

**HELLENIC TELECOMMUNICATIONS
ORGANIZATION S.A.**



SIX MONTHS FINANCIAL REPORT

**For the period
from January 1, 2012 to June 30, 2012**

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 5 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS



STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS
(In accordance with article 5 par. 2 of Law 3556/2007)

The members of the Board of Directors of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.:

1. Michael Tsamaz, Chairman and Managing Director
2. Babis Mazarakis, Board Member
3. Panagiotis Tabourlos, Board Member

We confirm that to the best of our knowledge:

- a. The Interim Condensed Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2012 to June 30, 2012, which have been prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the Group and the Company.
- b. The Board of Directors' Report for the first half of the year provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the main risks and uncertainties they are facing.

Maroussi, August 8, 2012

Chairman
& Managing Director

Board Member

Board Member

Michael Tsamaz

Babis Mazarakis

Panagiotis Tabourlos

The two members of the Board of Directors, who have signed the above statements, have been authorized to do so in accordance with the decision of the Company's Board of Directors of August 8, 2012.

II. HALF YEAR REPORT OF THE BOARD OF DIRECTORS



The report of the Board of Directors of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (hereinafter referred to as "OTE" or the "Company") was prepared in accordance with article 5 of Law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and Separate) as of June 30, 2012 and for the six month period then ended. The OTE Group (the "Group") apart from the Company also includes subsidiaries over which OTE has direct or indirect control. The Consolidated and Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union (E.U.).

This report includes the financial assessment of the results of the period from January 1, 2012 to June 30, 2012, the significant events which took place in the first half of 2012, a presentation of the main risks and uncertainties for the second half of the year, the significant transactions with the Group's and the Company's related parties and the significant events that took place after the end of the first half of 2012.

A. FINANCIAL HIGHLIGHTS OF THE 1st HALF OF 2012

OTE Group Revenue decreased by 4.5% in the first half of 2012 compared to the related period of 2011 and reached Euro 2,369.3 million, mainly due to:

- Decreased revenues from domestic telephony by 13.2%.
- Decreased revenues from mobile telephony by 1.5%.
- Decreased revenues from sales of telecommunication equipment by 12.7%.
- Decreased revenues from ISDN by 9.7%.
- Decreased revenues from interconnection charges by 11.2%.
- Decreased revenues from ADSL and Internet by 0.1%.
- Decreased revenues from prepaid cards by 11.1%.
- Decreased revenues from leased lines and data ATM communications by 7.3%.
- Increased revenues from services rendered by 30.6%.
- Increased revenues from international telephony by 0.3%.
- Increased revenues from co-location and revenues from access to the local loop (Local Loop Unbundling - LLU) by 5.5%.
- Increased revenues from Metro Ethernet & IP CORE by 12.7%.
- Increased other revenues by 6.3%.

OTE's Revenue reached Euro 863.3 million, reflecting a decrease by 9.3% compared to the same period last year. This is a result of the decrease in revenues from domestic telephony by 12.7%, as well as the decrease in revenues from international telephony by 5.2% and the decrease in sales of telecommunication equipment by 17.8%, ISDN by 10.2%, interconnection charges by 17.9%, leased lines and data ATM communications by 20.7%, prepaid cards by 14.4%, revenues from ADSL and Internet by 6.9% and services rendered by 8.6%. These decreases were partially offset by the increase in revenues from co-location and from access to the local loop (Local Loop Unbundling - LLU) by 5.8%, the increase in revenues from Metro Ethernet & IP CORE by 17.8% and the increase in other revenues by 3.4%.

The Group's Operating Expenses reached Euro 1,996.9 million and reflect a decrease of 10.2% compared to the same period last year. This decrease is mainly due to the decrease in payroll and employee benefits by 11.1%, the decrease in provision for staff retirement indemnities by 5.1%, the decrease in provision for youth account by 77.9%, the decrease in charges from domestic operators by 7.1%, the decrease in cost of telecommunications equipment / write downs by 18.6%, the decrease in depreciation, amortization and impairment by 14.5% and the non-existence of charges related to the Group's early retirement programs compared to charges of Euro 49.7 million in the previous related period. These decreases were partially offset by the increase in other operating expenses by 0.5% and the increase in charges from international operators by 5.0%. **The Group's operating expenses before depreciation, amortization and impairment and excluding early retirement program costs** reached Euro 1,545.0 million compared to Euro 1,645.6 million in the same period last year reflecting a decrease of 6.1%.

The Company's Operating Expenses reached Euro 757.2 million and reflect a decrease of 11.9% compared to the same period last year. The decrease in operating expenses is mainly due to the following:

- 16.0% decrease in payroll and employee benefits.
- 6.4% decrease in charges from domestic telecommunications operators.
- 11.0% decrease in depreciation, amortization and impairment.
- 12.6% decrease in the cost of telecommunication equipment / write downs.
- 4.0% decrease in staff retirement indemnities.
- 77.9% decrease in youth account costs.
- 1.5% decrease in other operating expenses.
- 5.1% decrease in charges from international telecommunications operators.
- Non-existence of charges related to the Company's early retirement program compared to charges of Euro 10.5 million in the same period last year.



The Company's operating expenses before depreciation, amortization and impairment and excluding early retirement program costs reached Euro 606.4 million compared to Euro 679.3 million in the same period last year reflecting a decrease of 10.7%.

As a result, **Operating Profit before Financial Activities of the Group** for the first half of 2012 reached Euro 382.3 million compared to Euro 261.6 million in the same period last year reflecting an increase of 46.1%. **Operating Profit before Financial Activities of the Company** for the first half of 2012 reached Euro 107.0 million, compared to Euro 91.4 million in the same period last year, reflecting an increase of 17.1%.

The Group's Operating Profit before Depreciation, Amortization and Impairment for the first half of 2012 reached Euro 834.2 million compared to Euro 790.2 million in the same period last year, reflecting an increase of 5.6%. The respective margin on revenues reached 35.2% compared to 31.9% in the same period last year. Excluding early retirement program costs, **the Group's Operating Profit before Depreciation, Amortization and Impairment** for the first half of 2012 reached Euro 834.2 million compared to Euro 839.9 million in the same period last year, reflecting a decrease of 0.7%. The respective margin on revenues reached 35.2% compared to 33.9% in the same period last year.

The Company's Operating Profit before Depreciation, Amortization and Impairment for the first half of 2012 reached Euro 257.8 million compared to Euro 260.9 million in the same period last year, reflecting a decrease of 1.2%. The respective margin on revenues reached 29.9% compared to 27.4% in the same period last year. Excluding early retirement program costs, **the Company's Operating Profit before Depreciation, Amortization and Impairment** for the first half of 2012 amounted to Euro 257.8 million compared to Euro 271.4 million in the same period last year, reflecting a decrease of 5.0%. The respective margin on revenues reached 29.9% compared to 28.5% in the same period last year.

In relation to **the Group's Financial Activities**, interest expense in the first half of 2012 was Euro 122.8 million, reflecting a decrease of 9.0% compared to the same period last year, mainly due to prepayments effected at market rates thus lead to a gain of Euro 13.6 million. Interest income amounted to Euro 8.2 million for the first half of 2012, reflecting a decrease of 24.1% compared to the same period last year. Gains from investments reached Euro 224.9 million in the first half of 2012 compared to losses of Euro 0.2 million for the same period last year, representing the gain from the sale (before the corresponding income tax of Euro 13.6 million) of OTE's 20% stake in TELEKOM SRBIJA. Dividend income decreased by 62.5% due to the fact that the major part of the dividend from TELEKOM SRBIJA for 2011 had been declared and recognized at the end of 2011. Foreign exchange differences resulted in losses of Euro 1.2 million in the first half of 2012 compared to Euro 8.7 million gains in the same period last year, mainly due to variations of the foreign exchange rate of RON and Albanian Lek.

Income Tax (expense) of the Group was Euro 71.3 million in first half of 2012, reflecting a decrease of 5.2% compared to the same period last year. The Group's effective tax rate in the first half of 2012 was 14.4% mainly due to the fact that it is not the total capital gain on the sale of TELEKOM SRBIJA that is subject to income tax. Excluding this gain (Euro 224.9 million) and the respective tax (Euro 13.6 million), the effective tax rate would be 21.3%. The effective tax rate for the first half of 2011 was 48.1%, mainly due to the impact of the change of the income tax rate that significantly affected income tax expense in that period.

Considering all the above, **the Group's net result** of the first half of 2012 was a profit of Euro 424.0 million compared to profit of Euro 81.2 million in the same period last year.

In the first half of 2012, **Profits Attributable to Non-Controlling Interests** in the Group's income statement reached Euro 12.9 million from losses of Euro 11.2 million in the same period last year, due to the turnaround of ROMTELECOM.

As a result of all the above, **the Group's Profit Attributable to the Owners of the Parent** for the first half of 2012 amounted to Euro 411.1 million compared to Euro 92.4 million in the same period last year.

The Group's Cash Flows from Operating Activities in the first half of 2012 decreased by 2.9% in comparison with the same period last year, amounting to Euro 476.0 million, mainly due the negative working capital movements partially offset by the decreased payments for early retirement programs, staff retirement indemnities and youth account, income taxes and interest.

The Group's Capital Expenditure (CAPEX) for the first half of 2012 amounted to Euro 219.4 million from Euro 302.9 million in the same period last year reflecting a decrease of 27.6%. The decrease is due to the decreased capital expenditure of OTE, COSMOTE group and ROMTELECOM.

The Group's Total Debt as of June 30, 2012 was Euro 4,857.9 million compared to Euro 4,902.0 million at December 31, 2011, reflecting a decrease of 0.9%, whereas the **Group's Net Debt** (interest bearing loans less cash and cash equivalents and other financial assets) at June 30, 2012, was Euro 3,199.8 million compared to Euro 3,865.1 million at December 31, 2011, reflecting a decrease of 17.2%. The decrease is mainly attributable to the increased cash position due the cash proceeds from the disposal of TELEKOM SRBIJA, the decreased CAPEX and the cash generation.



As of June 30, 2012, the Group's Net Current Liabilities amounted to Euro 286.5 million compared to Net Current Assets (including assets classified as held for sale) of Euro 182.0 million as of December 31, 2011. The decrease mainly reflects the fact that a portion of the debt that was included in the non – current liabilities as of December 31, 2011, is included in current liabilities as of June 30, 2012 (as it matures within twelve months from the date of the balance sheet) partially offset by the increased cash generation of the Group.

B. SIGNIFICANT EVENTS OF THE 1ST HALF OF 2012

TELECOM SRBIJA

On January 25, 2012, the sale of OTE's 20% entire stake in TELEKOM SRBIJA was completed. According to the Share Purchase Agreement that had been signed on December 30, 2011, OTE received Euro 397.0 million in total, out of which Euro 380.0 million represent the selling price and Euro 17.0 million represent the interim dividend of the fiscal year 2011. The amount of Euro 224.9 million representing the gain from the sale (before the corresponding income tax of Euro 13.6 million) was recognized in the consolidated and separate income statement of the first six months of 2012 in the line "Gains from investments and financial assets".

Euro 900.0 million Revolving Credit Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 million in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the above amount. As of June 30, 2012 the outstanding balance of this syndicated loan is Euro 896.8 million. As this loan matures within twelve months from the financial position date, it has been reclassified to the short-term portion of long-term borrowings.

Repayments of intercompany loans granted from OTE PLC

On June 7, 2012, OTE proceeded with the prepayment of the remaining outstanding balance of Euro 280.7 million under the intercompany loan (revolving facility) maturing in September 2012, along with the payment of accrued interest. The revolving facility remains committed. During June 2012, OTE proceeded with partial prepayments of a total nominal amount of Euro 196.9 million under the intercompany loan maturing in August 2013, along with the payment of accrued interest.

Bonds Buybacks by OTE PLC

In June 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 46.9 million under the Notes due in August 2013, along with the payment of accrued interest. A total gain of Euro 13.6 million was incurred due to the repurchases taking place at a discount.

Audit tax certificate

For the Greek companies of the Group, the "Tax Compliance Report" for the financial year 2011 has been issued with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements for 2011. According to the relevant legislation, the financial year 2011 will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance.

C. MAIN RISKS AND UNCERTAINTIES FOR THE 2ND HALF OF THE YEAR

a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if counterparty fails to meet its contractual obligations.

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group and the Company are exposed.

Trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and their diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is considered to exist for amounts receivable from the telecommunication service providers, due to their relatively small number and the high level of transactions they have with the Group and the Company. For this category the Group and the Company assess the credit risk following the established policies and procedures and have made the appropriate provision for impairment.

The Group and the Company have established specific credit policies under which customers are analyzed for creditworthiness and there is an effective management of receivables in place both before and after they become overdue and doubtful. In monitoring credit risk, customers are grouped according to their credit risk characteristics, aging profile and existence of previous financial difficulties. Customers that are characterized as doubtful are reassessed at each reporting date for the estimated loss that is expected and an appropriate impairment allowance is established.

Cash and cash equivalents are considered to be exposed to a high level of credit risk, in light of the macroeconomic conditions placing significant pressure on the banks. The Group and the Company follow cash management guidelines, while both country



and counterparty exposures are centrally monitored. Most of the Group's cash is invested in highly rated counterparties and with a very short term tenor.

Financial instruments classified as available-for-sale and held-for-trading include highly rated government bonds, mutual funds and other securities. The financial asset categories are not considered to expose the Group and the Company to a significant credit risk.

Loans include loans to employees which are collected either through the payroll or are netted-off with their retirement indemnities and loans and advances to Auxiliary Pension Fund mainly due to the Voluntary Leave Scheme. The above mentioned loans are not considered to expose the Group and the Company to a significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at reasonable levels by ensuring that there is sufficient cash and cash equivalents on demand and that adequate credit facilities exist to meet the financial obligations when due. The Group's and the Company's cash and cash equivalents as at June 30, 2012 amounts to Euro 1,310.2 million and Euro 65.4 million, respectively and in addition the Group and the Company holds short term highly rated government bonds amounting to Euro 336.3 million and Euro 336.3 million respectively. Total debt amounts to Euro 4,857.9 million and Euro 2,523.1 million for the Group and the Company, of which Euro 1,655.7 million and Euro 896.8 million is classified as short-term portion of long-term borrowings, respectively.

As of June 30, 2012 the Group's cash, cash equivalents and the short term highly rated government bonds total Euro 1,646.5 million compared to short-term portion of long-term borrowings which amount to Euro 1,655.7 million and fall due in September 2012 (Euro 756.9 million), in November 2012 (Euro 2.0 million) and in February 2013 (Euro 896.8 million). In addition, on August 5, 2012, an amount of Euro 1,196.9 million of long-term borrowings was classified to short-term borrowings on the basis that they mature in August 2013.

The Group possesses cash, cash equivalents and highly liquid bonds which, along with the operating cash flows that are expected to be generated, will result to a reasonably adequate liquidity level in order to enable the Group to meet its financing obligations. Additionally, the Group is currently exploring various financing initiatives, the positive outcome of which could further strengthen its liquidity profile.

For the monitoring of the liquidity risk, the Group prepares forecasted cash flows on a frequent basis.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.

The individual risks that comprise market risk are described in further detail and the Group's and the Company's policies for managing them are as follows:

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term borrowings with floating interest rates.

The Group manages interest rate risk through a combination of fixed and floating rate borrowings as well as with the use of interest rate swap agreements.

ii. Foreign currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes.

The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro, Ron (Romania) and the Lek (Albania).

Capital Management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit profile and healthy capital ratio in order to support its business and maximize shareholder value.



The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

An important means of managing capital is the use of the gearing ratio (ratio of net debt to equity) which is monitored at a Group level. Net Debt includes interest bearing loans and notes, less cash and cash equivalents and other financial assets.

The table below shows a decrease in the gearing ratio in June 30, 2012 compared to December 31, 2011. The decrease is mainly attributable to the increased cash position due the cash proceeds from the disposal of TELEKOM SRBIJA, the decreased CAPEX and the cash generation.

GROUP (amounts in millions of Euro)	June 30, 2012	December 31, 2011
Net debt		
Borrowings	4,857.9	4,902.0
Cash and cash equivalents	(1,310.2)	(683.4)
Other financial assets	(347.9)	(353.5)
Net debt	3,199.8	3,865.1
Equity	1,897.2	1,757.3
Gearing ratio	1.69x	2.20x

d) Other risks

Regulatory framework

Regulatory and competitive pressures affect OTE's ability to set competitive retail and wholesale tariffs, which may adversely affect its ability to compete effectively. Under applicable laws, regulations and related decisions, the Hellenic Telecommunications and Post Committee ("HTPC") has the jurisdiction to assess OTE's tariffs. Regulatory limitations imposed on OTE's ability to set tariffs often require it to charge tariffs which are higher or, in certain cases, significantly higher than those charged by its competitors for the same services, as its competitors do not have such a significant market share and are not therefore subject to the same pricing constraints. If OTE cannot efficiently reduce the cost of providing its services and the level of its tariffs to be more competitive in a timely manner, it could experience a material adverse effect on its business and financial condition.

Potential impairment losses

In conjunction with the conditions in many markets in which the Group has invested, the Group faces challenges regarding the financial outlook of some of its subsidiaries. In this respect, impairment losses may incur relating to the recognized amounts of goodwill allocated to these subsidiaries, or even more to these subsidiaries' assets.

Additional contributions to pension funds

Based on actuarial studies performed in prior years and on current estimations, the pension funds show (or will show in the future) increasing deficits. OTE does not have a legal obligation to cover any future deficiencies of these funds and, according to management, neither does it voluntarily intend to cover such possible deficiencies. However, there can be no assurance that OTE will not be required (through regulatory arrangements) to make additional contributions in the future to cover operating deficits of these funds.

Additional tax burdens

In the previous years the Greek State imposed special tax contributions which materially affected the Group's and the Company's income statement. Given the current fiscal position of the Greek State, additional fiscal measures may be taken, which could have a material adverse effect on the Group's and the Company's financial condition.

Macroeconomic conditions

Macroeconomic conditions in Greece and the fiscal position of the Greek State have deteriorated markedly and this has had and could continue to have a material adverse effect on the Group's and the Company's business, results of operations, financial condition and prospects.



D. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

The OTE Group includes all entities which OTE controls, either directly or indirectly. Transactions and balances between companies in the OTE Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 40.00% shareholder of OTE and consolidates OTE using the full consolidation method. Therefore, all companies included in the DEUTSCHE TELEKOM group are also considered related parties.

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:

(amounts in millions of Euro)	1 st Half 2012		1 st Half 2011	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	43.0	44.4	57.0	40.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.9	0.2	2.0
HELLAS-SAT	0.2	0.6	0.2	1.9
COSMO-ONE	-	0.3	-	0.3
VOICENET	1.2	1.4	1.6	1.4
HELLASCOM	-	4.0	0.1	4.3
OTE SAT - MARITEL	0.4	0.7	0.5	0.6
OTE PLUS	0.2	15.6	0.2	15.2
OTE ESTATE	0.4	27.4	0.9	30.8
OTE-GLOBE	13.9	35.1	15.5	34.6
OTE ACADEMY	-	3.6	-	2.0
ROMTELECOM	-	0.2	-	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.5	-	-
TOTAL	59.6	135.7	76.2	133.8

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

(amounts in millions of Euro)	1 st Half 2012		1 st Half 2011	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	9.8	11.6	9.4	9.3
TOTAL	9.8	11.6	9.4	9.3

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

(amounts in millions of Euro)	Finance expense OTE	
	1 st Half 2012	1 st Half 2011
OTE PLC	44.8	51.5
TOTAL	44.8	51.5

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

(amounts in millions of Euro)	Finance expense Group	
	1 st Half 2012	1 st Half 2011
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.9
TOTAL	-	0.9

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

(amounts in millions of Euro)	1 st Half 2012	1 st Half 2011
OTE SAT - MARITEL	-	1.2
TOTAL	-	1.2



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

(amounts in millions of Euro)	30/06/2012		31/12/2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	34.3	78.1	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.3	0.8	0.2	1.4
HELLAS-SAT	0.3	0.3	0.2	0.4
COSMO-ONE	-	0.3	-	0.2
VOICENET	0.6	0.8	0.8	1.0
HELLASCOM	0.1	2.3	0.1	4.1
OTE SAT - MARITEL	4.1	6.7	3.6	5.9
OTE PLUS	0.3	14.9	0.2	10.9
OTE ESTATE	0.6	27.9	0.9	18.2
OTE-GLOBE	57.8	81.2	57.6	81.0
OTE ACADEMY	0.4	1.3	0.4	0.7
ROMTELECOM	0.2	0.2	0.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.2	-	-
TOTAL	99.0	215.0	110.8	214.3

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:

(amounts in millions of Euro)	30/06/2012		31/12/2011	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.3	26.4	5.9	25.9
TOTAL	4.3	26.4	5.9	25.9

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

(amounts in millions of Euro)	Amounts owed by OTE	
	30/06/2012	31/12/2011
OTE PLC	1,659.2	2,162.4
TOTAL	1,659.2	2,162.4

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 2.6 million (including the employer's contributions to pension funds where applicable) for the first half of 2012.

As of June 30, 2012, 2,932,332 options under OTE's share based payment plan have been granted to the Company's key management personnel.



E. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST HALF OF 2012

The most significant events after June 30, 2012 are as follows:

RECLASSIFICATIONS OF LOANS

GROUP: On August 5, 2012, the Euro 1,250.0 million notes (initial nominal value) issued by OTE PLC, maturing on August 5, 2013, were reclassified from “Long-term borrowings” into “Short-term portion of long-term borrowings”. The outstanding balance of this liability as of June 30, 2012 amounted to Euro 1,196.9 million.

COMPANY: On August 1, 2012, the Euro 1,118.0 million intercompany loan (initial nominal value) from OTE PLC, maturing on August 1, 2013, was reclassified from “Long-term borrowings” into “Short-term portion of long-term borrowings”. The outstanding balance of this loan as of June 30, 2012 amounted to Euro 513.1 million.

REPAYMENTS OF LOANS

On July 30, 2012, OTE PLC proceeded with the repayment of the remaining outstanding amount of Euro 311.7 million under the Revolving Credit Facility maturing in September 2012, along with the payment of the accrued interest. The Revolving Credit Facility remains committed.

On July 31, 2012 OTE PLC proceeded with the repayment of the remaining outstanding amount of Euro 445.2 million under the Term Loan maturing in September 2012, along with the payment of the accrued interest.

Athens, August 8, 2012

Michael Tsamaz
Chairman and Managing Director

**III. AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
(CONSOLIDATED AND SEPARATE)**

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A and its subsidiaries as of 30 June 2012 and the related condensed separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.



PricewaterhouseCoopers S.A.
Certified Auditors - Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Athens, 8 August 2012
Certified Auditor - Accountant

Marios Psaltis
SOEL Reg. No 38081

IV. INTERIM CONDENSED FINANCIAL STATEMENTS

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF JUNE 30, 2012**

**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 17-41, were approved by the Board of Directors on August 8, 2012 and are signed by:

Chairman
& Managing Director

Board Member
& Group Chief Financial
Officer

OTE Chief Financial
Officer

Chief Accounting Officer

Michael Tsamaz

Babis Mazarakis

George Mavrakis

Konstantinos Vasilopoulos

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

INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2012 AND FOR THE SIX MONTH PERIOD THEN ENDED

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		30/06/2012	31/12/2011	30/06/2012	31/12/2011
ASSETS					
Non-current assets					
Property, plant and equipment		4,035.4	4,328.0	1,585.3	1,682.7
Goodwill		567.5	569.2	-	-
Telecommunication licenses		416.0	432.8	3.9	4.2
Other intangible assets		490.5	503.5	27.8	27.6
Investments	4	1.2	1.2	4,109.4	4,108.1
Loans and advances to pension funds		119.6	121.9	119.6	121.9
Deferred tax assets		270.9	246.2	164.4	140.5
Other non-current assets		212.8	204.5	178.3	168.2
Total non-current assets		6,113.9	6,407.3	6,188.7	6,253.2
Current assets					
Inventories		117.8	125.0	20.6	21.9
Trade receivables		932.5	928.6	485.4	495.1
Other financial assets	5	347.9	353.5	337.8	343.3
Other current assets		230.0	213.1	93.5	113.2
Cash and cash equivalents		1,310.2	683.4	65.4	156.0
Total current assets		2,938.4	2,303.6	1,002.7	1,129.5
Assets classified as held for sale	4	-	380.0	-	380.0
TOTAL ASSETS		9,052.3	9,090.9	7,191.4	7,762.7
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	509.7	508.0	509.7	508.0
Statutory reserve		347.2	347.2	347.2	347.2
Foreign exchange and other reserves		(202.9)	72.4	(61.3)	183.9
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		3,017.0	2,605.9	1,165.3	934.9
Total equity attributable to owners of the Parent		1,521.0	1,383.5	3,132.4	3,145.5
Non-controlling interests		376.2	373.8	-	-
Total equity		1,897.2	1,757.3	3,132.4	3,145.5
Non-current liabilities					
Long-term borrowings	7	3,200.2	4,139.1	1,626.3	2,715.7
Provision for staff retirement indemnities		326.8	285.1	299.1	259.3
Provision for youth account		234.2	240.6	234.2	240.6
Deferred tax liabilities		88.4	92.8	-	-
Other non-current liabilities		80.6	74.4	26.8	23.3
Total non-current liabilities		3,930.2	4,832.0	2,186.4	3,238.9
Current liabilities					
Trade accounts payable		630.6	749.6	276.7	346.6
Short-term borrowings	7	2.0	2.0	-	-
Short-term portion of long-term borrowings	7	1,655.7	760.9	896.8	280.7
Income tax payable	8	38.2	15.8	-	-
Deferred revenue		218.8	234.6	236.2	237.2
Provision for voluntary leave scheme	11	154.2	166.2	154.2	166.2
Dividends payable		2.3	2.3	2.3	2.3
Other current liabilities		523.1	570.2	306.4	345.3
Total current liabilities		3,224.9	2,501.6	1,872.6	1,378.3
TOTAL EQUITY AND LIABILITIES		9,052.3	9,090.9	7,191.4	7,762.7



INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	2 nd Quarter		1 st Half	
		2012	2011	2012	2011
Revenue					
Domestic telephony	9	254.5	296.0	520.4	599.6
International telephony	9	38.1	39.8	76.7	76.5
Mobile telephony	9	501.6	520.7	990.6	1,006.0
Other revenue	9	394.9	398.4	781.6	797.6
Total revenue		1,189.1	1,254.9	2,369.3	2,479.7
Other income/ (expense), net	10	8.9	3.6	9.9	5.8
Operating expenses					
Payroll and employee benefits		(239.1)	(271.8)	(480.5)	(540.5)
Provision for staff retirement indemnities		(5.6)	(5.9)	(11.1)	(11.7)
Provision for youth account		(1.1)	(4.7)	(2.1)	(9.5)
Cost of early retirement program		-	(10.0)	-	(49.7)
Charges from international operators		(62.1)	(58.5)	(107.2)	(102.1)
Charges from domestic operators		(79.5)	(88.1)	(161.1)	(173.5)
Depreciation, amortization and impairment		(229.3)	(265.6)	(451.9)	(528.6)
Cost of telecommunications equipment/ write downs		(63.4)	(81.5)	(125.7)	(154.5)
Other operating expenses	12	(330.5)	(341.1)	(657.3)	(653.8)
Total operating expenses		(1,010.6)	(1,127.2)	(1,996.9)	(2,223.9)
Operating profit before financial activities		187.4	131.3	382.3	261.6
Income and expense from financial activities					
Interest expense		(51.2)	(68.5)	(122.8)	(134.9)
Interest income		3.9	5.0	8.2	10.8
Foreign exchange differences, net		(4.4)	5.0	(1.2)	8.7
Dividend income	4	3.9	10.4	3.9	10.4
Gains/(Losses) from investments and financial assets - Impairments	4,5	(0.1)	(0.2)	224.9	(0.2)
Total profit/(loss) from financial activities		(47.9)	(48.3)	113.0	(105.2)
Profit before tax		139.5	83.0	495.3	156.4
Income tax expense	8	(29.1)	(26.9)	(71.3)	(75.2)
Profit for the period		110.4	56.1	424.0	81.2
Attributable to:					
Owners of the parent		104.5	62.2	411.1	92.4
Non-controlling interests		5.9	(6.1)	12.9	(11.2)
		110.4	56.1	424.0	81.2
Basic earnings per share	13	0.2132	0.1269	0.8387	0.1885
Diluted earnings per share	13	0.2132	0.1269	0.8387	0.1885



INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	2 nd Quarter		1 st Half	
		2012	2011	2012	2011
Revenue					
Domestic telephony	9	192.5	222.9	393.4	450.6
International telephony	9	24.9	26.6	48.8	51.5
Other revenue	9	204.7	216.6	421.1	449.3
Total revenue		422.1	466.1	863.3	951.4
Other income/ (expense), net	10	1.4	1.0	0.9	(0.7)
Operating expenses					
Payroll and employee benefits		(136.7)	(163.4)	(275.9)	(328.4)
Provision for staff retirement indemnities		(4.9)	(5.1)	(9.7)	(10.1)
Provision for youth account		(1.1)	(4.7)	(2.1)	(9.5)
Cost of early retirement program		-	(2.5)	-	(10.5)
Charges from international operators		(20.5)	(21.9)	(40.8)	(43.0)
Charges from domestic operators		(32.1)	(35.1)	(63.9)	(68.3)
Depreciation, amortization and impairment		(76.3)	(85.5)	(150.8)	(169.5)
Cost of telecommunications equipment/ write downs		(10.7)	(13.2)	(21.6)	(24.7)
Other operating expenses	12	(99.4)	(101.4)	(192.4)	(195.3)
Total operating expenses		(381.7)	(432.8)	(757.2)	(859.3)
Operating profit before financial activities		41.8	34.3	107.0	91.4
Income and expense from financial activities					
Interest expense		(32.9)	(36.7)	(85.0)	(75.3)
Interest income		2.4	3.2	5.0	5.3
Foreign exchange differences, net		0.1	1.5	-	1.7
Dividend income	4	3.9	11.6	3.9	11.6
Gain/(Losses) from investments and financial assets- Impairments	4,5	(0.1)	(0.2)	224.9	(0.2)
Total profit/(loss) from financial activities		(26.6)	(20.6)	148.8	(56.9)
Profit before tax		15.2	13.7	255.8	34.5
Income tax expense	8	(6.0)	(6.9)	(25.4)	(30.2)
Profit for the period		9.2	6.8	230.4	4.3



INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(Amounts in millions of Euro)	Notes	2 nd Quarter		1 st Half	
		2012	2011	2012	2011
Profit for the period		110.4	56.1	424.0	81.2
Foreign currency translation		(17.6)	(54.5)	(40.1)	11.1
Actuarial gains/ (losses)		(23.9)	(2.2)	(41.5)	14.7
Deferred taxes on actuarial gains/ (losses)		4.4	-	7.9	(3.4)
Net movement in available for sale financial assets	4,5	(0.2)	(0.1)	(225.7)	-
Deferred taxes on net movement in available for sale financial assets	4	-	-	13.6	-
Other comprehensive income / (loss) for the period		(37.3)	(56.8)	(285.8)	22.4
Total comprehensive income / (loss) for the period		73.1	(0.7)	138.2	103.6
Attributable to:					
Owners of the parent		72.7	20.0	135.8	109.5
Non-controlling interests		0.4	(20.7)	2.4	(5.9)
		73.1	(0.7)	138.2	103.6

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

(Amounts in millions of Euro)	Notes	2 nd Quarter		1 st Half	
		2012	2011	2012	2011
Profit for the period		9.2	6.8	230.4	4.3
Actuarial gains/ (losses)		(23.9)	(2.2)	(41.5)	14.7
Deferred taxes on actuarial gains/ (losses)		4.4	-	7.9	(3.4)
Net movement in available for sale financial assets	4,5	0.3	(0.1)	(225.2)	-
Deferred taxes on net movement in available for sale financial assets	4	-	-	13.6	-
Other comprehensive income / (loss) for the period		(19.2)	(2.3)	(245.2)	11.3
Total comprehensive income / (loss) for the period		(10.0)	4.5	(14.8)	15.6



INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to owners of the parent						Non-controlling interests	Total equity	
	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings			Total
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	-	-	-	-	-	92.4	92.4	(11.2)	81.2
Other comprehensive income / (loss)	-	-	-	17.1	-	-	17.1	5.3	22.4
Total comprehensive income / (loss)	-	-	-	17.1	-	92.4	109.5	(5.9)	103.6
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 payments	-	1.2	-	-	-	-	1.2	-	1.2
Balance as at June 30, 2011	1,171.5	511.8	347.2	(130.2)	(3,321.5)	2,578.6	1,157.4	503.4	1,660.8
Balance as at January 1, 2012	1,171.5	508.0	347.2	72.4	(3,321.5)	2,605.9	1,383.5	373.8	1,757.3
Profit for the period	-	-	-	-	-	411.1	411.1	12.9	424.0
Other comprehensive income / (loss)	-	-	-	(275.3)	-	-	(275.3)	(10.5)	(285.8)
Total comprehensive income / (loss)	-	-	-	(275.3)	-	411.1	135.8	2.4	138.2
Share-based payments	-	1.7	-	-	-	-	1.7	-	1.7
Balance as at June 30, 2012	1,171.5	509.7	347.2	(202.9)	(3,321.5)	3,017.0	1,521.0	376.2	1,897.2



INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share Capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total equity
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	-	-	-	-	4.3	4.3
Other comprehensive income / (loss)	-	-	-	11.3	-	11.3
Total comprehensive income / (loss)	-	-	-	11.3	4.3	15.6
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 payments	-	1.2	-	-	-	1.2
Balance as at June 30, 2011	1,171.5	511.8	347.2	(48.8)	1,352.6	3,334.3
Balance as at January 1, 2012	1,171.5	508.0	347.2	183.9	934.9	3,145.5
Profit for the period	-	-	-	-	230.4	230.4
Other comprehensive income / (loss)	-	-	-	(245.2)	-	(245.2)
Total comprehensive income / (loss)	-	-	-	(245.2)	230.4	(14.8)
Share-based payments	-	1.7	-	-	-	1.7
Balance as at June 30, 2012	1,171.5	509.7	347.2	(61.3)	1,165.3	3,132.4



INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-30/06/2012	01/01-30/06/2011	01/01-30/06/2012	01/01-30/06/2011
Cash flows from operating activities					
Profit before tax		495.3	156.4	255.8	34.5
Adjustments for:					
Depreciation, amortization and impairment		451.9	528.6	150.8	169.5
Share-based payment	16	1.7	1.2	0.4	0.5
Cost of early retirement program		-	49.7	-	10.5
Provision for staff retirement indemnities		11.1	11.7	9.7	10.1
Provision for youth account		2.1	9.5	2.1	9.5
Write down of inventories		3.5	3.7	-	-
Provision for doubtful accounts	12	63.7	69.3	12.6	16.3
Foreign exchange differences, net		1.2	(8.7)	-	(1.7)
Interest income		(8.2)	(10.8)	(5.0)	(5.3)
Dividend income	4	(3.9)	(10.4)	(3.9)	(11.6)
(Gains) / Losses from investments and financial assets - Impairments	4,5	(224.9)	0.2	(224.9)	0.2
Release of EDEKT fund prepayment		-	17.6	-	17.6
Interest expense		122.8	134.9	85.0	75.3
Working capital adjustments:					
Decrease/ (increase) in inventories		3.7	(6.2)	1.3	0.1
Decrease / (increase) in accounts receivable		(123.2)	(55.0)	(19.5)	1.1
(Decrease) in liabilities (except borrowings)		(78.9)	(48.1)	(71.2)	(45.8)
Plus/(Minus):					
Payment for early retirement programs and voluntary leave scheme	11	(14.9)	(73.2)	(14.7)	(40.3)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(24.8)	(32.1)	(24.8)	(30.5)
Interest and related expenses paid		(149.6)	(174.4)	(111.4)	(109.5)
Income taxes paid		(52.6)	(73.5)	(23.6)	(8.6)
Net cash flows from / (used in) operating activities		476.0	490.4	18.7	91.9
Cash flows from investing activities					
Acquisition of subsidiary and business units net of cash acquired		-	(7.2)	-	-
Purchase of financial assets	5	(720.0)	(0.2)	(677.4)	-
Sale or maturity of financial assets	5	724.7	-	682.6	-
Repayments of loans receivable		5.2	4.9	5.2	4.9
Purchase of property plant and equipment and intangible assets		(219.4)	(302.9)	(53.5)	(86.1)
Proceeds from disposal of assets held for sale	4	380.0	-	380.0	-
Interest received		8.0	8.9	4.6	4.5
Dividends received	4	20.9	-	20.9	-
Return of capital invested in subsidiaries		-	-	-	82.0
Net cash flows from / (used in) investing activities		199.4	(296.5)	362.4	5.3
Cash flows from financing activities					
Proceeds from loans granted and issued	7	307.9	1,432.0	305.9	1,432.0
Repayment of loans	7	(350.9)	(1,720.2)	(777.6)	(1,528.4)
Dividends paid to non-controlling interests		-	(43.7)	-	-
Net cash flows from / (used in) financing activities		(43.0)	(331.9)	(471.7)	(96.4)
Net increase/(decrease) in cash and cash equivalents		632.4	(138.0)	(90.6)	0.8
Cash and cash equivalents, at the beginning of the period		683.4	1,004.3	156.0	189.0
Net foreign exchange differences		(5.6)	1.1	-	-
Cash and cash equivalents, at the end of the period		1,310.2	867.4	65.4	189.8



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 June 30, 2012 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 June 30, 2012, were approved for issuance by the Board of Directors on August 8, 2012.

The total numbers of Group and Company employees as of June 30, 2012 and 2011 were as follows:

	GROUP	COMPANY
June 30, 2012	28,904	10,504
June 30, 2011	29,345	10,826

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

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/06/2012	31/12/2011
			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 TECHNICAL AND BUSINESS SOLUTIONS S.A. – SECURITY SERVICES (“OTE PLUS”)	Consulting and security services	Greece	100.00%	100.00%
DIERGASIA ENERGY TECHNICAL COMMERCIAL S.A. – GENERAL CONSTRUCTION COMPANY (“DIERGASIA”)	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%



COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/06/2012	31/12/2011
			GROUP'S OWNERSHIP INTEREST	
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%
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 management	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, 2011, which are available on the Company's website: <http://www.ote.gr>

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.

This financial information has been prepared on the basis that the Group operates as a going concern which implies that it has sufficient financial resources to meet its financial and operating obligations for the foreseeable future. On the basis that the Group possesses cash, cash equivalents and highly liquid bonds which, along with the operating cash flows that are expected to be generated and the result of the further financing initiatives that are being considered could allow the Group to meet its debt obligations over the next 18 months.

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, 2011.

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, 2011 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following amended IFRS which became effective for the accounting periods beginning January 1, 2012, noted below:

- IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets
- IAS 12 (Amendment) "Income Taxes"

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



New pronouncements and amendments

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2012. 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:

- **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.
- **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.
- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after January 1, 2015). IFRS 9 is the first phase of the International Accounting Standards Board’s (“IASB”) 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 does not apply to the Group and the Company. This interpretation has not yet been endorsed by the EU.
- **IFRS 7 (Amendment) “Financial Instruments: Disclosures”** (effective for annual periods beginning on or after January 1, 2013). The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognized financial assets and recognized financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.
- **IAS 32 (Amendment) “Financial Instruments: Presentation”** (effective for annual periods beginning on or after January 1, 2014). This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment 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.
- **IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance”**. The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in 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 IASB 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.

Amendments to standards that form part of the IASB’s 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project. These amendments are effective for annual periods beginning on or after January 1, 2013 and have not yet been endorsed by the EU:

- **IAS 1 “Presentation of financial statements”.** The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily.
- **IAS 16 “Property, plant and equipment”.** The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.
- **IAS 32 “Financial instruments: Presentation”.** The amendment clarifies that income tax related to distributions is recognized in the income statement and income tax related to the costs of equity transactions is recognized in equity, in accordance with IAS 12.
- **IAS 34, ‘Interim financial reporting’.** The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 “Operating segments”.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
(a) Investments in subsidiaries	-	-	4,108.2	4,106.9
(b) Other investments	1.2	1.2	1.2	1.2
TOTAL	1.2	1.2	4,109.4	4,108.1

(a) Investments in subsidiaries are analyzed as follows:

	OTE’s direct ownership interest	Country of incorporation	30/06/2012	31/12/2011
COSMOTE	100.00%	Greece	3,085.0	3,083.7
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	453.9	453.9
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	4.4
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	-	-
OTE PLUS	100.00%	Greece	3.8	3.8
OTE ESTATE	100.00%	Greece	193.2	193.2
OTE GLOBE	100.00%	Greece	163.7	163.7
OTE INSURANCE	100.00%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	1.2	1.2
TOTAL			4,108.2	4,106.9



SHARE OPTION PLAN

OTE has implemented a Share Option Plan (see Note 16) 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 six months of 2012 is Euro 1.3 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.

ASSETS CLASSIFIED AS HELD FOR SALE

TELEKOM SRBIJA

As of December 31, 2011, OTE had proceeded to re-value its investment in TELEKOM SRBIJA at a value of Euro 380.0, representing the fair value of its share in TELEKOM SRBIJA. Thus, an amount of Euro 224.9 representing the fair value gain (before the corresponding deferred tax of Euro 13.6) was recognized in the "Other comprehensive income" line in the statement of comprehensive income of 2011. Furthermore, the investment in TELEKOM SRBIJA was classified as held-for-sale, as the criteria of IFRS 5 for such classification were met as of December 31, 2011.

On January 25, 2012, the sale of OTE's 20% entire stake in TELEKOM SRBIJA was completed. According to the Share Purchase Agreement that had been signed on December 30, 2011, OTE received Euro 397.0 in total, out of which Euro 380.0 represent the selling price and Euro 17.0 represent the interim dividend of the fiscal year 2011. The amount of Euro 224.9 representing the gain from the sale (before the corresponding income tax of Euro 13.6) was reclassified from other comprehensive income to the consolidated and separate income statement of the first six months of 2012 in the line "Gains from investments and financial assets". In April 2012, OTE received an additional amount of Euro 3.9 since its final dividend for the fiscal year 2011, as declared by the Annual General Assembly of TELEKOM SRBIJA, amounted to Euro 20.9. The corresponding withholding tax on dividend income was Euro 3.1.

The Group's dividend income is analyzed as follows:

	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
TELEKOM SRBIJA	3.9	10.4	3.9	10.4
TOTAL	3.9	10.4	3.9	10.4

OTE's dividend income is analyzed as follows:

	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
OTE SAT- MARITEL	-	1.2	-	1.2
TELEKOM SRBIJA	3.9	10.4	3.9	10.4
TOTAL	3.9	11.6	3.9	11.6

5. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Marketable securities:				
Held for trading - Bonds	3.4	3.5	-	-
Available for sale - Bonds	336.3	341.7	336.3	341.7
Available for sale - Mutual funds	2.6	2.8	1.5	1.6
Non - marketable securities:				
Available for sale - Securities	5.6	5.5	-	-
TOTAL	347.9	353.5	337.8	343.3

The available for sale bonds consist of short term highly rated government bonds maturing by October 2012.

The movement of other financial assets can be analyzed as follows:

	01/01-30/06/2012	
	GROUP	COMPANY
Balance at the beginning of the period	353.5	343.3
Additions	720.0	677.4
Sales - maturities	(724.7)	(682.6)
Foreign exchange differences	(0.1)	-
Fair value adjustments through other comprehensive income	(0.8)	(0.3)
Balance at the end of the period	347.9	337.8



6. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of June 30, 2012 and December 31, 2011, 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 June 30, 2012 and as of December 31, 2011 amounted to Euro 509.7 and Euro 508.0, respectively, the increase (Euro 1.7) being the amount charged to the income statement of the first half 2012 under the Group's share option plan (Note 16).

The following is an analysis of the ownership of OTE's shares as of June 30, 2012:

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	191,778,772	39.13%
Private Investors	53,296,419	10.87%
TOTAL	490,150,389	100.00%

7. LONG-TERM AND SHORT-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2012	31/12/2011
(a) Syndicated loans	1,653.7	1,651.1
(b) Global Medium-Term Note Program	3,200.2	3,244.9
(c) Other bank loans	2.0	4.0
Total long-term debt	4,855.9	4,900.0
Short-term portion	(1,655.7)	(760.9)
Long-term portion	3,200.2	4,139.1

(a) Syndicated loans

Euro 900.0 Revolving Credit Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the above amount.

As of June 30, 2012 the outstanding balance of this syndicated loan is Euro 896.8. As this loan matures within twelve months from the financial position date, it has been reclassified to the short-term portion of long-term borrowings.

(b) Global Medium-Term Note Programme

In June 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 46.9 under the Notes due in August 2013, along with the payment of accrued interest. A total gain of Euro 13.6 was incurred due to the repurchase taking place at a discount.

(c) Other bank loans

During 2012, ROMTELECOM repaid loans of Euro 2.0.

COMPANY	30/06/2012	31/12/2011
(a) Syndicated loans	896.8	894.2
(b) Intercompany loans from OTE PLC	1,626.3	2,102.2
Total long-term debt	2,523.1	2,996.4
Short-term portion	(896.8)	(280.7)
Long-term portion	1,626.3	2,715.7

(a) Syndicated loans

Euro 900.0 Revolving Credit Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the above amount.

As of June 30, 2012, the outstanding balance of this syndicated loan is Euro 896.8. As this loan matures within twelve months from the financial position date, it has been reclassified to the short-term portion of long-term borrowings.



(b) Intercompany loans from OTE PLC

On June 7, 2012, OTE proceeded with the early repayment of the remaining outstanding balance of Euro 280.7 under the intercompany loan (-revolving facility) maturing in September 2012, along with the payment of accrued interest. The revolving facility remains committed.

During June 2012, OTE proceeded with partial prepayments of a total nominal amount of Euro 196.9 under the intercompany loan maturing in August 2013, along with the payment of accrued interest. A total gain of Euro 14.3 was incurred due to the prepayments taking place at a discount.

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 designated as fair value hedges both on parent company and group level. The fair value of the above mentioned swaps as of June 30, 2012, is Euro 19.2 (December 31, 2011: Euro 24.3).

During the first half of 2012, OTE received additional collateral of total Euro 5.9 under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps. This inflow is presented in the statement of cash flows in "Proceeds from loans granted and issued".

SHORT - TERM BORROWINGS

The outstanding balance of short-term borrowings as of June 30, 2012, for the Group amounted to Euro 2.0 (December 31, 2011: Euro 2.0). During the first six months of 2012, OTE PLUS received an amount of Euro 2.0 under its overdraft agreement and COSMOTE's subsidiary E-VALUE repaid loans of an amount of Euro 2.0.

8. INCOME TAXES

In accordance with the Greek tax regulations, the income tax rate is 20% for 2011 onwards.

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

Tax returns are filed annually. With respect to the financial years up to and including 2010, 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. From the financial year 2011 and onwards, the tax returns are subject to the audit tax certificate process (described below). 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.

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. This tax is withheld by the entity which distributes its profits and exhausts the tax liability of the beneficiaries. 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.

Audit tax certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the end of the seventh month following the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

For the Greek companies of the Group, the "Tax Compliance Report" for the financial year 2011 has been issued with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2012 AND FOR THE SIX MONTH PERIOD THEN ENDED

statements for 2011. According to the relevant legislation, the financial year 2011 will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance.

Unaudited tax years

The Company and its subsidiaries have not been audited with respect to 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 2010
OTE ESTATE	From 2008
OTE-GLOBE	From 2010
OTE INSURANCE	From 2010
OTE ACADEMY	From 2010
HATWAVE	From 1996
OTE INVESTMENT SERVICES S.A.	From 2010
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 Group provides, when considered appropriate, on a company by company basis for possible additional taxes that may be imposed by the tax authorities.

- OTE INVESTMENT SERVICES S.A. has settled the unaudited years 2005-2009 according to L. 3888/2010 and the impact to the Group amounted to Euro 0.2.

The major components of income tax expense are as follows:

GROUP	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Current income tax	35.4	28.6	78.9	54.9
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	0.2	-	0.2
Differences arising from tax audits	-	1.4	0.2	1.4
Deferred income tax - Effect due to change in the income tax rate	-	-	-	18.3
Deferred income tax	(6.3)	(3.3)	(7.8)	0.4
Total income tax	29.1	26.9	71.3	75.2



COMPANY	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Current income tax	7.0	5.7	27.9	11.8
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	0.2	-	0.2
Deferred income tax - Effect due to change in the income tax rate	-	-	-	13.9
Deferred income tax	(1.0)	1.0	(2.5)	4.3
Total income tax	6.0	6.9	25.4	30.2

Income tax payable for the Group and the Company as of June 30, 2012 amounted to Euro 38.2 and Euro nil, respectively.

9. REVENUE

Revenue is analyzed as follows:

GROUP	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
DOMESTIC TELEPHONY				
Monthly network service fees	145.0	163.3	294.3	332.9
Local and long-distance calls				
-Fixed to fixed	67.0	84.9	139.3	171.4
-Fixed to mobile	30.4	31.7	59.9	63.0
	97.4	116.6	199.2	234.4
Other	12.1	16.1	26.9	32.3
	254.5	296.0	520.4	599.6
INTERNATIONAL TELEPHONY				
International traffic	12.7	15.4	25.5	30.8
Dues from mobile operators	8.5	7.4	14.8	14.3
Dues from international operators	16.9	17.0	36.4	31.4
	38.1	39.8	76.7	76.5
MOBILE TELEPHONY	501.6	520.7	990.6	1,006.0
OTHER REVENUE				
Prepaid cards	4.9	5.5	8.8	9.9
Leased lines and Data ATM communications	79.0	79.4	145.4	156.8
Integrated Services Digital Network (ISDN)	27.0	29.7	54.9	60.8
Sales of telecommunication equipment	74.0	83.5	141.8	162.5
Internet/ ADSL	74.4	74.0	149.4	149.5
Co-location / Local Loop	49.3	48.5	104.9	99.4
Metro Ethernet & IP CORE	12.4	10.4	24.9	22.1
Provision for services	34.7	26.1	66.5	50.9
Interconnection charges	13.1	16.6	30.9	34.8
Miscellaneous	26.1	24.7	54.1	50.9
	394.9	398.4	781.6	797.6
TOTAL REVENUE	1,189.1	1,254.9	2,369.3	2,479.7



COMPANY	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
DOMESTIC TELEPHONY				
Monthly network service fees	97.7	110.3	198.4	225.1
Local and long-distance calls				
-Fixed to fixed	61.4	76.8	126.7	154.0
-Fixed to mobile	23.5	22.2	45.7	43.8
	84.9	99.0	172.4	197.8
Other	9.9	13.6	22.6	27.7
	192.5	222.9	393.4	450.6
INTERNATIONAL TELEPHONY				
International traffic	8.4	9.9	16.7	19.6
Dues from mobile operators	8.5	7.2	14.9	14.4
Dues from international operators	8.0	9.5	17.2	17.5
	24.9	26.6	48.8	51.5
OTHER REVENUE				
Prepaid cards	4.7	5.0	8.3	9.7
Leased lines and Data ATM communications	19.7	21.1	42.8	54.0
Integrated Services Digital Network (ISDN)	24.4	27.2	49.5	55.1
Sales of telecommunication equipment	4.7	6.8	11.1	13.5
Internet/ ADSL	49.8	53.9	100.3	107.7
Co-location / Local Loop	48.2	47.3	102.7	97.1
Metro Ethernet & IP CORE	10.6	8.4	21.2	18.0
Provision for services	21.5	22.9	40.5	44.3
Interconnection charges	11.1	15.4	26.6	32.4
Miscellaneous	10.0	8.6	18.1	17.5
	204.7	216.6	421.1	449.3
TOTAL REVENUE	422.1	466.1	863.3	951.4

10. OTHER INCOME/ (EXPENSE), NET

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

GROUP	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Forfeiture of letters of guarantee	0.3	0.3	0.7	0.8
Rents	2.7	2.3	4.8	4.8
Income/(expense) from penalties, net	1.6	1.4	3.2	2.7
Other	4.3	(0.4)	1.2	(2.5)
TOTAL	8.9	3.6	9.9	5.8

COMPANY	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Forfeiture of letters of guarantee	0.3	0.3	0.7	0.8
Rents	0.1	0.1	0.1	0.2
Other	1.0	0.6	0.1	(1.7)
TOTAL	1.4	1.0	0.9	(0.7)



11. COST OF EARLY RETIREMENT PROGRAM

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

GROUP AND COMPANY	01/01- 30/06/2012
Balance at the beginning of the period	166.2
Payments during the period	(12.2)
Adjustment due to time value of money	0.2
Balance at the end of the period	154.2

Based on the estimated period of payment, the provision relating to the Voluntary Leave Scheme is classified as current liability both as of June 30, 2012 and December 31, 2011.

Amounts paid during the first six months of 2012, in relation to early retirement programs were Euro 2.7 for the Group and Euro 2.5 for the Company and were fully provided for.

12. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

GROUP	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Third party fees	48.1	53.6	92.8	98.1
Cost of telecommunication materials, repairs and maintenance	30.1	36.1	65.8	71.1
TV costs	22.2	16.6	43.6	33.4
Advertising and promotion costs	35.5	40.1	65.5	72.4
Utilities	39.7	36.5	79.0	76.1
Provision for doubtful accounts	31.5	38.6	63.7	69.3
Travel costs	3.0	3.3	5.5	6.0
Commissions to independent commercial distributors	56.1	59.1	114.7	112.3
Payments to Audiotex providers	1.0	1.3	2.3	2.4
Rents	25.9	27.1	53.0	55.2
Taxes, other than income tax	19.5	12.4	38.7	26.2
Transportation costs	2.6	2.9	5.6	5.1
Other	15.3	13.5	27.1	26.2
TOTAL	330.5	341.1	657.3	653.8

COMPANY	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Third party fees	23.6	23.8	46.6	42.9
Cost of telecommunication materials, repairs and maintenance	10.9	13.1	23.9	26.6
TV costs	9.5	7.5	18.8	15.4
Advertising and promotion costs	8.2	6.4	12.5	11.7
Utilities	15.2	13.3	27.8	27.5
Provision for doubtful accounts	5.2	9.7	12.6	16.3
Travel costs	1.2	1.4	2.2	2.5
Payments to Audiotex providers	0.9	0.9	2.0	1.8
Rents	15.6	17.6	31.1	35.3
Taxes, other than income tax	4.7	3.3	7.6	6.6
Transportation costs	1.2	1.5	2.1	2.6
Other	3.2	2.9	5.2	6.1
TOTAL	99.4	101.4	192.4	195.3



13. 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 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	2 nd Quarter		1 st Half	
	2012	2011	2012	2011
Profit attributable to owners of the parent	104.5	62.2	411.1	92.4
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	17,603,766	12,172,610	17,603,766	12,172,610
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	0.2132	0.1269	0.8387	0.1885
Diluted earnings per share	0.2132	0.1269	0.8387	0.1885

(Earnings per share are in absolute amounts)

For the first six months of 2012 and 2011 the outstanding options did not have a dilutive effect on earnings per share and, therefore, are not included in the earnings per share calculation.

14. 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:

Six month period ended June 30, 2012	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	803.8	1,150.2	305.3	110.0	2,369.3	-	2,369.3
Intersegment revenue	59.5	80.3	11.2	121.6	272.6	(272.6)	-
Total revenue	863.3	1,230.5	316.5	231.6	2,641.9	(272.6)	2,369.3
Other income/(expense), net	0.9	(2.8)	9.9	3.7	11.7	(1.8)	9.9
Operating expenses	(757.2)	(1,000.6)	(301.1)	(212.6)	(2,271.5)	274.6	(1,996.9)
Operating profit	107.0	227.1	25.3	22.7	382.1	0.2	382.3
Operating profit before depreciation, amortization, impairment and cost of early retirement program	257.8	454.4	80.8	42.5	835.5	(1.3)	834.2
Profit for the period	230.4	139.6	27.6	26.3	423.9	0.1	424.0



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2012 AND FOR THE SIX MONTH PERIOD THEN ENDED

Six month period ended June 30, 2011	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	875.2	1,173.1	318.0	113.4	2,479.7	-	2,479.7
Intersegment revenue	76.2	75.1	14.4	122.6	288.3	(288.3)	-
Total revenue	951.4	1,248.2	332.4	236.0	2,768.0	(288.3)	2,479.7
Other income/(expense), net	(0.7)	(1.3)	8.2	1.2	7.4	(1.6)	5.8
Operating expenses	(859.3)	(1,074.7)	(369.3)	(211.3)	(2,514.6)	290.7	(2,223.9)
Operating profit / (loss)	91.4	172.2	(28.7)	25.9	260.8	0.8	261.6
Operating profit before depreciation, amortization, impairment and cost of early retirement program	271.4	433.0	79.3	57.5	841.2	(1.3)	839.9
Profit /(loss) for the period	4.3	103.4	(26.2)	55.7	137.2	(56.0)	81.2

15. RELATED PARTY DISCLOSURES

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

The OTE Group includes all entities which OTE controls, either directly or indirectly (see Note 1). Transactions and balances between companies in the OTE Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 40.00% shareholder of OTE and consolidates OTE using the full consolidation method. Therefore, all companies included in the DEUTSCHE TELEKOM group are also considered related parties.

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:

	1st Half 2012		1st Half 2011	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	43.0	44.4	57.0	40.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.9	0.2	2.0
HELLAS-SAT	0.2	0.6	0.2	1.9
COSMO-ONE	-	0.3	-	0.3
VOICENET	1.2	1.4	1.6	1.4
HELLASCOM	-	4.0	0.1	4.3
OTE SAT - MARITEL	0.4	0.7	0.5	0.6
OTE PLUS	0.2	15.6	0.2	15.2
OTE ESTATE	0.4	27.4	0.9	30.8
OTE-GLOBE	13.9	35.1	15.5	34.6
OTE ACADEMY	-	3.6	-	2.0
ROMTELECOM	-	0.2	-	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.5	-	-
TOTAL	59.6	135.7	76.2	133.8

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

	1st Half 2012		1st Half 2011	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	9.8	11.6	9.4	9.3
TOTAL	9.8	11.6	9.4	9.3



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2012 AND FOR THE SIX MONTH PERIOD THEN ENDED

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

	Finance expense OTE	
	1 st Half 2012	1 st Half 2011
OTE PLC	44.8	51.5
TOTAL	44.8	51.5

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

	Finance expense Group	
	1 st Half 2012	1 st Half 2011
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.9
TOTAL	-	0.9

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

	1 st Half 2012	1 st Half 2011
OTE SAT - MARITEL	-	1.2
TOTAL	-	1.2

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

	30/06/2012		31/12/2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	34.3	78.1	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.3	0.8	0.2	1.4
HELLAS-SAT	0.3	0.3	0.2	0.4
COSMO-ONE	-	0.3	-	0.2
VOICENET	0.6	0.8	0.8	1.0
HELLASCOM	0.1	2.3	0.1	4.1
OTE SAT - MARITEL	4.1	6.7	3.6	5.9
OTE PLUS	0.3	14.9	0.2	10.9
OTE ESTATE	0.6	27.9	0.9	18.2
OTE-GLOBE	57.8	81.2	57.6	81.0
OTE ACADEMY	0.4	1.3	0.4	0.7
ROMTELECOM	0.2	0.2	0.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.2	-	-
TOTAL	99.0	215.0	110.8	214.3

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:

	30/06/2012		31/12/2011	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.3	26.4	5.9	25.9
TOTAL	4.3	26.4	5.9	25.9

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

	Amounts owed by OTE	
	30/06/2012	31/12/2011
OTE PLC	1,659.2	2,162.4
TOTAL	1,659.2	2,162.4

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 2.6 (including the employer's contributions to pension funds where applicable) for the first half of 2012.

As of June 30, 2012, 2,932,332 options under OTE's share based payment plan have been granted to the Company's key management personnel.

16. SHARE OPTION PLAN

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

	01/01- 30/06/2012		01/01- 31/12/2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	17,829,196	11.41	12,680,487	13.44
Granted	-	-	6,666,043	4.96
Forfeited / Canceled	(225,430)	11.25	(1,517,334)	12.26
Outstanding at the end of the period	17,603,766	11.69	17,829,196	11.41
Exercisable at the end of the period	8,256,651	17.42	8,339,471	16.84

The fair value is reflected in the income statement during the vesting period. An amount of Euro 1.7 and Euro 0.4 was charged to the consolidated and the separate income statement of the first six months of 2012, respectively and are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium.

17. LITIGATION AND CLAIMS

The Group and the Company have made appropriate provisions in relation to litigations and claims, when it is probable that an outflow of resources 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, 2011, except for the following:

HTPC fines to OTE and COSMOTE

On January 25, 2012, HTPC imposed a fine of Euro 2.0 on OTE and a fine of Euro 1.0 on COSMOTE for alleged failure to provide the requested information (collocation agreements between OTE and COSMOTE). OTE and COSMOTE have appealed against the fines before the Athens Administrative Court of Appeals and the date of the hearing has not yet been determined. The Athens Administrative Court of Appeals rejected the application to suspend execution for both companies.

HTPC notification to COSMOTE

On May 24, 2012, HTPC notified to COSMOTE the n. HTPC 12073/26-3-2012 complaint of VODAFONE-PANAFON S.A. against COSMOTE in relation with the violation of rules of free competition in the Greek market for prepaid mobile telephony, calling COSMOTE to submit its views within one month. In the above complaint the complainant requests from HTPC to examine the possible abuse by COSMOTE of its alleged dominating position in the relevant market of prepaid mobile telephony as defined by the complainant in the form of margin squeeze during the period 2007-2011. At COSMOTE's request, the deadline was extended for two further months.

On May 24, 2012, HTPC notified to COSMOTE the n. HTPC 1483/12-4-2012 complaint and request for dispute settlement of the companies AMAZE, BOB MOBILE, BUONGIORNO and WIN against the companies COSMOTE, VODAFONE and WIND. With the above complaint the complainants accuse the defendants of abuse of their individual or collective dominant positions in the relevant market of wholesale access to mobile networks for the provision of Premium Rate Services (as defined by the complainants) by imposing unfair terms to the complainants. With the request for dispute settlement they request the modification of the terms of the contracts between the complainants and defendants according to the request. HTPC asked from COSMOTE to submit its views within twenty working days. At COSMOTE's request, the deadline was extended for two further months.

Civil Proceedings

TELEDOME S.A.: With respect to the appeals of Teledome SA and Bank of Cyprus that had been rejected by the Court and the new appeals of the abovementioned against this decision, these appeals were heard before the Court of Appeals on April 26, 2012. The Court issued a decision by which all the respective appeals were rejected.



FLT HELLAS METAFORIKH S.A.: With respect to a lawsuit that FLT HELLAS METAFORIKH S.A. had filed against OTE before the Multi-Member Court of First Instance claiming an amount of Euro 12.4 plus interest for alleged damages caused by OTE from breach of contract and reputational damage, the case was heard on February 8, 2012 and the Court rejected the claim.

3K Techniki S.A.: 3K Techniki S.A. filed a lawsuit against OTE before the Athens Multi-Member Court claiming an amount of Euro 1.0 for differences from contract terms regarding requests for adjustment of the contractual price.

18. RECLASSIFICATIONS

In the consolidated income statement for the first six months of 2011, an amount of Euro 20.0 (Euro 10.1 for the second quarter of 2011) has been reclassified from “Cost of telecommunications equipment/write downs” to “Other operating expenses” and specifically to “Commissions to independent commercial distributors” for better presentation.

In the consolidated statement of cash flows for the first six months of 2011, an amount of Euro 3.7 has been reclassified from “Decrease / (increase) in inventories” to “Write down of inventories” for better presentation of the Group’s movement in inventories.

19. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2012, are as follows:

RECLASSIFICATIONS OF LOANS

GROUP: On August 5, 2012, the Euro 1,250.0 notes (initial nominal value) issued by OTE PLC, maturing on August 5, 2013, were reclassified from “Long-term borrowings” into “Short-term portion of long-term borrowings”. The outstanding balance of this liability as of June 30, 2012 amounted to Euro 1,196.9.

COMPANY: On August 1, 2012, the Euro 1,118.0 intercompany loan (initial nominal value) from OTE PLC, maturing on August 1, 2013, was reclassified from “Long-term borrowings” into “Short-term portion of long-term borrowings”. The outstanding balance of this loan as of June 30, 2012 amounted to Euro 513.1.

REPAYMENTS OF LOANS

On July 30, 2012, OTE PLC proceeded with the repayment of the remaining outstanding amount of Euro 311.7 under the Revolving Credit Facility maturing in September 2012, along with the payment of the accrued interest. The Revolving Credit Facility remains committed.

On July 31, 2012 OTE PLC proceeded with the repayment of the remaining outstanding amount of Euro 445.2 under the Term Loan maturing in September 2012, along with the payment of the accrued interest.

V. FINANCIAL DATA AND INFORMATION



HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

AR.MAE 347/06/B86/10

REGISTERED OFFICE: 99 KIFFISIAS AVE - 15124 MAROUSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2012 TO JUNE 30, 2012

(In accordance with the Decision 4/507/28.4.2009 of the Hellenic Capital Market Commission)

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. ("Company") and the OTE Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report, when required.

Company's Web Site : www.ote.gr

Date of approval of financial statements from the Board of Directors: August 8, 2012

The Certified Auditor : Marinos Psarits Reg. N. 38081

Auditing Company : PricewaterhouseCoopers Reg. N. 113

Type of Review Report : Unqualified

DATA FROM STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro					DATA FROM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro				
	GROUP		COMPANY			GROUP		COMPANY	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011		30.06.2012	30.06.2011	30.06.2012	30.06.2011
ASSETS					Total equity at the beginning of the period (01.01.2012 and 01.01.2011)	1,757.3	1,652.6	3,145.5	3,370.4
Property, plant and equipment	4,035.4	4,328.0	1,585.3	1,682.7	Total comprehensive income / (loss) after tax	138.2	103.6	(14.8)	15.6
Intangible assets	1,474.0	1,505.5	31.7	31.8	Dividends	-	(101.5)	-	(57.8)
Other non current assets	604.5	573.8	4,571.7	4,538.7	Withholding tax related to dividend paid out of dividend	-	-	-	-
Inventories	117.8	125.0	20.6	21.9	Income subject to withholding tax	-	4.9	-	4.9
Trade receivables	932.5	928.6	485.4	495.1	Share-based payments	1.7	1.2	1.7	1.2
Other current assets	577.9	566.6	431.3	456.5	Total equity at the end of the period (30.06.2012 and 30.06.2011)	1,897.2	1,660.8	3,132.4	3,334.3
Cash and cash equivalents	1,310.2	683.4	65.4	156.0	DATA FROM STATEMENT OF CASH FLOWS (CONSOLIDATED AND SEPARATE) (Amounts in millions of Euro)				
Assets as classified as held for sale	-	380.0	-	380.0	GROUP		COMPANY		
TOTAL ASSETS	9,052.3	9,090.9	7,191.4	7,762.7	01.01-30.06.2012	01.01-30.06.2011	01.01-30.06.2012	01.01-30.06.2011	
EQUITY AND LIABILITIES					Cash flows from operating activities				
Share capital	1,171.5	1,171.5	1,171.5	1,171.5	Profit before tax	495.3	156.4	255.8	34.5
Other equity items	349.5	212.0	1,960.9	1,974.0	Adjustments for:				
Equity attributable to owners of the parent (a)	1,521.0	1,383.5	3,132.4	3,145.5	Depreciation, amortization and impairment	451.9	528.6	150.8	169.5
Non-controlling interests (b)	378.2	373.8	-	-	Share-based payment	1.7	1.2	0.4	0.5
Total equity (c) = (a) + (b)	1,899.2	1,757.3	3,132.4	3,145.5	Cost of early retirement program	-	49.7	-	10.5
Long-term borrowings	3,200.2	4,139.1	1,626.3	2,715.7	Provisions for staff retirement indemnities	11.1	11.7	9.7	10.1
Provisions / Other non current liabilities	730.0	692.9	560.1	523.2	Provisions for youth account	2.1	9.5	2.1	9.5
Short-term borrowings	1,657.7	762.9	896.8	280.7	Write down of inventories	3.5	3.7	-	-
Other current liabilities	1,567.2	1,738.7	975.8	1,097.6	Provisions for doubtful accounts	63.7	69.3	12.6	16.3
Total liabilities (d)	7,155.1	7,333.6	4,059.0	4,617.2	Foreign exchange differences, net	1.2	(8.7)	-	(1.7)
TOTAL EQUITY AND LIABILITIES (c) + (d)	9,052.3	9,090.9	7,191.4	7,762.7	Interest income	(8.2)	(10.8)	(5.0)	(5.3)
DATA FROM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro					Dividend income	(3.9)	(10.4)	(3.9)	(11.6)
GROUP	01.01-30.06.2012	01.01-30.06.2011	01.01-30.06.2012	01.01-30.06.2011	Losses from investments and financial assets - Impairments	(224.9)	0.2	(224.9)	0.2
Total revenue	2,369.3	2,479.7	1,189.1	1,254.9	Release of EDEKT fund prepayment	-	17.6	-	17.6
Profit before taxes, investment and financial activities	382.3	261.6	187.4	131.3	Interest expense	122.8	134.9	85.0	75.3
Profit before tax	495.3	156.4	139.5	83.0	Working capital adjustments:				
Profit after tax (A)	424.0	81.2	110.4	56.1	Decrease / (increase) in inventories	3.7	(6.2)	1.3	0.1
Attributable to:					Decrease / (increase) in accounts receivables	(123.2)	(55.0)	(19.5)	1.1
- Owners of the parent	411.1	92.4	104.5	62.2	Decrease / (increase) in liabilities (except borrowings)	(78.9)	(48.1)	(71.2)	(45.8)
- Non controlling interests	12.9	(11.2)	5.9	(6.1)	Plus/ (Minus):				
Other comprehensive income / (loss) after tax (B)	(285.8)	22.4	(37.3)	(56.8)	Payment of early retirement programs	(14.9)	(73.2)	(14.7)	(40.3)
Total comprehensive income / (loss) after tax (A)+(B)	138.2	103.6	73.1	(0.7)	Payment of staff retirement indemnities and youth account, net of employees' contributions	(24.8)	(32.1)	(24.8)	(30.5)
Attributable to:					Interest and related expenses paid	(149.6)	(174.4)	(111.4)	(109.5)
- Owners of the parent	135.8	109.5	72.7	20.0	Income taxes paid	(52.6)	(73.5)	(23.6)	(8.6)
- Non controlling interests	2.4	(5.9)	0.4	(20.7)	Net cash flows from operating activities (a)	476.0	490.4	18.7	91.9
Basic earnings per share (in €)	0.8387	0.1885	0.2132	0.1269	Cash flows from investing activities				
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	834.2	790.2	416.7	396.9	Acquisition of subsidiary and business units	-	(7.2)	-	-
COMPANY	01.01-30.06.2012	01.01-30.06.2011	01.01-30.06.2012	01.01-30.06.2011	Purchase of financial assets	(720.0)	(0.2)	(677.4)	-
Total revenue	863.3	951.4	422.1	466.1	Sale or maturity of financial assets	724.7	-	682.6	-
Profit before taxes, investment and financial activities	107.0	91.4	41.8	34.3	Repayments of loans receivable	5.2	4.9	5.2	4.9
Profit before tax	255.8	34.5	15.2	13.7	Purchase of property plant and equipment and intangible assets	(219.4)	(302.9)	(53.5)	(86.1)
Profit after tax (A)	230.4	4.3	9.2	6.8	Proceeds from disposal of assets held for sale	380.0	-	380.0	-
Other comprehensive income / (loss) after tax (B)	(245.2)	11.3	(19.2)	(2.3)	Interest received	8.0	8.9	4.6	4.5
Total comprehensive income / (loss) after tax (A)+(B)	(14.8)	15.6	(10.0)	4.5	Dividends received	20.9	-	20.9	-
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	257.8	260.9	118.1	119.8	Return of capital invested in subsidiaries	-	-	-	82.0
ADDITIONAL DATA AND INFORMATION					Net cash flows from / (used in) investing activities (b)	199.4	(296.5)	362.4	5.3
1) The companies which are included in the interim condensed financial statements (consolidated and separate), their country, the Group's participating interest (direct and indirect) and the method of consolidation, are presented in Notes 1 and 4 of the financial statements.					Cash flows from financing activities				
2) The fiscal years that are audited by the tax authorities for the Company and the Group's subsidiaries and the results of the tax audits completed, are presented in Note 8 of the financial statements.					Proceeds of loans granted and issued	307.9	1,432.0	305.9	1,432.0
3) On January 25, 2012, the sale of OTE's 20% entire stake in TELEKOM SRBIA was completed. Further details are presented in Note 4 of the financial statements.					Repayment of loans	(350.9)	(1,720.2)	(777.6)	(1,528.4)
4) The outcome of pending litigation and claims is not expected to have a material impact on the financial statements. The amount of provisions that have been established as of June 30, 2012 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 82.3 million and € 28.4 million respectively and b) for the Company € 81.4 million and € 18.0 million respectively.					Dividends paid to non-controlling interests	-	(43.7)	-	-
5) Number of employees at the end of the period: Group 28,904 (30.06.2011: 29,345), Company 10,604 (30.06.2011: 10,826).					Net cash flows (used in) financing activities (c)	(43.0)	(331.9)	(471.7)	(96.4)
6) Other comprehensive income / (loss) after tax for the first six months of 2012 which was recognized directly in equity for the Group, relates to foreign currency translation € (40.1) million, actuarial losses € (33.6) million (net of deferred taxes) and the net movement in available for sale financial assets € (212.1) million (net of deferred taxes). As for the Company, it relates to actuarial losses € (33.6) million (net of deferred taxes) and the net movement of available for sale securities € (211.6) million (net of deferred taxes).					Cash and cash equivalents at the beginning of the period	683.4	1,004.3	156.0	189.0
7) 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 June 30, 2012 holds a 40.00% interest in the Company.					Net foreign exchange differences	(5.6)	1.1	-	-
8) The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the first six months of 2012, amounted to € 59.6 million and € 135.7 million, respectively. Interest expense for the first six months of 2012 amounted to € 44.8 million. The outstanding balance of receivables and payables from/to related parties as of June 30, 2012 that derived from current transactions amounted to € 99.0 million and € 215.0 million, respectively. The outstanding balance of payables to related parties from the loans granted amounted to € 1,659.2 million. Fees paid to the members of the Board of Directors of the Company and the Company's key management personnel compensation charged to the income statement for the first six months of 2012, amount to € 2.6 million. Based on OTE's share option plan, until June 30, 2012, 2,932,332 stock options have been granted to key management personnel. At Group level sales and purchases of goods and services, between related parties which are not eliminated, for the first six months of 2012 amounted to € 9.8 million and € 11.6 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of June 30, 2012 derived from operating transactions amounted to € 4.3 million and € 26.4 million, respectively.					Cash and cash equivalents at the end of the period	1,310.2	867.4	65.4	189.8
9) Basic earnings per share were calculated based on the weighted average number of shares outstanding.									
10) There have been reclassifications with no impact on the prior year equity or results of the Group and the Company. These reclassifications are presented in Note 18 of the financial statements.									
11) The most significant events after June 30, 2012 are presented in Note 19 of the financial statements.									

Athens, August 8, 2012

CHAIRMAN AND MANAGING DIRECTOR

BOARD MEMBER AND GROUP
CHIEF FINANCIAL OFFICER

OTE CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTING OFFICER

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