the Counter) market. OTE GDRs (Global Depositary Receipts) are also listed on the London Stock Exchange.

OTE's principal activities are the provision of telecommunications and related services.

Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and as of September 30, 2011 holds a 40.00% interest in OTE (see Note 6).

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

The Interim Condensed Consolidated and Separate Financial Statements ("interim financial statements") as of September 30, 2011, were approved for issuance by the Board of Directors on November 9, 2011.

The total numbers of Group and Company employees as of September 30, 2011 and 2010 were as follows:

	GROUP	COMPANY
September 30, 2011	28,675	10,742
September 30, 2010	31,358	11,143

The consolidated financial statements include the financial statements of OTE and the following subsidiaries which OTE controls directly or indirectly:

			30/09/2011	31/12/2010
COMPANY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE")	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	Cyprus	100.00%	100.00%
HELLAS SAT CONSORTIUM LIMITED ("HELLAS-SAT")	Satellite communications	Cyprus	99.05%	99.05%
COSMO-ONE HELLAS MARKET SITE S.A. ("COSMO-ONE")	E-commerce services	Greece	61.74%	61.74%
VOICENET S.A. ("VOICENET")	Telecommunications services	Greece	100.00%	100.00%
HELLASCOM S.A. ("HELLASCOM")	Telecommunication projects	Greece	100.00%	100.00%
OTE PLC	Financing services	U.K.	100.00%	100.00%
OTE SAT-MARITEL S.A. ("OTE SAT – MARITEL")	Satellite telecommunications services	Greece	94.08%	94.08%
OTE PLUS S.A. ("OTE PLUS")	Consulting services	Greece	100.00%	100.00%
OTE ESTATE S.A. ("OTE ESTATE")	Real estate	Greece	100.00%	100.00%
OTE INTERNATIONAL SOLUTIONS S.A. ("OTE-GLOBE")	Wholesale telephony services	Greece	100.00%	100.00%
HATWAVE HELLENIC-AMERICAN TELECOMMUNICATIONS WAVE LTD. ("HATWAVE")	Investment holding company	Cyprus	52.67%	52.67%
OTE INSURANCE AGENCY S.A. ("OTE INSURANCE")	Insurance brokerage services	Greece	100.00%	100.00%
OTE ACADEMY S.A. ("OTE ACADEMY")	Training services	Greece	100.00%	100.00%
ROMTELECOM S.A. ("ROMTELECOM")	Fixed line telephony services	Romania	54.01%	54.01%
NEXTGEN COMMUNICATIONS SRL ("NEXTGEN")	Telecommunications services	Romania	54.01%	54.01%
S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE ROMANIA")	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO BULGARIA MOBILE EAD ("GLOBUL")	Mobile telecommunications services	Bulgaria	100.00%	100.00%
COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	Greece	97.00%	97.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	Albania	97.21%	97.21%
COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS")	Investment holding company	Cyprus	100.00%	100.00%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST 30/09/2011	GROUP's OWNERSHIP INTEREST 31/12/2010
E-VALUE S.A.	Marketing Services	Greece	100.00%	100.00%
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	100.00%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	100.00%	100.00%
GERMANOS TELECOM BULGARIA A.D.	Retail services	Bulgaria	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
OTE PROPERTIES	Real estate	Greece	100.00%	100.00%
HELLAS SAT S.A.	Satellite communications	Greece	99.05%	99.05%
OTE INVESTMENT SERVICES S.A.	Investment holding company	Greece	100.00%	100.00%
COSMOHOLDING ROMANIA LTD	Investment holding company	Cyprus	100.00%	100.00%
TELEMOBIL S.A. ("ZAPP")	Mobile telecommunications services	Romania	100.00%	100.00%
E-VALUE DEBTORS AWARENESS ONE PERSON LTD ("E-VALUE LTD")	Overdue accounts	Greece	100.00%	100.00%

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These interim financial statements do not include all the information required in the annual financial statements and they should be read in conjunction with the annual audited financial statements as of December 31, 2010, which are available on the Company's website http://www.ote.gr/portal/page/portal/InvestorRelation/FinancialResults/FinancialStatementsOfOTEGroupAndOTESA.

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available-for-sale financial assets and derivative financial instruments which have been measured at fair values in accordance with IFRS. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges that would otherwise be carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being in effective hedge relationships.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those applied to the annual audited financial statements as of December 31, 2010.

There is no seasonality in the Group's and the Company's operations.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2010 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2011, noted below:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amended)
- IAS 32 Financial Instruments: Presentation (Amended)
- IAS 24 Related Party Disclosures (Revised)
- In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording
- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Reporting
- IFRIC 13 Customer Loyalty Programmes

The adoption of the above new and amended IFRS and IFRIC interpretations did not have an impact on the financial statements or performance of the Group or the Company.

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2011. They have not been early adopted and the Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after July 1, 2011). This amendment sets out disclosure requirements for transferred financial assets not derecognized in their entirety as well as on transferred financial assets derecognized in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

- IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after January 1, 2012). The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

- IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after July 1, 2012). The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

- IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after January 1, 2013). This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after January 1, 2013). IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. This standard has not yet been endorsed by the EU.

- IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after January 1, 2013). IFRS 13 provides new guidance on fair value measurement and disclosure requirements. This standard has not yet been endorsed by the EU.

- IFRIC 20 "Stripping costs in the production phase of a surface mine" (effective for annual periods beginning on or after January 1, 2013). This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2013). The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU:

- IFRS 10 "Consolidated Financial Statements" replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

- IFRS 11 "Joint Arrangements". The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

- IFRS 12 "Disclosure of Interests in Other Entities" requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

- IAS 27 (Amendment) "Separate Financial Statements". This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

- **IAS 28 (Amendment) "Investments in Associates and Joint Ventures"** replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

4. GOODWILL

Goodwill is analyzed as follows:

GROUP	2011
Carrying value January 1	**572.4**
Foreign exchange differences	(2.5)
Business combination – provisional amount (see Note 5)	17.1
Business combination – finalization of purchase price allocation (see Note 5)	14.1
Transfer	(2.6)
Write-off (see Note 5)	(14.1)
Carrying value September 30	**584.4**

Based on the impairment test in relation to network acquisitions of NEXTGEN (see Note 5 – Business combinations), the recognized goodwill of Euro 14.1 was written-off.

5. INVESTMENTS – BUSINESS COMBINATIONS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
(a) Investments in subsidiaries	-	-	4,542.1	4,622.0
(b) Other investments	371.2	156.5	371.2	156.2
TOTAL	**371.2**	**156.5**	**4,913.3**	**4,778.2**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/09/2011	31/12/2010
COSMOTE	100.00%	Greece	3,515.4	3,513.3
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	453.9	483.9
HELLAS-SAT	99.05%	Cyprus	194.7	194.7
COSMO-ONE	30.87%	Greece	0.5	0.5
VOICENET	100.00%	Greece	3.1	3.1
HELLASCOM	100.00%	Greece	4.4	8.4
OTE SAT- MARITEL	94.08%	Greece	4.6	11.2
OTE PLC	100.00%	U.K.	-	-
OTE PLUS	100.00%	Greece	3.8	3.8
OTE ESTATE	100.00%	Greece	193.2	234.1
OTE GLOBE	100.00%	Greece	163.7	163.7
OTE INSURANCE	100.00%	Greece	0.1	0.6
OTE ACADEMY	100.00%	Greece	4.7	4.7
TOTAL			**4,542.1**	**4,622.0**

COSMOTE

OTE has implemented a Share Option Plan (see Note 17) for executives, including executives of COSMOTE group. The Share Option Plan grants to these executives the opportunity, subject to vesting conditions, to purchase OTE's shares at a potentially preferential purchase price. COSMOTE's related expense for the Share Option Plan for the first nine months of 2011 is Euro 2.1 and in OTE's separate financial statements has been recorded in equity with an equal increase of the carrying value of OTE's investment in COSMOTE.

CAPITAL REDUCTION OF SUBSIDIARIES

In January 2011, OTE received from its subsidiaries the amounts arising from their share capital reduction reducing the carrying value of its investments by the equivalent amounts. Specifically, OTE received from HELLASCOM Euro 4.0, from OTE ESTATE Euro 40.9, from OTESAT-MARITEL Euro 6.6, from OTE INSURANCE Euro 0.5 and from OTE INTERNATIONAL INVESTMENTS LTD Euro 30.0.

OTE PROPERTIES DISSOLUTION AND LIQUIDATION

In February 2011, the Extraordinary General Assembly of Shareholders of OTE PROPERTIES (OTE ESTATE's wholly-owned subsidiary) has decided to proceed with the dissolution and liquidation of OTE PROPERTIES.

(b) Other investments are analyzed as follows:

	GROUP		COMPANY	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
TELEKOM SRBIJA	370.0	155.1	370.0	155.1
OTHER	1.2	1.4	1.2	1.1
TOTAL	**371.2**	**156.5**	**371.2**	**156.2**

TELEKOM SRBIJA

Following on from the information presented in the financial statements of OTE as of December 31, 2010 and as of June 30, 2011, OTE proceeded to re-consider its investment in TELEKOM SRBIJA at a value of Euro 370.0 as of September 30, 2011. This value represents OTE's assessment of the fair value of its share in TELEKOM SRBIJA.

The Group's dividend income is analyzed as follows:

	3rd Quarter		First nine months	
	2011	2010	2011	2010
TELEKOM SRBIJA	-	-	10.4	8.9
Other available for sale investments	-	-	-	0.1
TOTAL	**-**	**-**	**10.4**	**9.0**

OTE's dividend income is analyzed as follows:

	3rd Quarter		First nine months	
	2011	2010	2011	2010
COSMOTE	-	-	-	151.2
OTE ESTATE	-	-	-	37.0
OTE SAT- MARITEL	-	-	1.2	1.7
OTE INTERNATIONAL INVESTMENTS LTD	-	-	-	2.0
TELEKOM SRBIJA	-	-	10.4	8.9
Other available for sale investments	-	-	-	0.1
TOTAL	**-**	**-**	**11.6**	**200.9**

BUSINESS COMBINATIONS

On February 23, 2011, ROMTELECOM signed a business transfer agreement with DTH Television Group S.A., the provider of the TV services under the "Boom" trademark. The scope of the agreement for ROMTELECOM was to take over the assets and customer base. The Competition Council approved the transfer. The transfer became effective on May 12, 2011. The total consideration was Euro 5.9 and the assets acquired have been recorded in the consolidated statement of financial position in the line "Goodwill", until the finalization of the purchase price allocation ("PPA").

On March 25, 2011, ROMTELECOM signed a business transfer agreement with DIGITAL CABLE SYSTEMS S.A., the provider of the TV services under the "AKTA" trademark. The scope of the agreement for ROMTELECOM was to take over the assets and customer base. The Competition Council approved the transfer. The transfer became effective on June 1, 2011. The total consideration was Euro 11.2 and the assets acquired have been recorded in the consolidated statement of financial position in the line "Goodwill", until the finalization of the PPA.

For both these business transfer agreements, the total consideration will be adjusted, if necessary, based on the finalization of the number of customers migrated.

As of September 30, 2011 the consideration paid for the above mentioned transactions amounted to Euro 11.2.

Within 2010, NEXTGEN, a fully owned subsidiary of ROMTELECOM, concluded a number of network acquisitions. The contracts cover network assets, customer base and personnel and the acquisitions qualified as business combinations.

NEXTGEN received in 2010 the approval of these transactions from the Competition Council and the acquisitions were consolidated effective July 1, 2010. The total consideration was Euro 22.8 and the assets acquired have been recorded in the line "Property, plant and equipment" in the December 31, 2010 consolidated statement of financial position based on a preliminary PPA, out of which an amount of Euro 15.2 was depreciated / written–off by the year end. The PPA was completed in July 2011 and the fair value of assets acquired and liabilities assumed at acquisition date, is presented in the table below. The difference between the carrying amount of Property, plant and equipment based on the initial allocation and the carrying amount based on the final allocation was reversed in the December 31, 2010 consolidated statement of financial position. The resulting goodwill of Euro 14.1 as shown below has been considered impaired and written-off immediately through the income statement. The impact of the finalization of the PPA on the non-current assets and the respective depreciation / write–off from the acquisition date to September 30, 2011 was not significant.

	Fair value at acquisition date based on the final PPA
Assets	
Non-current assets	
Property, plant and equipment	2.9
Intangible assets	6.8
TOTAL ASSETS	**9.7**
Liabilities	
Non-current liabilities	
Deferred tax liabilities	1.0
TOTAL LIABILITIES	**1.0**
NET ASSETS ACQUIRED	**8.7**
Purchase price	22.8
Goodwill (see Note 4)	**14.1**

6. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of September 30, 2011 and December 31, 2010, amounted to Euro 1,171.5, divided into 490,150,389 registered shares, with a nominal value of Euro 2.39 (absolute amount) per share. The share premium as of September 30, 2011 and as of December 31, 2010 amounted to Euro 513.5 and Euro 510.6, respectively, the increase (Euro 2.9) being the amount charged to the income statement of the first nine months of 2011 under the Group's share option plan (see Note 17).

The following is an analysis of the ownership of OTE's shares as of September 30, 2011:

Shareholder	Number of shares	Percentage %
Hellenic State	29,409,027	6.00%
IKA–ETAM (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.00%
DEUTSCHE TELEKOM AG	196,060,156	40.00%
Institutional Investors	196,933,107	40.18%
Private Investors	48,142,084	9.82%
TOTAL	**490,150,389**	**100.00%**

On July 11, 2011, DEUTSCHE TELEKOM AG acquired an additional 10.00% of OTE's share capital (49,015,038 shares and corresponding voting rights). Following this acquisition, the participation of DEUTSCHE TELEKOM AG in the total share capital and voting rights of OTE increased to 40.00%, which equals to 196,060,156 shares and to the corresponding voting rights.

7. DIVIDENDS

Under Greek Corporate Law, each year companies are required to distribute to their owners dividends of at least 35% of net profits which result from their accounting books and records (published financial statements), after allowing for the statutory reserve. However, companies can waive such dividend payment requirement a) by a General Assembly decision with a majority of 65% of share capital, where the undistributed amount up to 35% of net profits is transferred to a special reserve or b) by a General Assembly decision with a majority of 70% of share capital without a requirement for establishing a special reserve.

According to the Company's Articles of Incorporation before its amendment by the General Assembly held on June 23, 2011, the minimum dividend provided to shareholders (after allowing for the statutory reserve) is set to be the maximum amount of either thirty five percent (35%) of net profits or six percent (6%) of share capital, limited to the amount of the net profits of the year. In order not to distribute the excess amount (according to the Articles of Incorporation) over the 35% of net profits required by Law, the following is required a) either the amendment of the Articles of Incorporation by a General Assembly decision with increased quorum and majority, b) or a General Assembly decision with the consent of shareholders representing 100% of share capital.

On June 23, 2011, the General Assembly of OTE's Shareholders approved the distribution of a dividend from 2010 profits of a total amount of Euro 57.8 or Euro 0.1179 (in absolute amount) per share. The amount of dividends payable as of September 30, 2011, amounted to Euro 2.3 (December 31, 2010: Euro 2.3). According to the new tax law 3943/2011, a 25% withholding tax is imposed on profits distributed by Greek entities which will be borne by the beneficiary and applies to the distribution of profits approved after January 1, 2012. Especially for distribution of profits approved within 2011, the withholding tax rate is 21% (see Note 9).

The General Assembly of OTE's Shareholders held on June 23, 2011 amended the Articles of Incorporation and from now on the minimum dividend provided to Shareholders will be conducted according to the provision of the law as in force.

8. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/09/2011	31/12/2010
(a) Syndicated loans	1,649.8	474.2
(b) Global Medium-Term Note Program	3,519.3	4,781.1
(c) Other bank loans	16.8	38.9
Total long-term debt	**5,185.9**	**5,294.2**
Short-term portion	(1,038.2)	(2,082.8)
Long-term portion	**4,147.7**	**3,211.4**

(a) Syndicated loans
On January 26, 2011, OTE PLC drew in full the Euro 332.0 Revolving Credit Facility under the Euro 850.0 Syndicated Facility. The facility bears floating interest rate. On September 2, 2011, OTE PLC proceeded with:

- The repayment of Euro 20.3 under the Revolving Credit Facility, along with the payment of accrued interest and
- The repayment of Euro 29.0 under the Syndicated Facility, along with the payment of accrued interest.

On February 9, 2011, OTE signed a Euro 900.0 Revolving Credit Facility (Bond Loan) with a consortium of banks. On February 10, 2011, OTE drew Euro 600.0 and on July 13, 2011, OTE drew the rest Euro 300.0 that was available under the Euro 900.0 Revolving Credit Facility. The specific transaction is described below under the Company section.

(b) Global Medium-Term Note Programme
In January and February 2011, OTE PLC proceeded with partial repurchases of total nominal amount of Euro 29.7 under the Notes due in February 2011. On February 14, 2011, OTE PLC proceeded with the full redemption of the remaining outstanding amount of Euro 1,370.7 Notes, along with the payment of accrued interest.

On February 21, 2011, OTE PLC repurchased Euro 5.0 of the Euro 900.0 4.625% Notes due in May 2016. The repurchased Notes have been cancelled.

In March, April, May, June, July and September 2011, OTE PLC proceeded with partial repurchases of total nominal amount of Euro 374.0 under the Notes Euro 650.0 3.75% due on November 11, 2011 along with the payment of accrued interest. The repurchased Notes have been cancelled.

New Euro 500.0 Notes under the Global Medium-Term Note Program
On April 8, 2011, OTE PLC issued Euro 500.0 7.250% Notes under the Global Medium-Term Note Program, maturing on April 8, 2014.

The facility contains a change of control clause which is triggered if an entity (other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with at least one credit rating issued by either (i) Standard & Poor's Credit Market Services Europe Limited or (ii) Moody's Investors Service España, S.A. (each, together with any successor thereto, a "Rating Agency") equivalent or better than the credit rating of DEUTSCHE TELEKOM AG issued by that Rating Agency at that point in time), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise.

In accordance with the final terms of the Notes, in the event that the change of control clause is triggered, OTE PLC shall promptly give written notice to the bond holders who in turn shall have the option within 45 days to require OTE PLC to redeem the bonds (put option), at their principal amounts together with accrued interest up to the date of redemption.

Euro 150.0 Revolving Credit Facility committed by DEUTSCHE TELEKOM AG

On January 31, 2011 OTE PLC signed a Euro 150.0 Revolving Credit Facility with DEUTSCHE TELEKOM AG with the guarantee of OTE, maturing on January 31, 2012 which remains undrawn as a liquidity reserve.

(c) Other bank loans

During 2011, ROMTELECOM fully repaid two of its loans denominated in Korean Won that would mature in 2014 and 2020 paying an amount of Euro 20.2 and OTE PLUS repaid loans of Euro 3.6.

COMPANY	30/09/2011	31/12/2010
(a) Syndicated loans	892.9	-
(b) Intercompany loans from OTE PLC	2,131.6	2,834.5
Total long-term debt	**3,024.5**	**2,834.5**
Short-term portion	(311.7)	(1,119.1)
Long-term portion	**2,712.8**	**1,715.4**

(a) Syndicated loans

On February 9, 2011, OTE signed a Euro 900.0 Revolving Credit Facility (Bond Loan) with a consortium of banks. The facility has a tenor of 2 years with a 1-year extension option at the discretion of the banks. The facility bears floating interest rate where the margin is dependent on OTE credit rating assigned by Moody's and Standard & Poor's as well as on the facility's utilization. Any undrawn amounts will bear a commitment fee.

On February 10, 2011, OTE drew Euro 600.0 under this facility and used the proceeds for debt repayment of loans from OTE PLC. On July 13, 2011, OTE drew the remaining Euro 300.0 that was available under the Euro 900.0 Revolving Credit Facility (Bond Loan).

The Facility contains a change of control clause which is triggered if an entity (other than DEUTSCHE TELEKOM AG, DEUTSCHE TELEKOM AG together with the Hellenic Republic, or any telecommunication operator based in Greece or abroad with rating equivalent or better than DEUTSCHE TELEKOM AG) gains control of OTE.

The Facility also includes two financial covenants, namely:

- The ratio of Group Net Borrowings to Group EBITDA should not exceed 3:1 at all times and
- The ratio of Group EBITDA to Group Net Interest Payable should exceed 5:1 at all times.

The above covenants are reviewed for compliance with the annual and semi-annual OTE Group financial statements, beginning with the financial period ended on December 31, 2010. The covenants are complied for the current financial period. Next compliance will be reviewed with the financial period ended on December 31, 2011.

Arrangement and agency fees totalling to Euro 10.4 were recognized against the loan and are amortized over its two year period. As of September 30, 2011, an amount of Euro 3.3 has been amortized and the outstanding balance of the syndicated loan is Euro 892.9.

(b) Intercompany loans from OTE PLC

On January 26, 2011, OTE proceeded with the full drawdown of the amount of Euro 332.0 under the intercompany loan from OTE PLC.

In January and February 2011, OTE proceeded with the gradual repayment of the remaining outstanding balance of Euro 970.4 under the intercompany facility maturing on February 13, 2011, along with the payment of accrued interest.

On February 11, 2011, OTE proceeded with a partial prepayment of Euro 88.0 under the intercompany loan maturing in August 2013, along with the payment of accrued interest. This prepayment effected at market rates (at a price of 96.6%) thus led to a gain of Euro 3.0 which is recorded in the separate income statement of the first nine months of 2011, in the line "Interest expense".

In March, April and May 2011, OTE proceeded with the gradual repayment of the remaining outstanding balance of Euro 150.0 under the intercompany loan maturing in November 2011, along with the payment of accrued interest.

On April 8, 2011, OTE signed a Euro 500.0 intercompany loan, maturing in April 2014. On the same day OTE drew in full this intercompany loan. The loan bears fixed interest rate. The outstanding amount of the loan as of September 30, 2011 includes a hedge adjustment of Euro 15.3 (see description of the interest rate swaps on section (c) below).

On June 23, 2011, OTE proceeded with a partial prepayment of Euro 320.0 under the intercompany loan maturing in August 2013, along with the payment of accrued interest. This prepayment effected at market rates (at a price of 96.8%) thus led to a gain of Euro 10.2 which is recorded in the separate income statement of the first nine months of 2011, in the line "Interest expense".

On September 2, 2011, OTE proceeded with the repayment of Euro 20.3 under the intercompany loan from OTE PLC, along with the payment of accrued interest.

(c) Interest rate swaps

In April 2011, OTE converted the Euro 500.0 fixed rate loan into floating via interest rate swap agreements. The swaps have been assigned as fair value hedges both on parent company and group level. The fair value of the above mentioned swaps as of September 30, 2011, is Euro 15.3.

On August 19, 2011 OTE received a collateral of Euro 10.0 under the Credit Support Annex (CSA) to the ISDA Agreements related to the swaps.

9. INCOME TAXES

In accordance with the Greek tax regulations, the income tax rate was 24% for 2010 and it would be gradually reduced as follows: 23% for 2011, 22% for 2012, 21% for 2013 and 20% for 2014 onwards. Following the new tax law 3943/2011, the income tax rate is 20% for 2011 onwards.

The effect of the change in the income tax rate resulted in a tax expense amounting to Euro 20.8 for the Group and Euro 14.3 for the Company, of which Euro 0.4 was charged in equity, due to the re-measurement of the deferred tax position. These charges have been recorded in the consolidated and separate income statement of the first nine months of 2011.

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law.

Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Under Greek tax regulations, an income tax advance calculation on each year's current income tax liability is paid to the tax authorities. Such advance is then netted off with the following year's income tax liability. Any excess advance amounts are refunded to the companies following a tax examination.

New tax law

According to the new tax law 3943/2011, the corporate income tax rate of legal entities is set at 20% for 2011 onwards.

Furthermore, a 25% withholding tax is imposed on profits distributed by Greek entities which will be borne by the beneficiary and applies to the distribution of profits approved after January 1, 2012. Especially for distribution of profits approved within 2011, the withholding tax rate is 21%. This tax is withheld by the entity which distributes its profits and exhausts the tax liability of the beneficiaries, unless they are individuals. Withholding tax shall not be imposed on dividends paid to a legal entity established in another Member State of the EU, subject to the conditions of L.2578/1998 (Parent-Subsidiary Directive). In cases of a group whereby an EU parent owns a Greek company, which on its turn owns a Greek subsidiary, the tax that has been withheld upon distribution by the Greek subsidiary to its Greek parent is refunded to the Greek parent when it distributes on its turn a dividend to its EU parent.

The Company and its subsidiaries have not been audited by the tax authorities for the years described below and, therefore, the tax liabilities for these open years have not been finalized:

COMPANY	Open Tax Years
OTE	From 2009
COSMOTE	From 2010
OTE INTERNATIONAL INVESTMENTS LTD	From 2010
HELLAS SAT	From 2008
COSMO-ONE	From 2010
VOICENET	From 2004
HELLASCOM	From 2010
OTE PLC	From 2005
OTE SAT-MARITEL	From 2007
OTE PLUS	From 2008
OTE ESTATE	From 2008

COMPANY	Open Tax Years
OTE-GLOBE	From 2010
OTE INSURANCE	From 2010
OTE ACADEMY	From 2007
HATWAVE	From 1996
OTE INVESTMENTS SERVICES S.A.	From 2005
ROMTELECOM	From 2006
NEXTGEN	From 2008
AMC	From 2010
GLOBUL	From 2005
COSMOTE ROMANIA	From 2007
GERMANOS	From 2010
E-VALUE S.A.	From 2010
GERMANOS TELECOM ROMANIA S.A.	From 2003
SUNLIGHT ROMANIA S.R.L. -FILIALA	From 2005
GERMANOS TELECOM BULGARIA A.D.	From 2010
MOBILBEEEP LTD	From 2005
HELLAS SAT S.A.	From 2010
CHA	From 2007
COSMO-HOLDING CYPRUS	From 2006
COSMOHOLDING ROMANIA LTD	From 2009 (incorporation)
ZAPP	From 2009
OTE PROPERTIES	From 2008 (incorporation)
E-VALUE LTD	From 2010 (incorporation)

- The tax audit of COSMOTE for the fiscal year 2009 was completed during 2011, without any impact to the Group.
- The tax audit of OTE-GLOBE for the fiscal years 2007-2009 was completed during 2011, without any impact to the Group.
- The tax audit of AMC for the fiscal years 2008-2009 was completed during 2011 and the impact to the Group amounted to Euro 0.3. The rational of these additional taxes is being questioned by AMC which has already appealed and undertook all necessary actions against them.
- The tax audit of GERMANOS for the fiscal years 2008-2009 was completed during 2011 and the impact to the Group amounted to Euro 1.1.
- The tax audit of OTE INTERNATIONAL INVESTMENTS LTD for the fiscal years 2003-2009 was completed during 2011, without any impact to the Group.
- HELLAS SAT S.A. has settled the unaudited years 2008-2009 according to L. 3888/2010 without any significant impact for the Group.

The major components of income tax expense are as follows:

GROUP	3rd Quarter		First nine months	
	2011	2010	2011	2010
Current income tax	33.9	53.7	88.8	134.6
Special contribution (Law 3845/2010)	-	-	-	97.0
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	-	0.2	19.0
Differences arising from tax audits	-	-	1.4	30.0
Deferred income tax - Effect due to change in the income tax rate	-	-	20.4	-
Reversal of provision (Law 3888/2010)	-	(10.0)	-	(10.0)
Deferred income tax	(2.4)	2.5	(4.1)	20.5
Total income tax	**31.5**	**46.2**	**106.7**	**291.1**

COMPANY	3rd Quarter		First nine months	
	2011	2010	2011	2010
Current income tax	1.4	9.2	13.2	26.1
Special contribution (Law 3845/2010)	-	-	-	45.1
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	-	0.2	19.0
Differences arising from tax audits	-	-	-	30.0
Deferred income tax - Effect due to change in the income tax rate	-	-	13.9	-
Deferred income tax	4.5	4.0	8.8	20.0
Total income tax	**5.9**	**13.2**	**36.1**	**140.2**

Income tax payable for the Group and the Company as of September 30, 2011 amounted to Euro 36.4 and nill, respectively.

10. REVENUE

Revenue is analyzed as follows:

GROUP	3rd Quarter		First nine months	
	2011	2010	2011	2010
DOMESTIC TELEPHONY				
Monthly network service fees	156.8	184.7	489.7	573.2
Local and long-distance calls				
-Fixed to fixed	81.6	98.2	253.0	306.7
-Fixed to mobile	32.4	42.7	95.4	131.7
	114.0	140.9	348.4	438.4
Other	15.5	17.1	47.8	53.2
	286.3	**342.7**	**885.9**	**1,064.8**
INTERNATIONAL TELEPHONY				
International traffic	15.5	17.0	46.3	52.8
Dues from mobile operators	8.9	11.8	23.2	30.9
Dues from international operators	20.6	21.3	52.0	70.1
	45.0	**50.1**	**121.5**	**153.8**
MOBILE TELEPHONY	**562.9**	**567.1**	**1,568.9**	**1,683.2**
OTHER REVENUE				
Prepaid cards	5.5	6.5	15.4	18.5
Leased lines and Data ATM communications	81.9	77.5	238.7	223.8
Integrated Services Digital Network (ISDN)	29.5	32.4	90.3	99.2
Sales of telecommunication equipment	86.5	112.6	249.0	301.4
Internet/ ADSL	74.3	79.3	223.8	233.9
Co-location / Local Loop	52.3	44.7	151.7	126.4
Metro Ethernet & IP CORE	12.4	10.6	34.5	31.4
Provision for services	35.3	23.5	86.2	88.3
Interconnection charges	17.5	19.6	52.3	61.4
Miscellaneous	23.1	26.1	74.0	66.3
	418.3	**432.8**	**1,215.9**	**1,250.6**
TOTAL REVENUE	**1,312.5**	**1,392.7**	**3,792.2**	**4,152.4**

COMPANY	3rd Quarter		First nine months	
	2011	2010	2011	2010
DOMESTIC TELEPHONY				
Monthly network service fees	107.0	122.8	332.1	381.8
Local and long-distance calls				
-Fixed to fixed	74.3	87.7	228.3	272.0
-Fixed to mobile	24.0	30.7	67.8	91.7
	98.3	118.4	296.1	363.7
Other	13.1	14.6	40.8	45.3
	218.4	**255.8**	**669.0**	**790.8**
INTERNATIONAL TELEPHONY				
International traffic	10.0	11.1	29.6	34.3
Dues from mobile operators	9.0	11.5	23.4	31.2
Dues from international operators	13.4	14.9	30.9	49.2
	32.4	**37.5**	**83.9**	**114.7**
OTHER REVENUE				
Prepaid cards	5.3	6.8	15.0	18.6
Leased lines and Data ATM communications	28.1	35.9	82.1	111.8
Integrated Services Digital Network (ISDN)	26.6	29.3	81.7	89.8
Sales of telecommunication equipment	8.7	9.8	22.2	27.2
Internet/ ADSL	53.0	56.0	160.7	167.7
Co-location / Local Loop	51.3	43.3	148.4	122.2
Metro Ethernet & IP CORE	10.5	8.5	28.5	25.7
Provision for services	25.7	30.9	70.0	100.0
Interconnection charges	15.7	17.4	48.1	54.8
Miscellaneous	7.8	8.1	25.3	24.8
	232.7	**246.0**	**682.0**	**742.6**
TOTAL REVENUE	**483.5**	**539.3**	**1,434.9**	**1,648.1**

11. OTHER INCOME/ (EXPENSE), NET

Other income/ (expense), net is analyzed as follows:

GROUP	3rd Quarter		First nine months	
	2011	2010	2011	2010
Forfeiture of letters of guarantee	0.5	0.2	1.3	13.5
Rents	2.1	2.9	6.9	7.8
Income/ (expense) from penalties, net	(2.5)	-	0.2	6.5
Other	0.5	0.7	(2.0)	6.9
TOTAL	**0.6**	**3.8**	**6.4**	**34.7**

COMPANY	3rd Quarter		First nine months	
	2011	2010	2011	2010
Forfeiture of letters of guarantee	0.5	0.2	1.3	13.5
Rents	0.1	0.1	0.3	0.3
Other	0.1	0.3	(1.6)	1.2
TOTAL	**0.7**	**0.6**	**-**	**15.0**

12. COST OF EARLY RETIREMENT PROGRAM

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

	01/01- 30/09/2011
Balance at the beginning of the period	**219.3**
Payments during the period	(48.0)
Adjustment due to time value of money	0.8
Obligation arising from the actuarial study of IKA-ETAM (see below)	3.7
Balance at the end of the period	**175.8**

Based on the estimated period of payment, the provision relating to the Voluntary Leave Scheme is classified as follows:

	30/09/2011	31/12/2010
Long-term portion	4.8	29.9
Short-term portion	171.0	189.4
TOTAL	**175.8**	**219.3**

IKA-ETAM

Based on article 3 of the F/10051/27177/2174 Ministerial Decision issued at the end of March 2010, the additional financial burden of the Pension Sector of IKA-ETAM, the Auxiliary Insurance Sector for OTE personnel of TAYTEKO and the Medical Segment of TAYTEKO as derives from articles 2 and 4 of the Collective Labor Agreement signed between OTE and OME-OTE on July 20, 2005, should be paid for by OTE in a lump-sum to the above sectors by the last working day of September 2010. The amount of this additional financial burden would be determined by an actuarial study that would be performed by the Directorate of Actuarial Studies of the General Secretariat for Social Security in conjunction with the Directorate of Actuarial Studies and Statistics of IKA-ETAM by August 31, 2010.

On May 11, 2010 OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of L. 3762/2009 and consequently, there are valid grounds for the annulment of this article. On May 15, 2010 OTE also filed an appeal requesting the suspension of enforcement of this Ministerial Decision before the same Court. The hearing for the suspension of enforcement was held on June 8, 2010, before the Athens Administrative Court and the Court with its decision dated September 16, 2010 rejected OTE's request. Following this decision, subject to a positive outcome of a second request for suspension of enforcement that is OTE's right after the announcement of the actuarial study, OTE will be legally obliged to pay the disputed amount of the actuarial study in advance of legal proceedings, irrespective of the fact that the Company's position is that there are good grounds that OTE will finally win this case in court.

By its letter dated January 21, 2011 and received by OTE on January 28, 2011, the Ministry notified OTE of the completion of the actuarial studies and handed over to OTE a copy of such actuarial studies, pursuant to article 3 of the Ministerial Decision 10051/27177/2174, for the estimation of the additional financial burden of the pension funds, incurred by OTE's Voluntary Leave Scheme based on L. 3371/2005, stating that additional studies would follow for the estimation of the additional financial burden of the pension funds, incurred by OTE's Voluntary Retirement Scheme based on L. 3762/2009.

The additional financial burden that the above mentioned actuarial studies state that incurred based on L. 3371/2005, amounts to Euro 129.8.

By its letter dated October 21, 2011 and received by OTE on November 1, 2011, the Ministry notified OTE of the completion of the above mentioned additional actuarial studies and handed over to OTE a copy of such additional studies. The additional financial burden that the above mentioned actuarial studies state that incurred based on L. 3762/2009, amounts to Euro 3.7.

OTE has a legal right and considers the option to file a new petition requesting suspension of enforcement of article 3 of the Ministerial Decision based on new legal grounds, once it has received a payment demand from the pension funds. At this stage, no reliable estimate can be made whether the suspension (fully or partially) will be granted or not.

The fact that the announcement of the results of the actuarial studies eliminated the uncertainty regarding the amount of the obligation, together with the above mentioned inability to assess whether it is probable to take the suspension (given the first rejection) led to the conclusion that at this stage the existing contingent liability has crystallized. Furthermore, based on the provisions of IAS 10, these developments should be treated as adjusting subsequent events and therefore the amount of Euro 129.8 was recorded in the 2010 financial statements, while the amount of Euro 3.7 was recorded in the first nine months of 2011 financial statements. OTE has not received any payment demand so far.

EARLY RETIREMENT PROGRAMS

OTE early retirement program

On March 31, 2011 OTE announced that it has reached an agreement with the union, regarding an early retirement program with incentives. The respective cost was estimated to Euro 10.5 and is recorded in the consolidated and separate income statement of the first nine months of 2011, in the line “Cost of early retirement program”.

COSMOTE restructuring plan

On February 28, 2011, COSMOTE announced operational efficiency measures to improve its competitiveness and flexibility to safeguard its sustainable growth potential. The respective cost was estimated to Euro 11.4 and is recorded in the consolidated income statement of the first nine months of 2011, in the line “Cost of early retirement program”.

ROMTELECOM restructuring plan

In January and May 2011, ROMTELECOM announced restructuring measures for 2011, in order to increase its efficiency and to reduce costs. The respective cost was estimated to Euro 28.2 and is recorded in the consolidated income statement of the first nine months of 2011, in the line “Cost of early retirement program”.

Amounts paid during the first nine months of 2011, in relation to early retirement programs were Euro 51.9 for the Group and Euro 12.7 for the Company and were fully provided for.

13. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

GROUP	3rd Quarter		First nine months	
	2011	2010	2011	2010
Third party fees	50.6	50.4	148.7	150.2
Cost of telecommunication materials, repairs and maintenance	30.5	32.3	99.4	110.6
TV costs	18.3	17.2	51.7	45.2
Advertising and promotion costs	33.4	43.7	105.8	143.1
Utilities	41.8	45.2	117.9	125.8
Provision for doubtful accounts	36.7	34.4	106.0	102.9
Travel costs	2.6	2.8	8.6	11.3
Commissions to independent commercial distributors	54.7	56.8	147.0	166.3
Payments to Audiotex providers	0.8	0.8	3.2	2.9
Rents	29.3	28.3	84.5	83.8
Taxes, other than income tax	21.8	12.6	48.0	40.9
Transportation costs	2.4	3.0	7.5	8.3
Other	16.1	15.0	44.5	38.9
TOTAL	**339.0**	**342.5**	**972.8**	**1,030.2**

COMPANY	3rd Quarter		First nine months	
	2011	2010	2011	2010
Third party fees	24.6	26.0	67.5	77.9
Cost of telecommunication materials, repairs and maintenance	12.2	13.5	36.6	42.7
TV costs	6.5	6.3	21.9	17.7
Advertising and promotion costs	5.4	9.5	17.1	29.1
Utilities	16.3	18.2	43.8	44.1
Provision for doubtful accounts	4.7	7.4	21.0	24.5
Travel costs	1.1	0.9	3.6	5.0
Payments to Audiotex providers	0.7	0.6	2.5	2.2
Rents	17.6	18.5	52.9	55.7
Taxes, other than income tax	4.0	3.4	10.6	9.7
Transportation costs	1.2	1.6	3.8	4.2
Other	4.0	3.8	12.3	8.7
TOTAL	98.3	109.7	293.6	321.5

14. EARNINGS PER SHARE

Earnings per share (after income taxes,) are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period, excluding the average number of own shares that the Company possessed during the period and including (for the diluted earnings per share) the number of share options outstanding at the end of the period that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

GROUP	3rd Quarter		First nine months	
	2011	2010	2011	2010
Profit attributable to owners of the parent	104.4	126.3	196.8	131.3
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389	490,150,389	490,150,389
Share options outstanding	18,682,086	12,920,472	18,682,086	12,920,472
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings per share	0.2130	0.2577	0.4015	0.2679
Diluted earnings per share	0.2130	0.2577	0.4015	0.2679

(Earnings per share are in absolute amounts)

For the first nine months of 2011 and 2010 the outstanding options did not have a dilutive effect on earnings per share and, therefore, are not included in the earnings per share calculation.

15. OPERATING SEGMENT INFORMATION

The following information is provided for the reportable segments, which are separately disclosed in the financial statements and which are regularly reviewed by the Group's chief operating decision makers. Segments were determined based on the Group's legal structure, as the Group's chief operating decision makers review financial information separately reported by the parent company (OTE) and each of the Group's consolidated subsidiaries, or the sub groups included in the consolidation.

Using the quantitative thresholds OTE, COSMOTE group and ROMTELECOM have been determined to be reportable segments. Information about operating segments that do not constitute reportable segments has been combined and disclosed in an "All Other" category. The types of services provided by the reportable segments are as follows:

- OTE is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Greece.
- COSMOTE group is a provider of mobile telecommunications services in Greece, Albania, Bulgaria and Romania.
- ROMTELECOM is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Romania.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment revenue are generally reported at values that approximate third-party selling prices. Management evaluates segment performance based on operating profit before depreciation, amortization, impairment and cost of early retirement program; operating profit and profit for the period.

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

Nine month period ended September 30, 2011	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,318.4	1,828.2	472.3	173.3	3,792.2	-	3,792.2
Intersegment revenue	116.5	118.3	20.2	189.9	444.9	(444.9)	-
Total revenue	1,434.9	1,946.5	492.5	363.2	4,237.1	(444.9)	3,792.2
Other income/(expense), net	-	(5.1)	12.2	1.9	9.0	(2.6)	6.4
Operating expenses	(1,282.6)	(1,628.5)	(536.4)	(331.1)	(3,778.6)	448.6	(3,330.0)
Operating profit/(loss)	152.3	312.9	(31.7)	34.0	467.5	1.1	468.6
Operating profit before depreciation, amortization, impairment and cost of early retirement program	415.7	696.5	116.5	79.7	1,308.4	(0.1)	1,308.3
Profit/(loss) for the period	12.9	188.0	(27.2)	61.9	235.6	(50.2)	185.4

Nine month period ended September 30, 2010	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,496.2	1,992.6	530.9	132.7	4,152.4	-	4,152.4
Intersegment revenue	151.9	127.8	15.9	204.0	499.6	(499.6)	-
Total revenue	1,648.1	2,120.4	546.8	336.7	4,652.0	(499.6)	4,152.4
Other income/(expense), net	15.0	-	22.7	1.8	39.5	(4.8)	34.7
Operating expenses	(1,441.6)	(1,752.7)	(591.3)	(295.9)	(4,081.5)	503.5	(3,578.0)
Operating profit / (loss)	221.5	367.7	(21.8)	42.6	610.0	(0.9)	609.1
Operating profit before depreciation, amortization, impairment and cost of early retirement program	512.1	739.6	146.5	77.2	1,475.4	(2.3)	1,473.1
Profit /(loss) for the period	127.0	162.9	(31.9)	28.9	286.9	(187.7)	99.2

16. RELATED PARTY DISCLOSURES

OTE's related parties have been identified based on the requirements of IAS 24 "Related Party Disclosures".

The Company purchases goods and services from these related parties, and provides services to them. Furthermore, OTE grants/ receives loans to/ from these related parties, receives dividends and pays dividends.

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

	First nine months 2011		First nine months 2010	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	86.1	66.5	110.5	80.7
OTE INTERNATIONAL INVESTMENTS LTD	0.3	3.0	0.3	3.1
HELLAS-SAT	0.3	2.8	0.4	1.1
COSMO-ONE	-	0.4	-	0.4
VOICENET	2.3	2.4	3.0	2.7
HELLASCOM	0.1	6.5	0.2	6.4
OTE SAT – MARITEL	0.6	0.9	1.1	1.4
OTE PLUS	0.3	22.6	0.3	25.3
OTE ESTATE	1.4	46.3	1.3	48.1
OTE-GLOBE	25.0	56.6	34.8	65.1
OTE ACADEMY	0.1	2.8	-	3.1
ROMTELECOM	-	0.2	-	0.4
TOTAL	**116.5**	**211.0**	**151.9**	**237.8**

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

	First nine months 2011		First nine months 2010	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
TELEKOM DEUTSCHLAND	11.6	10.7	11.6	7.6
HRVATSKI TELEKOM	0.2	0.3	0.4	0.4
COMBRIDGE	1.2	0.2	2.5	0.1
ORBITEL	-	0.5	-	0.3
DETEKON	-	0.1	-	-
T-SYSTEMS	1.2	-	0.8	-
T-MOBILE CZECH	0.3	0.1	0.3	0.1
T-MOBILE UK	0.7	0.6	0.8	0.3
T-MOBILE AUSTRIA	0.5	0.1	0.3	0.4
T-MOBILE NETHERLANDS	0.4	0.1	0.4	0.1
T-MOBILE USA	0.3	0.3	0.3	0.3
T-MOBILE HUNGARY	0.5	0.1	0.5	0.2
T-MOBILE TELEKOMUNIKASYON	-	0.2	-	0.3
T-MOBILE SLOVENSKO	0.1	-	0.1	-
PCT POLSKA TELEFONIA	0.6	0.1	0.6	0.4
CRNOGORSKI TELEKOM	-	0.1	-	-
TOTAL	**17.6**	**13.5**	**18.6**	**10.5**

The financial activities of OTE with its related parties comprise interest on loans received and are analyzed as follows:

	Finance expense OTE	
	First nine months 2011	First nine months 2010
OTE PLC	81.1	121.2
TOTAL	**81.1**	**121.2**

The financial activities of the Group with related parties which are not eliminated in the consolidation are analyzed as follows:

	Finance expense Group	
	First nine months 2011	First nine months 2010
TELEKOM DEUTSCHLAND	1.4	-
TOTAL	**1.4**	**-**

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

	First nine months 2011	First nine months 2010
COSMOTE	-	151.2
OTE ESTATE	-	37.0
OTE SAT – MARITEL	1.2	1.7
OTE INTERNATIONAL INVESTMENTS LTD	-	2.0
TOTAL	**1.2**	**191.9**

As a result of OTE's dividend distribution, an amount of Euro 17.3 was paid to DEUTSCHE TELEKOM AG within the third quarter 2011.

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

	30/09/2011		31/12/2010	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	50.5	71.9	61.2	59.9
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.9	0.2	1.1
HELLAS-SAT	0.2	0.8	0.2	0.9
COSMO-ONE	0.1	0.2	-	0.2
VOICENET	0.8	0.9	0.9	0.6
HELLASCOM	0.1	3.2	-	2.0
OTE SAT – MARITEL	3.3	5.5	2.6	4.5
OTE PLUS	0.1	9.7	0.2	15.6
OTE ESTATE	1.5	15.7	1.3	13.7
OTE-GLOBE	60.1	85.4	61.5	96.3
OTE ACADEMY	0.4	0.2	0.4	0.5
ROMTELECOM	0.2	0.2	0.2	0.1
TELEKOM DEUTSCHLAND	0.1	-	-	-
TOTAL	**117.5**	**194.6**	**128.7**	**195.4**

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

	30/09/2011		31/12/2010	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
TELEKOM DEUTSCHLAND	7.1	13.5	5.3	8.2
COMBRIDGE	0.1	-	0.3	-
ORBITEL	-	0.2	-	-
T-SYSTEMS	0.4	0.1	0.1	-
T-MOBILE HUNGARY	0.1	0.1	0.1	0.1
T-MOBILE CZECH	0.1	0.1	0.1	0.1
T-MOBILE UK	1.9	12.0	0.3	0.9
T-MOBILE AUSTRIA	0.3	0.2	0.1	0.1
T-MOBILE NETHERLANDS	0.3	0.3	-	0.2
T-MOBILE USA	0.9	1.3	0.6	1.7
PCT POLSKA TELEFONIA	0.7	0.2	0.1	0.3
HRVATSKI TELEKOM	0.2	0.2	-	0.1
T-MOBILE INTERNATIONAL	-	-	-	1.0
T-MOBILE SLOVENSKO	0.1	-	-	-
TOTAL	**12.2**	**28.2**	**7.0**	**12.7**

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

	Amounts owed by OTE	
	30/09/2011	31/12/2010
OTE PLC	2,164.0	2,938.0
TOTAL	**2,164.0**	**2,938.0**

Key management personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Compensation includes all employee benefits (as defined in IAS 19 "Employee Benefits") including employee benefits to which IFRS 2 "Share-based Payment" applies.

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 3.3 for the first nine months of 2011.

As of September 30, 2011, 2,974,342 options under OTE's share based payment plan have been granted to the Company's key management personnel.

17. SHARE OPTION PLAN

On August 3, 2011, OTE's Board of Directors decided on and approved granting 1,434,073 Additional Options to the executives of OTE and its subsidiaries, 220,000 Basic Options to the executives of OTE and 539,280 Basic and 4,472,690 Additional Options to the executives of COSMOTE group for the year 2010. The preferential purchase price is equal to Euro 5.635 (absolute amount).

The total number of share options outstanding is analyzed as follows:

	01/01- 30/09/2011		01/01- 31/12/2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	12,680,487	13.44	8,674,600	15.59
Granted	6,666,043	4.96	4,671,436	9.32
Forfeited	(664,444)	12.73	(665,549)	12.57
Outstanding at the end of the period	18,682,086	10.67	12,680,487	13.44
Exercisable at the end of the period	6,649,646	14.99	6,712,896	15.00

The fair value is reflected in the income statement during the vesting period. An amount of Euro 2.9 and Euro 0.8 was charged to the consolidated and the separate income statement of the first nine months of 2011, respectively and are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium.

18. LITIGATION AND CLAIMS

The Group and the Company have made appropriate provisions in relation to litigations and claims, when it is probable an outflow of recourses will be required to settle the obligations and it can be reasonably estimated.

There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2010 except for the following:

CIVIL PROCEEDINGS

On April 24, 2011, "D.N.K. Sports marketing and promotion LTD" filed a lawsuit against OTE before the Athens Multi Member Court of First Instance, claiming an amount of Euro 5.1 for economic and moral damages. For the same case D.N.K. Sports marketing and promotion LTD" has filed Injunctive Measures and it was scheduled to be heard on October 17, 2011, but the hearing was suspended.

TELEKOM SLOVENIJE NOTICES OF CLAIMS

On June 8, 2011 TELEKOM SLOVENIJE partially quantified its alleged damages in the amount of approximately Euro 10.5, with additional sums to be further quantified. It is noted that in accordance with the terms of the share purchase agreement, COSMOTE is obliged to indemnify TELEKOM SLOVENIJE only for claims against COSMOFON that refer to the period prior to the sale and where the amount of loss exceeds Euro 2.0. (Euro 1.2 based on current data). During the development of the proceedings, COSMOTE partially accepted its liability to compensate part of the requirements of TELEKOM SLOVENIJE, amounting to approximately Euro 3.2 (based on current data) provided that TELEKOM SLOVENIJE will be forced to pay these amounts to third parties. COSMOTE intends to oppose to the rest of the claims.

CRIMINAL PROCEEDINGS

GERMANOS acquisition case. The dismissive decision of the District Attorney of Athens was issued, which finally ceased the prosecution against all the accused.

Maintenance contracts case. The dismissive decision of the Court of Appeals of Athens was issued, which finally ceased the prosecution against all the accused.

FINES OF HTPC AGAINST OTE:

On March 17, 2009, HTPC imposed a fine of Euro 7.0 to OTE for allegedly delayed delivery of lease lines to Hellas On Line S.A. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and the hearing was rescheduled for April 14, 2011, when the case was heard. The decision issued within the third quarter 2011, cancelled the fine.

On March 17, 2009, HTPC imposed a fine of Euro 0.5 to OTE for non-compliance with its decision of provisional measures, regarding the delivery of leased circuits to Hellas On Line S.A. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and the hearing was rescheduled for April 14, 2011, when the case was heard. The decision issued within the third quarter 2011, cancelled the fine.

19. RECLASSIFICATIONS

In the consolidated and separate income statements and in the consolidated and separate statements of cash flows for the first nine months of 2010, the amount reflected in “Provision for staff retirement indemnities and youth account” has been analyzed and reflected in “Provision for staff retirement indemnities” and in “Provision youth account”.

20. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after September 30, 2011, are as follows:

BOND BUYBACK BY OTE PLC

In October 2011, OTE PLC proceeded with partial repurchases of total nominal amount of Euro 2.3 under the Notes Euro 650.0 3.75% due on November 11, 2011 along with the payment of accrued interest. The repurchased Notes have been cancelled.