HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

ANNUAL FINANCIAL REPORT

For the period
from January 1, 2012 to December 31, 2012

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 4 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

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 Annual Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2012 to December 31, 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 Annual Report of the Board of Directors provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the risks and uncertainties they are facing.

Maroussi, February 27, 2013

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 February 27, 2013.

II. ANNUAL 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 136 of Law 2190/1920, article 4 of Law 3556/2007 and article 2 of Decision 7/448/2007 of the Hellenic Capital Market Commission and refers to the Annual Financial Statements (Consolidated and Separate) as of December 31, 2012, and the year 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 December 31, 2012, the Company's strategy and objectives, the significant events which took place in 2012, a presentation of the main risks and uncertainties for the next year, the Corporate Governance statement, the material transactions with the Company's and the Group's related parties, the significant events after the year-end and additional information as required by the respective law.

A. FINANCIAL HIGHLIGHTS OF 2012

OTE Group Revenue decreased by 7.1% in 2012 compared to 2011 and reached Euro 4,680.3 million, mainly due to:

- Decreased revenues from domestic telephony by 13.4% and revenues from international telephony by 12.7%.
- Decreased revenues from mobile telephony by 6.6%.
- Decreased revenues from sales of telecommunication equipment by 9.1%.
- Decreased revenues from ISDN by 9.9%.
- Decreased revenues from interconnection charges by 16.5%.
- Decreased revenues from prepaid cards by 12.2%.
- Decreased revenues from leased lines, data communication and ATM by 8.4%.
- Increased revenues from ADSL and Internet by 0.2%.
- Increased revenues from services rendered by 12.5%.
- Increased revenues from co-location and revenues from access to the local loop (Local Loop Unbundling - LLU) by 2.4%.
- Increased revenues from Metro Ethernet & IP CORE by 13.4%.
- Increased other revenues by 8.6%.

OTE's Revenue reached Euro 1,704.0 million, reflecting a decrease by 10.9% compared to the prior year. This is a result of the decrease in revenues from domestic telephony by 13.3%, as well as the decrease in revenues from international telephony by 16.4% and the decrease in sales of telecommunication equipment by 24.5%, ISDN by 9.7%, interconnection charges by 19.1%, leased lines and data ATM communications by 25.5%, prepaid cards by 17.3%, revenues from ADSL and Internet by 6.2%, services rendered by 11.5% and other revenues by 0.6%. 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 2.8% and the increase in revenues from Metro Ethernet & IP CORE by 18.2%.

The Group's Operating Expenses reached Euro 4,078.8 million and reflect a decrease of 13.1% compared to the prior year. This decrease is mainly due to the decrease in cost of telecommunications equipment/write downs by 18.0%, in charges from domestic operators by 17.8%, in depreciation, amortization and impairment by 29.9%, in payroll and employee benefits by 9.9%, in other operating expenses by 3.8% and the turnaround of the provision for youth account to income of Euro 6.2 million in comparison with expense of Euro 9.9 million in the prior year. These decreases were partially offset by the increase in charges from international operators by 6.1% as well as the higher cost of early retirement program of Euro 123.0 million in 2012 due to the cost of the Voluntary Exit Scheme (VES) (as discussed bellow in section C) in comparison with Euro 69.0 million in the prior year. **The Group's Operating Expenses before Depreciation, Amortisation and Impairment** and excluding Voluntary Exit Scheme costs reached Euro 3,037.1 million in 2012 compared to Euro 3,316.9 million in 2011, reflecting a decrease of 8.4%.

The Company's Operating Expenses reached Euro 1,634.2 million in 2012 and reflect a decrease of 4.6% compared to the prior year. The decrease in operating expenses is mainly due to the following:

- 15.1% decrease in charges from domestic telecommunications operators.
- 7.2% decrease in depreciation, amortization and impairment.
- 19.7% decrease in the cost of telecommunication equipment/write downs.
- 3.5% decrease in staff retirement indemnities.
- The turnaround of the provision for youth account to income of Euro 6.2 million in comparison with expense of Euro 9.9 million in the prior year.
- 7.5% decrease in charges from international telecommunications operators.
- 16.1% decrease in employee costs.

These decreases were partially offset by the higher cost of early retirement program of Euro 123.0 million in 2012 due to the cost of the Voluntary Exit Scheme (VES) and 1.9% increase in other operating expenses. **The Company's Operating Expenses before Depreciation, Amortisation and Impairment** and excluding Voluntary Exit Scheme costs reached Euro 1,203.1 million in 2012 compared to Euro 1,353.4 million in 2011, reflecting a decrease of 11.1%.
As a result, **Operating Profit before Financial Activities of the Group** for 2012 reached Euro 615.2 million compared to Euro 352.6 million in 2011 reflecting an increase of 74.5%. **Operating Profit before Financial Activities of the Company** for the year 2012 reached Euro 69.0 million, compared to Euro 201.1 million last year, reflecting a decrease of 65.7%.

The Group's Operating Profit before Depreciation, Amortization and Impairment for 2012 reached Euro 1,533.9 million compared to Euro 1,662.8 million in 2011, reflecting a decrease of 7.8%. The respective margin on revenues reached 32.8% compared to 33.0% in the prior year. Excluding Voluntary Exit Scheme costs, **the Group's Operating Profit before Depreciation, Amortization and Impairment** for 2012 reached Euro 1,656.9 million compared to Euro 1,731.8 million in the prior year, reflecting a decrease of 4.3%. The respective margin on revenues reached 35.4% compared to 34.4% in the prior year.

The Company's Operating Profit before Depreciation, Amortization and Impairment for 2012 reached Euro 377.1 million compared to Euro 533.2 million in 2011, reflecting a decrease of 29.3%. The respective margin on revenues reached 22.1% compared to 27.9% in the prior year. Excluding Voluntary Exit Scheme costs**, the Company's Operating Profit before Depreciation, Amortization and Impairment** for 2012 amounted to Euro 500.1 million compared to Euro 560.3 million in the prior year, reflecting a decrease of 10.7%. The respective margin on revenues remained 29.3% as in the prior year.

In relation to **the Group's Financial Activities**, interest expense in 2012 was Euro 248.7 million, reflecting a decrease of 14.3% compared to 2011, which is the result of the decrease in the Group's debt. Interest income amounted to Euro 15.2 million for 2012, reflecting a decrease of 31.5% compared to the prior year. Dividend income decreased by 85.8% to Euro 3.9 million due to lower dividends from TELEKOM SRBIJA in the current year. Gains from investments reached Euro 225.1 million in 2012 compared to losses of Euro 0.6 million in the prior 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. Foreign exchange differences resulted in losses of Euro 1.4 million in 2012 compared to Euro 3.6 million gains in the prior year, mainly due to variations of the foreign exchange rate of the Romanian RON and the Albanian LEK.

Income Tax (expense) of the Group was Euro 107.7 million in 2012, reflecting a decrease of 16.3% compared to the prior year.

Considering all the above, **the Group's net result** of 2012 was a profit of Euro 501.6 million compared to a loss of Euro 13.6 million of 2011.

In 2012**, Profits Attributable to Non-Controlling Interests** in the Group's income statement reached Euro 25.2 million from losses of Euro 133.3 million in 2011 mainly due to the turnaround of ROMTELECOM to profitability.

As a result of all the above, **the Group's Profit Attributable to the Owners of the Parent** for the year 2012 amounted to Euro 476.4 million compared to Euro 119.7 million in the prior year.

The Group's Net Cash Flows from Operating Activities in 2012 decreased by 3.4% in comparison with the prior year, amounting to Euro 1,166.9 million, mainly due to the decrease in operating "cash related" profitability and the increased payments for early retirement programs and the increased payments for staff retirement indemnities and youth account, which offset the significant improvement of working capital and the decreased payments for income taxes and interest expenses.

The Group's Capital Expenditure (CAPEX) for the year 2012 amounted to Euro 554.3 million from Euro 716.5 million in prior year reflecting a decrease of 22.6%. The decrease is due to the decreased capital expenditure from all the operations of the Group.

The Group's Total Debt as of December 31, 2012 was Euro 4,050.8 million compared to Euro 4,902.0 million at December 31, 2011, reflecting a decrease of 17.4%, whereas the **Group's Net Debt** (interest bearing loans less cash and cash equivalents and other current financial assets) at December 31, 2012, reached to Euro 2,882.5 million from Euro 3,865.1 million at December 31, 2011, reflecting a decrease of 25.4%. This decrease is mainly due to the repayment of loans and the increased cash position of the Group as a result of the cash generation, the decreased CAPEX and the cash proceeds from the disposal of TELEKOM SRBIJA.

As of December 31, 2012, **the Group's Net Current Liabilities** amounted to Euro 681.0 million compared to **Net Current Assets** (including assets classified as held for sale) of Euro 225.3 million as of December 31, 2011. This change 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 December 31, 2012 (as it matures within twelve months from the date of the balance sheet), partially offset by the Group's increased cash generation.

B. STRATEGY- OBJECTIVES

The management's goal is to transform OTE into a leading integrated high performance service company. The aspiration for OTE is to:

- Be the leader in Broadband, ICT, and Pay-TV services in the Greek market
- Deliver best services and high value to the customers
- Offer superior customer experience
- Become the best place to work in the Greek market, develop its personnel and attract best talents
- Increase the value of the shareholders

In order to achieve those objectives, a wide Transformation Program has been established, big part of which has already been executed during 2012.

Key achievements of Transformation Program during 2012

The Transformation Program has been structured along 8 key pillars. The main achievements per pillar during 2012 are:

1. Customer Experience

More than 45 cross-functional projects aiming to improve processes related to the entire life cycle of the customers have been developed.

2. Products and Services

Successful launch of the new Broadband offering with reduced prices. Significant upgrade of content and launch of innovative services for OTE TV. Increase of market share in ICT/System Integration market.

3. Cost Reduction

Over-achievement of the targets set for the reduction of operational costs.

4. Operations Optimization

Radical restructuring of the technical operations. Implementation of automated Work Force Management system with 2,700 users. Optimization of key processes in many areas (Customer Service, Procurement, HR, Technical Service, IT etc).

5. Human Resources

Successful implementation of Voluntary Exit Schemes for more than 1,500 employees resulting in significant saving of operational costs. Launch of new performance appraisal system for employees.

6. Next Generation Access

Successful launch of the next generation VDSL services in competitive prices.

7. Regulation

Crucial contribution to the successful launches of Broadband offerings and VDSL.

8. Group Synergies

Formulation of a common management team for OTE and COSMOTE and functional integration of most of the units to maximize synergies. Active participation and implementation of synergies within the DT Group.

Based on those achievements, OTE managed to regain its competitiveness through effective commercial actions and achieved substantial targets such as:

- 50% reduction of net access losses to competition
- 40% market share in net Broadband additions
- Doubling of TV subscriber base
- Significant improvement of indexes related to customer satisfaction and loyalty

Key objectives of the Transformation Program for 2013

The strategic Transformation Program will develop during 2013 with a series of initiatives in all pillars. In parallel, special emphasis will be put on further exploitation of synergies (within both OTE Group and DT Group) as well as on the simplification of organization and processes. The key levels of the program during 2013 are:

1. Customer Experience and Commercial Excellence

Next phase of the Customer Experience optimization program. In parallel, restructuring of organization and processes (mainly regarding sales activities) in order to maximize synergies between OTE and COSMOTE. Focus on B2B segment (corporate and business customers) and on the growing markets of TV, ICT and Internet Services.

2. Efficiency Optimization

Focus on simplification and automation of processes while in parallel leveraging on synergies deriving from the use of shared support services within the OTE Group. Next phase of technical transformation initiatives.

3. Human Resources

Ensure business continuity despite the big impact of Voluntary Exit Schemes, simplification of HR management processes and development of performance based culture.

4. Cost Reduction

Wide area programs for operational cost savings utilizing also expertise from DT Group.

5. Regulation

Continuous monitoring of the regulatory environment and consistent initiatives to defend the rights of the Company.

6. Next Generation Access

Extension of the VDSL rollout. Issue mid/long-term plan for the development of next generation services and technologies aiming to efficiently cover customer needs, improve Company's competitiveness and reduce operational costs of infrastructure.

7. Group Synergies

Further exploit synergies within OTE and DT groups, both on commercial excellence as well as on operational efficiency levels.

C. SIGNIFICANT EVENTS OF THE YEAR 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 2012.

DEBT REFINANCING

Repayment of Euro 850.0 million Syndicated facility by OTE PLC

During 2012, OTE PLC proceeded with the prepayment of the remaining outstanding amount of Euro 311.7 million under the Revolving Credit Facility maturing in September 2012, and of Euro 445.2 million under the Term Loan maturing in September 2012. The Euro 850.0 million Syndicated Facility matured on September 3, 2012.

Bonds Buybacks by OTE PLC

During 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 236.0 million under the Notes due in August 2013.

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.

The facility had a maturity on February 11, 2013 with a 1-year extension option at the discretion of the banks. On November 26, 2012, OTE exercised the extension option and banks whose commitment total Euro 500.0 million (nominal value) have consented to the extension. As a result, Euro 500.0 million (nominal value) have been extended for 1 year and now mature on February 11, 2014.

As of December 31, 2012 the outstanding balance of this syndicated loan is Euro 889.5 million. The portion of this facility that matures within twelve months from the financial position date amounts to Euro 399.4 million and has been reclassified to the short-term portion of long-term borrowings. The long term portion of the facility is Euro 490.1 million.

Euro 153.0 million syndicated loan

On December 20, 2012, COSMOTE's subsidiary GLOBUL signed a Euro 153.0 million syndicated loan with a consortium of banks. The loan has a tenor of 4 years and bears floating interest rate. Bank fees and related expenses were recognised against the loan and are amortized over its tenor. As of December 31, 2012 the outstanding balance of the syndicated loan is Euro 149.9 million. The long term portion of the facility is Euro 142.4.

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. During 2012, OTE proceeded with partial prepayments of a total nominal amount of Euro 441.9 million under the intercompany loan maturing in August 2013.

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.

SPECTRUM AUCTION IN ROMANIA

Following the spectrum auction held by the National Authority for Management and Regulation in Communications (ANCOM) on September 24, 2012, COSMOTE ROMANIA won 1 block in the 800 MHz band, 2 blocks in the 900 MHz band, 5 blocks in the 1800 MHz band and 2 blocks in the 2600 MHz (FDD) band, valid from 2014 through 2029, for a total consideration of Euro 179.9 million, standing for the license fee. COSMOTE ROMANIA has paid an amount of Euro 52.0 million in November 2012 and this amount is included as advance payment for licenses in the movement of the telecommunication licenses for 2012. The remaining amount of Euro 127.9 million has to be paid up to June 2013.

OTE'S VOLUNTARY EXIT SCHEME

On November 7, 2012, OTE's Board of Directors approved a Voluntary Exit Scheme. It initially addressed approximately 1,600 employees close to their retirement age and targeted approximately 1,000 to 1,200 voluntary exits. On January 7, 2013, OTE announced that 1,516 employees had agreed to participate in the scheme, at a total cost of Euro 191.8 million including the associated staff retirement indemnity. As the major part of the staff retirement indemnity had already been provided for in the financial statements of previous years, the cost of the Voluntary Exit Scheme amounted to Euro 123.0 million and is recorded in the consolidated and separate income statement of 2012.

IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES

During 2012, an impairment test was carried out on OTE's participation in COSMOTE and OTE ACADEMY as there were indications that the carrying value was not recoverable. The results of the impairment test showed that the recoverable amount was below the carrying amount, therefore an impairment loss of Euro 324.6 million and Euro 1.0 million was recognized in the 2012 separate income statement.

CAPITAL REDUCTION OF SUBSIDIARY

In July 2012, OTE received from its subsidiary OTE INTERNATIONAL INVESTMENTS LTD an amount of Euro 52.0 million, arising from its share capital reduction, reducing the carrying value of its investment by the equivalent amount.

D. RISKS AND UNCERTAINTIES FOR THE NEXT YEAR

a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a 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 in respect of the relevant assets.

Defaulted payments of 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 however 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 also considered to be exposed to a high level of credit risk, in light of the macroeconomic conditions in Greece which are placing significant pressure on the domestic banks. 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 low levels by ensuring that there is sufficient cash on demand and credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and current financial assets as at December 31, 2012 amounts to Euro 1,168.3 million and Euro 394.2 million respectively and their debt amounts to Euro 4,050.8 million and Euro 2,397.5 million, respectively.

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 and the Group's and the Company's policies for managing them are described below:

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.

As of December 31, 2012, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 74%/26% (2011: 66%/34%). As of December 31, 2012, three fixed to floating interest rate swap agreements were outstanding, with total notional amount of Euro 565.0 million. The post hedging fixed to floating ratio is 60%/40%.

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 rating 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 current financial assets.

The table below shows a decrease in the gearing ratio in 2012 compared to 2011, coming form a decrease in net debt (mainly due to a decrease in borrowings) and an increase in equity (through the profit of the year):

GROUP (amounts in millions of Euro)	**December 31,**	
	2012	**2011**
Borrowings	4,050.8	4,902.0
Cash and cash equivalents	(1,161.6)	(683.4)
Other current financial assets	(6.7)	(353.5)
Net debt	2,882.5	3,865.1
Equity	2,013.8	1,757.3
Gearing ratio	**1.43x**	**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 Commission ("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.

E. CORPORATE GOVERNANCE STATEMENT

This Statement covers all of the principles and practices adopted by the Company in order to ensure its efficiency, the interests of shareholders and all other interested parties. The structure of this Statement of Corporate Governance focuses on the following topics:

A. Statement of compliance with the Code of Corporate Governance
B. Deviations from the Code of Corporate Governance and explanations
C. Corporate Governance practices beyond the requirements of the Law or the Code
D. Board of Directors and Committees that consist by members of the Board of Directors
E. General Assembly and Shareholders' rights
F. Matters of Internal Control and Risk Management Systems of the Company in relation to financial reporting process

By strengthening its procedures and structures, the Company ensures not only the compliance with the regulatory framework, but also the development of corporate culture, based on the values of entrepreneurship and ethics and on the protection of shareholders' and other parties' interests.

As a listed company on the Athens Exchange, OTE complies with the legislation in force and with the Corporate Governance Code of the Hellenic Federation of Enterprises ("SEV"), regarding corporate governance practices.

The principles and practices followed by the Company are reflected in the Articles of Incorporation[1], the Internal Regulation of Operations, the OTE Group Code of Conduct[2] and in other regulations or policies of the Company regulating its operations as described here below.

[1] http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/diafaneiapliroforisi/regulations
[2] http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/diafaneiapliroforisi/regulations

A. Statement of compliance with the Code of Corporate Governance

The Company complies with the specific practices for listed companies laid down in the regulation of SEV, which can be found on the website http://www.sev.org.gr/online/index.aspx and http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2012.pdf.

B. Deviations from the Code of Corporate Governance and explanations

More specifically, as per today, the following deviations should be mentioned from the Code of SEV:
(1) The Board of Directors does not determine whether a candidate fulfils the independence criteria before being proposed for election at the General Assembly. However, during the meeting of the General Assembly for the election of members of the Board of Directors, the independence issues as provided for by L.3016/2002 and by the Code of SEV are mentioned, in order the shareholders to have the necessary information for the submission of their proposals. Also, after the election of independent members and the acceptance of their duties to the Board of Directors and its Committees, the independent members sign a statement confirming that the impediments of article 4 of L. 3016/2002 do not exist. In accordance with the above procedure the Board of Directors has ensured that the independent members fulfill the independence criteria (Part A, paragraph 2.4 of the Code).
(2) Until the composition of the present Statement, neither the Articles of Incorporation nor the Regulation of Operations of the Board of Directors provide that the Independent Vice Chairman may request the convening of a meeting and include specific items in the agenda. Two (2) members of the Board of Directors may request the convening of a meeting as provided by the article 20 paragraph 5 of C.L. 2190/1920. Also, there is no specific procedure whereby the Independent Vice Chairman may coordinate the communication between executive and non-executive members of the Board of Directors as the Board of Directors acts and decides as a unity. Moreover, a separate meeting of non-executive members of the Board of Directors without the presence and participation of the executive members in not provided (paragraph 3.4 of the Code) as the non-executive members represent the majority of the members (9 non-executive members whereof 4 independent non-executive) and as a result the decisions are taken after discussion, taking into account all members' opinions (Part A, paragraph 4.2 of the Code).
(3) Other professional commitments of the members of the Board of Directors (including significant non-executive commitments to other companies and non-profit institutions) are not disclosed to the Company. However, according to the law and the effective "Policy against corruption and interest congruence" of OTE Group, each member must disclose in a timely manner their own interests, and any other conflict of interests with those of the Company and its affiliated companies (Part A, paragraph 4.2 of the Code).
(4) Until the composition of the present Statement there is no procedure in place providing that the appointment of an executive member of the Board of Directors as non-executive in an affiliated company, pursuant to article 42e par.5 of the C.L. 2190/1920, has to be approved by OTE's Board of Directors (Part A, paragraph 4.3 of the Code).
(5) Until the composition of the present Statement there is no Committee established for the election of candidates for members of the Board of Directors after submission of nominations. Law does not provide for the formation of this Committee. The shareholders submit the nominations either before or during the Shareholders meeting (either before the General Meeting, according to the procedure provided by the article 27 paragraph 3 sub-paragraph d of C.L. 2190/1920, or during the General Assembly as the law states) (Part A, paragraph 5.4-5.8 of the Code).
(6) The Secretary of the Board of Directors is not appointed or revoked by resolution of the Board of Directors (Part A, paragraph 6.3 of the Code).
(7) Until the composition of the present Statement there is no procedure for the evaluation of the Members of the Board of Directors and its Committees. The Company intends to comply to this special procedure after drafting the relevant process (Part A, paragraph 7 of the Code).
(8) The Company, both in the financial statements and in this declaration, proceed to the necessary disclosures, regarding the remuneration policy of the members of the Board of Directors (herein below part D para. 1.8). Also, the agreements of the Executive members of the Board as well as the conditions of their remuneration fees, are being approved by the Company's shareholders' General Assembly in accordance with articles 23A and 24 of C.L. 2190/1920, as applicable (Part C of the Code).
(9) According to the terms of the Stock Option Plan, the Basic Options (granted once to the executive members of the Board of Directors, upon their initial participation to the Plan and not granted again during the duration of the plan) are converted into Vested Rights for the Acquisition of OTE Shares as follows:

- 40% upon completion of the first year from the Grant Date,
- 30% upon completion of the second year from the Grant Date and
- the rest 30% upon completion of the third year from the Grant Date.

On the contrary, the Additional Options (granted annually) are converted into Vested Rights at 100% with the completion of the third year from the Grant Date (Part C, paragraph 1.2 of the Code).
(10) The Company's Articles of Incorporation do not provide for electronic or by mail voting at the General Assemblies. Though, the Board of Directors has the ability to establish such a procedure, according to the law. However, pursuant to article 28a par.8 of C.L. 2190/1920, a Ministerial Decision is required in order to define the specifications on ensuring the identity of the voting shareholder. This Ministerial Decision has not yet been issued (Part DII 2.2 of the Code).

For the issues referred in this Statement as deviations from the Code of Corporate Governance of SEV, there are no legal requirements or regulatory provisions set by the Hellenic Capital Market Commission, so as the necessary adjustments and measures to be done and adopted by the Company. However, the Company will proceed with the necessary adjustments of the Internal Policies and Rules in order to minimize the deviations by adopting the best practice procedures.

C. Corporate Governance practices beyond the requirements of the Law or the Code

OTE Group has adopted a Compliance Management System (CMS), regarding the compliance of all (personnel and management) with the legislation in force and with internal policies, aiming at avoiding of risks and other legal consequences for the Company and all the personnel – employees, executives and management. The CMS safeguards the Company, Company's employees', customers', suppliers' and shareholders' interests.

The key elements of the CMS are:
a) the prevention of misconduct together with the compliance with the policies, in order the Company and its employees to be protected from legal consequences due to misconduct. Additionally, the CMS contributes in reducing the reputational risks of the Company and the Group. Prevention is achieved mainly through:

- the development of compliance policies & procedures for OTE Group companies.
- employees' training aiming to inform them about the risks of corruption, fraud, misuse of personal data, manipulation of financial statements, disclose of inside business information, etc.
- the conduct of a compliance risk assessment annually, aiming at the identification and assessment of important risks and at the determination of necessary actions & measures for risks' mitigation.
- the channels that have been developed for the communication with employees, so that the latter can submit questions regarding the implementation of the policies, in case they are uncertain as to how they should handle issues that come up in their daily work.

b) the detection of compliance violations, the investigation thereat and the proposal of remedies and measures deemed necessary. In order to provide the possibility of filing a tip–off regarding violations of policies, regulations and of the legislation in force, the Company has established the Whistleblowing Policy and the relevant communication channels.

In the framework of the CMS, specific policies/codes have been adopted Group-wide describing the principles and rules that apply to the Group and specific procedures are followed. In the framework of the CMS the following policies/codes have been adopted:

- Code of conduct
- Code of ethics for senior financial officers
- Code of conduct for the protection of the individual's right to privacy in the handling of personal data within OTE Group
- Whistle blowing policy
- Fraud policy
- Policy on insider trading
- Policy on conflict of interest avoidance & combating corruption
- Policy on accepting and granting of benefits
- Policy on donations and sponsorships
- Events policy
- Policy on avoiding sexual harassment within OTE Group

In 2010 the OTE CMS has been successfully reviewed by independent external auditors, who confirmed the effectiveness of the Company's compliance procedures.

Furthermore, an OTE Compliance Committee has been established with primary mission the support, audit and assurance of the implementation of the Compliance Policies within the framework of the Compliance Management System Program. Indicatively, the Committee monitors and reviews the implementation of the CMS Program; reviews the reports and the results of the compliance procedures; supports the design of execution of compliance audits; determines the compliance programs and decides on the adoption of appropriate measures; proposes to the competent department appropriate sanctions/disciplinary actions, in case of misconduct; submits reports to the Board of Directors and the Audit Committee of OTE. Ordinary members of the Committee are the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer (Committee's Chairman), the OTE Group Chief Internal Auditor, the OTE Group Legal Counsel- Executive Chief Officer of OTE Group Legal and Regulatory Affairs, the OTE Group Chief Human Resources Officer, the Chief Regulatory Affairs Officer and the Business Safety & Continuity Director while extraordinarily other executives may participate according to the agenda items.

D. Board of Directors and the Committees that consist by members of the Board of Directors

1. Board of Directors (Role, Composition and Operation)

1.1. The Board of Directors is the top administrative body of the Company. Its aim is to safeguard the general interests of the

Company and ensure its operational efficiency.

1.2. Pursuant to the provisions of the Articles of Incorporation, as in force:
The Board of Directors consists of nine (9) up to eleven (11) members, which may be or not be shareholders of the Company and the exact number is defined by the General Assembly. The members are distinguished between executive and non-executive members; at least two of the members of the Board must be independent. The members are elected by the General Assembly, which also appoints the independent members, serving for a three (3) year term. The members can always be reelected and can be revoked any time by the General Assembly. In the event of resignation, death or any other reason of one or more than one members prior to the expiration of their term, the Board shall, with at least five (5) of the remaining members, present or represented, either elect substitute(s) for the remaining term of service of the member(s) being replaced and under the same capacity of executive, non-executive or independent members or continue the management of the business affairs and the representation of the Company without electing such substitute(s). If a member is elected from the Board of Directors in replacement of an independent member, then the elected member has to be independent as well. Any such election(s) are announced at the next General Assembly (ordinary or extraordinary), which can replace the elected members, even if such announcement has not been included in the agenda of such General Assembly.

1.3 The Ordinary General Assembly of 15/6/2012 has defined the number of the Board Directors to eleven (11).
The table below includes the members of the Board of Directors from 1/1/2012 until 31/12/2012:

Name	Capacity	Date of first appointment and most recent re-appointment	End of Term
Michael Tsamaz	Chairman and CEO, Executive member	Appointment 3/11/2010 Re-appointment 15/6/2012	2015
Dimitrios Tzouganatos	Vice-Chairman, Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	2015
Timotheus Höttges	Non Executive member	Appointment 6/12/2011 Re-appointment 15/6/2012	2015
Klaus Müller	Non Executive member	Appointment 15/11/2011 Re-appointment 15/6/2012	2015
Claudia Nemat	Non Executive member	Appointment 26/10/2011 Re-appointment 15/6/2012	2015
Eustathios Anestis	Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	2015
Nikolaos Karamouzis	Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	2015
Charalambos Mazarakis	Executive member	Appointment 19/7/2012	2015
Michael Bletsas	Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	2015
Panagiotis Tabourlos	Independent Non Executive member	Appointment 17/6/2004 Re-appointment 15/6/2012	2015
Vasileios Fourlis	Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	2015
Kevin Copp	Executive member	Appointment 6/2/2009 Re-appointment 15/6/2012	19/7/2012

As regards changes in the composition of the Board of Directors during 2012, it is noted that the member Mr. Kevin Copp submitted his resignation on 19/7/2012 and was replaced by Mr. Charalambos Mazarakis.

The CV's of the members of the Board of Directors are listed on the Company's website:
http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/BoardofDirectors/composition

1.4. According to the Company's Articles of Incorporation[3]:
The Board of Directors as part of its responsibilities:

- Convenes Ordinary or Extraordinary General Assemblies of Shareholders and proposes on their agenda.
- Prepares and approves the Company's annual financial reports and submits them to the General Assembly of Shareholders.

[3] http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/diafaneiapliroforisi/regulations

- Approves the Company's strategy and decides upon the establishment of subsidiaries or upon the Company's participation in the share capital of other companies (domestic or foreign) as well as the establishment of branches or offices (domestic or foreign).
- Is informed systematically on the course of the Company's business and the implementation of its plan with a view to protecting the Company's broader interests.
- Decides upon share capital increases through the issuance of new shares and convertible bonds, following the authorization granted by the General Assembly of Shareholders.
- Decides upon the issue of convertible or exchangeable bonds.

The Board of Directors may delegate its powers to its members, executive directors, third parties or Committees, determining the extent of that delegation for the following matters (indicated but not limited to):

- financial issues,
- matters related to subscribers, subscribers' complaints – requests,
- matters of labour law, health and safety of the Company's employees, who are employed by the Company on any kind of contractual or project basis,
- matters of personal data of the Company's personnel, on intellectual property matters in case intellectual property rights are infringed by creation of archives, saving, processing, transmitting or distribution of works of intellectual property without the permission of the creators through IT systems owned or used by the Company,
- matters related to compliance with personal data legislation and privacy of communications,
- matters related to compliance with market police orders regarding the products and/or services of the Company,
- matters regarding the products and/or services of the Company and/or third parties provided through the Company's network,
- matters regarding compliance with fire brigade legislation or with police orders or with any administrative order concerning the operation of the Company's shops and infrastructure, technical or not.

Finally, the Articles of Incorporation provide for special matters, which cannot be further delegated as the decisions on these matters should necessarily be taken by the Board of Directors, with the required majority and quorum.

The Chairman sets the agenda of the meetings, chairs the meetings of the Board and coordinates its works.

The Board of Directors shall meet whenever deemed necessary or upon request to the Chairman by at least two (2) members. Without prejudice to the relevant articles of the Articles of Incorporation on specific quorums and majorities on special matters, the Board of Directors is in quorum and convenes validly when half-plus-one of its members are present; nevertheless, the number of members present should not be less than three (3). Resolutions are reached by simple majority, unless otherwise provided by C.L. 2190/1920 as currently in force, or by the Company's Articles of Incorporation.

1.5. The Regulation of Operations of the Board of Directors, which has been approved by the Board of Directors, regulates the details of the procedure followed on convening, meeting and deciding. It also refers to the powers of the Chairman and the Vice-Chairman of the Board of Directors.

Concisely, according to the above Regulation, the Chairman is elected by the members and may also hold the position of the CEO. Today, Mr Michael Tsamaz holds the positions of Chairman of the Board of Directors and CEO. The Vice-Chairman, Mr. Dimitrios Tzouganatos is an independent non-executive member of the Board of Directors.

1.6. During 2012 the Board of Directors met 25 times. In principle, the Board of Directors meets at least once a month. The presences of each member of the Board of Directors during 2012 are described in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Michael Tsamaz	25	25	-
Dimitrios Tzouganatos	25	22	3
Timotheus Höttges	25*	14	8
Klaus Müller	25*	22	-
Claudia Nemat	25*	18	4
Eustathios Anestis	25	25	-
Nikolaos Karamouzis	25	14	11
Charalambos Mazarakis	12	12	-
Michael Bletsas	25	25	-
Panagiotis Tabourlos	25	23	2
Vasileios Fourlis	25	21	4
Kevin Copp	13	13	-

* It should be clarified that the members of the Board of Directors Messrs. Timotheus Höttges, Klaus Müller and Mrs. Claudia Nemat were not invited and did not participate – by their consent and for the purpose of avoiding a conflict of interest due to their business relationship with Deutsche Telekom – in 3 out of the 25 meetings that were held during 2012, because of the issue which was discussed in these 3 meetings.

1.7. In accordance with the business practice, the members of the Board of Directors are briefed on issues related to the Company, during the meetings of the Board of Directors or the discussion of the items of the agenda, as well as whenever there is a need for an update through communication between the Chairman and the members (by relevant information memos).

1.8. Board of Directors compensation policy
Pursuant to the Articles of Incorporation, the terms and conditions under which the members of the Board of Directors receive remuneration, compensation and benefits are proposed by the Board of Directors and approved by the General Assembly.

In case the members of the Board of Directors are employed with the Company, they receive the compensation provided under their employment contract and are not eligible to the compensation paid to the other members of the Board of Directors.

For the fiscal year 2012, the Ordinary General Assembly of Shareholders of OTE held on June 15, 2012 has determined the Board of Directors members' remuneration for their participation in the meetings of the Board of Directors in the amount of Euro 2,000 "net" per month, regardless of the number of meetings.

Moreover, by resolution of the General Assembly of the Shareholders of the Company, the Company covers the travel/ sojourn expenses of the members of the Board of Directors for their attendance at the meetings of the Board and its Committees, from and to the country of their permanent residence, provided that are not covered by their employers, as follows:

- In the event of air transportation, OTE will assume the fare of "business class" ticket, for flights with duration of more than four hours and the fare of "economy class" ticket for flights with duration of less than four hours.
- OTE will assume the sojourn expenses, at the place where the meetings will be held, for up to two overnight stays per transfer.

1.9. In the OTE Group Code of Conduct as approved by the Board of Directors (article 9) and in the Group Policy on Conflict of Interest and Fraud Detection, special references are made and specific examples are provided on the issue of Conflict of Interest of the members of the Board of Directors (and the employees of the Company). The abovementioned Policies provide that the Board members (including employees of the Company), must refrain from any act which may give rise to a conflict of their personal interests- or members of their families -with those of OTE or its affiliated companies. Specifically:

- Employees and members of the Board of Directors are not allowed to maintain, directly or indirectly, any material economic interest (as the latter is defined each time in the Internal Operations Regulations) in vendors, customers, competitors or other undertakings, if such interest may influence their business decisions.
- Employees and members of the Board of Directors cannot accept or allow a member of their family to accept money, gifts, loans, entertainment services or favorable treatment from anyone maintaining business relations with OTE or being an OTE competitor, except if these benefits are considered to be tacitly approved and permitted by the provisions of the Policy on accepting and offering of benefits.

In conjunction with the above-mentioned, the Company's Internal Regulation of Operations provides for a procedure on the monitoring of economic activities and financial transactions of the members of the Board of Directors and the persons carrying out managerial duties with significant customers or suppliers of the Company, as well as the financial transactions concerning shares issued by OTE, derivatives or other financial instruments linked to them.

In addition, there are relevant provisions in the policies that have been prescribed in the Compliance Management System of OTE Group, such as the Policy on acceptance and offering of benefits of OTE Group and the Policy on abuse of inside information of OTE Group and interest congruence.

2. Board of Directors' Committees – Composition – Responsibilities - Compensation

Two Committees have been formed and operate in the Company the members of which are members of the Board of Directors. These are the Audit Committee and the Compensation and Human Resources Committee. In particular:

2.1. The Audit Committee consists of three independent non-executive members of the Board of Directors, nominated by the General Assembly of Shareholders according to article 37 of Law 3693/2008.

The Audit Committee during 2012 consisted of the following members:

- Mr Panagiotis Tabourlos (Chairman –Financial Expert).
- Mr Dimitrios Tzouganatos (Member).
- Mr Vasileios Fourlis (Member).

For the fiscal year 2012, by resolution of the Ordinary General Assembly of OTE Shareholders held on June 15, 2012, the compensation of the Chairman and the members of the Audit Committee, for their participation in its meetings was determined as follows:
(a) Chairman: Euro 1.200 "net" per meeting in which he participates.
(b) Members: Euro 960"net" per meeting in which they participate.
According to the Regulation of its Operation[4], the Audit Committee holds at least four (4) meetings every year. During 2012, it held twelve (12) meetings.

The presences of the Chairman and the members of the Audit Committee in its meetings during 2012 are described in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Panagiotis Tabourlos	12	12	-
Dimitrios Tzouganatos	12	11	1
Vasileios Fourlis	12	12	-

The framework for the operation of the Audit Committee is described in the Regulation of Operation of the Audit Committee, as approved by the Board of Directors.

Concisely, the objective of the Audit Committee is to support the Company's Board of Directors in the exercise of the latter's supervisory authority and the fulfillment of the latter's obligations towards shareholders, the investment community and third parties, especially with regards to the financial reporting process.

In 2012, the Audit Committee dealt with all issues provided in its Regulation including, among others:

- The approval and monitoring of the Company's Internal Audit activities.
- The assessment of the accuracy and consistency of Financial Statements.
- The assurance of the Certified Auditors' independence, in relation to the services provided by the latter to the companies of OTE group.
- The expression of opinion on the appointment of certified auditors.
- The review and assessment of the completeness, accuracy and precision of the Quarterly Consolidated Compliance Report submitted to its members by the OTE Group Chief Compliance, ERM & Insurance Officer. The report includes, among others, information on the handling and results of complaints and allegations.

Moreover, the Audit Committee during 2012 dealt with the review of the quarterly Compliance Reports and the assessment of Internal Control System (ICS) results.

The Audit Committee has a frequent communication with the Internal Audit during the course of its operations. In this context, the OTE Group General Director of Internal Audit is invited and participates in most of the meetings of the Audit Committee. The external auditors are also invited and participate, when the semi-annual and annual financial statements of the Company are reviewed.

2.2. Compensation and Human Resources Committee, which is appointed by the Company's Board of Directors and consists of a minimum three members of the Board of Directors, at least two of them being non-executive.

The Committee during 2012 consisted of the following members:
Until July 2012, the members are Messers Nikolaos Karamouzis (Chairman), Kevin Copp and Mrs Claudia Nemat. Since July 2012, following the resignation of Mr Kevin Copp, its members have been: Messers Nikolaos Karamouzis (Chairman), Charalambos Mazarakis and Mrs Claudia Nemat.

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[4] http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/diafaneiapliroforisi/regulations

For the fiscal year 2012, by resolution of the Ordinary General Assembly of OTE Shareholders held on June 15, 2012, the compensation of the Chairman and the members of the Compensation and Human Resources Committee, for their participation in its meetings was determined on the amount of Euro 480 "net" per meeting in which they participate.

According to the Regulation of its Operation, the Compensation and Human Resources Committee holds at least two (2) meetings every year. During 2012 the Committee held two meetings.

Both meetings in 2012 were held under the composition of the Committee in which Mr. Kevin Copp participated, until July 2012, whereas no meeting was held under its present composition, in which Mr. Charalambos Mazarakis participates.

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Nikolaos Karamouzis	2	2	-
Kevin Copp	2	2	-
Claudia Nemat	2	2	-
Charalambos Mazarakis	-	-	-

The framework for the operation of the Committee is described in the Regulation of Operation of the Compensation and Human Resources Committee, which has been approved by the Board of Directors.
Concisely, the objective of the Committee is to:

- Set the principles of the Company's human resources policy, that will guide the decisions and actions of the management.
- Define the Company's compensation and remuneration policy.
- Approve the schemes and plans concerning compensation, benefits, stock options and bonuses.
- Propose to the Board of Directors the compensation and benefits of the Managing Director.
- Study and process issues related to the Company's human resources.
- Set the principles of Corporate Social Responsibility.

In 2012, the Committee, within the framework of its responsibilities, dealt with the following issues:

- Implementation of the Independent Services Agreement of the Chief Executive Officer of OTE.
- Specification of (i) the specific targets for the years 2012 & 2013 of the Long Term Incentive Plan (LTI) for Chief Executive Officer of OTE, for the 3-year period 2011-2013, and (ii) the specific targets for the years 2012, 2013 and 2014 of the Long Term Incentive Plan (LTI) for the Chief Executive Officer of OTE, for the 3-year period 2012 -2014.

E. General Assembly and Shareholders' Rights

1. General Assembly - Operation and Powers

According to article 15 of the Company's Articles of Incorporation, the General Assembly of Shareholders is the foremost body of the Company and has the right to resolve upon all matters concerning the Company unless otherwise specified in these Articles of Incorporation. Every shareholder of fully paid in shares having the right to vote may participate in the General Assembly of Shareholders according to the number of shares held. The resolutions of the General Assembly also bind those shareholders who are absent or disagree.

The General Assembly of Shareholders is convened by the Board of Directors pursuant to the provisions of the Law and meets mandatorily at the registered office of the Company, or the region of another municipality within the prefecture of the Company's registered office, or another municipality neighboring the Company's registered office or in the region of the municipality where the Stock Exchange is located, at least once every financial year and within six (6) months from the end of the financial year. The Board of Directors may convoke the General Assembly of Shareholders in an extraordinary meeting, if deemed expedient.

The notification of the ordinary or extraordinary General Assembly of Shareholders and of every repeated General Assembly must specify the venue, the date and the time of the meeting, the items of the agenda, the shareholders that have right to participate, as well as precise instructions on how the shareholders will be able to participate in the meeting and exercise their rights. The Board of Directors decides on the items of the agenda and on the convocation of the General Assembly of Shareholders in the same meeting. The notification is posted at a visible position at the Company's registered office and is published pursuant to the provisions in force.

The General Assembly is in quorum and convenes validly on the issues of the agenda when at least twenty (20) percent of its paid-in share capital is represented. In the event that such quorum is not reached during the first convocation a new repeated assembly is held within twenty (20) days. The repeated assembly is in quorum and convenes validly with the same agenda items, irrespectively of the percentage of the paid in share capital represented. The resolutions of the General Assembly are adopted upon an absolute majority of the votes represented at the assembly.

Exceptionally, according to article 20 of the Articles of Incorporation, the General Assembly is in quorum and convenes validly only if two thirds (2/3) of the paid-in share capital are represented, with respect to the following matters:

(a) Merger or dissolution of the Company.

(b) Increase or decrease of the share capital, with the exception of cases which are governed by different provisions under the law or the present Articles of Incorporation.

(c) Issuance of bond loans convertible to shares.

(d) Amendment of the manner of distribution of profits.

(e) Increase of the liability of shareholders.

(f) Limitation or cancellation of the preemption rights of existing shareholders in the event of increases of share capital in cash or contributions in kind.

(g) Amendment of the special majority of the Board of Directors provided in Article 6 paragraph 1 of the Articles of Incorporation.

(h) Amendment of Article 20.

In the event that the quorum of the preceding paragraph is not achieved during the first assembly, the first repeated assembly is held, within twenty (20) days of this assembly, which is in quorum and convenes validly when at least one half (1/2) of the paid in share capital is represented. In the event that this second quorum is not achieved, the General Assembly convenes once again within twenty days after the first repeated assembly, and is in quorum and convenes validly when at least one fifth (1/5) of the paid in share capital is represented. The resolutions on the above issues are adopted upon a majority of two thirds (2/3) of the votes represented at the assembly.

2. Participation of the Shareholders

2.1. Any natural person or legal entity, recognized as a shareholder according to the registry of the Dematerialized Securities System (managed by the Hellenic Exchanges S.A.) in which the shares of the Company are recorded, is entitled to participate in the General Assembly provided that must qualify as a shareholder on the Record Date, i.e. at the beginning of the fifth day before the date of the General Assembly.

Proof of qualification as a shareholder either via a relevant written certification of the above organization or, alternatively, through the direct electronic link of the Company with the records of the Hellenic Exchanges S.A. must be submitted to the Company at the latest, the third day before the date of the General Assembly.
In case of a Repeated General Assembly, the deadlines are provided by law.

Only those who qualify as shareholders on the aforementioned Record Date are entitled to participate and vote in the General Assembly. Shareholders who are not in compliance with the provisions of article 28a of C.L. 2190/1920 may participate in the General Assembly only after the Assembly's approval.

The exercise of the above rights does not require blocking of shares or any other similar processes that would restrict the possibility of sale and transfer of shares during the period between the Record Date and the General Assembly.

The information of article 27 paragraph 3 of C.L. 2190/1920 including the invitation, the forms of appointment and revocation of a proxy holder, the procedure of voting by proxy, the draft resolutions for the agenda items, as well as further information regarding the exercise of minority rights of article 39, paragraphs 2, 2a, 4 and 5 of C.L. 2190/1920 are available before every General Assembly in electronic form on the Company's website, as provided by law.

In line with article 27 paragraph 3, cases c, d, e of C.L. 2190/1920, all the documents, related to the exercise of voting rights, will also be available in hard copy at the Company's competent department.

2.2. Shareholders may participate in the General Assembly and may either vote in person or by proxy holders. Each shareholder may appoint up to 3 proxy holders. Legal entities may participate in the General Assembly by appointing up to 3 natural persons as proxy holders. However, if a shareholder has shares of the Company held in more than one securities account, the above limitation shall not prevent the shareholder from appointing a separate proxy holder as regards shares held in each securities account. A proxy holder, acting on behalf of several shareholders may cast votes differently in respect of shares held by each shareholder so represented.

The appointment and the revocation of the appointment of a proxy holder shall be made in writing and shall be notified to the Company following the same procedure, at least 3 days before the date of the General Assembly. The forms for the appointment and revocation of a proxy holder are available on the Company's website. The appointment form of a proxy holder, completed and signed by the shareholder must be submitted to the Company at least 3 days before the date of the General Assembly. The shareholders are requested to ensure the successful dispatch of the form and receipt thereof by the Company.

In case a shareholder appoints a bank as a proxy holder for the exercise of his voting rights in the General Assembly, the above-mentioned procedure shall be followed.

The proxy holder is obliged to disclose to the Company, before the commencement of the General Assembly, any fact which might be useful to the shareholders in assessing whether the proxy holder might pursue any interest other than the interest of the represented shareholder. A conflict of interest within this context may in particular arise where the proxy holder:
a. Is a controlling shareholder of the Company, or is another entity controlled by such shareholder;
b. Is a member of the Board of Directors or the management of the Company, or of a controlling shareholder or an entity controlled by such shareholder;
c. Is an employee or an auditor of the company, or of a controlling shareholder or an entity controlled by such shareholder;
d. Is a spouse or close relative (of 1st degree) with a natural person referred to in points (a) to (c).

The Company does not provide for shareholders' participation and voting in the General Assembly via electronic or long-distance means, however article 18 par3 of the company's Articles of Incorporation provides that the Board of Directors may decide upon a procedure for remote voting during the shareholders' General Assembly.

3. Minority Shareholders' Rights

Following a request by the shareholders, representing the one twentieth (1/20) of the paid-up share capital, the Board of Directors must convoke an extraordinary General Shareholders Assembly, setting the date of the meeting which must not be later than forty five (45) days from the date or service of the request to the Chairman of the Board of Directors. The request includes the subject of the agenda. If the General Assembly is not convoked by the Board of Directors within twenty (20) days from the service of the relevant request, the convocation is made by the requesting shareholders at the expense of the company by decision of the Single-Member Court of First Instance of the company's seat, issued following the procedure of interim measures. This decision sets the date and place of the meeting as well as the agenda.

Shareholders representing 1/20 of the paid-in share capital may request from the Board of Directors of the Company to include in the agenda of the General Assembly already held, additional items, provided that the relevant request is communicated to the Board of Directors at least 15 days before the General Assembly. The request for an additional item on the agenda must be accompanied by a justification or a draft resolution to be adopted in the General Assembly. The revised agenda is made available in the same manner as the previous agenda 13 days before the General Assembly and at the same time, it is made available to the shareholders on the Company's website, together with the justification or the draft resolution that had been submitted by the shareholders.

Following a request of shareholders, representing 1/20 of the paid-in share capital, the Board of Directors makes available to the shareholders the draft resolutions for the items included in the initial or revised agenda, in accordance with article 27 paragraph 3 of C.L. 2190/1920, at least 6 days before the General Assembly, if the relevant request is communicated to the Board of Directors at least 7 days before the General Assembly.

The Board of Directors is not obliged, in the above cases, to proceed with the inclusion of subjects in the agenda or to publication or notification of the subjects along with the justification or the draft decisions submitted by the shareholders, if their content is contrary to the law and to bonos mores.

Following a request by a shareholder or shareholders representing the one twentieth (1/20) of the paid-up share capital, the chairman of the Assembly is obliged to postpone, only once, the taking of a decision by the General Assembly, ordinary or extraordinary, for all or some subjects of the agenda, setting as date on which the Assembly will continue the date set in the shareholders' request which may not be later that thirty (30) days from the date of the postponement. The General Assembly which follows a postponed one is a continuation of the previous one and the publicity formalities of the invitation of shareholders need not be repeated. New shareholders may also participate abiding to the provisions of the Law.

Following the request of any shareholder, communicated to the Company at least 5 full days before the General Assembly, the Board of Directors must provide to the General Assembly, the requested, specific information with respect to matters of the Company, to the extend this information is useful for the actual assessment of the items on the agenda. The Board of Directors may refuse to provide information on the grounds of a substantial cause, which must be mentioned in the minutes.

The Board of Directors may provide an overall response to requests of shareholders of the same content. The obligation of providing information does not exist if the relevant information is already available on the Company's website, especially in a question and answer format.

Following a request by the shareholders representing the one twentieth (1/20) of the paid-up share capital, the Board of Directors must announce to the General Assembly, provided that it is ordinary, the amounts which during the last two years were paid to each member of the Board of Directors or the managers of the Company, as well as any benefit to these persons for any reason or any contract between them and the company. In the above cases, the Board of Directors may decline to provide such information on reasonable grounds exists which must be mentioned in the minutes.

Following a request of shareholders representing 1/5 of the paid-up share capital which is communicated to the Company 5 complete days before the General Assembly, the Board of Directors must provide to the General Assembly information with respect to the course of the Company affairs and the financial condition of the Company. The Board of Directors may refuse to provide this information on reasonable grounds which must be mentioned in the minutes.

Following a request by shareholders representing the one twentieth (1/20) of the paid-up share capital, the decision on any subject of the agenda of the General Assembly is taken by roll-call vote.

In the aforementioned cases, the shareholders, who are communicating a request, must provide proof of their qualification as shareholders as well as the number of shares held by them at the moment of the exercise of the relevant right. The presentation of a certification of the Hellenic Exchanges S.A or the verification of a shareholder's qualification through the direct electronic link of the Hellenic Exchanges S.A and the Company, may be recognized as such proofs.

4. Decisions of the General Assembly (Regular and extraordinary) of the shareholders of OTE S.A. for important issues, which have been taken during 2012:

By resolution of the Extraordinary General Assembly of the shareholders of the company, held on December 20, 2012 the article 2 (Object) of the Articles of Incorporation has been amended.

More specifically the amendment of item (j) of paragraph 1 of the said article, in order the Company to be able to provide advertising services, which constitutes audiovisual media service and according to the law in effect consists of television advertising, sponsorship, teleshopping, product placement, radio service and the provision of any service related to these activities. Moreover a new item (l) in the same paragraph of the said article was added, in order the Company to be able to provide consulting services or any other services with respect to their operation, to any affiliated companies of the Company, within the meaning of Article 42e § 5 of C.L. 2190/1920, operating in Greece or abroad.

F. Issues related to the internal control and risk management systems of the Company in relation to financial reporting process

OTE Group applies specific controls over financial reporting which aim to prevent or detect timely any potential material errors so as to ensure the appropriateness of financial statements, as well as the effectiveness and efficiency of operational requirements and adherence to rules, regulations and applicable laws. Based on both quantitative and qualitative materiality levels, the consolidated legal entities and processes also included in its scope. The processes are documented, the responsibilities and relevant policies are identified and controls are designed and applied on a continuous basis by the management and the personnel.

Corporate Governance best principles and practices constitute an integral part of the Internal Control System (ICS) which contributes to the effective and secure operation of the Company. Management tests and evaluates the internal controls annually and provides a written assurance of the effectiveness of the system.

The responsibility of the Internal Audit function is to provide an opinion on the ICS for every area under review that results from its Annual Audit Plan. The Annual Audit Plan approved by the Audit Committee is the result of a risk assessment methodology of potential risks as well as an evaluation of the Internal Control System.

The ICS focuses on the mitigation and avoidance of risks related to the financial reporting processes. The Internal Audit function contributes to this framework by providing assurance through the performance of specific audit activities.

The examination of ICS by the Board of Directors is supported by the Audit Committee's supervision of the Internal Audit activities.

Furthermore, there are mechanisms that support the evaluations and review of the ICS process performed by the Board of Directors. Indicatively, the principles and policies that comprise the Compliance Management System, the Compliance Function, the Compliance Committee, the Compensation and Human Resources Committee.

RISK MANAGEMENT SYSTEM

Enterprise Risk Management for the OTE Group is an ongoing process of early identification, assessment, reporting and control of risks. The main objective is to safeguard the existence and the future business success of the Group companies. Therefore, the existence of a functional Enterprise Risk Management System is a key element of corporate governance, since it supports the efforts to ensure business success in a sustainable manner.

Risk management involves the adequate depiction of business risks as a basis for optimized decisions, increasing thus the value of the Group.

The operation of the OTE Group Enterprise Risk Management System, is based on the Internal Controls System, the COSO standard, developed by the Committee of Sponsoring Organizations of the Treadway Commission, recognized by the US Securities and Exchange Commission - SEC and the ISO 31000 "Risk management - Principles and guidelines", a risk management standard with global application.

The Audit Committee is responsible for monitoring the effective operation of the Internal Controls and the Enterprise Risk Management systems. In 2013, a Corporate Governance Committee is scheduled to be formed. The Committee' s main scope will be to determine the strategic issues of corporate governance and provide support for risk management issues. Permanent members will be the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer, the OTE Group Legal Counsel- Executive Chief Officer of OTE Group Legal and Regulatory Affairs, the OTE Group Chief Internal Auditor, the OTE Group Chief Financial Officer, the OTE Group Chief Human Resources Officer, and the Business Safety & Continuity Director. If necessary, officials from other relevant organizational units will be invited.

The managers and heads of functions of the Group's units) are responsible for identifying risks and managing them in their areas of responsibility. This responsibility includes the identification, assessment and management of risks in the framework of Enterprise Risk Management system of the business unit.

The OTE Group Compliance, Enterprise Risk Management and Insurance General Directorate, is responsible for the continuous development of the early warning and risk management systems, as well as adopt standards applicable to the entire Group in order to ensure the implementation methodically and consistently. Operational & functional management is responsible for day to day risk management. The duties of the risk managers include reporting and monitoring the identified risks and complying with the methodology of risk analysis and risk assessment. The Enterprise Risk Management Division is the single point of contact for all questions regarding risk management.

The external auditors are entrusted with the duty to determine whether a risk monitoring system has been installed in accordance with the Greek and European auditing standards, and whether it is sufficient to meet the requirements that have been set. This determines whether the measures taken to identify and notify all potential risks early enough are sufficient, in order for the Management to be able to take all the appropriate measures. The external auditors also consider whether the risk management system, and the risks and opportunities arising from business developments, are accurately described in the Risk Management Report which is submitted by the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer to the Board of Directors.

The issues of article 10 paragraph 1 c), d) f of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids and in particular the significant direct and indirect shareholdings; the holders of any securities with special control rights and the description of those rights; the restrictions on voting rights, have already been described in Chapter H of the Board of Directors Report “Information pursuant to article 4.7 of L.3556/2007”.

The issues on the rules governing the appointment and replacement of board members, the amendment of the Articles of Incorporation and the powers of board members have already been described here above.

F. MATERIAL 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% 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:

	2012		2011	
(amounts in millions of Euro)	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	90.7	87.2	112.7	92.5
OTE INTERNATIONAL INVESTMENTS LTD	0.4	4.0	0.4	3.9
HELLAS-SAT	0.4	1.3	0.4	3.2
COSMO-ONE	-	0.6	-	0.6
VOICENET	2.2	2.7	3.0	3.2
HELLASCOM	-	7.9	0.1	8.4
OTE SAT – MARITEL	0.9	1.2	0.9	1.2
OTE PLUS	0.4	35.3	0.4	30.4
OTE ESTATE	0.9	54.2	2.1	61.2
OTE-GLOBE	25.4	71.2	31.3	74.5
OTE ACADEMY	0.1	5.5	0.1	4.2
ROMTELECOM	0.1	0.4	0.1	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.9	-	-
TOTAL	**121.6**	**272.4**	**151.5**	**283.5**

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

	2012		2011	
(amounts in millions of Euro)	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	22.7	24.7	24.0	18.6
TOTAL	**22.7**	**24.7**	**24.0**	**18.6**

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

	Finance expense OTE	
(amounts in millions of Euro)	2012	2011
OTE PLC	88.3	110.0
TOTAL	**88.3**	**110.0**

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

	Finance expense Group	
(amounts in millions of Euro)	2012	2011
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	2.0
TOTAL	**-**	**2.0**

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

(amounts in millions of Euro)	2012	2011
HELLAS SAT	37.3	-
OTE SAT – MARITEL	0.7	1.2
TOTAL	**38.0**	**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)	2012		2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	47.0	93.1	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.4	0.2	1.4
HELLAS-SAT	0.4	0.5	0.2	0.4
COSMO-ONE	-	0.3	-	0.2
VOICENET	0.6	0.8	0.8	1.0
HELLASCOM	0.1	2.9	0.1	4.1
OTE SAT – MARITEL	1.0	3.3	3.6	5.9
OTE PLUS	0.4	14.3	0.2	10.9
OTE ESTATE	1.0	13.5	0.9	18.2
OTE-GLOBE	28.9	59.3	57.6	81.0
OTE ACADEMY	0.5	0.6	0.4	0.7
ROMTELECOM	0.2	0.2	0.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.6	-	-
TOTAL	**80.3**	**190.8**	**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)	2012		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)	12.9	48.2	5.9	25.9
TOTAL	**12.9**	**48.2**	**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	
	2012	2011
OTE PLC	1,565.1	2,162.4
TOTAL	**1,565.1**	**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 5.5 million and Euro 4.5 million for the years 2012 and 2011, respectively.

As of December 31, 2012, 2,814,651 options under OTE's share based payment plan have been granted to the Company's key management personnel.

G. SIGNIFICANT EVENTS AFTER THE YEAR END

The most significant events after December 31, 2012 are as follows:

DEBT REFINANCING

GROUP

Private Bond Exchange Agreement under the Global Medium-Term Note Programme

On January 16, 2013, OTE PLC concluded a private bond exchange agreement under its Global Medium Term Note Programme by which it exchanged Euro 187.0 million of the August 2013 Notes with a new issue of Euro 187.7 million Notes ("New Notes") maturing in February 2015. The repurchased Euro 187.0 million August 2013 notes have been cancelled. The New Notes were consolidated with the existing Euro 600.0 million Notes issued in February 2008 and maturing in February 2015, which have a current coupon of 7.25%.

Euro 700.0 million notes under the Global Medium-Term Note Programme

On February 7, 2013, OTE PLC issued new Euro 700.0 million, due February 7, 2018 Fixed Rate Notes under its Global Medium-Term Note Programme with an annual coupon of 7.875%, paid semi-annually.

The new notes contain a change of control clause which is triggered if an entity (other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise.

In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who may request (within 45 days) the repayment of the notes.

Tender Offer by OTE PLC under the Global Medium-Term Note Programme

On January 29, 2013, OTE PLC announced an invitation to holders of its initial nominal Euro 1,250.0 million August 2013 notes (the August 2013 Notes) and its outstanding Euro 500.0 million April 2014 (the 2014 Notes) to tender their Notes for purchase by OTE PLC for cash.

On February 8, 2013, OTE PLC announced the results of the Tender Offer. Consequently, on February 11, 2013, OTE PLC repurchased nominal amount of Euro 106.2 million August 2013 Notes and nominal amount of Euro 92.5 million April 2014 Notes. The tendered notes were surrendered for cancellation. As a result, the outstanding principal amount of August 2013 Notes and April 2014 Notes is Euro 713.8 million and Euro 407.5 million respectively.

Euro 900.0 million Revolving Credit Facility

On February 11, 2013 OTE proceeded with the repayment of Euro 400.0 million under the Euro 900.0 million Revolving Credit Facility (Bond Loan) that OTE had signed on February 2011 with a consortium of banks. The remaining portion of nominal amount of Euro 500.0 million that matures on February 11, 2014 has been reclassified to the short-term portion of long-term borrowings. The current outstanding balance of the loan is Euro 490.1 million.

OTE

New intercompany loans between OTE PLC and OTE

On January 16, 2013, OTE signed a Euro 187.7 million intercompany loan agreement with OTE PLC maturing on February 11, 2015. The loan bears a fixed interest rate.

On January 25, 2013, OTE signed a Euro 99.5 million intercompany loan agreement with OTE PLC maturing on August 5, 2013. The loan bears a fixed interest rate.

On February 14, 2013, OTE signed a Euro 250.0 million intercompany loan agreement with OTE PLC, maturing on February 7, 2018. The loan bears a fixed interest rate.

Prepayments of intercompany loans granted from OTE PLC

On January 16, 2013, OTE proceeded with a partial prepayment of a nominal amount of Euro 187.0 million under the intercompany loan from OTE PLC maturing on August 1, 2013.

On February 15, 2013, OTE proceeded with partial prepayments of (i) a nominal amount of Euro 81.1 million under the intercompany loan from OTE PLC maturing on August 1, 2013, (ii) a nominal amount of Euro 25.1 million under the Euro 99.5 million intercompany loan maturing on August 5, 2013 and (iii) a nominal amount of Euro 92.5 million under the Euro 500 million intercompany loan maturing in April 8, 2014.

Derivatives

On February 14, 2013, OTE proceeded with a partial unwind of Euro 92.5 million under its interest rate swap agreement signed in April 2011. The unwind payment to be received by OTE was Euro 4.3 million. On February 19, 2013, OTE returned an amount of Euro 4.5 million from the outstanding collateral under the existing Credit Support Annex.

NEW TAX LAW

On January 23, 2013 the new tax law 4110/23.01.2013 was set into force. The main changes are that according to the new tax law, the corporate income tax rate of legal entities is set at 26% for fiscal year 2013 onwards and the withholding tax rate on dividends approved after January 1, 2014 is set to 10%. The estimated positive impact from the remeasurement of the deferred tax position for the Group and the Company will be approximately Euro 50 million and Euro 42 million, respectively.

SALE OF HELLAS SAT
On February 7, 2013 OTE announced the signing of an agreement to sell its 99.05% stake in Hellas Sat to Arabsat Cyprus Ltd, a 100% subsidiary of Arab Satellite Communications Organization. OTE will receive total proceeds of approximately Euro 208 million from this sale, representing 99.05% of: a) the value of Hellas Sat amounting to Euro 157 million and b) the cash held by Hellas Sat on the date of completion of the transaction, estimated at approximately Euro 53 million. In addition, OTE will receive Euro 7 million as dividends. The transaction is expected to be completed in the second quarter 2013 after all necessary procedures have been finalized and is subject to approval by the competent authorities.

LIQUIDATION OF OTE PROPERTIES
The liquidation process of OTE PROPERTIES was finalized on January 10, 2013, while its tax number was removed from the tax authorities' register on February 8, 2013.

H. INFORMATION ACCORDING TO ARTICLE 4.7 OF LAW 3556/2007

(a) Share capital structure

The Company's share capital amounts to one billion, one hundred seventy one million, four hundred fifty-nine thousand, four hundred twenty-nine Euro and seventy one cents (1,171,459,429.71) and is divided into four hundred ninety million, one hundred fifty thousand, three hundred eighty nine (490,150,389) common registered shares of a nominal value of two Euro and thirty nine cents (2.39) each.

According to the Company's share registry as of December 31, 2012 the Company's ownership was as follows:

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	192,484,633	39.27%
Private investors	52,590,558	10.73%
TOTAL	**490,150,389**	**100.00%**

All of the Company's shares are common, registered with voting rights and there are no special shareholder categories. The Company's shares are listed (dematerialized) on the Athens Exchange under the High Capitalization category. Until September 19, 2010, OTE ADRs (American Depositary Receipts) were also listed in 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 London Stock Exchange.

Each share incorporates all rights and obligations as these derive from C.L. 2190/1920 and the Company's Articles of Incorporation the provisions of which are in line with the provisions of the Law.

Any shareholder that has in their possession any number of shares has the right to participate in the General Assembly of the shareholders of the Company either in person or by proxy. The Greek State, as shareholder, is represented at the General Assembly by the Minister of Finance or by a representative.

Each share is entitled to one vote.

The allocation of the company's net profits is being executed as provided by Law and the Company's Articles of Incorporation.

The General Assembly of shareholders maintains all its rights during liquidation. Shareholder's liability is limited to the nominal value of shares that they have in their possession. Shareholders' rights are the ones determined by the provisions of C.L. 2190/1920.

(b) Restrictions in the transfer of the Company's shares

The Company's shares are intangible and freely traded on the Athens Exchange and are transferred according to the Law.

According to article 4 of Law 3016/2002, the independent non-executive members of the Board of Directors of the Company cannot possess more than 0.5% of the paid-in share capital.

According to article 13 of Law 3340/2005, management personnel and their close relatives, without having restrictions on the acquisition or transfer of the Company's shares or derivatives or other financial instruments related to them, are obliged to disclose their direct and indirect transactions in the Company's shares, exceeding the amount of Euro 5,000 on an annual basis. The obligation of such disclosures is dictated by Law and the relevant decisions of the Hellenic Capital Market Commission.

According to article 25 of Law 4070/2012, (Regulation of Electronic Telecommunications, Transports and Public Constructions and other provisions), any change in control of the Company is approved by the Hellenic Telecommunications and Post Committee ("HTPC"). The approval of HTPC with respect to the change in control is also required by Law 3959/2011 on Free Competition (in combination with article 12, par. f of the above Law 4070/2012).

According to the shareholders agreement of May 14, 2008 between the Hellenic Republic and DEUTSCHE TELEKOM AG, ratified by the Law 3676/2008, no other member of DEUTSCHE TELEKOM AG Group possesses OTE shares or voting rights.

(c) Significant direct or indirect investments

Significant ownership in the share capital of the Company as of December 31, 2012, according to Law 3556/2007 (FEK A' 91/2007), was as follows:

1. The Hellenic Republic which as shareholder holds directly 6.00% of the paid-up share capital of the Company and the respective voting rights. Moreover, based on the agreement signed on March 4, 2009 for the transfer of 4% of OTE's share capital from the Hellenic Republic to IKA-ETAM, the latter undertakes to exercise its voting rights corresponding to the above shares, in coordination with the Hellenic Republic and has to instruct individuals who will be authorized to exercise the voting rights at any General Assembly of the OTE's shareholders on its behalf in the same way the Hellenic Republic does.
2. DEUTSCHE TELEKOM AG's direct participation in OTE's paid-up share capital which stands at 40.00%, corresponding to 196,060,156 shares, with respective voting rights.

As of December 31, 2012, the Company is not aware of any other shareholder who holds, has acquired or has transferred to a third person or corporate body the ownership of 5% or more of its paid-up share capital with the respective voting rights.

(d) Owners of shares that offer special control rights

There are no issued shares of the Company that offer special control rights.

(e) Restrictions on voting rights - Deadlines in exercising relating rights

There are no restrictions on voting rights according to the Company's Articles of Incorporation. Regarding restrictions deriving indirectly from Shareholders agreements, see below under paragraph (f).

(f) Shareholder agreements for restrictions in the transfer of shares or in exercising of voting rights

On May 14, 2008, an agreement was signed between the two shareholders the Hellenic Republic and DEUTSCHE TELEKOM AG, which was ratified by the Greek Parliament by Law 3676/2008 and which provides restrictions in the transfer of shares or in the exercising of voting rights regarding the shares held by the shareholders mentioned in this agreement.

Also in the transfer agreement signed on March 4, 2009 between the Hellenic Republic and the public entity under the name "Institute for Social Security - Unified Insurance Fund for Employees" (IKA-ETAM), restrictions on transfer of shares (right of the Hellenic Republic to buy back shares of IKA-ETAM and preference in case of sale) are provided. Also the same contract provides restrictions on the exercise of voting shares held by IKA-ETAM. These limitations are imposed on the contractual parties of each agreement.

(g) Rules of appointment and replacement of members of the Board of Directors and amendment of the Company's Articles of Incorporation if they differ from the provisions of C.L.2190/1920.

The provisions of the Company's Articles of Incorporation in relation to the appointment and replacement of the Board of Directors members and the amendment of its Articles of Incorporation are not amended by the provisions of C.L. 2190/1920.

In particular according to the provision in the Articles of Incorporation the Board of Directors consists of nine (9) up to eleven (11) members, elected by the General Assembly, which also defines the number of members. The term of each Board Member is three years and their service term commences on the day of the member's election by the General Assembly and terminates on the Annual General Assembly of the year when the three years from their election are completed.
In case of resignation, death or for any reason occurs derogation of one or more members before the end of their term, the remaining members of the Board of Directors, either elect – provided that at least five (5) members are present or represented- one or more replacements, or they continue to exercise the management or the representation of the Company,

without having elected one or more replacements. If someone is elected by the General Assembly as temporary member in someone else's position, this election is announced at the next General Assembly (regular or extraordinary), which has the authorization to replace the elected members even if this issue has not been included in the agenda of this General Assembly.

By resolution of the General Assembly, the members of the Board of Directors are eleven (11).

The members of the Board of Directors may always be re-elected and can be revoked anytime by the General Assembly of Shareholders.

(h) Authority of the Board of Directors or of some of its members for the issuance of new shares/share buy backs according to article 16 of Law 2190/1920

In accordance with article 6 of the Company's Articles of Incorporation, the General Assembly of Shareholders, following its decision (subject to the disclosure procedures specified by article 7b of Law 2190/1920) can transfer to the Board of Directors the authority to decide with a majority of two thirds (2/3) of its members and within five (5) years from the date of the relevant decision for:

I. The increase of the share capital with the issuance of new shares. The amount of the increases cannot exceed the total amount of the share capital as at the date of the transfer of the relevant authority by the General Assembly to the Board of Directors.

II. The issue of bonds up to an amount not exceeding the paid-up share capital, by issuing convertible bonds.

The above authorities of the Board of Directors may be renewed by the General Assembly for a period not exceeding five (5) years for each renewal.

Exceptionally, in the event the reserves of the Company exceed one fourth (1/4) of the paid-up share capital, a resolution of the General Assembly for the increase of the share capital through the issuance of a new shares or a bond convertible into shares, will always be required.

There are no resolutions of the General Assembly of Shareholders in force for the concession of the above authorities to the Board of Directors.

Following a resolution of the General Assembly of Shareholders and pursuant to the regulations that are in force, the Company may acquire own shares corresponding to a maximum of 10% of its paid-up share capital. Such resolutions of the General Assembly are effectuated by the Board of Directors' decisions.

The General Assembly of Shareholders decided on June 23, 2011 to approve the purchase of the Company's shares, according to article 16 of C.L. 2190/1920, up to one tenth (1/10) of its total paid-in share capital for a period of 24 months. The Board of Directors delegated to the Chief Executive Officer the power to implement the respective decisions of the General Assembly of buying own shares. To date no decision has been taken to effectuate the resolution.

(i) Significant Group's agreements that are in force/ amended/ terminated upon a change in control of the Company

The Group has entered into various loan agreements and bond issuance agreements in which a change of control clause of OTE is included. If the clause is activated OTE must proceed with prepayment of the loan in line with what is contractually stipulated.

The wording of the specific clause varies in each contract and specifically the text is as follows:

1) Euro 900.0 million Revolving Credit Facility (Bond Loan)

On February 9, 2011, OTE signed a Euro 900.0 million Revolving Credit Facility (Bond Loan) with a consortium of banks. The facility contains a change of control clause which is triggered if an entity (other than DEUTSCHE TELEKOM AG, DEUTSCHE TELEKOM AG together with the Hellenic Republic, or any telecommunication operator based in Greece or abroad with rating equivalent or better than DEUTSCHE TELEKOM AG' rating at that point in time) gains control of OTE.

2) Euro 500.0 million and Euro 700.0 million notes under the Global Medium-Term Note Programme

On April 8, 2011, OTE PLC issued Euro 500.0 million 7.250% notes under the Global Medium-Term Note Programme, maturing on April 8, 2014.

On February 7, 2013, OTE PLC issued new Euro 700.0 million, 5-year Fixed Rate Notes under its Global Medium-Term Note Programme with an annual coupon of 7.875%, paid semi-annually.

The Euro 500.0 million and Euro 700.0 million notes include a change of control clause applicable to OTE which is triggered if an entity (other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise. In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who can request (within 45 days) the repayment of their notes.

3) <u>Euro 600.0 million and Euro 895.0 million notes under the Global Medium-Term Note Programme:</u>

- Euro 600.0 million maturing in February 2015 (after bond exchange on January 16, 2013 amounts to Euro 787.7 million) and
- Euro 895.0 million maturing in May 2016.

The Euro 895.0 million and Euro 600.0 million notes include a change of control clause applicable to OTE which is triggered if both of the following events occur:
a) any person or persons acting in concert (other than the Hellenic Republic) at any time directly or indirectly come (s) to own or acquire (s) more than 50% of the issued ordinary share capital or of the voting rights of OTE, and
b) as a consequence of (a), the rating previously assigned to the bonds by any international rating agency is withdrawn or downgraded to BB+/Ba1 or their respective equivalents (non-investment grade), within a specific period and under specific terms and conditions.
In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who can request (within 45 days) the repayment of their notes.

OTE'S CREDIT EVALUATION

On May 24, 2012, Moody's Investors Service downgraded to B3 from B2 the corporate family rating (CFR) and probability of default rating (PDR) of OTE. Moody's has also downgraded to B3 from B2 the senior unsecured ratings on the global medium-term notes (GMTN) and global bonds issued by OTE PLC (OTE's fully and unconditionally guaranteed subsidiary).

On June 11, 2012, Moody's Investors Service downgraded to Caa1 from B3 the corporate family rating (CFR), and to Caa2 from B3 the probability of default rating (PDR) of OTE. Moody's also downgraded to Caa1 from B3 the senior unsecured ratings on the global medium-term notes (GMTN) and global bonds issued by OTE PLC (OTE's fully and unconditionally guaranteed subsidiary)

On June 7, 2012, Standard & Poor's Ratings Services lowered its long-term corporate credit rating on OTE to 'B-' from 'B'. In addition, Standard & Poor's Ratings Services affirmed the 'B' short-term corporate credit rating. At the same time, Standard & Poor's Ratings Services lowered the issue ratings on OTE's debt incurred by OTE financing vehicle OTE PLC to 'B-' from 'B'.

On February 4, 2013, Standard & Poor's Ratings Services raised its long-term corporate credit rating on OTE to 'B+' from 'B-'. In addition, Standard & Poor's Ratings Services affirmed the 'B' short-term corporate credit rating. The outlook is stable. Standard & Poor's Ratings Services assigned a 'B+' issue rating to the new Euro 700 million unsecured notes, due 2018, issued by OTE's financing vehicle OTE PLC, while at the same time raised the existing issue ratings on OTE's unsecured debt incurred by OTE PLC to 'B+' from 'B-'.

<u>(j) Compensating agreements with Board of Directors members or personnel in case of resignation/unfair dismissal or service employment termination due to a public offer</u>

The Company has not entered into any agreements with the members of the Board of Directors or its personnel to compensate these persons, in case that because of a public offer for the acquisition or concession of its shares, are forced to resign or dismissed unfairly or their services or employment are terminated.

Athens, February 27, 2013

Michael Tsamaz
Chairman and Managing Director

III. AUDITORS’ REPORT OF THE FINANCIAL STATEMENTS

[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholders of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. which comprise the separate and consolidated statement of financial position as of 31 December 2012 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. and its subsidiaries as at December 31, 2012, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of codified Law 2190/1920.

pwc

Athens, 27 February 2013
Certified Auditor - Accountant

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

Marios Psaltis
SOEL Reg. No 38081

IV. ANNUAL FINANCIAL STATEMENTS

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

ANNUAL FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF DECEMBER 31, 2012

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

(TRANSLATED FROM THE GREEK ORIGINAL)

The Annual Financial Statements presented on pages 35-96, were approved by the Board of Directors on February 27, 2013 and are signed by:

Chairman & Managing Director	Board Member & Group Chief Financial Officer	Group General Director of Financial Operations	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

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STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	2012	2011	2012	2011
ASSETS					
Non-current assets					
Property, plant and equipment	4	3,914.1	4,328.0	1,508.9	1,682.7
Goodwill	5	567.1	569.2	-	-
Telecommunication licenses	6	448.0	432.8	3.6	4.2
Other intangible assets	7	505.0	503.5	46.4	27.6
Investments	8	1.2	1.2	3,731.8	4,108.1
Loans and advances to pension funds	20	117.1	121.9	117.1	121.9
Deferred tax assets	23	257.2	246.2	141.7	140.5
Other non-current assets	9	168.8	204.5	127.5	168.2
Total non-current assets		**5,978.5**	**6,407.3**	**5,677.0**	**6,253.2**
Current assets					
Inventories	10	111.4	125.0	16.5	21.9
Trade receivables	11	825.5	928.6	409.1	495.1
Other financial assets	12	6.7	353.5	1.9	343.3
Other current assets	13	211.0	213.1	105.3	113.2
Restricted cash	14	65.1	-	-	-
Cash and cash equivalents	15	1,161.6	683.4	392.3	156.0
Total current assets		**2,381.3**	**2,303.6**	**925.1**	**1,129.5**
Assets classified as held for sale	8	-	380.0	-	380.0
TOTAL ASSETS		**8,359.8**	**9,090.9**	**6,602.1**	**7,762.7**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	16	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	16	509.6	508.0	509.6	508.0
Statutory reserve	17	347.2	347.2	347.2	347.2
Foreign exchange and other reserves	17	(165.3)	72.4	(22.2)	183.9
Changes in non-controlling interests	8	(3,321.5)	(3,321.5)	-	-
Retained earnings		3,082.3	2,605.9	771.7	934.9
Total equity attributable to owners of the Parent		**1,623.8**	**1,383.5**	**2,777.8**	**3,145.5**
Non-controlling interests		390.0	373.8	-	-
Total equity		**2,013.8**	**1,757.3**	**2,777.8**	**3,145.5**
Non-current liabilities					
Long-term borrowings	19	2,635.2	4,139.1	1,602.0	2,715.7
Provision for staff retirement indemnities	20	257.5	285.1	223.7	259.3
Provision for youth account	20	190.9	240.6	190.9	240.6
Deferred tax liabilities	23	84.1	92.8	-	-
Other non-current liabilities	21	116.0	117.7	137.9	164.6
Total non-current liabilities		**3,283.7**	**4,875.3**	**2,154.5**	**3,380.2**
Current liabilities					
Trade accounts payable		741.9	749.6	315.8	346.6
Short-term borrowings	22	1.4	2.0	128.0	-
Short-term portion of long-term borrowings	19	1,414.2	760.9	667.5	280.7
Income tax payable	23	31.6	15.8	-	-
Deferred revenue		174.9	191.3	89.1	95.9
Provision for voluntary leave scheme	20	151.4	166.2	151.4	166.2
Dividends payable	18	1.9	2.3	1.9	2.3
Other current liabilities	24	545.0	570.2	316.1	345.3
Total current liabilities		**3,062.3**	**2,458.3**	**1,669.8**	**1,237.0**
TOTAL EQUITY AND LIABILITIES		**8,359.8**	**9,090.9**	**6,602.1**	**7,762.7**

The accompanying notes on pages 43-96 form an integral part of these financial statements.

INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
Revenue					
Domestic telephony	25	1,004.9	1,159.8	760.0	876.1
International telephony	25	141.9	162.5	92.2	110.3
Mobile telephony	25	1,939.0	2,076.9	-	-
Other revenue	25	1,594.5	1,639.1	851.8	925.8
Total revenue		**4,680.3**	**5,038.3**	**1,704.0**	**1,912.2**
Other income/ (expense), net	26	**13.7**	**10.4**	**(0.8)**	**1.5**
Operating expenses					
Payroll and employee benefits		(934.3)	(1,036.4)	(527.3)	(628.4)
Provision for staff retirement indemnities	20	(22.2)	(22.2)	(19.4)	(20.1)
Provision for youth account	20	6.2	(9.9)	6.2	(9.9)
Cost of early retirement program	20	(123.0)	(69.0)	(123.0)	(27.1)
Charges from international operators		(208.4)	(196.5)	(82.3)	(89.0)
Charges from domestic operators		(290.9)	(354.0)	(118.8)	(139.9)
Depreciation, amortization and impairment	4,5,6,7	(918.7)	(1,310.2)	(308.1)	(332.1)
Cost of telecommunications equipment/ write downs		(266.3)	(324.7)	(49.4)	(61.5)
Other operating expenses	27	(1,321.2)	(1,373.2)	(412.1)	(404.6)
Total operating expenses		**(4,078.8)**	**(4,696.1)**	**(1,634.2)**	**(1,712.6)**
Operating profit before financial activities		**615.2**	**352.6**	**69.0**	**201.1**
Income and expense from financial activities					
Interest expense		(248.7)	(290.1)	(166.8)	(184.2)
Interest income		15.2	22.2	8.7	11.5
Foreign exchange differences, net		(1.4)	3.6	-	2.3
Dividend income	8	3.9	27.4	41.9	28.6
Gains/ (losses) from investments and financial assets	8,12	225.1	(0.6)	225.1	(0.3)
Impairment of investments	8	-	-	(325.6)	(431.5)
Total profit /(loss) from financial activities		**(5.9)**	**(237.5)**	**(216.7)**	**(573.6)**
Profit / (loss) before tax		**609.3**	**115.1**	**(147.7)**	**(372.5)**
Income tax expense	23	(107.7)	(128.7)	(15.5)	(40.9)
Profit /(loss) for the year		**501.6**	**(13.6)**	**(163.2)**	**(413.4)**
Attributable to:					
Owners of the parent		476.4	119.7	(163.2)	(413.4)
Non-controlling interests		25.2	(133.3)	-	-
		501.6	**(13.6)**	**(163.2)**	**(413.4)**
Basic earnings per share	28	0.9719	0.2442		
Diluted earnings per share	28	0.9719	0.2442		

STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		2012	2011	2012	2011
Profit/ (loss) for the year		**501.6**	**(13.6)**	**(163.2)**	**(413.4)**
Foreign currency translation		(36.0)	(34.1)	-	-
Actuarial gains	20,21	1.2	50.2	5.9	41.2
Deferred taxes on actuarial gains		0.3	(9.6)	(0.5)	(8.7)
Net movement in available for sale financial assets	8,9,12	(225.8)	224.6	(225.1)	225.1
Deferred taxes on net movement in available for sale financial assets		13.6	(13.6)	13.6	(13.6)
Other comprehensive income /(loss) for the year		**(246.7)**	**217.5**	**(206.1)**	**244.0**
Total comprehensive income/ (loss) for the year		**254.9**	**203.9**	**(369.3)**	**(169.4)**
Attributable to:					
Owners of the parent		238.7	339.4	(369.3)	(169.4)
Non-controlling interests		16.2	(135.5)	-	-
		254.9	**203.9**	**(369.3)**	**(169.4)**

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to equity holders of the parent								
(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total	Non-controlling Interest	Total equity
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 year	-	-	-	-	-	119.7	**119.7**	(133.3)	**(13.6)**
Other comprehensive income / (loss)	-	-	-	219.7	-	-	**219.7**	(2.2)	**217.5**
Total comprehensive income / (loss)	**-**	**-**	**-**	**219.7**	**-**	**119.7**	**339.4**	**(135.5)**	**203.9**
Dividends	-	-	-	-	-	(57.8)	**(57.8)**	(43.7)	**(101.5)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	-	4.9	**4.9**	-	**4.9**
Share-based payment	-	(2.6)	-	-	-	-	**(2.6)**	-	**(2.6)**
Balance as at December 31, 2011	**1,171.5**	**508.0**	**347.2**	**72.4**	**(3,321.5)**	**2,605.9**	**1,383.5**	**373.8**	**1,757.3**
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 / (loss) for the year	-	-	-	-	-	476.4	**476.4**	25.2	**501.6**
Other comprehensive income / (loss)	-	-	-	(237.7)	-	-	**(237.7)**	(9.0)	**(246.7)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(237.7)**	**-**	**476.4**	**238.7**	**16.2**	**254.9**
Share-based payment	-	1.6	-	-	-	-	**1.6**	-	**1.6**
Balance as at December 31, 2012	**1,171.5**	**509.6**	**347.2**	**(165.3)**	**(3,321.5)**	**3,082.3**	**1,623.8**	**390.0**	**2,013.8**

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
Loss for the year	-	-	-	-	(413.4)	**(413.4)**
Other comprehensive income	-	-	-	244.0	-	**244.0**
Total comprehensive income / (loss)	-	-	-	244.0	(413.4)	(169.4)
Dividends	-	-	-	-	(57.8)	**(57.8)**
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	4.9	**4.9**
Share-based payment	-	(2.6)	-	-	-	**(2.6)**
Balance as at December 31, 2011	1,171.5	508.0	347.2	183.9	934.9	3,145.5
Balance as at January 1, 2012	1,171.5	508.0	347.2	183.9	934.9	3,145.5
Loss for the year	-	-	-	-	(163.2)	**(163.2)**
Other comprehensive income/ (loss)	-	-	-	(206.1)	-	**(206.1)**
Total comprehensive income / (loss)	-	-	-	(206.1)	(163.2)	(369.3)
Share-based payment	-	1.6	-	-	-	**1.6**
Balance as at December 31, 2012	1,171.5	509.6	347.2	(22.2)	771.7	2,777.8

The accompanying notes on pages 43-96 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	2012	2011	2012	2011
Cash flows from operating activities					
Profit / (loss) before tax		609.3	115.1	(147.7)	(372.5)
Adjustments for:					
Depreciation, amortization and impairment		918.7	1,310.2	308.1	332.1
Share-based payment	31	1.6	(2.6)	0.3	(1.0)
Cost of early retirement program	20	123.0	69.0	123.0	27.1
Provision for staff retirement indemnities	20	22.2	22.2	19.4	20.1
Provision for youth account	20	(6.2)	9.9	(6.2)	9.9
Write down of inventories	10	7.7	20.9	-	6.3
Provision for doubtful accounts	27	117.1	135.0	21.4	24.5
Other provisions		2.7	(4.5)	2.5	(4.6)
Foreign exchange differences, net		1.4	(3.6)	-	(2.3)
Interest income		(15.2)	(22.2)	(8.7)	(11.5)
Dividend income	8	(3.9)	(27.4)	(41.9)	(28.6)
(Gains) / losses and impairments of investments	8,12	(225.1)	0.6	100.5	431.8
Release of EDEKT fund prepayment	20	-	35.2	-	35.2
Interest expense		248.7	290.1	166.8	184.2
Working capital adjustments:					
Decrease / (increase) in inventories		5.9	14.9	5.4	(0.3)
Decrease / (increase) in receivables		41.0	(86.9)	118.7	(25.1)
(Decrease) / increase in liabilities (except borrowings)		(56.7)	1.6	(77.8)	(12.5)
Plus /(Minus):					
Payment for early retirement programs and voluntary leave scheme	20	(146.4)	(113.9)	(145.9)	(74.2)
Payment of staff retirement indemnities and youth account, net of employees' contributions	20	(115.7)	(82.4)	(114.7)	(79.4)
Interest and related expenses paid		(246.7)	(284.5)	(172.3)	(174.0)
Income taxes paid		(116.5)	(188.5)	(24.5)	(20.4)
Net cash flows from operating activities		**1,166.9**	**1,208.2**	**126.4**	**264.8**
Cash flows from investing activities					
Acquisition of subsidiary net of cash acquired		-	(10.5)	-	-
Purchase of financial assets	12	(719.5)	(435.4)	(677.4)	(435.0)
Sale or maturity of financial assets	12	1,060.9	93.7	1,018.8	93.6
Repayments of loans receivable		10.3	9.8	10.3	9.8
Purchase of property plant and equipment and intangible assets		(554.3)	(716.5)	(157.7)	(181.4)
Restricted cash	14	(65.1)	-	-	-
Proceeds from disposal of subsidiaries/investments	8	380.0	-	380.0	-
Interest received		17.2	17.5	8.1	10.6
Dividends received		20.9	10.4	58.9	11.6
Return of capital invested in subsidiary	8	-	-	52.0	82.0
Net cash flows from / (used in) investing activities		**150.4**	**(1,031.0)**	**693.0**	**(408.8)**
Cash flows from financing activities					
Proceeds from loans granted and issued	19	466.3	1,743.6	439.9	1,743.6
Repayment of loans	19,22	(1,298.9)	(2,142.1)	(1,022.6)	(1,579.7)
Dividends paid to Company's owners		(0.4)	(52.9)	(0.4)	(52.9)
Dividends paid to non-controlling interests		-	(43.7)	-	-
Net cash flows from / (used in) financing activities		**(833.0)**	**(495.1)**	**(583.1)**	**111.0**
Net increase / (decrease) in cash and cash equivalents		**484.3**	**(317.9)**	**236.3**	**(33.0)**
Cash and cash equivalents, at the beginning of the year		**683.4**	**1,004.3**	**156.0**	**189.0**
Net foreign exchange differences		(6.1)	(3.0)	-	-
Cash and cash equivalents, at the end of the year	15	**1,161.6**	**683.4**	**392.3**	**156.0**

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 December 31, 2012 holds a 40.00% interest in OTE (see Note 16).

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

The Annual Consolidated and Separate Financial Statements ("financial statements") as of December 31, 2012 and for the year then ended, were approved for issuance by the Board of Directors on February 27, 2013, and are subject to the final approval of OTE's General Assembly.

The total numbers of Group and Company employees as of December 31, 2012 and 2011 were as follows:

	GROUP	COMPANY
December 31, 2012	27,330	8,750
December 31, 2011	28,474	10,569

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	2012	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%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	2012 GROUP's OWNERSHIP INTEREST	2011 GROUP's OWNERSHIP INTEREST
COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	Greece	97.00%	97.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	Albania	97.21%	97.21%
COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS")	Investment holding company	Cyprus	100.00%	100.00%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
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 (see Note 35)	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 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or 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.

The financial statements have been prepared on a going concern basis. Specifically, with respect to the Group funding and liquidity position, Notes 19 and 35 describe all the actions that the Group has undertaken up to the balance sheet date as well as subsequent to the balance sheet date and up to the date of approval of these financial statements.

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

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities included in the financial statements. On an ongoing basis, management evaluates its estimates, including those related to legal contingencies, allowance for doubtful accounts, the estimated useful life of non-financial assets, impairment of property, plant and equipment, impairment of goodwill and intangible assets, reserve for staff retirement indemnities and youth account, recognition of revenues and expenses and income taxes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details on impairment testing are disclosed in Note 5.

Provision for income taxes

The provision for income taxes in accordance with IAS 12 "Income taxes", are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Group entities are subject to income taxes in various jurisdictions and significant management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Group and the Company operate, or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on the Group's and the Company's financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made. Further details are provided in Note 23.

Deferred tax assets

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused losses can be utilized. The Group and the Company have considered future taxable income and followed ongoing feasible and prudent tax planning strategy in the assessment of the recoverability of deferred tax assets. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Further details are provided in Note 23.

Allowance for doubtful trade receivables

The Group and the Company establish an allowance for doubtful accounts sufficient to cover reasonably estimable loss for these accounts. Because of the number of accounts, it is not practical to review the collectibility of each account; therefore, at each reporting date all accounts receivable are assessed based on historical trends, statistical information, future expectations regarding suspended or cancelled customers, reactivation rates for suspended or cancelled customers and collection rates for amounts due from cancelled customers. Other domestic and international operators are examined and assessed on an individual basis. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the income statement of the reporting period. Any amount written off with respect to customer account balances is charged against the existing allowance for doubtful accounts. Additional details are provided in Note 11 and Note 33.

Post retirement and other defined benefit plans

Staff Retirement Indemnities and Youth Account obligations are calculated at the discounted present value of the future retirement benefits and benefits to children of employees deemed to have accrued at year-end, based on the assumption that employees earn Retirement and Youth Account benefits uniformly throughout the working period. Retirement and Youth Account obligations are calculated on the basis of financial and actuarial assumptions that require management to make assumptions regarding discount rates, pay increases, mortality and disability rates, retirement ages and other factors. Changes in these key assumptions can have a significant impact on the obligation and pension costs for the period. Net pension costs for the period consist of the present value of benefits earned in the year, interest costs on the benefits obligation, prior service costs and actuarial gains or losses. The Staff Retirement Indemnities and Youth Account benefit obligations are not funded. Due to the long term nature of these defined benefit plans these assumptions are subject to a significant degree of uncertainty. Further details are provided in Note 20.

Estimating the useful life of non-financial assets

The Group and the Company must estimate the useful life of property, plant and equipment and intangible assets recognized at acquisition or as a result of a business combination. These estimates are revisited at least on an annual basis taking into account new developments and market conditions.

Contingent liabilities

The Group and the Company are currently involved in various claims and legal proceedings. Periodically, the Group and the Company review the status of each significant matter and assess potential financial exposure, based in part on the advice of legal counsel. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reliably estimated, the Group and the Company recognize a liability for the estimated loss. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. With respect to the retail customers, and because of uncertainties related to these matters, provisions are based only on the most accurate information available at the reporting date. As additional information becomes available, the Group and the Company reassess the potential liability related to pending claims and litigation and may revise assessments of the probability of an unfavorable outcome and the related estimate of potential loss. Such revisions in the estimates of the potential liabilities could have a material impact on the Group's or the Company's financial position and results of operations.

Impairment of property, plant and equipment

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, changes in the future availability of financing, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions and other changes in circumstances that indicate an impairment exists. The recoverable amount is typically determined using a discounted cash flow method. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Customer activation fees

Installation and activation fees are received from new customers. These fees (and related directly attributable costs) are deferred and amortized over the expected duration of the customer relationship. If management estimates of the duration of the customer relationship are revised, significant differences may result in the timing of revenue for any period.

New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years.

Standards and Interpretations effective for the current financial year

- **IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets**. This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment does not affect the financial statements the Group.

Standards and Interpretations effective from periods beginning on or after 1 January 2013

- **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.

- **IAS 12 (Amendment) "Income Taxes"** (effective for annual periods beginning on or after 1 January 2013). The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property".

- **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. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones.

- **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.

- **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.

- **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.

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. The main provisions are as follows:

- **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. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

- **IFRS 11 "Joint Arrangements".** provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. 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. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

- **IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance".** (effective for annual periods beginning on or after January, 1 2013). 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. These amendments have not yet been endorsed by the EU.

- **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.

- **IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"** (effective for annual periods beginning on or after 1 January 2014). The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment enitity needs to make. These amendments have not yet been endorsed by the EU.

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".

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied for the preparation of the financial statements are as follows:

1. Basis of Consolidation and Investments

Subsidiaries

The consolidated financial statements are comprised of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement.

The financial statements of the subsidiaries are prepared as of the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, transactions and any intercompany profit or loss are eliminated in the consolidated financial statements. An intercompany loan to a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future, is considered to be part of the net investment in that foreign operation, and any foreign exchange gains and losses arising are recorded in other comprehensive income.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transations. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

Associates

Associates are those entities in which the Group has significant influence upon, but not control over their financial and operating strategy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in which the Group has significant influence are accounted for using the equity method of accounting. Under this method the investment is initially recognized at cost, and is adjusted to recognize the investor's share of the profit or loss after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.
Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Dividends received from associates are eliminated against the carrying value of the investment. The associate's value is adjusted for any accumulated impairment loss. When the Group's share of losses exceeds the carrying amount of the investment, the carrying value of the investment is reduced to nil and recognition of further losses is discontinued, except to the extent the Group has created obligations or has made payments on behalf of the associate.

Transactions between companies under common control

Transactions between companies under common control are excluded from the scope of IFRS 3. Therefore the Group (implementing the guidance of IAS 8 "Accounting policies, changes in accounting estimates and errors" for similar cases) accounts for such transactions using a method like "pooling of interests". Based on this principle, the Group consolidates the book values of the combined entities (without revaluation to fair values). The financial statements of the Group or the new entity after the transaction are prepared on the basis as if the new structure was in effect since the beginning of the first period which is presented in the financial statements and consequently the comparative figures are adjusted. The difference between the purchase price and the book value of the percentage of the net assets acquired is recognized directly in equity.

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost adjusted for any impairment where necessary.

2. Foreign Currency Translation

OTE's functional and presentation currency is the Euro. Transactions involving other currencies are translated into Euro at the exchange rates, ruling on the date of the transactions. At the reporting date, monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the exchange rates at that date. Gains or losses resulting from foreign currency translation are recognized in the income statement.

Non-monetary items denominated in foreign currencies that are measured at historical cost are retranslated at the exchange rate at the date of the initial transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the exchange rates at the date that the fair value was determined. The foreign currency differences arising from the change in the fair value of these items are recognized in the income statement or directly in other comprehensive income depending on the underlying item.
Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). Assets and liabilities of entities that have a functional currency different from the presentation currency, including goodwill and the fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition, are translated into Euro using exchange rates ruling at the reporting date. Revenues and expenses are translated at rates prevailing at the date of the transaction. All resulting foreign exchange differences are recognized in other comprehensive income and are recognized in the income statement on the disposal of the foreign operation.

An intercompany loan to a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future, is considered to be part of the net investment in that foreign operation, and any foreign exchange gains and losses arising are recorded in other comprehensive income.

3. Goodwill

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the consideration transferred and the fair value of the non-controlling interest in the acquiree over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

4. Telecommunication licenses

Telecommunication licenses are recognized at historical cost. These licenses have a finite useful life and are carried at cost less accumulated amortization. Amortisation is calculated using the straight-line method over their useful lives, being between 5 and 25 years.

5. Other intangible assets

Intangible assets acquired separately are recognised at historical cost, while those acquired from a business combination are recognised at fair value on the date of acquisition. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life. The useful lives of intangible assets are reviewed on an annual basis, and adjustments, where applicable, are made prospectively.

The main categories of intangible assets are:
Brand name: Recognized on acquisition of Germanos during 2006. The brand name was initially determined to have an indefinite useful life. During 2008, the useful life was reassessed and it was determined to be 15 years from the end of October.
Franchise agreements: Recognised on acquisition of Germanos. These agreements have a useful economic life of 20 years.
Software: The useful economic lives are 2 to 10 years.

6. Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost, net of subsidies received, plus interest costs incurred during periods of construction, less accumulated depreciation and any impairment in value.
Subsidies are presented as a reduction of the cost of property, plant and equipment and are recognized in the income statement over the estimated life of the assets through reduced depreciation expense.

Construction in progress is recorded as part of property, plant and equipment and depreciation on the self constructed assets commences when the asset is available for use. The cost of self-constructed assets includes the cost of materials, direct labor costs, borrowing costs capitalized and relevant general overhead costs. Investment supplies comprise of assets to be utilized in the construction of assets.

The present value of the expected retirement costs, for a relevant asset, is included in the cost of the respective asset if the recognition criteria for a provision are met and are depreciated accordingly.

Repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of assets retired or sold are removed from the corresponding accounts at the time of sale or retirement, and any gain or loss is included within "Other income/(expense), net" line in the income statement.
When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation.

Investment property consists of all property held to earn rentals or for capital appreciation and not used in the production or for administrative purposes. Investment property is measured using the cost model.

Depreciation is recognized on a straight-line basis over the estimated useful lives of property, plant and equipment, which are periodically reviewed. The estimated useful lives and the respective rates are as follows:

	Estimated Useful Life	Depreciation Rates
Buildings – building installations	20-40 years	2.5% - 5%
Telecommunication equipment and installations:		
Telephone exchange equipment	8-12 years	8.3% - 12.5%
Radio relay stations	8 years	12.5%
Subscriber connections	10 years	10%
Local and international network	8-17 years	6% - 12.5%
Other	5-10 years	10% - 20%
Transportation equipment	5-8 years	12.5% - 20%
Furniture and fixtures	3-5 years	20% - 33%

7. Non- current Assets Held for Sale

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

Immediately before the initial classification of a non-current asset (or a disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) is measured in accordance with the applicable IFRS. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognized in the income statement. Any subsequent increase in fair value is recognized, but not in excess of the cumulative impairment loss which was previously recognized.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale it is not depreciated or amortized.

8. Impairment of Non - Financial Assets (excluding goodwill)

The carrying values of the Group's or the Company's non-financial assets are tested for impairment, when there are indications that their carrying amount is not recoverable. In such cases, the recoverable amount is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In measuring value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. If an asset does not generate cash flows individually, the recoverable amount is determined for the cash generating unit to which the asset belongs. At each reporting date the Group and the Company assess whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, the Group and the Company estimate the recoverable amount of that asset and the impairment loss is reversed, increasing the carrying amount of the asset to its recoverable amount, to the extent that the recoverable amount does not exceed the carrying value of the asset that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

9. Financial Assets

Financial assets are initially measured at their fair value, which is normally the acquisition cost, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are classified as being at fair value through profit or loss, held to maturity, loans and receivables or available-for-sale as appropriate. The Group and the Company determine classification of their financial assets at initial recognition.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are recognized in the income statement within "Gains/ losses from investments and financial assets". Changes in the fair value of assets classified as available for sale are recognized in other comprehensive income.

The fair values of quoted investments are based on quoted market bid prices. For investments where there is no quoted market price, fair value is determined using valuation techniques, unless the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, where the entity is precluded from measuring these investments at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the settlement date (i.e. the date that the asset is transferred or delivered to the Group or the Company).

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group or the Company has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Group and the Company assess at each reporting date, whether a financial asset or group of financial assets is impaired as follows:

(i) Assets carried at amortised cost:
If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognized in the income statement.

(ii) Available-for-sale financial assets:
If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the income statement is transferred from other comprehensive income to the income statement. Reversals of impairment in respect of equity instruments classified as available-for-sale are not recognized in the income statement. Reversals of impairment losses on debt instruments are reversed through the income statement if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment losses were recognized in the income statement.

Derecognition of financial assets

A financial asset (or, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group or the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group or the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's or the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset or the maximum amount of consideration that the Company or the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's or the Company's continuing involvement is the amount of the transferred asset that the Group or the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's or the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

10. Derivative Financial Instruments and Hedging Instruments

Derivative financial instruments include interest rate swaps, currency swaps and other derivative instruments.

Derivatives for trading purposes

Derivatives that do not qualify for hedging are considered as derivatives for trading purposes. Initially, these derivatives are recognized at their fair value (which is essentially the transaction cost) at the commencement date. Subsequent to the initial recognition, they are measured at fair value based on quoted market prices, if available, or based on valuation techniques such as discounted cash flows. These derivatives are classified as assets or liabilities depending on their fair value, with any changes recognized in the income statement.

Hedging

For hedge accounting purposes, hedges are classified either as fair value hedges, where the exposure to changes in the fair value of a recognized asset or liability is being hedged, or as a cash flow hedge, where the exposure to variability in cash flows associated with a specifically identified risk which may be directly related to the recognized asset or liability. When hedge accounting is applied, at the inception of the hedge there is formal documentation which includes identification of the hedging instrument, the hedged item, the hedging relationship, the nature of the risk being hedged and the risk strategy.

In a fair value hedge, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement and the carrying amount of the hedged item is adjusted to fair value with respect to the risk being hedged and the fair value adjustment is recognized in the income statement within "Interest expense".

In a cash flow hedge, the portion of the gain or loss arising from the fair value movement on the hedging instrument that is determined to be effective is recognized directly in other comprehensive income and the ineffective portion is recognized in the income statement.

11. Financial Guarantee Contracts

Financial guarantee contracts issued by the Group or the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

12. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is based on the weighted average cost method, where the average is calculated as each additional delivery is received. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When there is any subsequent increase of the net realizable value of inventories that have been previously written-down, the amount of the write-down is reversed.

13. Trade Receivables and Allowance for Doubtful Accounts

Trade receivables are initially recognized at their fair value which is equal to the transaction amount. Subsequently they are measured at amortised cost, less an allowance for any probable uncollectible amounts. At each reporting date, trade receivables are either assessed individually for debtors such as other providers or collectively based on historical trends and statistical information and a provision for the probable and reasonably estimated loss for these accounts is recorded. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the income statement at each reporting period. Any customer account balances written-off are charged against the existing allowance for doubtful accounts.

14. Cash and Cash Equivalents

For purposes of the cash flow statement, time deposits are considered to be cash and cash equivalents.

Restricted cash is cash not available for immediate use. Such cash cannot be used by a company until a certain point or event in the future. In cases when restricted cash is expected to be used within one year after the balance sheet date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the balance sheet date, it is classified as a non-current asset. Restricted cash is not included in Cash and Cash Equivalents.

15. Current and Deferred Income Tax

Income tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

16. Share Capital

Ordinary shares are classified as equity. Share capital issuance costs, net of related tax, are reflected as a deduction from Share Premium.

17. Treasury Shares

Treasury shares consist of OTE's own equity shares, which are reacquired and not cancelled. Treasury shares do not reduce the number of shares issued but reduce the number of shares in circulation. Treasury shares are recognized at cost as a deduction from equity. Upon derecognition, the cost of the treasury share reduces the Share Capital and Share Premium and any difference is charged to Retained Earnings.

18. Leases

A lease that transfers substantially all of the rewards and risks incidental to ownership of the leased item is accounted for by the lessee as the acquisition of an asset and the incurrence of a liability, and by the lessor as a sale and/or provision of financing.

Accounting by lessee

Lease payments are apportioned between finance charges (interest) and a reduction of the lease liability. Finance charges are recognized directly as an expense. The asset capitalized at the commencement of a finance lease is recognized at fair value of the leased property, or if lower, the present value of the minimum lease payments. Its carrying value is subsequently reduced by the accumulated depreciation and any impairment losses. If the lease does not transfer substantially all of the rewards and risks incidental to ownership of property, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense on a straight-line basis over the period of the lease.

Accounting by lessor

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income on operating leases is recognized over the term of the lease on a straight-line basis.

19. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

20. Borrowings

All loans and borrowings are initially recognized at fair value, net of direct costs associated with the borrowing. After initial recognition, borrowings are measured at amortized cost. Gains and losses are recognized in the income statement over the period of the borrowings using the effective interest method.

21. Provisions

Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses. Contingent assets and contingent liabilities are not recognized.

22. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

23. Employee Benefits

Defined Contribution Plans

Obligations for contributions to defined contribution plans are recognized as an expense as incurred. There are no legal or constructive obligations to pay any further amounts.

Defined Benefit Plans

Obligations derived from defined benefit plans are calculated separately for each plan by estimating the amount of future benefits employees have earned in return for their service as of the reporting date. These benefits are discounted to their present value after taking any adjustments for past service cost. The discount rate is the yield of high quality European corporate bonds with maturity that approximates the term of the obligations. These obligations are calculated on the basis of financial and actuarial assumptions which are carried out by independent actuaries using the Projected Unit Credit Method. Net pension cost for the period is recognized in the income statement and consists of the present value of the accrued benefits, interest cost on the benefits obligation, prior service cost and actuarial gains or losses. For post employment plans, prior service costs are recognized on a straight-line basis over the average period until the benefits become vested. Actuarial gains or losses are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to income statement in a subsequent period. For other long term benefits, actuarial gains and losses and past service costs are recognized immediately in the income statement.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to a termination and has a detailed formal plan to terminate the employment of current employees without the possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Contributions that are related to employees, who retire under voluntary retirement programs, are recognized when employees accept the offer and the amounts can be reasonably estimated.

24. Advertising Costs

All advertising costs are expensed as incurred.

25. Research and Development Costs

Research costs are expensed as incurred. Development costs which do not fulfill the criteria for recognition as an asset are expensed as incurred.

26. Recognition of Revenues and Expenses

Fixed revenues primarily consist of connection charges, monthly network services fees, exchange network and facilities usage charges, other value added communication services fees, and sales of handsets and accessories. Revenues are recognized as follows:

Connection charges

Connection charges for the fixed network are deferred and amortized to income over the average customer retention period. Connection costs, up to the amount of deferred connection fees are recognized over the average customer retention period. No connection fees are charged for mobile services.

Monthly network service fees

Revenues related to the monthly network service fees are recognized in the month that the telecommunication service is provided.

Usage Charges and Value Added Services Fees

Call fees consist of fees based on airtime and traffic generated by the caller, the destination of the call and the service utilized. Fees are based on traffic, usage of airtime or volume of data transmitted for value added communication services. Revenues for usage charges and value added communication services are recognized in the period when the services are provided.

Revenues from outgoing calls made by OTE's subscribers to subscribers of mobile telephony operators are presented at their gross amount in the income statement as the credit and collection risk remains solely with OTE. Interconnection fees for mobile-to-mobile calls are recognized based on incoming traffic generated from other mobile operators' networks. Unbilled revenues from the billing cycle date to the end of each period are estimated based on traffic.
Revenues from the sale of prepaid airtime cards and the prepaid airtime, net of discounts allowed, included in the Group's prepaid services packages, are recognized based on usage. Such discounts represent the difference between the wholesale price of prepaid cards and boxes (consisting of handsets and prepaid airtime) to the Group's Master Dealers and the retail sale price to the ultimate customers. Unused airtime is included in "Deferred revenue" in the statement of financial position. Upon the expiration of prepaid airtime cards, any unused airtime is recognized in the income statement.

Commissions paid for each contract subscriber acquired by the master dealers as well as bonuses paid to master dealers in respect of contract subscribers who renew their annual contracts, are expensed as incurred. Airtime commissions due to the Group's master dealers for each subscriber acquired through their network are expensed as incurred.

Sales of telecommunication equipment

Revenues from the sale of handsets and accessories, net of discounts allowed, are recognized at the point-of-sale, when the significant risks and rewards of ownership have passed to the buyer.

Revenues from construction projects

Revenues from construction projects are recognized in accordance with the percentage of completion method.

Dividend income

Dividend income is recognized when the right to receive payment is established with the approval for distribution by the General Assembly of shareholders.

Interest income

Interest income is recognized as the interest accrues (using the effective interest method).

27. Earnings per Share

Basic earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during the year adjusted for the impact of share based payments.

28. Operating Segments

Operating segments are determined based on the Group's legal structure, as the Group's chief operating decision makers review financial information separately reported by the Company and each of the consolidated subsidiaries or the sub-groups included in the consolidation. The reportable segments are determined using the quantitative thresholds required by IFRS 8. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category. The accounting policies of the segments are the same with those followed for the preparation of the financial statements. Management evaluates segment performance based on (a) operating profit before depreciation, amortization, impairment and cost of early retirement program, (b) operating profit/(loss) and (c) profit/(loss) for the year.

29. Dividend distribution

Dividends declared to the shareholders are recognized as a liability in the period they are approved by the General Assembly of shareholders.

30. Share-Based Payment Transactions

Certain employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity settled transactions"). The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined at the grant date, using an appropriate pricing model, and is allocated over the period in which the conditions are fulfilled. The cost of equity settled transactions is recognized, together with a corresponding increase to equity over the vesting period.

Where the terms of an equity settled transaction awards are modified, the minimum expense recognized is the expense as if terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

31. Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year classifications. In addition certain reclassifications have been made within the Notes for comparability purposes. These reclassifications did not have any impact on the Group's or the Company's equity or income statement. Further details of the nature of these reclassifications are disclosed in Note 34.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analyzed as follows:

GROUP	LAND	BUILDINGS	TELECOM EQUIPMENT	TRANSPORTATION MEANS	FURNITURE & FIXTURES	CONSTRUCTION IN PROGRESS	INVESTMENT SUPPLIES	TOTAL
31/12/2010								
Cost	49.1	966.2	12,891.3	50.3	456.0	476.7	90.7	14,980.3
Accumulated depreciation	-	(427.2)	(9,196.4)	(34.6)	(344.3)	-	-	(10,002.5)
Net book value 31/12/2010	**49.1**	**539.0**	**3,694.9**	**15.7**	**111.7**	**476.7**	**90.7**	**4,977.8**
Additions	1.6	23.5	492.3	4.4	9.9	239.2	32.7	803.6
Disposals and transfers - cost	-	19.0	(336.2)	(7.5)	(3.2)	(340.3)	(44.1)	(712.3)
Disposals and transfers - accumulated depreciation	-	-	409.9	5.6	5.9	-	-	421.4
Exchange differences - cost	-	(4.3)	(40.6)	(0.2)	(1.2)	(0.6)	-	(46.9)
Exchange differences - accumulated depreciation	-	3.2	33.0	0.1	1.0	-	-	37.3
Depreciation charge for the year - impairment	(0.7)	(49.1)	(1,056.8)	(7.7)	(30.7)	-	(7.9)	(1,152.9)
Net book value 31/12/2011	**50.0**	**531.3**	**3,196.5**	**10.4**	**93.4**	**375.0**	**71.4**	**4,328.0**
31/12/2011								
Cost	50.0	1,004.4	13,006.8	47.0	461.5	375.0	71.4	15,016.1
Accumulated depreciation	-	(473.1)	(9,810.3)	(36.6)	(368.1)	-	-	(10,688.1)
Net book value 31/12/2011	**50.0**	**531.3**	**3,196.5**	**10.4**	**93.4**	**375.0**	**71.4**	**4,328.0**
Additions	0.1	5.4	131.5	0.3	12.0	434.6	26.8	610.7
Disposals and transfers - cost	(0.5)	51.1	91.9	(7.0)	(41.0)	(428.7)	(37.6)	(371.8)
Disposals and transfers - accumulated depreciation	-	(59.3)	162.2	6.9	42.3	1.0	-	153.1
Exchange differences - cost	(0.1)	(12.7)	(114.5)	(0.7)	(4.0)	(1.6)	(0.1)	(133.7)
Exchange differences - accumulated depreciation	-	9.7	90.5	0.7	3.4	-	-	104.3
Depreciation charge for the year - impairment	(0.3)	(41.8)	(697.4)	(4.0)	(19.9)	-	(13.1)	(776.5)
Net book value 31/12/2012	**49.2**	**483.7**	**2,860.7**	**6.6**	**86.2**	**380.3**	**47.4**	**3,914.1**
31/12/2012								
Cost	49.2	1,048.2	13,115.7	39.6	428.5	380.3	47.4	15,108.9
Accumulated depreciation	-	(564.5)	(10,255.0)	(33.0)	(342.3)	-	-	(11,194.8)
Net book value 31/12/2012	**49.2**	**483.7**	**2,860.7**	**6.6**	**86.2**	**380.3**	**47.4**	**3,914.1**

There are no restrictions on title on property, plant and equipment.
Property, plant and equipment includes investment property of Euro 89.9 as of December 31, 2012 (December 31, 2011: Euro 106.2), the fair value of which exceeds the above mentioned carrying amount.

Borrowing costs capitalized during the year ended December 31, 2012 and 2011 by the Group as part of the cost of qualifying assets amount to Euro 8.2 and Euro 10.5, respectively. The amounts were calculated based on an average rate of capitalization for the year ended December 31, 2012 and 2011 which was 7.0% and 6.2%, respectively.

For the acquisition of the assets above, the Group has received government grants in the past the unamortized amount of which at December 31, 2012 is Euro 3.5 (December 31, 2011: Euro 6.4).

COMPANY	BUILDINGS	TELECOMMUNICATION EQUIPMENT	TRANSPORTATION MEANS	FURNITURE & FIXTURES	CONSTRUCTION IN PROGRESS	INVESTMENT SUPPLIES	TOTAL
31/12/2010							
Cost	58.3	7,539.8	40.4	136.3	284.3	71.4	8,130.5
Accumulated depreciation	(15.6)	(6,106.9)	(35.9)	(131.4)	-	-	(6,289.8)
Net book value 31/12/2010	**42.7**	**1,432.9**	**4.5**	**4.9**	**284.3**	**71.4**	**1,840.7**
Additions	10.2	209.4	1.7	1.6	162.0	32.7	417.6
Disposals and transfers - cost	-	(262.3)	(1.4)	(6.2)	(224.9)	(32.0)	(526.8)
Disposals and transfers – accumulated depreciation	-	262.3	1.4	6.2	-	-	269.9
Depreciation charge for the year - impairment	(4.2)	(301.8)	(2.2)	(2.6)	-	(7.9)	(318.7)
Net book value 31/12/2011	**48.7**	**1,340.5**	**4.0**	**3.9**	**221.4**	**64.2**	**1,682.7**
31/12/2011							
Cost	68.5	7,486.9	40.7	131.7	221.4	64.2	8,013.4
Accumulated depreciation	(19.8)	(6,146.4)	(36.7)	(127.8)	-	-	(6,330.7)
Net book value 31/12/2011	**48.7**	**1,340.5**	**4.0**	**3.9**	**221.4**	**64.2**	**1,682.7**
Additions	1.0	110.7	-	3.6	141.3	25.2	281.8
Disposals and transfers - cost	-	(17.8)	(3.1)	(7.2)	(133.8)	(29.8)	(191.7)
Disposals and transfers – accumulated depreciation	-	17.8	3.1	7.2	-	-	28.1
Depreciation charge for the year - impairment	(6.9)	(267.8)	(1.6)	(2.6)	-	(13.1)	(292.0)
Net book value 31/12/2012	**42.8**	**1,183.4**	**2.4**	**4.9**	**228.9**	**46.5**	**1,508.9**
31/12/2012							
Cost	69.5	7,579.8	37.6	128.1	228.9	46.5	8,090.4
Accumulated depreciation	(26.7)	(6,396.4)	(35.2)	(123.2)	-	-	(6,581.5)
Net book value 31/12/2012	**42.8**	**1,183.4**	**2.4**	**4.9**	**228.9**	**46.5**	**1,508.9**

There are no restrictions on title on property, plant and equipment.

Borrowing costs capitalized during the year ended December 31, 2012 and 2011 by OTE as part of the cost of qualifying assets amount to Euro 8.2 and Euro 10.5, respectively. The amounts were calculated based on an average rate of capitalization for the year ended December 31, 2012 and 2011 which was 7.0% and 6.2%respectively.

For the acquisition of the assets above, OTE has received government grants in the past the unamortized amount of which at December 31, 2012 is Euro 1.5 (December 31, 2011: Euro 4.2). There are no unfulfilled conditions or contingencies attached to these grants.

5. GOODWILL

Goodwill is analyzed as follows:

GROUP	2012	2011
Carrying value January 1	**569.2**	**572.4**
Foreign exchange differences	(2.1)	(3.2)
Business combination – finalization of purchase price allocation	-	7.2
Impairment	-	(7.2)
Carrying value December 31	**567.1**	**569.2**

Goodwill relates to the mobile telecommunication business of the Group and comprises the operations in the countries set out below that have been defined as the cash generating units for which impairment testing is performed.

The movement of the goodwill and its allocation to each cash generating unit is analyzed as follows:

COUNTRY	2011	Foreign exchange differences	2012
Greece	376.6	-	376.6
Albania	55.0	(0.3)	54.7
Romania	77.3	(1.8)	75.5
Bulgaria	60.3	-	60.3
TOTAL	**569.2**	**(2.1)**	**567.1**

The recoverable amount of the above cash generating units was determined using the value in use method. The value in use was determined based on the projected cash flows derived from four year plans approved by management, with these cash flows initially projected over ten years and then to infinity.

The basic assumptions used in determining the value in use of the cash generating units are as follows:

Assumptions 2012	Greece	Romania	Bulgaria	Albania
Discount rate	10.55%	9.46%	11.00%	9.65%
Rate of increase/(decrease) of revenue	(0.80)%	2.00%	1.80%	1.00%
EBITDA margin (2013-2022)	39.3%-42.2%	28.0%-34.0%	35.7%-40.5%	39.9%-43.2%

Assumptions 2011	Greece	Romania	Bulgaria	Albania
Discount rate	11.21%	9.20%	7.41%	9.43%
Rate of increase/(decrease) of revenue	(0.29)%	2.46%	(3.42)%	0.64%
EBITDA margin (2012-2021)	36.3%-38.6%	21.2%-32.4%	31.1%-40.0%	40.6%-46.6%

For the projection of cash flows beyond a ten years period, a growth rate of 2% was assumed for all cash generating units. The main assumptions used by management in projecting cash flows as part of the annual impairment test of goodwill are the following:

- Risk-free rate: The risk free rate was determined on the basis of external figures derived from the relevant active market of each country.
- Budgeted profit margin: Budgeted operating profit and EBITDA were based on actual historical experience from the last few years adjusted to take into consideration expected variances in operating profitability.

The basic assumptions used are consistent with independent external sources of information. Based on the results of the impairment test as of December 31, 2012, no impairment losses were identified in the recorded amounts of goodwill.

Any significant changes in the assumptions used resulting from future developments in the macroeconomic situation and continued intense competition may have a negative impact in these countries.

6. TELECOMMUNICATION LICENSES

Telecommunication licenses are analyzed as follows:

GROUP	2012	2011
Net book value January 1	432.8	331.9
Additions	7.9	141.2
Advance payments for license	52.0	-
Transfers, cost	18.3	3.8
Transfers, accumulated amortization	(19.6)	(0.2)
Exchange differences, cost	(3.0)	(1.5)
Exchange differences, accumulated amortization	2.2	1.1
Amortization charge for the year	(42.5)	(43.4)
Write-offs, cost	(1.2)	(0.6)
Write-offs, accumulated amortization	1.1	0.5
Net book value December 31	**448.0**	**432.8**
<u>December 31</u>		
Cost	797.6	723.6
Accumulated amortization	(349.6)	(290.8)
Net book value	**448.0**	**432.8**

COMPANY	2012	2011
Net book value January 1	4.2	2.1
Additions	-	2.6
Amortization charge for the year	(0.6)	(0.5)
Net book value December 31	**3.6**	**4.2**
<u>December 31</u>		
Cost	8.8	8.8
Accumulated amortization	(5.2)	(4.6)
Net book value	**3.6**	**4.2**

Telecommunication licenses comprise of licenses acquired primarily from the Group's mobile and TV operations.

On December 20, 2012 COSMOTE secured additional spectrum in the 1800 MHz band in the auction conducted by HTPC for an amount of Euro 7.4.

Following the spectrum auction held by the National Authority for Management and Regulation in Communications ("ANCOM)" on September 24, 2012, COSMOTE ROMANIA won 1 block in the 800 MHz band, 2 blocks in the 900 MHz band, 5 blocks in the 1800 MHz band and 2 blocks in the 2600 MHz (FDD) band, valid from 2014 through 2029, for a total consideration of Euro 179.9, standing for the license fee. COSMOTE ROMANIA has paid an amount of Euro 52.0 in November 2012 and this amount is included as advance payment for licenses in the movement of the telecommunication licenses for 2012. The remaining amount of Euro 127.9 has to be paid up to June 2013.

7. OTHER INTANGIBLE ASSETS

The movement of other intangible assets is as follows:

GROUP	2012	2011
Net book value January 1	**503.5**	**539.6**
Additions	58.0	50.2
Disposals, cost	(1.8)	(0.5)
Disposals, accumulated amortization	1.5	1.0
Transfers, cost	96.4	19.5
Transfers accumulated amortization	(52.5)	0.4
Exchange differences, cost	(2.5)	(1.2)
Exchange differences, accumulated amortization	2.1	1.2
Amortization charge for the year	(99.7)	(106.7)
Net book value December 31	**505.0**	**503.5**
<u>December 31</u>		
Cost	1,292.0	1,141.9
Accumulated amortization	(787.0)	(638.4)
Net book value	**505.0**	**503.5**

COMPANY	2012	2011
Net book value January 1	**27.6**	**23.3**
Additions	34.3	17.2
Amortization charge for the year	(15.5)	(12.9)
Net book value December 31	**46.4**	**27.6**
<u>December 31</u>		
Cost	230.5	196.2
Accumulated amortization	(184.1)	(168.6)
Net book value	**46.4**	**27.6**

Other intangible assets in the Group's statement of financial position are comprised mainly of the identifiable assets recognized as a result of the acquisition of GERMANOS during 2006. These identifiable assets recognized relate mainly to the GERMANOS brand name, but also include franchise agreements and customer relationships. The brand name was initially determined to have an indefinite useful life. During the fourth quarter of 2008, the Group revised its estimate of the GERMANOS brand name's useful life which it determined to be 15 years from the end of October 2008, the date of the reassessment. The related amortization charged to the 2012 and 2011 consolidated income statement amounted to Euro 27.5 and Euro 27.5, respectively, and the net book value of the GERMANOS brand name as of December 31, 2012, amounted to Euro 290.6 (December 31, 2011: Euro 318.1).

The amount of the additions for the year mainly refers to software acquired by the Group and the Company.

There are no intangible assets with indefinite useful life as of December 31, 2012 and 2011.

8. INVESTMENTS – BUSINESS COMBINATIONS

Investments are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
(a) Investments in subsidiaries	-	-	3,730.6	4,106.9
(b) Other investments	1.2	1.2	1.2	1.2
TOTAL	**1.2**	**1.2**	**3,731.8**	**4,108.1**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	2012	2011
COSMOTE	100.00%	Greece	2,760.4	3,083.7
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	401.9	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	0.2	1.2
TOTAL			**3,730.6**	**4,106.9**

The movement of investments in subsidiaries is as follows:

	COMPANY	
	2012	2011
Balance at January 1	4,106.9	4,622.0
Share options granted to management of subsidiaries (see Note 31)	1.3	(1.6)
Impairment	(325.6)	(431.5)
Reduction of share capital of subsidiaries	(52.0)	(82.0)
Balance at December 31	**3,730.6**	**4,106.9**

The movement of investments during the year depicted in the table above can be summarized as follows:

SHARE OPTION PLAN

As described in Note 31, OTE has implemented a Share Option Plan 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 result (expense) for the Share Option Plan for 2012 is Euro 1.3 (2011: Euro 1.6 income) and in OTE's separate financial statements has been recorded in equity with an equal movement of the carrying value of OTE's investment in COSMOTE.

IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES

During 2012, an impairment test was carried out on OTE's participation in COSMOTE and OTE ACADEMY as there were indications that the carrying value was not recoverable. The results of the impairment test showed that the recoverable amount was below the carrying amount, therefore an impairment loss of Euro 324.6 and Euro 1.0 was recognized in the 2012 separate income statement in the line "Impairment of investments" (2011: an impairment loss of Euro 428.0 and Euro 3.5 was recognized for COSMOTE and OTE ACADEMY, respectively).

CAPITAL REDUCTION OF SUBSIDIARY

In July 2012, OTE received from its subsidiary OTE INTERNATIONAL INVESTMENTS LTD an amount of Euro 52.0, arising from its share capital reduction, reducing the carrying value of its investment by the equivalent amount.

Changes in non-controlling interests

The total difference arising from the acquisition, in years prior to the comparative year, of non-controlling interests in companies which the Group already controls and which have been recorded directly in equity are analyzed as follows:

	2012	2011
COSMOTE	3,132.2	3,132.2
GERMANOS	171.7	171.7
OTENET	12.3	12.3
HELLASCOM	(3.3)	(3.3)
HELLAS-SAT	1.2	1.2
VOICENET	1.1	1.1
AMC	6.3	6.3
TOTAL	**3,321.5**	**3,321.5**

(b) Movement in other investments is analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Balance at January 1	1.2	156.5	1.2	156.2
Fair value adjustment of TELEKOM SRBJIA through equity (see below)	-	224.9	-	224.9
Classification of investment as held for sale (see below)	-	(380.0)	-	(380.0)
Other movements through income statement	-	(0.2)	-	0.1
Balance at December 31	**1.2**	**1.2**	**1.2**	**1.2**

DIVIDEND INCOME

The dividend income is analyzed as follows:

GROUP	2012	2011
TELEKOM SRBIJA	3.9	27.4
TOTAL	**3.9**	**27.4**

COMPANY	2012	2011
HELLAS SAT	37.3	-
OTE SAT- MARITEL	0.7	1.2
TELEKOM SRBIJA	3.9	27.4
TOTAL	**41.9**	**28.6**

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 2012 in the line "Gains/(losses) 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, which was expensed in income taxes in the income statement of 2012, since there are no taxable profits for the year against which this withholding tax could be netted-off.

9. OTHER NON-CURRENT ASSETS

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Loans and advances to employees	102.3	143.3	102.2	143.2
Accrued income / Deferred expenses (long-term)	11.0	7.4	-	-
Derivative financial instruments (see Note 19)	24.5	29.3	24.5	24.3
Other	31.0	24.5	0.8	0.7
TOTAL	**168.8**	**204.5**	**127.5**	**168.2**

Loans and advances to employees are comprised mainly of loans granted to employees with service period exceeding 25 years against the accrued indemnity payable to them upon retirement. The effective interest rate on these loans is 2.09% and 1.87% for 2012 and 2011, respectively. The discount factor used in the calculation of the present value of the loans is the rate used for the actuarial valuation of staff retirement indemnities which is 2.9% for 2012 and 4.7% for 2011 (see Note 20). The decrease in the outstanding receivable from loans and advances to employees at December 31, 2012 is due to the repayment of the loans from the employees who participated to the Voluntary Exit Scheme that took place in 2012 (see note 20 for further information about this Scheme).

As of December 31, 2012, other non-current assets for the Group include Euro 5.2 of financial assets, previously classified under other financial assets (see Note 12). The fair value adjustment of these financial assets through other comprehensive income amounts to Euro (0.9).

10. INVENTORIES

Inventories are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Merchandise	81.1	86.8	10.9	16.2
Other materials	30.3	38.2	5.6	5.7
TOTAL	**111.4**	**125.0**	**16.5**	**21.9**

The write down of inventories for the Group and the Company for 2012 amounts to Euro 7.7 and nill respectively (2011: Euro 20.9 and Euro 6.3) and is recorded in the consolidated and separate income statement in the line "Cost of telecommunications equipment / write downs".

11. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Subscribers / Customers	1,525.4	1,601.5	763.1	819.2
International traffic	37.0	53.4	24.7	38.9
Due from subsidiaries (see Note 30)	-	-	80.3	110.8
Unbilled revenue	101.1	104.8	65.5	62.7
	1,663.5	**1,759.7**	**933.6**	**1,031.6**
Less:				
Allowance for doubtful accounts	(838.0)	(831.1)	(524.5)	(536.5)
TOTAL	**825.5**	**928.6**	**409.1**	**495.1**

The movement in the allowance for doubtful accounts is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Balance at January 1	(831.1)	(733.6)	(536.5)	(512.0)
Charge for the year (see Note 27)	(117.1)	(135.0)	(21.4)	(24.5)
Write-offs	60.8	23.4	33.4	-
Sale of doubtful accounts to third parties	47.4	14.2	-	-
Foreign exchange differences	2.0	(0.1)	-	-
Balance at December 31	**(838.0)**	**(831.1)**	**(524.5)**	**(536.5)**

The aging analysis of trade receivables is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Not impaired and not past due	535.2	577.9	307.9	381.3
Not impaired and past due:				
Less than 30 days	90.1	99.1	27.0	42.6
Between 31 and 180 days	103.8	122.2	49.7	54.3
More than 180 days	96.4	129.4	24.5	16.9
TOTAL	**825.5**	**928.6**	**409.1**	**495.1**

12. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Marketable securities:				
Held for trading – Bonds	3.4	3.5	-	-
Available for sale – Bonds	-	341.7	-	341.7
Available for sale – Mutual funds	3.3	2.8	1.9	1.6
Non – marketable securities:				
Available for sale – Securities	-	5.5	-	-
TOTAL	6.7	353.5	1.9	343.3

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

	GROUP		COMPANY	
	2012	2011	2012	2011
Balance at January 1	353.5	12.5	343.3	2.1
Additions of available for sale assets	719.5	435.4	677.4	435.0
Sales – maturities of available for sale assets	(1,060.9)	(93.7)	(1,018.8)	(93.6)
Transfer to other non-current assets (see Note 9)	(5.5)	-	-	-
Foreign exchange differences	(0.1)	-	-	-
Gain / (loss) through income statement	0.2	(0.4)	0.2	(0.4)
Fair value adjustments through other comprehensive income	-	(0.3)	(0.2)	0.2
Balance at December 31	6.7	353.5	1.9	343.3

13. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Loans to Auxiliary fund, short-term portion (see Note 20)	10.5	10.1	10.5	10.1
Due from OTE Leasing customers (see Note 32)	25.5	25.5	25.5	25.5
Loans and advances to employees	6.3	9.1	6.3	9.1
VAT recoverable	4.5	8.1	-	-
Income tax receivable	48.2	26.9	31.5	10.7
Other prepayments	46.1	48.8	24.3	27.6
Deferred expenses	7.3	9.1	0.4	5.1
Derivative financial instruments (see Note 19)	3.2	-	-	-
Dividends receivable	-	17.0	-	17.0
Other	59.4	58.5	6.8	8.1
TOTAL	211.0	213.1	105.3	113.2

14. RESTRICTED CASH

SPECTRUM AUCTION IN ROMANIA

On August 6, 2012, COSMOTE ROMANIA issued Letters of Guarantee in favor of National Authority for Management and Regulation in Communications (“ANCOM”) to secure the participation of COSMOTE ROMANIA to the upcoming spectrum auction in Romania (see Note 6) for the renewal of existing GSM licenses. Therefore, an amount of Euro 37.0 has been used as cash collateral and in this respect it has been reflected as restricted cash in the consolidated statement of financial position. This amount which is interest bearing, will remain blocked in COSMOTE ROMANIA’s respective bank accounts until the final payment of the spectrum value to ANCOM.

OTHER

The remaining amount of Euro 28.1 mainly relates to Letters of Guarantee that have been issued by the Group, for which an equivalent amount of cash has been restricted.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Cash in hand	2.8	3.9	0.8	1.0
Short-term bank deposits	1,158.8	679.5	391.5	155.0
TOTAL	1,161.6	683.4	392.3	156.0

16. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of December 31, 2012, 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 December 31, 2012 and 2011 amounted to Euro 509.6 and Euro 508.0, respectively, the increase (Euro 1.6) being the amount charged to the 2012 consolidated income statement under the Group's Share Option Plan (see Note 31).

The following is an analysis of the ownership of OTE's shares as of December 31, 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	192,484,633	39.27%
Private investors	52,590,558	10.73%
TOTAL	490,150,389	100.00%

17. STATUTORY RESERVE – FOREIGN EXCHANGE AND OTHER RESERVES - RETAINED EARNINGS

Under Greek Corporate Law, entities are required to transfer on an annual basis a minimum of five percent of their annual profit (after income taxes) to a statutory reserve, until such reserve equals one-third of the issued share capital. As of December 31, 2012 and 2011, this reserve amounted to Euro 347.2. This statutory reserve cannot be distributed to shareholders. Retained earnings include undistributed taxed profits as well as untaxed and specially taxed reserves which, upon distribution, will be subject to income tax.

The analysis of foreign exchange and other reserves is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Reserve for available for sale financial assets	(1.0)	224.8	-	225.1
Deferred taxes on available for sale financial assets	-	(13.6)	-	(13.6)
Foreign currency translation	(142.2)	(115.2)	-	-
Cumulative amount of actuarial losses recognized in equity	(30.9)	(32.1)	(31.1)	(37.0)
Deferred taxes on cumulative amount of actuarial losses recognized in equity	8.8	8.5	8.9	9.4
TOTAL	(165.3)	72.4	(22.2)	183.9

The movement in the reserve for available for sale financial assets is mainly due to the fair value gain of the investment in TELEKOM SRBIJA of Euro 224.9, which was reversed from the other reserves, as it was recorded in the income statement upon the completion of the sale (see Note 8).

18. DIVIDENDS

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

The amount of dividends payable as of December 31, 2012, amounted to Euro 1.9 (December 31, 2011: Euro 2.3).

19. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	2012	2011
(a) Syndicated loans	1,039.4	1,651.1
(b) Global Medium-Term Note Program	3,010.0	3,244.9
(c) Other bank loans	-	4.0
Total long-term debt	**4,049.4**	**4,900.0**
Short-term portion	(1,414.2)	(760.9)
Long-term portion	**2,635.2**	**4,139.1**

(a) Syndicated Loans

Euro 850.0 Syndicated facility

On September 2, 2005, OTE PLC signed a Euro 850.0 Syndicated Credit Facility with banks, guaranteed by OTE. The facility had a five year term with an extension option of 1+1 year subject to lenders' consent.

Following OTE PLC's exercise of the extension option and following the consent of most of the banks, the maturity of the loan was adjusted as follows:

a) Euro 25.8 (Term Loan) and Euro 18.0 (Revolving Credit Facility) on September 2, 2010
b) Euro 29.0 (Term Loan) and Euro 20.3 (Revolving Credit Facility) on September 2, 2011 and
c) Euro 445.2 (Term Loan) and Euro 311.7 (Revolving Credit Facility) on September 2, 2012.

On July 30, 2012, OTE PLC proceeded with the prepayment of the remaining outstanding amount of Euro 311.7 under the Revolving Credit Facility maturing in September 2012.

On July 31, 2012 OTE PLC proceeded with the prepayment of the remaining outstanding amount of Euro 445.2 under the Term Loan maturing in September 2012.

The Euro 850.0 Syndicated Facility matured on September 3, 2012.

Euro 900.0 Revolving Credit Facility (Bond Loan)

On February 9, 2011, OTE signed a Euro 900.0 Revolving Credit Facility (Bond Loan) with a consortium of banks. On February 10, 2011, OTE drew Euro 600.0 and on July 13, 2011, OTE drew the remaining Euro 300.0 that was available under the Euro 900.0 Revolving Credit Facility.

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.

The Facility had a maturity on February 11, 2013 with a 1-year extension option at the discretion of the banks. On November 26, 2012, OTE exercised the extension option and banks whose commitment total Euro 500.0 (nominal value) have consented to the extension. As a result, Euro 500.0 (nominal value) have been extended for 1 year and now mature on February 11, 2014. The Facility bears floating interest rate and any undrawn amounts bear a commitment fee.

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

The Facility also includes two financial covenants, namely:

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

The above covenants are reviewed for compliance with the annual and semi-annual OTE Group financial statements. The covenants are complied for the current financial year.

As of December 31, 2012 the outstanding balance of this syndicated loan is Euro 889.5. The portion of this facility that matures within twelve months from the financial position date amounts to Euro 399.4 and has been reclassified to the short-term portion of long-term borrowings. The long term portion of the facility is Euro 490.1.

Bank fees and related expenses were recognized against the loan and are being amortized over its two year initial tenor, while bank fees and related expenses concerning the extension of the Euro 500.0 were recognized against the loan and are being amortized over the period from November 26, 2012 to February 11, 2014.

Euro 153.0 syndicated loan

On December 20, 2012, COSMOTE's subsidiary GLOBUL signed a Euro 153.0 syndicated loan with a consortium of banks. The loan has a tenor of 4 years and bears floating interest rate. Bank fees and related expenses were recognised against the loan and are amortized over its tenor. As of December 31, 2012 the outstanding balance of the syndicated loan is Euro 149.9. The long term portion of the loan is Euro 142.4.

The loan also includes two financial covenants: (i) the ratio of GLOBUL Net Borrowings to GLOBUL EBITDA should not exceed 2.5:1 in 2012, and 2013 and 2.0:1 after 2014 and (ii) the ratio of Globul EBITDA to Globul Net Interest Payable should exceed 4.5:1 in 2012 and 2013, and 5.0:1 after 2014. The above covenants are tested by reference to the annual and semi-annual GLOBUL financial statements, beginning with the financial period ended on December 31, 2012.

(b) Global Medium Term-Note Programme

OTE PLC has a Global Medium-Term Note Programme guaranteed by OTE.

As of December 31, 2012, the amount of the outstanding notes under the Global Medium-Term Note Programme is Euro 3,010.0 and is analyzed as follows:

- Euro 1,250.0 notes (initial nominal value) at a fixed rate of 5.0%, issued in August 2003, maturing on August 5, 2013. As of December 31, 2012 the outstanding balance is Euro 1,007.3 including a hedge adjustment of Euro 1.1 (2011: Euro 1,243.8 and Euro 3.4 respectively).
- Euro 500.0 notes (initial nominal value) at a fixed rate of 7.25%, issued in April 2011, maturing on April 8, 2014. As of December 31, 2012 the outstanding balance is Euro 513.4 including the hedge adjustment of Euro 15.1 (2011: Euro 513.5 and 16.5 respectively).
- Euro 600.0 notes (initial nominal value) at a fixed rate of 7.25%, issued in February 2008, maturing on February 12, 2015. As of December 31, 2012 the outstanding balance is Euro 598.6 (2011: Euro 598.0).
- Euro 900.0 notes (initial nominal value) at a fixed rate of 4.625%, issued in November 2006, maturing on May 20, 2016. As of December 31, 2012 the outstanding balance is Euro 890.7 (2011: Euro 889.6).

These notes are listed on the Luxembourg Stock Exchange.

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". During 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 236.0 under these Notes. Hence, the outstanding nominal balance of this liability as of December 31, 2012 amounted to Euro 1,007.0.

Change of control clause

The Euro 900.0 and Euro 600.0 notes include a change of control clause applicable to OTE which is triggered if both of the following events occur:

a) any person or persons acting in concert (other than the Hellenic Republic) at any time directly or indirectly come (s) to own or acquire (s) more than 50% of the issued ordinary share capital or of the voting rights of OTE, and

b) as a consequence of (a), the rating previously assigned to the notes by any international rating agency is withdrawn or downgraded to BB+/Ba1 or their respective equivalents (non-investment grade), within a specific period and under specific terms and conditions.

In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who can request (within 45 days) the repayment of their notes.

The Euro 500.0 notes includes a change of control clause applicable to OTE which is triggered if an entity (other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise.

In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who can request (within 45 days) the repayment of their notes.

Step-up clause

The terms of the Euro 600.0 notes include a coupon step-up clause triggered by changes in the credit rating of OTE ("step up clause"). The bond coupon may be increased by 1.25% in the event that:
a) one or both of the two credit rating agencies (Moody's and Standard and Poor's) downgrades the rating to BB+ or Ba1 and under (sub-investment grade), or

b) both rating agencies (Moody's and Standard and Poor's) cease or are unable to perform the credit rating of OTE.
The coupon can be increased only once during the whole bond duration and such a step-up is valid for the period when the credit rating of OTE remains at sub-investment grade.

The step-up clause was triggered on March 8, 2011 when Standard and Poor's downgraded OTE to BB from BBB-. The increased bond coupon applied for the first time on the interest payment date of 12 February 2013.

(c) Other bank loans

During 2012, ROMTELECOM repaid loans of Euro 4.0.

The weighted average cost of debt of the Group's long-term borrowings for the years ended December 31, 2012 and 2011 was approximately 5.8% and 5.4%, respectively.

Derivatives

On July 21, 2008, OTE PLC entered into an interest rate swap with a notional amount of Euro 65.0 maturing on August 5, 2013. The swap has been designated as the fair value hedge of a portion of OTE PLC's Euro 1,250.0 bond, which bears a fixed rate of 5.0% and matures in 2013. The gain from the change in the fair value of the swap is recorded in the line "Interest expense" in the 2012 consolidated income statement and is offset by the loss from the change in fair value of the bond. Any ineffectiveness arising is not material. The fair value of the swap is Euro 3.2 positive for OTE PLC as of December 31, 2012 (see Note 13).

On April 8, 2011, OTE entered into two interest rate swaps agreements with total notional amount of Euro 500.0 maturing on April 8, 2014. The swaps have been designated as fair value hedges at group level under the OTE PLC Euro 500.0 Notes. The fair value of the above mentioned swaps is Euro 24.5 positive for OTE as of December 31, 2012(see Note 9).

As of December 31, 2012, OTE had received a collateral of total Euro 23.5 (2011: Euro 11.6) under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps (see Note 24). The inflow of Euro 11.9 during 2012 (2011: Euro 11.6) is presented in the statement of cash flows in "Proceeds from loans granted and issued".

COMPANY	2012	2011
(a) Syndicated loans	889.5	894.2
(b) Intercompany loans from OTE PLC	1,380.0	2,102.2
Total long-term debt	**2,269.5**	**2,996.4**
Short-term portion	(667.5)	(280.7)
Long-term portion	**1,602.0**	**2,715.7**

(a) Syndicated loans

On February 9, 2011, OTE signed a Euro 900.0 Revolving Credit Facility (Bond Loan) with a consortium of banks. The facility had a tenor of 2 years with a 1-year extension option at the discretion of the banks.

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

On November 26, 2012, OTE exercised the extension option and banks whose commitment total Euro 500.0 have consented to extension. As a result, Euro 500.0 (nominal value) have been extended for 1 year and now mature on February 11, 2014. The facility bears floating interest rate and any undrawn amounts bear a commitment fee.

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

The Facility also includes two financial covenants, namely:
- The ratio of Group Net Borrowings to Group EBITDA should not exceed 3:1 at all times and
- The ratio of Group EBITDA to Group Net Interest Payable should exceed 5:1 at all times.

The above covenants are reviewed for compliance with the annual and semi-annual OTE Group financial statements. The covenants are complied for the current financial year.

As of December 31, 2012 the outstanding balance of this syndicated loan is Euro 889.5. The portion of this loan that matures within twelve months from the financial position date amounts to Euro 399.4 and has been reclassified to the short-term portion of long-term borrowings. The long term portion of the loan is Euro 490.1.

Bank fees and related expenses were recognized against the loan and are being amortized over its two year initial tenor, while bank fees and related expenses concerning the extension of the Euro 500.0 were recognized against the loan and are being amortized over the period from November 26, 2012 to February 11, 2014.

(b) Intercompany loans from OTE PLC

The intercompany loans from OTE PLC as of December 31, 2012 are analyzed as follows:

- Loan of initial nominal value Euro 1,209.0 with a fixed interest rate, granted in August 2003, maturing in August 2013. The outstanding balance as of December 31, 2012 is Euro 268.1 (2011: Euro 710.0).
- Loan of initial nominal value Euro 500.0, with a fixed rate, granted in April 2011, maturing in April 8, 2014. The outstanding balance as of December 31, 2012 is Euro 513.4 (2011: Euro 513.5) including a hedge adjustment of Euro 15.1 (2011: Euro 16.5).
- Loan of initial nominal value Euro 600.0, with a fixed interest rate, granted in February 2008, maturing in February 11, 2015. The outstanding balance as of December 31, 2012 is Euro 598.5 (2011: Euro 598.0).

Regarding the loan maturing in August 2013, OTE proceeded with partial prepayments in June, August, September, October and November 2012 of a total nominal amount of Euro 441.9.

The Euro 280.7 Revolving Facility matured on September 3, 2012. The outstanding amount of Euro 280.7 had been prepaid on June 7, 2012.

The weighted average cost of debt of the Company's long-term borrowings for the years ended December 31, 2012 and 2011, was approximately 7.0% and 6.2% respectively.

Interest rate swaps

On April 8, 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, is Euro 24.5 positive for OTE as of December 31, 2012 (2011: Euro 24.3) (see Note 9).

As of December 31, 2012, OTE had received a collateral of total Euro 23.5 (2011: Euro 11.6) under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps (see Note 24). The inflow of Euro 11.9 during 2012 (2011: Euro 11.6) is presented in the statement of cash flows in "Proceeds from loans granted and issued".

20. PROVISIONS FOR PENSIONS, STAFF RETIREMENT INDEMNITIES AND OTHER EMPLOYEE BENEFITS

OTE employees are covered by various pension, medical and other benefit plans as summarized below:

Defined Contribution Plans:

(a) Main Pension Fund (TAP-OTE) / IKA-ETAM

The TAP-OTE Fund, a multi-employer fund to which OTE contributes, was the main fund providing pension and medical benefits to OTE employees. The employees of the National Railway Company and the Hellenic Post Office were also members of this Fund.

According to Law 2257/1994, OTE was liable to cover the annual operating deficit of TAP-OTE up to a maximum amount of Euro 32.3, which could be adjusted with the Consumer Price Index. Pursuant to Greek legislation (Law 2768/1999), a fund was incorporated on December 8, 1999, as a société anonyme under the name of EDEKT-OTE S.A. ("EDEKT"), for the purpose of administering contributions to be made by OTE, the Greek State and the Auxiliary Pension Fund, in order to finance the TAP-OTE deficit. The Greek State's and the Auxiliary Pension Fund's contributions to EDEKT were set to Euro 264.1 and Euro 410.9, respectively. Pursuant to Law 2937/2001, OTE's contribution was set at Euro 352.2, representing the equivalent to the net present value of ten (10) years' (2002-2011) contributions to TAP-OTE. This amount was paid on August 3, 2001 and was amortized over the ten-year period (until 2011), the annual amortization charge being Euro 35.2 and included in "Payroll and employee benefits". Pursuant to Law 2843/2000, any deficits incurred by TAP-OTE are covered by the Greek State.

As a result of Law 3655/2008, the pension segment of TAP-OTE was incorporated into IKA-ETAM (the main social security of Greece) from August 1, 2008, with a gradual reduction of contributions from TAP-OTE to those of IKA, which is expected to commence in 2013 and conclude in 2023 in three equal installments. At the same time, the medical segment of TAP-OTE was incorporated from October 1, 2008 into TAYTEKO. In conjunction with the new Law, the shares of TAP-OTE in the share capital of EDEKT, are passed to IKA-ETAM from the date this Section was transferred to IKA-ETAM.

Furthermore, according to Law 3655/2008 (article 2, paragraph 8) the deficits of the pension segments which were incorporated into IKA-ETAM are covered by the Greek State.

(b) Auxiliary Pension Fund/ TAYTEKO
The Auxiliary Fund-Lump Sum segment provides members with a lump sum benefit upon retirement or death.. Law 2084/92 has fixed minimum contributions and maximum benefits, after 35 years of service, for new entrants from 1993. As a result of Law 3655/2008, the two segments of the Auxiliary fund (the Lump – Sum Payment segment and the Additional Pension segment) were incorporated from October 1, 2008 into TAYTEKO.

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.

Loans and advances to pension funds are analyzed as follows:

GROUP and COMPANY	2012	2011
Loans and advances to:		
Auxiliary Fund	1.6	1.9
Interest bearing loan to Auxiliary Fund (L. 3371/2005)	111.8	117.1
Interest-free loan to Auxiliary Fund (L. 3762/2009)	14.2	13.0
TOTAL	**127.6**	**132.0**
Loans and advances to:		
Auxiliary Fund	0.5	0.5
Interest bearing loan to Auxiliary Fund (L. 3371/2005)	9.6	9.6
Interest-free loan to Auxiliary Fund (L. 3762/2009)	0.4	-
Short-term portion (See Note 13)	**10.5**	**10.1**
Long-term portion	**117.1**	**121.9**

Loans to pension funds are reflected in the financial statements at amortized cost, having been discounted, using appropriate Greek market rates, on initial recognition to their present values. Based on article 74 of Law 3371/2005 and the provisions of the related Ministerial Decision, OTE should grant an interest bearing loan to the Auxiliary Fund in order to cover the Lump Sum benefits due to participants of the Voluntary Leave Scheme. On October 23, 2006, the loan agreement was signed and its main terms are as follows: the total amount of the loan was up to Euro 180.0, which would be granted partially in accordance with the Fund's needs, as determined by the above mentioned Law and the related Ministerial Decision. If the Lump Sum benefits exceeded the amount of Euro 180.0, OTE would grant the additional amount, which could not exceed the amount of Euro 10.0. In this case, the above mentioned agreement would be amended in order to include the final amount of the loan and to update the repayment schedule.

Following the above mentioned terms, on October 30, 2007 and on May 21, 2008 two amendments to the loan agreement were signed based on which additional amounts of Euro 8.0 and Euro 1.3, respectively were granted and the repayment schedule was updated so that the total loan granted amounted to Euro 189.3. The loan is repayable in 21 years including a two year grace period, meaning that the repayment started on October 1, 2008 through monthly installments. The loan bears interest at 0.29%. At the date of the contractual commitment, the loan was discounted to its present value. During 2012, Euro 4.5 was unwinded.

Based on L. 3762/2009 (Voluntary Leave Scheme program for 600 employees) OTE was required to grant an interest-free long-term loan to TAYTEKO for the Lump Sum benefits that TAYTEKO will be required to pay to these employees. The respective loan agreement was signed in June 2010 for a nominal amount of Euro 30.0, being an interest free loan with a duration of 22 years. At the date of the contractual commitment, the loan was discounted to its present value. During 2012, Euro 1.1 was unwinded.

Defined Benefit Plans:

(a) Provision for Staff Retirement Indemnities
Under Greek labor law, employees are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's compensation, length of service and manner of termination (dismissal or retirement). Employees who resign (except those with over fifteen years of service) or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal. In the case of OTE employees, the maximum amount is limited to a fixed amount (Euro 0.02 adjusted annually according to the inflation rate), plus 9 months' salary. In practice, OTE employees receive the lesser amount between 100% of the maximum liability and Euro 0.02 plus 9 months' salary. Employees with service exceeding 25 years are entitled to draw loans against the indemnity payable to them upon retirement. The provision for staff retirement

indemnity is reflected in the financial statements in accordance with IAS 19 "Employee Benefits" and is based on an independent actuarial study.

The components of the staff retirement indemnity expense are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Current service cost	14.2	13.8	11.6	12.3
Loss from termination benefits	0.3	0.3	-	-
Amortization of past service cost	7.7	8.1	7.8	7.8
P&L effect recorded in "Provision for staff retirement indemnities"	**22.2**	**22.2**	**19.4**	**20.1**
P&L effect recorded in "Interest expense"	14.3	15.0	12.5	12.5
Total P&L effect	**36.5**	**37.2**	**31.9**	**32.6**

Changes in the present value of the staff retirement indemnities are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Defined benefit obligation - beginning of the year	310.9	340.4	284.9	307.0
Current service cost	14.2	13.8	11.6	12.3
Interest cost	14.3	15.0	12.5	12.5
Actuarial (gains) / losses	20.7	(37.3)	16.0	(28.3)
Foreign exchange differences	(0.1)	0.3	-	-
Loss from termination benefits	0.3	0.3	-	-
Prior service cost arising during the year	12.9	-	13.4	-
Benefits paid	(84.5)	(21.6)	(83.5)	(18.6)
Defined benefit obligation - end of the year	**288.7**	**310.9**	**254.9**	**284.9**
Unrecognized past service costs	(31.2)	(25.8)	(31.2)	(25.6)
Liability in the statement of financial position	**257.5**	**285.1**	**223.7**	**259.3**

The assumptions underlying the actuarial valuation of the staff retirement indemnities for the Group and the Company are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Discount rate	2.9% - 6.3%	3% - 7.1%	2.9%	4.7%
Assumed rate of future salary increases	1.0% - 9.7%	(10.1)%- 5.6%	1.0% - 9.7%	(10.1)%-3.3%

If the discount rate used in the valuation was 1% higher then the defined benefit obligation for staff retirement indemnities would decrease by about 9.6%.

(b) Youth Account

The Youth Account provides OTE's employees' children a lump sum payment generally when they reach the age of 25. The lump sum payment is made up of employees' contributions, interest thereon and OTE's contribution which for the period up to November 6, 2011 can reach up to an amount of 10 times the maximum between the average salary of OTE employees or the result of 86 times the daily wage salary of the unskilled worker, depending on the number of years of contributions. For the period after November 7, 2011, following an amendment of the program, OTE's contribution can reach up to an amount of 3 times the maximum between the average salary of OTE employees or the result of 86 times the daily wage salary of the unskilled worker depending on the number of years of the employee's contributions and the amount of these contributions. The provision for benefits under the Youth Account is based on an independent actuarial study. The total actuarial liability is split into two parts; one is treated as "post employment employee benefit" and the other as "other long-term employee benefit". The part of the total Youth Account liability that is being classified as "other long-term employee benefit" relates to employees who will still be active employees at the time when their children will be eligible for the lump sum benefit. The remaining part of the liability is being classified as "post employment benefit".

The amount of the Youth Account provision recognized in the income statement is as follows:

	2012			2011		
GROUP and COMPANY	Post employment benefit	Other long term benefit	TOTAL	Post employment benefit	Other long term benefit	TOTAL
Current service cost	2.7	1.4	4.1	10.2	5.0	15.2
Actuarial gains	-	(10.3)	(10.3)	-	(6.8)	(6.8)
Amortization of past service cost	-	-	-	1.5	-	1.5
P&L effect recorded in "Provision for youth account "	**2.7**	**(8.9)**	**(6.2)**	**11.7**	**(1.8)**	**9.9**
P&L effect recorded in "Interest expense"	4.9	2.3	**7.2**	5.4	2.4	**7.8**
Total P&L effect	**7.6**	**(6.6)**	**1.0**	**17.1**	**0.6**	**17.7**

The reconciliation of the total defined benefit obligation regarding the Youth Account to the benefit liability is as follows:

GROUP and COMPANY	2012			2011		
	Post employment benefit	Other long term benefit	TOTAL	Post employment benefit	Other long term benefit	TOTAL
Projected benefit obligation - beginning of the year	121.4	57.3	**178.7**	162.5	72.9	**235.4**
Service cost-benefits earned during the year	2.7	1.4	**4.1**	10.2	5.0	**15.2**
Interest cost on projected benefit obligation	4.9	2.3	**7.2**	5.4	2.4	**7.8**
Actuarial gains	(18.1)	(10.4)	**(28.5)**	(12.1)	(6.8)	**(18.9)**
Benefits paid	(21.7)	(9.5)	**(31.2)**	(44.6)	(16.2)	**(60.8)**
Projected benefit obligation - end of the year	**89.2**	**41.1**	**130.3**	**121.4**	**57.3**	**178.7**
Employee's accumulated contributions			**60.6**			**61.9**
Liability in the statement of financial position			**190.9**			**240.6**

The assumptions underlying the actuarial valuation of the Youth Account are as follows:

	2012	2011
Discount rate	2.3%	4.2%
Assumed rate of general pay increases	1.0% - 9.7%	1.6%

If the discount rate used in the valuation was 1% higher then the defined benefit obligation for youth account would decrease by about 5.6%.

Voluntary Leave Scheme

The movement of the provision for the cost of the OTE's Voluntary Leave Scheme based on L. 3371/2005 and L. 3762/2009 is as follows:

GROUP and COMPANY	2012	2011
Balance at January 1	**166.2**	**219.3**
Payments during the year	(15.1)	(58.1)
Adjustment due to time value of money	0.3	1.3
Obligation arising from the actuarial study of IKA-ETAM (see below)	-	3.7
Balance at December 31	**151.4**	**166.2**

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

The table below describes the components included in the line "Cost of early retirement program" of the income statement:

	GROUP		COMPANY	
	2012	2011	2012	2011
Other early retirement programs' cost (see below)	(123.0)	(65.3)	(123.0)	(23.4)
Obligation arising from the actuarial study of IKA-ETAM (see below)	-	(3.7)	-	(3.7)
TOTAL	**(123.0)**	**(69.0)**	**(123.0)**	**(27.1)**

IKA-ETAM

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

On May 11, 2010 OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of L. 3762/2009 and consequently, there are valid grounds for the annulment of this article. On May 15, 2010 OTE also filed an appeal requesting the suspension of enforcement of this Ministerial Decision before the same Court. The hearing for the suspension of enforcement was held on June 8, 2010, before the Athens Administrative Court and the Court with its decision dated September 16, 2010 rejected OTE's request.

By its letter dated January 21, 2011 and received by OTE on January 28, 2011, the Ministry notified OTE of the completion of the actuarial studies and handed over to OTE a copy of such actuarial studies, pursuant to article 3 of the Ministerial Decision 10051/27177/2174, for the estimation of the additional financial burden of the pension funds, incurred by OTE's Voluntary Leave Scheme based on L. 3371/2005, stating that additional studies would follow for the estimation of the additional financial burden of the pension funds, incurred by OTE's Voluntary Retirement Scheme based on L. 3762/2009. The additional financial burden that the above mentioned actuarial studies state that incurred based on L. 3371/2005, amounts to Euro 129.8.

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

The fact that the announcement of the results of the actuarial studies eliminated the uncertainty regarding the amount of the obligation, together with the inability to assess whether it is probable to take a suspension of enforcement (given the first rejection) led to the conclusion that at this stage the existing contingent liability has crystallized. The amount of Euro 129.8 was recorded in the 2010 financial statements, while the amount of Euro 3.7 was recorded in the 2011 financial statements. OTE has not received any payment demand so far.

EARLY RETIREMENT PROGRAMS

OTE's Voluntary Exit Scheme

On November 7, 2012, OTE's Board of Directors approved a Voluntary Exit Scheme. It initially addressed approximately 1,600 employees close to their retirement age and targeted approximately 1,000 to 1,200 voluntary exits. On January 7, 2013, OTE announced that 1,516 employees had agreed to participate in the scheme, at a total cost of Euro 191.8 including the associated staff retirement indemnity. As the major part of the staff retirement indemnity had already been provided for in the financial statements of previous years, the cost of the Voluntary Exit Scheme amounted to Euro 123.0 and is recorded in the consolidated and separate income statement of 2012, in the line "Cost of early retirement program".

Amounts paid during 2012, in relation to early retirement programs were Euro 131.3 for the Group and Euro 130.8 for the Company.

21. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Asset retirement obligation	10.6	10.0	-	-
Provision for obligation of phone credits	12.7	16.4	12.7	16.4
Deferred revenue	37.9	43.5	37.8	43.3
Unpaid balance for renewal and acquisition of licences	37.7	37.1	-	-
Long term liabilities to group companies	-	-	80.6	98.0
Other	17.1	10.7	6.8	6.9
TOTAL	**116.0**	**117.7**	**137.9**	**164.6**

The actuarial gain recognized in the line "actuarial gains" in the statement of comprehensive income for 2012 regarding the provision for phone credits amounts to Euro 3.7 (2011: Euro 0.8).

22. SHORT-TERM BORROWINGS

GROUP

The outstanding balance of short-term borrowings as of December 31, 2012 for the Group amounted to Euro 1.4 (December 31, 2011: Euro 2.0), and is analyzed as follows:

- Loan of OTE PLUS of Euro 1.4, with a floating interest rate. The outstanding balance of this loan as of December 31, 2012 amounts to Euro 1.4 (December 31, 2011 nill).
- During 2012, E-VALUE S.A. repaid loans of Euro 2.0.

The weighted average cost of debt of the short-term borrowings for the years ended December 31, 2012 and 2011, was approximately 7.5% and 5.8%, respectively.

COMPANY

During December 2012, OTE signed three new short-term intercompany loans with OTE PLC of a total amount of Euro 128.0. These three loans mature in May, June and October 2013.

23. INCOME TAXES – DEFERRED TAXES

Based on the tax law 3943/2011, the corporate income tax rate of legal entities was set at 20% for 2011 onwards.

Furthermore, a 25% withholding tax was imposed on profits distributed by Greek entities which will be borne by the beneficiary and applies to the distribution of profits approved after January 1, 2012. Especially for distribution of profits approved within 2011, the withholding tax rate was 21%. 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.

For recent developments subsequent to December 31, 2012, please see Note 35.

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.

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 date of approval of the financial statements by the General Meeting of Shareholders. 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 and submitted 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. The tax audit for the financial year 2012 is being performed by PricewaterhouseCoopers S.A. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

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

COMPANY	Open Tax Years
OTE ESTATE	From 2008
OTE-GLOBE	From 2010
OTE INSURANCE	From 2010
OTE ACADEMY	From 2010
HATWAVE	From 1996
OTE INVESTMENTS SERVICES S.A.	From 2010
ROMTELECOM	From 2006
NEXTGEN	From 2008
AMC	From 2011
GLOBUL	From 2005
COSMOTE ROMANIA	From 2008
GERMANOS	From 2010
E-VALUE S.A.	From 2010
GERMANOS TELECOM ROMANIA S.A.	From 2008
SUNLIGHT ROMANIA S.R.L. -FILIALA	From 2008
GERMANOS TELECOM BULGARIA A.D.	From 2010
MOBILBEEEP LTD	From 2010
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	Liquidated (see Note 35)
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.
- GERMANOS TELECOM ROMANIA S.A. has settled the unaudited tax years 2003 – 2006, SUNLIGHT ROMANIA S.R.L. FILIALA has settled the unaudited tax years 2005 – 2006 and COSMOTE ROMANIA has settled the unaudited tax year 2007 without any impact to the Group.
- AMC has settled the unaudited tax year of 2010 without any impact to the Group.
- MOBILBEEEP LTD has settled the unaudited years 2005-2009 without any impact to the Group.

The major components of income tax expense for the years ended December 31, 2012 and 2011 are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Current income tax	113.2	111.0	3.6	8.3
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	0.2	-	0.2
Differences arising from tax audits	0.2	1.9	-	-
Deferred income tax – Effect due to change in the income tax rate	-	18.3	-	13.9
Deferred income tax	(5.7)	(2.7)	11.9	18.5
Total income tax	**107.7**	**128.7**	**15.5**	**40.9**

Income tax payable for the Group and the Company as of December 31, 2012 amounted to Euro 31.6 and nill, respectively (December 31, 2011: Euro 15.8 and nill, respectively).

A reconciliation between the income tax expense and the accounting profit multiplied by tax rates in force in Greece (2012: 20%, 2011: 20%) is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Profit / (loss) before tax	609.3	115.1	(147.7)	(372.5)
Statutory tax rate	20%	20%	20%	20%
Tax at statutory rate	121.9	23.0	(29.5)	(74.5)
Non-taxable and specially taxed income	(31.4)	-	(39.0)	(0.2)
Effect of different rates in foreign countries	(9.3)	7.0	-	-
Effect of changes to tax rates	-	18.3	-	13.9
Expenses non-deductible for tax purposes	26.5	55.3	15.3	15.2
Impairment loss in investments non-deductible for tax purposes	-	-	65.1	86.3
Tax losses for which no deferred tax asset was recognized	11.5	14.4	-	-
Tax on dividends (Law 3697/2008)	-	0.2	-	0.2
Differences arising from tax audits	-	1.9	-	-
Deferred tax on revaluation of land and buildings	(12.5)	-	-	-
Other	1.0	8.6	3.6	-
Income tax	**107.7**	**128.7**	**15.5**	**40.9**

Deferred taxes are recognized on the temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts recognized for taxation purposes and are analyzed as follows:

	Statement of financial position		Income statement	
GROUP	2012	2011	2012	2011
Voluntary leave scheme	32.3	36.8	(4.5)	(15.5)
Staff retirement indemnities	44.8	51.2	(10.3)	1.5
Youth account	26.1	35.8	(6.1)	(11.0)
Employee benefits	13.7	16.7	(3.0)	-
Property, plant and equipment	85.1	76.8	8.7	(5.2)
Provisions	67.4	74.2	(6.6)	(12.0)
Carry forward tax losses	36.0	27.0	9.0	5.5
Deferred income	3.8	4.3	(0.5)	(1.4)
Fair value adjustment on acquisitions of subsidiaries	-	-	-	1.7
Other	20.7	16.9	1.9	(4.3)
Deferred tax asset (before offset)	**329.9**	**339.7**		
Offset of deferred tax liabilities	(72.7)	(93.5)		
Deferred tax asset (after offset)	**257.2**	**246.2**		
Deferred tax liabilities (before offset)				
Property, plant and equipment	(61.4)	(73.9)	15.0	17.1
Capitalized interest	(16.5)	(17.8)	1.3	2.8
Employee benefits	(2.1)	-	(2.1)	-
Unbilled revenue	(0.2)	(1.1)	(0.6)	(0.9)
Loan fees	(2.7)	(2.2)	(0.5)	(1.1)
Fair value adjustment on acquisition of subsidiaries	(69.2)	(70.9)	1.7	10.4
Fair value gain on available for sale investment	-	(13.6)	-	-
Accrued dividend income	-	(3.4)	3.4	(3.4)
Interest rate swaps	(1.9)	(1.6)	(0.3)	(1.6)
Other	(2.8)	(1.8)	(0.8)	1.8
	(156.8)	**(186.3)**		
To be offset against deferred tax asset	72.7	93.5		
Deferred tax liabilities (after offset)	**(84.1)**	**(92.8)**		
Deferred tax income/(expense)			**5.7**	**(15.6)**
Deferred tax assets, net	**173.1**	**153.4**		

	Statement of financial position		Income statement	
COMPANY	2012	2011	2012	2011
Voluntary leave scheme	32.3	36.8	(4.5)	(15.5)
Staff retirement indemnities	41.5	49.1	(10.7)	0.9
Youth account	26.1	35.8	(6.1)	(11.0)
Employee benefits	13.6	16.5	(2.9)	(0.2)
Provisions	62.7	66.3	(3.6)	(9.6)
Deferred income	3.8	4.3	(0.5)	(0.7)
Tax losses	11.4	-	11.4	-
Other	0.4	0.3	0.1	0.1
Deferred tax assets (before offset)	**191.8**	**209.1**		
Offset of deferred tax liabilities	(50.1)	(68.6)		
Deferred tax assets (after offset)	**141.7**	**140.5**		
Property, plant and equipment	(26.5)	(30.0)	3.5	8.4
Capitalized interest	(16.2)	(17.4)	1.2	2.2
Employee benefits	(2.1)	-	(2.1)	-
Loan fees	(2.7)	(2.2)	(0.5)	(1.6)
Fair value gain on available for sale investment	-	(13.6)	-	-
Interest rate swaps	(1.9)	(1.6)	(0.3)	(1.6)
Accrued dividend income	-	(3.4)	3.4	(3.4)
Other	(0.7)	(0.4)	(0.3)	(0.4)
Deferred tax liabilities	**(50.1)**	**(68.6)**		
To be offset against deferred tax assets	50.1	68.6		
Deferred tax income/(expense)			**(11.9)**	**(32.4)**
Deferred tax assets, net	**141.7**	**140.5**		

The movement in deferred tax of the Group and the Company is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Deferred tax (net) – beginning of the year	153.4	194.1	140.5	195.2
Deferred tax charged to the income statement	5.7	(15.6)	(11.9)	(32.4)
Deferred tax through other comprehensive income	13.9	(23.2)	13.1	(22.3)
Foreign exchange differences	0.1	(1.9)		-
Deferred tax (net)- end of the year	**173.1**	**153.4**	**141.7**	**140.5**

The Group does not recognize deferred tax asset on the following accumulated tax losses due to the uncertainty of the timing of available taxable profits against which these losses could be offset. The accumulated tax losses expire as follows:

Year	Amount
2013	61.9
2015	27.3
2016	45.1
2017 and onwards	72.6
TOTAL	**206.9**

24. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Employer contributions	51.1	68.6	36.6	53.6
Payroll	51.2	51.6	26.1	25.5
Other taxes duties	91.4	96.8	18.2	25.6
Interest payable	135.6	145.2	96.4	109.4
Provisions for litigation and for other liabilities	88.9	86.6	83.8	82.4
Customer advances	30.0	37.9	21.1	25.3
Accrued expenses	5.5	2.2	3.0	3.1
Cash collateral on interest rate swaps (see Note 19)	23.5	11.6	23.5	11.6
Other	67.8	69.7	7.4	8.8
TOTAL	**545.0**	**570.2**	**316.1**	**345.3**

The movement in the provision for litigation and other liabilities is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Balance at January 1	86.6	94.6	82.4	91.3
Addition during the year	7.4	1.3	4.1	-
Utilized	(3.0)	(4.8)	(1.1)	(4.3)
Unused amounts reversed	(2.1)	(4.5)	(1.6)	(4.6)
Balance at December 31	**88.9**	**86.6**	**83.8**	**82.4**

25. REVENUE

Revenue is analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
DOMESTIC TELEPHONY				
Monthly network service fees	574.9	641.8	387.7	435.6
Local and long-distance calls				
-Fixed to fixed	261.8	328.2	239.1	295.9
-Fixed to mobile	113.5	126.8	87.1	90.6
	375.3	455.0	326.2	386.5
Other	54.7	63.0	46.1	54.0
	1,004.9	**1,159.8**	**760.0**	**876.1**
INTERNATIONAL TELEPHONY				
International traffic	49.8	60.4	32.9	38.6
Dues from international operators	60.4	72.6	27.3	42.0
Dues from mobile operators	31.7	29.5	32.0	29.7
	141.9	**162.5**	**92.2**	**110.3**
MOBILE TELEPHONY	**1,939.0**	**2,076.9**	**-**	**-**
OTHER REVENUE				
Prepaid cards	17.2	19.6	16.2	19.6
Leased lines and Data ATM communications	277.5	302.9	79.3	106.4
Integrated Services Digital Network (ISDN)	106.9	118.7	96.9	107.3
Sales of telecommunication equipment	309.5	340.3	22.2	29.4
Internet/ ADSL	298.3	297.7	199.9	213.2
Co-location/ Local Loop	212.1	207.1	207.8	202.2
Metro Ethernet & IP CORE	52.3	46.1	44.9	38.0
Provision for services	149.8	133.1	98.2	110.9
Interconnection charges	58.6	70.2	51.7	63.9
Miscellaneous	112.3	103.4	34.7	34.9
	1,594.5	**1,639.1**	**851.8**	**925.8**
TOTAL REVENUE	**4,680.3**	**5,038.3**	**1,704.0**	**1,912.2**

26. OTHER INCOME/ (EXPENSE), NET

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

	GROUP		COMPANY	
	2012	2011	2012	2011
Forfeiture of letters of guarantee	1.0	1.8	1.0	1.8
Rents	9.5	9.2	0.4	0.4
Income from penalties	6.8	5.9	-	-
Other	(3.6)	(6.5)	(2.2)	(0.7)
TOTAL	**13.7**	**10.4**	**(0.8)**	**1.5**

27. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Third party fees	179.2	208.5	104.0	97.3
Cost of telecommunication materials, repairs and maintenance	131.7	141.0	51.3	52.5
TV costs	88.1	75.4	38.9	32.2
Advertising and promotion costs	146.9	156.9	29.8	30.0
Utilities	174.3	157.7	64.1	60.3
Provision for doubtful accounts (see Note 11)	117.1	135.0	21.4	24.5
Travel costs	11.8	12.1	4.7	5.2
Commissions to independent commercial distributors	238.2	247.8	-	-
Payments to Audiotex providers	4.0	4.8	3.3	3.9
Rents	105.0	110.0	61.4	70.1
Taxes, other than income tax	58.7	62.8	14.2	14.5
Transportation costs	12.8	10.4	5.2	5.1
Other	53.4	50.8	13.8	9.0
TOTAL	**1,321.2**	**1,373.2**	**412.1**	**404.6**

28. 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 year including (for the diluted earnings per share) the number of share options outstanding at the end of the year that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

GROUP	2012	2011
Profit attributable to owners of the parent	476.4	119.7
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389
Share options	16,220,885	17,829,196
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389
Basic earnings per share	0.9719	0.2442
Diluted earnings per share	0.9719	0.2442

(Earnings per share are in absolute amounts)

For 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.

29. 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 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 "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 revenues 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/(loss) and profit/(loss) for the year.

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

2012	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,582.5	2,282.5	597.5	217.8	4,680.3	-	4,680.3
Intersegment revenue	121.5	148.2	22.1	244.3	536.1	(536.1)	-
Interest income	8.7	9.0	2.7	215.9	236.3	(221.1)	15.2
Interest expense	(166.8)	(103.4)	(2.4)	(197.2)	(469.8)	221.1	(248.7)
Depreciation, amortization and impairment	(308.1)	(464.5)	(108.8)	(39.8)	(921.2)	2.5	(918.7)
Dividend income	41.9	-	-	-	41.9	(38.0)	3.9
Income tax expense	(15.5)	(74.2)	(4.4)	(13.6)	(107.7)	-	(107.7)
Operating profit	69.0	426.8	57.3	62.1	615.2	-	615.2
Profit / (loss) for the year	(163.2)	257.6	52.5	67.3	214.2	287.4	501.6
Operating profit before depreciation, amortization, impairment and cost of early retirement program	500.1	891.3	166.1	101.9	1,659.4	(2.5)	1,656.9
Segment assets	6,602.1	4,406.8	952.2	4,943.0	16,904.1	(8,544.3)	8,359.8
Segment liabilities	3,824.3	2,961.4	147.9	3,747.3	10,680.9	(4,334.9)	6,346.0
Expenditures for segment assets	157.7	323.5	57.5	15.6	554.3	-	554.3

2011	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,760.7	2,436.3	627.6	213.7	5,038.3	-	5,038.3
Intersegment revenue	151.5	163.6	27.5	251.1	593.7	(593.7)	-
Interest income	11.5	8.2	3.6	229.1	252.4	(230.2)	22.2
Interest expense	(184.2)	(102.4)	(2.3)	(230.7)	(519.6)	229.5	(290.1)
Depreciation, amortization and impairment	(332.1)	(494.1)	(418.7)	(67.8)	(1,312.7)	2.5	(1,310.2)
Dividend income	28.6	-	-	51.3	79.9	(52.5)	27.4
Income tax expense	(40.9)	(72.5)	(11.4)	(3.9)	(128.7)	-	(128.7)
Operating profit / (loss)	201.1	410.4	(299.6)	41.1	353.0	(0.4)	352.6
Profit / (loss) for the year	(413.4)	243.5	(310.3)	73.3	(406.9)	393.3	(13.6)
Operating profit before depreciation, amortization, impairment and cost of early retirement program	560.3	916.0	149.5	108.9	1,734.7	(2.9)	1,731.8
Segment assets	7,762.7	4,074.4	941.6	5,708.7	18,487.4	(9,396.5)	9,090.9
Segment liabilities	4,617.2	2,867.5	170.2	4,433.3	12,088.2	(4,754.6)	7,333.6
Expenditures for segment assets	181.4	430.0	84.5	20.6	716.5	-	716.5

Transactions between the segments are eliminated in the context of consolidation and the eliminated amounts are included in the column eliminations. The segment assets shown in "Other" include loans and interest receivable by OTE PLC of an amount of Euro 3,563.9 (2011: Euro 4,243.6) which is eliminated at Group level.

GEOGRAPHIC INFORMATION

Geographic information for the Group's revenues from external customers and non-current assets is as follows:

	Revenues from external customers		Non-current assets	
	2012	2011	2012	2011
Greece	3,187.1	3,480.4	3,500.2	3,741.8
Albania	77.8	86.4	158.1	169.8
Bulgaria	358.1	379.6	466.0	521.8
Romania	1,033.0	1,068.4	1,239.5	1,325.2
Other	24.3	23.5	70.4	74.9
TOTAL	**4,680.3**	**5,038.3**	**5,434.2**	**5,833.5**

The revenue information presented above is based on the location of the entity. Non-current assets for this purpose consist of property, plant and equipment, goodwill, telecommunication licenses and other intangible assets. The analysis of revenue per service / product is shown in note 25.

30. 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% 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:

	2012		2011	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	90.7	87.2	112.7	92.5
OTE INTERNATIONAL INVESTMENTS LTD	0.4	4.0	0.4	3.9
HELLAS-SAT	0.4	1.3	0.4	3.2
COSMO-ONE	-	0.6	-	0.6
VOICENET	2.2	2.7	3.0	3.2
HELLASCOM	-	7.9	0.1	8.4
OTE SAT – MARITEL	0.9	1.2	0.9	1.2
OTE PLUS	0.4	35.3	0.4	30.4
OTE ESTATE	0.9	54.2	2.1	61.2
OTE-GLOBE	25.4	71.2	31.3	74.5
OTE ACADEMY	0.1	5.5	0.1	4.2
ROMTELECOM	0.1	0.4	0.1	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.9	-	-
TOTAL	**121.6**	**272.4**	**151.5**	**283.5**

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

	2012		2011	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	22.7	24.7	24.0	18.6
TOTAL	**22.7**	**24.7**	**24.0**	**18.6**

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

	Finance expense OTE	
	2012	2011
OTE PLC	88.3	110.0
TOTAL	**88.3**	**110.0**

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

	Finance expense Group	
	2012	2011
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	2.0
TOTAL	**-**	**2.0**

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

	2012	2011
HELLAS SAT	37.3	-
OTE SAT – MARITEL	0.7	1.2
TOTAL	**38.0**	**1.2**

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

	2012		2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	47.0	93.1	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.4	0.2	1.4
HELLAS-SAT	0.4	0.5	0.2	0.4
COSMO-ONE	-	0.3	-	0.2
VOICENET	0.6	0.8	0.8	1.0
HELLASCOM	0.1	2.9	0.1	4.1
OTE SAT – MARITEL	1.0	3.3	3.6	5.9
OTE PLUS	0.4	14.3	0.2	10.9
OTE ESTATE	1.0	13.5	0.9	18.2
OTE-GLOBE	28.9	59.3	57.6	81.0
OTE ACADEMY	0.5	0.6	0.4	0.7
ROMTELECOM	0.2	0.2	0.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.6	-	-
TOTAL	**80.3**	**190.8**	**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:

	2012		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)	12.9	48.2	5.9	25.9
TOTAL	**12.9**	**48.2**	**5.9**	**25.9**

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

	Amounts owed by OTE	
	2012	2011
OTE PLC	1,565.1	2,162.4
TOTAL	**1,565.1**	**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 5.5 and Euro 4.5 for the years 2012 and 2011, respectively.

As of December 31, 2012, 2,814,651 options under OTE's share based payment plan have been granted to the Company's key management personnel.

The main transactions between the Group companies are described below:

OTE-GLOBE

OTE-GLOBE provides international telephony services on behalf of OTE to international providers and invoices OTE with its fees. OTE-GLOBE invoices OTE, and OTE invoices OTE-GLOBE for the telecommunication traffic which passes through international networks of OTE-GLOBE or international telephone networks of OTE as the case may be. In addition, the two entities have commercial transactions in relation to leased lines.

VOICENET
OTE invoices VOICENET for the lease of its lines.
OTE and VOICENET have income and expenses from interconnection depending on which of the two entities network the calls terminate including international telephony traffic which passes through the two networks.

OTE ESTATE
OTE ESTATE earns rental income from OTE and its subsidiaries.
OTE invoices OTE ESTATE for additions or improvements made to the land and buildings that belong to OTE ESTATE. The related costs of these additions, representing labor and materials costs, are included in OTE's income statement.

OTE INTERNATIONAL INVESTMENTS LTD
OTE INTERNATIONAL INVESTMENTS LTD invoices OTE and its subsidiaries for the administration services provided to foreign subsidiaries.

COSMO-ONE
COSMO-ONE invoices OTE and its subsidiaries for e-commerce services.

OTE SAT – MARITEL
OTE invoices OTE SAT- MARITEL for the usage of OTE's facilities for INMARSAT services.
OTE SAT - MARITEL invoices OTE for fixed to mobile connection, which is invoiced by INMARSAT to OTE SAT - MARITEL.

OTE PLUS
OTE PLUS provides consulting services to OTE.

COSMOTE
OTE invoices COSMOTE with commissions for mobile connections made through OTE.
OTE invoices COSMOTE for leased lines.
OTE and COSMOTE have income and expenses for interconnection depending to which of the two entities network the codes terminate, including international telephony traffic which passes through the two networks.
COSMOTE provides OTE with mobile equipment.

OTE ACADEMY
OTE ACADEMY subleases to OTE its training center facilities in Athens and Thessaloniki.
OTE ACADEMY leases the premises from OTE ESTATE.
OTE ACADEMY provides training services to the employees of OTE and its subsidiaries.

HELLASCOM
HELLASCOM provides consulting services of technical nature to OTE and construction studies to its subsidiaries.

HELLAS- SAT
HELLAS SAT invoices OTE for transmitter's rental and the provision of satellite capacities.
OTE invoices HELLAS SAT with a commission on the rental of satellite capacities.

OTE PLC
OTE PLC has granted interest bearing loans to OTE and subsidiaries.

DEUTSCHE TELEKOM AG GROUP OF COMPANIES
OTE has income and expenses which arise from transactions with incoming, outgoing and transit traffic to and from the network of the companies that belong to DEUTSCHE TELEKOM group.

31. SHARE OPTION PLAN

On July 9, 2008, OTE's 56th Repeating Ordinary General Assembly approved the adoption of a Share Option Plan for executives of OTE and of other entities of the Group, in accordance with article 42e of the Codified Law 2190/1920. This plan replaced the pre-existing Share Option Plan of OTE. In addition, basic and additional share options already granted by COSMOTE in 2005, 2006 and 2007 under COSMOTE's existing share option plans were replaced by options on OTE's shares under the modified plan. The reason for the replacement of COSMOTE's plans was the delisting of COSMOTE's shares from the Athens Exchange on April 1, 2008. The modification of OTE's Plan and the replacement of COSMOTE's plans took place on the same date.

The nature and the main terms of the Modified Share Option Plan are as follows:

- The Modified Share Option Plan is comprised of Basic options (i.e. those granted when a participant first enters the scheme) and Additional options (i.e. those granted on an annual basis to participants). The Share Options are granted by the Board of Directors.
- Options under the Modified Share Option Plan are granted at a preferential price. For options granted for year 2009 the preferential price is Euro 19.49 (absolute amount).
- The executives of the Group, to whom Share Options are granted, may acquire the shares at the preferential grant price or at a discount (percentage) on the preferential grant price, depending on the executive's hierarchical level at the time of exercising the Rights, and (i) the achievement of certain targets of both the entity employing them and the Group and (ii) high individual performance by the eligible executive.
- For top level management, the potential discount is 15%, 20% or 25% if the targets have been achieved (otherwise no discount) and for middle level management, the potential discount is 10%, 15% or 20% if the targets have been achieved (otherwise no discount).

On January 28, 2010, OTE's Board of Directors decided on and approved granting 1,259,078 Additional Options to the executives of OTE and its subsidiaries, 672,018 Basic Options to the executives of OTE and 336,780 Basic and 2,403,560 Additional Options to the executives of COSMOTE group for the year 2009. The preferential purchase price is equal to Euro 11.26 (absolute amount).

The Options vest as follows:

- The Basic options vest gradually (40% upon the completion of the year of the grant, 30% upon the completion of the second year and 30% upon the completion of the third year). Following a modification to the plan on July 10, 2009, Basic vested Rights may be exercised by the eligible executive in their entirety or partially during April and October of each calendar year following the vesting year (and up to October of the 7th calendar year (instead of the 4th) from the date of their grant).
- Following a modification to the plan on July 10, 2009 the Additional vested Rights may be exercised by the eligible executive in their entirety or partially during April and October of up to the 3rd calendar year (instead of the first calendar year) following the vesting year.
- In case the above vested Rights are not exercised within the aforementioned time frames they are lost. According to the terms of the plan, vesting of the options depends on the participant remaining in the service of the company. The total number of Share Option Rights, which may be granted under the Modified Share Option Plan, cannot exceed 15,500,000 Rights, which corresponds to approximately 3.16% of OTE's shares outstanding at the time of its approval.

On June 23, 2011, OTE's 59th Ordinary General Assembly approved the amendment of terms of the Stock Option Plan in force increasing the total number of Share Option Rights which may be granted at 22,100,000, which corresponds to approximately 4.5% of OTE's shares outstanding. On August 3, 2011 OTE's Board of Directors decided on and approved granting 1,434,073 Additional Options to the executives of OTE and its subsidiaries, 220,000 Basic Options to the executives of OTE and 539,280 Basic and 4,472,690 Additional Options to the executives of COSMOTE group for the year 2010. The preferential purchase price is equal to Euro 5.635 (absolute amount). The terms and conditions of this plan are the same as for the 2008 and 2009 Stock Option Plans described above, after taking into account the modification of July 2009.

The fair value of the options is reflected in the income statement during the vesting period. The amounts are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium. During 2011, OTE finalized the estimates about the most probable discount on the exercise price of all outstanding options. As at December 31, 2011 the discount for options that vested in October 2009 and 2010 was set to 0% for both the top management and the middle management and the most probable discount on the exercise price of all other outstanding options was set to 15% for the top management and 10% for the middle management.

Based on this revised estimate OTE adjusted the cumulative remuneration expense and the amounts recognized are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Expense /(income) arising from share-based payment transactions	1.6	(2.6)	0.3	(1.0)

Further details of the plan are as follows:

	2012		2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	17,829,196	11.41	12,680,487	13.44
Granted	-	-	6,666,043	4.96
Forfeited / Canceled	(1,608,311)	14.65	(1,517,334)	12.26
Outstanding at the end of the year	16,220,885	11.92	17,829,196	11.41
Exercisable at the end of the year	10,529,883	15.32	8,339,471	16.84

Plan	Year of issuance	Options granted	Share price at grant date	Comments
Plans of COSMOTE group	Original grant dates range from 27/10/05-31/10/07	3,440,290	15.48	modified on 09/07/08 and on 10/07/09
2008 OTE plan	06/02/08	3,141,620	21.38	modified on 09/07/08 and on 10/07/09
2009 OTE plan	06/03/09	3,225,670	10.40	modified on 10/07/09
2010 OTE plan	28/01/2010	4,671,436	9.90	
2011 OTE plan	03/08/2011	6,666,043	4.08	

The weighted average remaining contractual term outstanding as of December 31, 2012 is 2.6 years and as of December 31, 2011 is 3.5 years.

The fair values were determined by using a Monte Carlo simulation option pricing model taking into account the effects of early exercise.

32. LITIGATION AND CLAIMS – COMMITMENTS

A. OUTSTANDING LEGAL CASES

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

The most significant outstanding legal cases as at December 31, 2012, are as follows:

CIVIL PROCEEDINGS

Lease agreements (OTE Leasing): On December 11, 2001, OTE disposed of its wholly owned subsidiary, OTE Leasing, to Piraeus Financial Leasing S.A., a subsidiary of Piraeus Bank S.A. for a consideration of Euro 21.0. From the sale proceeds, Euro 5.9 was collected in cash and the balance of Euro 15.1 in the form of shares in Piraeus Bank S.A., based on their fair value at that date. As prescribed in the agreements signed for the sale of OTE Leasing, OTE is committed to indemnify Piraeus Financial Leasing S.A. up to an amount of approximately Euro 28.0, for possible losses to be incurred from the non-performance of lessees for contracts signed through to the date of sale of OTE Leasing. The conditions under which a lessee's contract will be characterized as non-performing are described in detail in the sale agreements. OTE's obligation is in force for a period between 3-5.5 years, depending on the nature of the lease contracts. On September 28, 2007, Piraeus Financial Leasing S.A filed a law suit against OTE, claiming Euro 3.4 from OTE. The hearing which had been scheduled for February 26, 2009 in the Athens Multi-Member Court was postponed. The hearing was rescheduled for February 21, 2013 when it was postponed for January 15, 2015.

Forthnet S.A.: In 2002, Forthnet S.A. filed a civil claim, claiming an amount of Euro 26.7 plus interest for damages incurred by it due to loss of customers as a result of OTE's allegedly discriminatory policy in favor of OTENET. The hearing which was scheduled for April 19, 2007, was suspended and rescheduled for June 5, 2008 and was again suspended and rescheduled for January 28, 2010, when was again suspended and rescheduled for February 28, 2013.

Teledome S.A.: Teledome S.A. filed four lawsuits against OTE before the Athens Multi Member Court of First Instance, claiming an aggregate amount of Euro 8.1 plus interest for alleged damages incurred by it as a result of OTE's delay in delivering to it leased lines and the application of non cost oriented interconnection charges by OTE. The hearings of the above lawsuits were scheduled for various dates in 2007. The first lawsuit (Euro 1.6) was heard before the Court on June 6, 2007 and a new hearing was scheduled for November 5, 2014. The second lawsuit (Euro 1.0) was rejected. The third lawsuit

(Euro 0.3) the Court postponed the hearing, and for the fourth lawsuit (Euro 3.6) the Court ordered factual investigation and reduced the claim to Euro 1.6. The investigator has already been appointed and the completion of the factual investigation is expected. Furthermore, Teledome S.A. filed six lawsuits against OTE before the Athens Multi Member Court of First Instance, claiming approximately Euro 11.0 plus interest in damages, due to suspension of its subscriber's number portability and due to alleged breach of contractual obligations arising out of disconnection of telecommunication services. For two lawsuits of Euro 4.6, the Court rejected Teledome's claims. Teledome appealed the decision before the Court of Appeals, which rejected it on January 25, 2007. Teledome S.A. appealed against this adverse decision and its appeal was discussed on November 27, 2008 by the Court of Appeals and it was rejected. A lawsuit of Euro 0.9 was rejected by the Court on January 25, 2007. Teledome appealed against it and its appeal was heard on November 26, 2009 but no decision was issued and the hearing was rescheduled for November 4, 2010, when it was rejected. The lawsuit of Euro 4.4 was heard on March 6, 2008 and was rejected by the court. Teledome appealed against this decision and the hearing is pending. Regarding the lawsuit of Euro 0.5, the Court ordered factual investigation. The factual investigation was filed and after the hearing on December 9, 2009 at the same Court, the appeal was partially accepted for an amount of Euro 0.1. The lawsuit of Euro 0.6 was heard on September 26, 2007 and the Court concluded that the claim up to an amount of Euro 0.3 was valid. However, both OTE and Teledome S.A. have appealed against the decision, which appeal, was heard on December 4, 2008 and the Court accepted OTE's appeal and rejected Teledome's appeal. Finally, Teledome filed a law suit against OTE before the Athens Multi Member Court claiming Euro 54.1 plus interest for damages for so called unlawful termination of its leased lines by OTE which resulted in Teledome S.A.'s bankruptcy. This claim was heard on March 18, 2009 and March 26, 2009. According to Court's decision the hearing was postponed and Teledome S.A. is required to deposit a guarantee amounting Euro 1.1 for court expenses. Teledome S.A. has appealed against this decision and the appeal was heard before the Athens Multi Member of First Instance Court on September 29, 2010. Because of Teledome S.A.'s denial to deposit the guarantee, OTE applied for withdrawal of Teledome S.A.'s order. Finally, Bank of Cyprus has appealed additional intervention in favor of Teledome S.A. before the Athens Multi Member Court of First Instance. All appeals were heard on September 29, 2010. For these cases a decision was issued, by which the appeals of Teledome S.A. and the additional intervention of Bank of Cyprus were rejected, while the appeal of OTE was accepted. Against this decision all OTE's defendants appealed and the appeals were heard by the Court of Appeals on April 26, 2012. The Court issued a decision by which all the respective appeals were rejected.

TELLAS S.A.: TELLAS filed two claims against OTE totaling Euro 6.2 for the triggering of penalty clauses for the loss suffered for the delayed delivery of leased lines and for claims relating to non compliance of OTE with costing obligations. The cases were scheduled to be heard by the Athens Multi Member Court on September 16, 2010 but were postponed for March 7, 2013.

LAN-NET S.A.: In May 2009, LAN-NET filed a claim against OTE before the Court of First Instance for an aggregate amount of Euro 175.6, claiming restitution for alleged illegal termination of services. The hearing of this case was scheduled for February 17, 2011, when it was postponed and rescheduled for May 30, 2013.

FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A.: FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A. filed a lawsuit against OTE before the Athens Multi Member Court of First Instance, claiming an aggregate amount of Euro 9.1 plus interest for breach of contract. The hearing was scheduled for November 8, 2007. Subsequently, the company filed with the Multi Member Court of First Instance a new lawsuit against OTE for Euro 8.7 plus interest withdrawing its previous lawsuit. The hearing by the Court, initially scheduled for November 8, 2007 was rescheduled to October 23, 2008, when the case was heard and a decision was issued rejecting the lawsuit. FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A. appealed against this decision and the hearing scheduled for February 9, 2012 was suspended. The case was heard on May 17, 2012, and the decision of the Athens Court of Appeals was issued by which the above lawsuit was definitely rejected.

Franchisees lawsuits:

1. Helias Koutsokostas & Company Limited Partnership filed a lawsuit against OTE claiming alleged damages for an amount of Euro 7.9. OTE filed a lawsuit against this company before the Multi-Member Court of First Instance for an amount for Euro 0.7. The hearing, initially scheduled for October 13, 2005 was suspended and a new hearing was scheduled for February 21, 2008, but was adjourned. The applicant has not performed any action since then.
2. K. Prinianakis S.A. filed a lawsuit against OTE claiming Euro 10.9 in damages. The case was heard on November 15, 2007 and the Court partially accepted the claim for the amount of Euro 0.1. Against this decision OTE has filed an appeal which was scheduled for September 29, 2011, when it was rescheduled for September 27, 2012. OTE filed a counterclaim against K. Prinianakis for an amount of Euro 0.3 in damages. This claim was heard on November 13, 2008 and the Court partially accepted it. Against this decision K. Prinianakis S.A. has filed an appeal which was scheduled for September 29, 2011, when it was rescheduled for September 27, 2012, when it was rescheduled for May 23, 2013.
3. DEP INFO Limited filed a lawsuit against OTE claiming Euro 7.0 for damages. OTE has filed its own lawsuit against this company claiming Euro 1.7 in damages. Both hearings were held on March 9, 2006 and the court rejected DEP INFO Limited lawsuit, while it accepted OTE's lawsuit. DEP INFO Limited filed an appeal against this decision which was heard on January 24, 2008 and the court rejected the company's appeal and ordered a factual investigation for the accurate determination of OTE's claim. On September 13, 2012, DEP INFO LTD filed a new lawsuit against OTE before the Multi-Member Court of First Instance for the amount of Euro 5.0 which is scheduled to be heard on December 10, 2014.

4. Infoshop S.A. filed a lawsuit against OTE claiming alleged damages for the amount of Euro 7.0. A hearing scheduled for November 15, 2007 was suspended and a new hearing was scheduled for November 13, 2008 and the decision of the Court rejected the entire claim.
5. S.P. COM S.A. filed a lawsuit against OTE before the Athens Multi-Member Court of First Instance requesting the annulment of the termination from OTE of their franchise contract, claiming an amount of Euro 7.3 in damages plus interest. The hearing of this case was scheduled for March 14, 2012 and the Court issued a decision rejecting the claim.

Employees' Claims: OTE's current employees and pensioners have filed a number of lawsuits against OTE with a wide variety of claims.

Payphones Duties: From 1999 to 2007, the Municipality of Thessaloniki charged OTE with duties and penalties of a total amount of Euro 15.0 for the installation and operation of payphones within the area of its responsibility. OTE strongly disputed the above assessments and filed appeals before the competent administrative courts and prepaid 40% of the above duties and penalties, amount that will be refunded to OTE if the outcome of that case will be favorable to the Company. OTE's appeals for years 1999-2000 were rejected. The courts held in OTE's favor for the year 2001 in the first and second instance. The Municipality of Thessaloniki has filed appeals before the Council of State, which are pending. No duties and penalties have been charged for 2008-2009. For 2010, 2011 and 2012 duties and penalties amounting to Euro 1.5, Euro 1.7 and Euro 1.3 respectively were charged, against which OTE has appealed. The Administrative Court of Appeals of Thessaloniki partially accepted OTE's appeal of Euro 0.6 for 2012 and the fine was cancelled.

KONSTANTZA S.A.: KONSTANTZA S.A. filed a claim against OTE before the Athens Court of First Instance alleging Euro 1.3 plus interest. The amicable resolution of the dispute which was scheduled for June 11, 2009 failed and the hearing was scheduled for March 18, 2010 but was cancelled and is rescheduled for September 20, 2012 when it was postponed and rescheduled for May 21, 2015.

Athanasios Fekas: Athanasios Fekas filed a claim against OTE before the Court of First Instance of Lamia alleging Euro 1.2 plus interest. The hearing was scheduled for February 20, 2009 but was adjourned for November 20, 2009 when the case was heard and rejected. On January 18, 2011, Athanasios Fekas appealed against this decision and the hearing was scheduled for May 10, 2011, when it was rescheduled for September 20, 2011 and a decision is pending.

FLT HELLAS METAFORIKH S.A: FLT HELLAS METAFORIKH S.A filed a lawsuit 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.

PAN DACOM HELLAS S.A.: PAN DACOM HELLAS S.A. filed a lawsuit against OTE Athens Multi-Member Court of First Instance claiming an amount of Euro 1.9 for alleged illegal termination of the contract from OTE and for moral damages. The hearing of this case was scheduled for December 6, 2012 when it was postponed for October 22, 2015.

D.N.K. Sports marketing and promotion LTD: On April 24, 2011, D.N.K. Sports marketing and promotion LTD filed a lawsuit against OTE before the Athens Multi Member Court of First Instance, claiming an amount of Euro 5.1 for economic and moral damages. For the same case D.N.K. Sports marketing and promotion LTD has filed Injunctive Measures and it was scheduled to be heard on October 17, 2011, but the hearing was suspended for May 15, 2013.

Siemens Enterprise Communications S.A.: Siemens Enterprise Communications S.A filed a lawsuit against OTE requesting from OTE to recognize specific contracts that have been transferred to Siemens Enterprise Communications S.A. from SIEMENS S.A. and to contract for debt underwriting for the debt of SIEMENS S.A. to Siemens Enterprise Communications S.A. Moreover, Siemens Enterprise Communications S.A claims an amount of Euro 3.7 plus interest from the day that each invoice of the contracts became overdue. The case will be heard before the Athens Multi Member Court of First Instance on January 15, 2014.

Siemens S.A. Electrotechnical Projects and Products: Siemens S.A. Electrotechnical Projects and Products filed a lawsuit against OTE before the Athens Multi Member Court of First Instance claiming the payment of an aggregate amount of Euro 5.5 plus interest from outstanding invoices. The case is scheduled to be heard on March 5, 2014.

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. The hearing of this case was scheduled for October 2, 2014.

Sparrowhack International Channels Ltd: Sparrowhack International Channels Ltd filed a claim against OTE, before the Queen's Bench Division of the High Court of Justice (London, UK), requesting the Court to adjudicate that a) the license agreement for the distribution of Universal Channel via OTE's pay TV platform has automatically renewed, from May 2012 and for two years of term, due to delayed notice of termination by OTE and b) the license fee, of approximately Euro 4.1 (plus interest and legal fees), is due and payable by OTE in total. The first procedural step for OTE (submission of Defence) was sent for September 27, 2012. On October 18, 2012 the Claimant filed its Response on OTE's Defence. The Court is expected to define the next stages of the procedure.

NOKIA Siemens Networks S.A. and Siemens S.A. Electrotechnical Projects and Products: On December 13, 2012 NOKIA Siemens Networks filed a lawsuit against OTE before the Athens Multi Member Court of First Instance claiming the payment of an aggregate amount of Euro 22.2 plus interest from outstanding invoices as a result of OTE's denial to recognise the transfer to NOKIA Siemens Networks S.A. of the contracts between OTE and SIEMENS S.A. and Siemens S.A. Electrotechnical Projects and Products. The hearing of this case was scheduled for October 7, 2015. On December 20, 2012 Siemens S.A. Electrotechnical Projects and Products intervened the claim arguing that Siemens S.A. Electrotechnical Projects and Products is the beneficiary of this claim and not NOKIA Siemens Networks S.A. This claim is scheduled to be heard on the same hearing on October 7, 2015.

ROMTELECOM'S CUSTOM AUTHORITIES AUDIT

ROMTELECOM is currently subject to a custom authorities' audit focusing on import transactions during 2007-2009. A final decision of the customs authorities on this issue is expected within 2013.

The most significant lawsuits and administrative disputes regarding COSMOTE and its subsidiaries, as of December 31, 2012 are the following:

COSMOTE

COSMOTE is a party to various lawsuits and administrative disputes the majority of which are related to the operation of base stations. The most significant disputes of the rest are the following:

Hellenic Telecommunications and Post Commission ("HTPC") has summoned COSMOTE as well as WIND (former TIM) and VODAFONE to a hearing on May 18, 2005, to investigate whether the announced increases on tariffs for the SMS service are contrary to the provisions of telecommunication law and law for the protection of free competition. The hearing was held on May 23, 2005 and a new hearing took place on November 3, 2005 due to the change of the members of HTPC. The HTPC issued the decision which imposed a fine of Euro 1.0 on each company (COSMOTE, WIND (former TIM) and VODAFONE) for concerted practice contrary to competition law. COSMOTE appealed against this decision before the Administrative Court of Appeals. The hearing initially scheduled for September 27, 2006, after postponements, was held on October 17, 2007 and a decision was issued which accepted COSMOTE's appeal and annulled HTPC's decision, saying that COSMOTE has not proceeded to concerted practice contrary to competition law. The HTPC has appealed against this decision before the Council of State which was discussed after postponements on November 29, 2011 and the decision is pending.

HTPC imposed a fine against COSMOTE of Euro 2.0 for violation of the law in relation to the information of subscribers of the increase of the minimum airtime. COSMOTE has appealed against this decision before the Athens Administrative Court of Appeals, which was heard on March 8, 2012 and the appeal was partially accepted reducing the fine to Euro 1.5. COSMOTE has appealed against this decision.

On January 25, 2012, HTPC imposed a fine of Euro 1.0 on COSMOTE for alleged failure to provide the requested information (collocation agreements between OTE and COSMOTE). COSMOTE has 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.

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 August 24, 2012 COSMOTE submitted its views on that complaint to HTPC. HTPC invited COSMOTE, VODAFONE and WIND to a hearing in order to examine ex officio the complaint. The hearing, after a postponement, took place on January 29, 2013.

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. On August 21, 2012 COSMOTE has signed amendments to those contracts with three of the four complainants (AMAZE, BUONGIORNO and WIN), which has waived the above complaints – requests for dispute settlement. On August 26, 2012, COSMOTE has submitted its views on those complaints – requests for dispute settlement to HTPC. After compromise with the fourth complainant BOB MOBILE, all complainants have waived the above complaints and HTPC with its decision has cancelled the claim.

GLOBUL

In December 2009, OFFICEL, former agent of GLOBUL, filed a lawsuit against GLOBUL claiming an amount of Euro 2.0 for unpaid airtime, bonus etc. for the period May 2007 – September 2009. The same agent in March 2010 filed a lawsuit against GLOBUL arguing that the agency contract was terminated by the fault of GLOBUL and claiming compensation of approximately Euro 10.0. On May 16, 2011 the Court postponed the hearing for the second lawsuit until a decision is reached for the first lawsuit. Both cases are pending.

TELECOM SLOVENIJE NOTICES OF CLAIMS

On May 12, 2010 Telecom Slovenije, the purchaser of COSMOFON, sent to COSMOTE notices of claims relating to alleged breaches of warranties and indemnity provisions under the Share Purchase Agreement concluded on March 30, 2009, for an amount of approximately Euro 9.3. On November 10, 2010, Telecom Slovenije appealed before the High Court of Justice in London asking for compensation of Euro 2.5. COSMOTE will take all necessary actions to oppose eventual unsubstantiated and unfounded claims.

On June 8, 2011 TELEKOM SLOVENIJE partially quantified its alleged damages in the amount of approximately Euro 10.5, with additional sums to be further quantified. It is noted that in accordance with the terms of the share purchase agreement, COSMOTE is obliged to indemnify TELEKOM SLOVENIJE only for claims against COSMOFON that refer to the period prior to the sale and where the amount of loss exceeds Euro 2.0. During the development of the proceedings, COSMOTE partially accepted its liability to compensate part of the requirements of TELEKOM SLOVENIJE, amounting to approximately Euro 3.2 (based on current data) and during the procedure will evaluate the remaining claims depending on the facts and details will be provided. In accordance with the initial findings of the appointed by COSMOTE expert, who submitted its opinion in the High Court of Justice on December 14, 2012, COSMOTE is liable to Telekom Slovenije for further compensation amounting to Euro 0.9. The hearing of the case has been set for June 2013.

AMC

On December 12, 2005 the Albanian Competition Commission imposed a fine on AMC of approximately Euro 1.4 (1% of the company's turnover for 2004) on the grounds of allegedly delaying a response to a request for information and provision of documents. On January 4, 2006 AMC filed two lawsuits before the Tirana District Court against the Competition Authority, demanding the annulment of the decision requesting information and opening of investigation procedure as well as of the decision imposing the fine, since the requested information had timely been dispatched to the Competition Authority. On July 7, 2006, the Tirana District Court rejected the requests of AMC and AMC presented an appeal regarding the decision imposing the fine. The Appeal Court has annulled the decision of the Tirana District Court and ordered that the case should be examined again. AMC has also submitted recourse to the Supreme Court. The case is ongoing.

On November 9, 2007 the Albanian Competition Authority imposed to AMC a fine amounting to approximately Euro 1.7 for an alleged breach of the competition legislation during the period 2004-2005. AMC considers the Albanian Competition Authority's decision unfounded and has appealed before the Courts in order to protect its legal rights. Tirana District Court has ruled to reject AMC's claim. AMC has appealed against this decision before the Tirana Appeal Court, which validated the decision of the district court, which is final. AMC has appealed before the Supreme Court for the suspension of this decision. The Supreme Court has postponed the execution of the fine until the hearing of the case in Court.

The Competition Authority of Albania (the "CAA") has notified AMC of the initiation of a preliminary investigation into the retail market for mobile telephony in Albania (currently served by 4 companies, including AMC), covering the period from January to November 2012, in order to evaluate any potential anti-competitive behavior by mobile operators, which might have resulted in a limitation of free and efficient competition. The general secretary of the CAA investigation is obliged to submit a report by no later than 28 February 2013. AMC continues to cooperate fully with CAA and is providing all relevant data in connection with the investigation.

COSMOTE ROMANIA

On November 3, 2011, SC Trimen SRL, which has been submitted to an insolvency procedure, filed a request asking the Court to oblige COSMOTE ROMANIA for the payment of approximately Euro 2.9 representing the estimated damage incurred by it from the anti competitive actions carried on by COSMOTE ROMANIA. The file has been sent to a specialized section of the Court and the discussion of the case is pending.

GERMANOS

GERMANOS is a party to certain lawsuits before the Court of First Instance regarding franchise agreements between GERMANOS and the franchisees of the chain GERMANOS. The applicants claim an amount of approximately Euro 15.5. The hearings of these cases are scheduled within 2013 and 2014 except for one case which was heard in January 2009 and the Court rejected the claim.

In April 2009, the claim of a former agent of GERMANOS of Euro 1.1 plus interest, regarding breach of conditions of payment of airtime commissions following the termination of the contract between GERMANOS and VODAFONE, was rejected by the Court. The applicant appealed against this decision and the appeal was heard in January 2011. The Athens Court of Appeals rejected the appeal and the claims of the aforementioned commercial partner as vague. The same plaintiff filed again a new claim alleging the same amount and the hearing of this case is set for November 20, 2013.

CRIMINAL PROCEEDINGS

Siemens AG case. The District Attorney of Athens has conducted a preliminary investigation in connection with allegations of bribery, money laundering and other criminal offences committed in Germany and Greece by employees of Siemens AG and a number of Greek government officials and other individuals, relating to the award of supply contracts to Siemens AG. In connection with the investigation, the District Attorney has investigated, among other matters, the propriety of, and allegations of criminal conduct in connection with, a framework contract 8002/1997 with Siemens AG, and various equipment orders pursuant to that framework contract in the period following its signing and up to 2004. The substance of these allegations, is that certain individuals, including employees of OTE, were given corrupt payments, in exchange for failing to carry out appropriate benchmarking of the price paid by OTE for equipment supplied under this contract. Framework contract 8002/1997 was signed on December 12, 1997 and related to the supply to OTE by Siemens AG of equipment for the digitalization of the network. In connection with this preliminary investigation, the Company has provided to the investigating authorities certain documents requested. Following the conclusion of the preliminary investigation, criminal charges were filed and an investigating judge was appointed to lead a formal criminal investigation. To the extent so requested, the Group has cooperated and intends to continue to cooperate with the competent authorities in relation to this investigation. The Group has also taken the necessary legal action before the investigating judge in order to assert the Group's civil rights with respect to any damages the Group may have incurred as a result of any criminal offences committed by either third parties, or former and current employees of the Group. It is understood that, as part of the same investigation, a former senior executive of OTE, was charged for certain criminal offences, including receipt of bribes, and that in May 2009, was remanded in custody pending his trial for the same charge, until September 2009 when he was released. The allegations concerned relate to this former senior executive of OTE in his personal capacity, and OTE is not subject to any civil or criminal proceedings against it in connection with these allegations. As a result, OTE was recently permitted access to the documents relating to the case, which it is in the process of reviewing. OTE has also instructed independent accountants to carry out a analysis of the amount of any possible claim, and is awaiting the results of their report. In connection with the same matter, OTE has also commenced an action for damages before German Courts and (following OTE's evaluation of information and documents disclosed by Siemens) the case is still pending.

FINES OF HTPC AGAINST OTE:

On November 29, 2006, HTPC imposed a fine against OTE of total amount of Euro 3.0, due to violation of Number Portability Rules and Competition Rules. OTE has filed an appeal before the Athens Court of Appeals against this fine which partially accepted it reducing the fine to Euro 1.0. OTE has appealed against this decision before the Council of State which was scheduled to be heard on May 29, 2012 when it was postponed to be heard on January 8, 2013 and a decision is pending.

On July 26, 2007 HTPC imposed a fine amounting Euro 20.1, for alleged abuse of its dominant position in broadband market in the form of margin squeeze. OTE has filed an appeal before the Athens Court of Appeals against this fine which was partially accepted reducing the fine to Euro 10.1. Against this decision both OTE and HTPC have appealed before the Council of State which was scheduled to be heard on March 13, 2012 when it was postponed to be heard on January 22, 2013 and was again postponed to be heard on June 11, 2013.

On July 26, 2007, HTPC imposed a fine amounting Euro 4.0, for violations of the existing legislation concerning compliance with HTPC's cost control decisions for the year 2003, having as proof wholesale leased lines (including interconnection leased lines). OTE has filed an appeal before the Athens Court of Appeals against this fine which partially accepted it reducing the fine to Euro 2.5. OTE has appealed against this decision before the Council of State, which was scheduled to be heard on March 27, 2012 when it was postponed for December 18, 2012 and a decision is pending.

On July 26, 2007, HTPC imposed a fine amounting Euro 1.0 for violations in the existing legislation concerning breaches in the obligation to pay penalties for delivery delays and repair of leased lines. OTE has filed an appeal before the Athens Court of Appeals against this fine which partially accepted it reducing the fine to Euro 0.7. OTE has appealed against this decision before the Council of State, which was scheduled to be heard on May 22, 2012 when it was postponed to be heard on March 5, 2013.

On July 26, 2007, HTPC imposed a fine amounting Euro 1.2, for non-compliance with regard to OTE's obligations relating to the Local Loop Unbundling (L.L.U). OTE has filed an appeal before the Athens Court of Appeals against this fine which was heard on March 18, 2009, and a decision was issued reducing the fine to Euro 0.5. OTE has appealed against this decision before the Council of State.

On October 5, 2007, HTPC imposed a fine for a total amount of Euro 3.0 for alleged non-compliance with regard to OTE's obligations relating to the Local Loop Unbundling (L.L.U). Against this decision OTE has filed an appeal demanding its annulment which was heard before the Athens Administrative Court of Appeals on January 20, 2009 but no decision was issued and the hearing was rescheduled for June 14, 2011. The payment to the fine has been suspended by a ruling of the Athens Administrative Court of Appeals pending the court's decision on OTE's appeal. The Court, with its decision, annulled the aforementioned fine.

On July 4, 2008, HTPC with its relevant decisions imposed a fine, aggregating to Euro 1.0, for alleged late and improper provision of necessary information related to the combined service "All in 1". OTE appealed against these decisions before the Athens Administrative Court of Appeals requesting their annulment which appeal was accepted and the fine was cancelled.

On July 25, 2008, HTPC imposed a fine on OTE for an amount of Euro 9.0 for alleged obstacles to the business promotion of the "Double play" service by TELLAS S.A. (fixed telephony with fast Internet combination). OTE appealed against this decision before the Athens Administrative Court of Appeals which was partially accepted reducing the fine to Euro 5.7. OTE has appealed against this decision before the Council of State.

On October 3, 2008, HTPC imposed a series of fines to OTE amounting to approximately Euro 11.0, alleging that OTE has only partially conformed with regard to its obligations relating to the Local Loop Unbundling (L.L.U). OTE appealed against this decision before the Athens Administrative Court of Appeal demanding its suspension, which appeal was accepted by the Court and the fine was cancelled.

On February 3, 2009, HTPC imposed a fine of Euro 2.0 to OTE, for the alleged refusal to provide the information requested for the purpose of price squeezing control over the price margins for voice telephony. OTE has appealed against this decision, before the Athens Administrative Court of Appeals and the appeal was partially accepted reducing the fine to Euro 0.8. OTE has appealled against this decision before the Council of State.

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

On May 5, 2009, HTPC imposed a fine of Euro 2.0 to OTE for violation of telecommunications law and specifically on the Company's obligation, as a company with significant market power (SMP) in the relevant market, to maintain maximum price level at the retention fee for calls from subscribers of its network to subscribers of mobile network providers. OTE has appealed against this decision, before the Athens Administrative Court of Appeals. The appeal has been postponed and was heard on May 13, 2010. Similarly, the above mentioned decision was announced to OTE again and OTE has appealed against it, before the Athens Administrative Court of Appeals and the appeal will be heard after postponement on February 13, 2013 and a decision is pending.

On January 25, 2012, HTPC imposed a fine of Euro 2.0 on OTE for alleged failure to provide the requested information (collocation agreements between OTE and COSMOTE). OTE has appealed against the fines before the Athens Administrative Court of Appeals and the hearing was scheduled to be heard on May 22, 2013. The Athens Administrative Court of Appeals rejected the application to suspend execution.

B. COMMITMENTS

Capital commitments for the acquisition of property, plant and equipment and operating commitments for rentals, rights of use, repair and maintenance services and other services are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Capital commitments	246.3	117.2	47.9	42.5
Operating commitments	953.7	726.2	196.9	200.4
TOTAL	**1,200.0**	**843.4**	**244.8**	**242.9**

Included in the capital commitments is the remaining amount of Euro 127.9 concerning the spectrum license in Romania (see Note 6).

Further to the above, the Company has operating commitments for rental with its wholly owned subsidiary OTE ESTATE maturing in September 2013 with an annual rental rate of Euro 40.6, adjustable according to the contractual provisions.

The maturity of these commitments per year are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Up to 1 year	434.4	317.1	104.0	144.4
1 to 5 years	341.3	344.1	118.9	77.3
Over 5 years	424.3	182.2	21.9	21.2
TOTAL	**1,200.0**	**843.4**	**244.8**	**242.9**

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

IFRS 7 “Financial Instruments: Disclosures” requires additional disclosures in order to improve the quality of information provided in order to assess the importance of the financial instruments on the financial position of the Group and the Company. The Group and the Company are exposed to the following risks from the use of their financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk

The following tables compare the carrying amount of the Group’s and the Company’s financial instruments to their fair value:

	Carrying Amount		Fair value	
GROUP	2012	2011	2012	2011
Financial Assets				
Available-for-sale	3.3	350.0	3.3	350.0
Held for trading	3.4	3.5	3.4	3.5
Trade receivables	825.5	928.6	825.5	928.6
Loans to Auxiliary Fund	127.6	132.0	157.2	156.4
Other loans	108.6	152.4	108.6	152.4
Restricted cash	65.1	-	65.1	-
Cash and cash equivalents	1,161.6	683.4	1,161.6	683.4
Derivative financial instruments	27.7	29.3	27.7	29.3
Financial Liabilities				
Long-term borrowings	2,635.2	4,139.1	2,376.7	2,992.3
Short-term borrowings and short-term portion of long-term borrowings	1,415.6	762.9	1,401.5	762.9
Trade accounts payable	741.9	749.6	741.9	749.6
Cash collateral on interest rate swaps	23.5	11.6	23.5	11.6

	Carrying Amount		Fair value	
COMPANY	2012	2011	2012	2011
Financial Assets				
Available-for-sale	1.9	343.3	1.9	343.3
Trade receivables	409.1	495.1	409.1	495.1
Loans to Auxiliary Fund	127.6	132.0	157.2	156.4
Other loans	108.5	152.3	108.5	152.3
Cash and cash equivalents	392.3	156.0	392.3	156.0
Derivative financial instruments	24.5	24.3	24.5	24.3
Financial Liabilities				
Long-term borrowings	1,602.0	2,715.7	1,585.8	2,108.7
Short-term borrowings and short-term portion of long-term borrowings	795.5	280.7	794.3	280.7
Trade accounts payable	315.8	346.6	315.8	346.6
Cash collateral on interest rate swaps	23.5	11.6	23.5	11.6

The fair value of cash and cash equivalents, trade receivables, other loans and trade accounts payable approximate their carrying amounts. The fair value of quoted shares and bonds is based on price quotations at the reporting date. The fair value of unlisted financial instruments is determined by discounting future cash flows.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

As at December 31, 2012, the Group and the Company held the following financial instruments measured at fair value:

	Fair value		
GROUP	2012	2011	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	3.3	2.8	Level 1
Available-for-sale bonds	-	341.7	Level 1
Available-for-sale securities	-	5.5	Level 3
Held for trading bonds	3.4	3.5	Level 1
Other loans	108.6	152.4	Level 2
Derivative financial instruments	27.7	29.3	Level 2

	Fair value		
COMPANY	2012	2011	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	1.9	1.6	Level 1
Available-for-sale bonds	-	341.7	Level 1
Other loans	108.5	152.3	Level 2
Derivative financial instruments	24.5	24.3	Level 2

a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a 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 in respect of the relevant assets.

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.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and the diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is however considered to exist for amounts receivable from other 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 make the appropriate provision for impairment (see Note 11).

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 also considered to be exposed to a high level of credit risk, in light of the macroeconomic conditions in Greece which are placing significant pressure on the domestic banks. Most of the Group's cash is invested in highly rated counterparties and with a very short term tenor.

Loans include loans to employees which are collected either through the payroll or are netted-off with their retirement indemnities (see Notes 9, 13 and 20) and loans and advances to Auxiliary Pension Fund mainly due to the Voluntary Leave Scheme (see Note 20). 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 low levels by ensuring that there is sufficient cash on demand and credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and current financial assets as at December 31, 2012 amounts to Euro 1,168.3 and Euro 394.2 respectively and their debt amounts to Euro 4,050.8 and Euro 2,397.5, respectively.

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

The analysis of the undiscounted contractual payments (including debt principal and interest payments) of the financial liabilities of the Group and the Company is as follows:

GROUP					
December 31, 2012	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Medium term notes OTE PLC	1,178.4	621.1	1,621.3	-	3,420.8
Syndicated loan OTE	452.3	520.8	-	-	973.1
Syndicated loan GLOBUL	16.4	23.5	142.2	-	182.1
Other borrowings	1.4	-	-	-	1.4
Trade accounts payable	741.9	-	-	-	741.9
TOTAL	**2,390.4**	**1,165.4**	**1,763.5**	**-**	**5,319.3**
December 31, 2011	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Medium term notes OTE PLC	175.8	1,426.3	2,242.4	-	3,844.5
Syndicated loan OTE PLC and OTE	846.0	940.8	-	-	1,786.8
Borrowings - ROMTELECOM	4.2	-	-	-	4.2
Other borrowings	2.2	-	-	-	2.2
Trade accounts payable	749.6	-	-	-	749.6
TOTAL	**1,777.8**	**2,367.1**	**2,242.4**	**-**	**6,387.3**

The Group has excluded derivative financial instruments from the above analysis.

Guarantees

OTE has guaranteed the borrowings of its subsidiary, OTE PLC as follows:

- As at December 31, 2012: Euro 3,478.3
- As at December 31, 2011: Euro 4,297.4

COMPANY					
December 31, 2012	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Intercompany loans (OTE PLC)	495.3	580.0	643.6	-	1,718.9
Syndicated loan OTE	452.3	520.8	-	-	973.1
Trade accounts payable	315.8	-	-	-	315.8
TOTAL	**1,263.4**	**1,100.8**	**643.6**	**-**	**3,007.8**
December 31, 2011	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Intercompany loans (OTE PLC)	396.6	827.2	1,223.6	-	2,447.4
Syndicated loan OTE	77.6	940.8	-	-	1,018.4
Trade accounts payable	346.6	-	-	-	346.6
TOTAL	**820.8**	**1,768.0**	**1,223.6**	**-**	**3,812.4**

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.

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

As of December 31, 2012, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 74%/26% (2011: 66%/34%). The analysis of borrowings by type of the interest rate is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Floating interest rate	1,040.8	1,653.1	889.5	1,174.9
Fixed interest rate	3,010.0	3,248.9	1,508.0	1,821.5
TOTAL	**4,050.8**	**4,902.0**	**2,397.5**	**2,996.4**

As of December 31, 2012, the total notional amount of the fixed to floating interest rate swap agreements was Euro 565.0. The post hedging fixed to floating ratio is 60%/40%.

The following table demonstrates the sensitivity to a change in interest rates on loans, deposits and derivatives to the income statement.

Sensitivity to a 1% interest rates increase (gain / (loss)):

	GROUP		COMPANY	
	2012	2011	2012	2011
Profit before tax	1.2	(10.1)	(5.0)	(10.6)

If interest rates were to decrease by 1%, the impact would be similar and opposite to the analysis above.

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). The following table demonstrates the sensitivity to a reasonably possible change in the functional currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on profit before tax	
Change in functional currency exchange rate	2012	2011
+10%	45.2	36.1
-10%	(45.2)	(36.1)

As of December 31, 2012, subsidiaries of COSMOTE had Euro 753.5 loans payable to COSMOTE (December 31, 2011: Euro 718.9) which are treated as part of the net investment of the foreign operation as settlement is neither planned nor probable in the foreseeable future. The currency translation differences are recorded in other comprehensive income. If the exchange rate RON/EUR changes by 1%, the effect in total equity of the Group would be Euro 7.5 (2011: Euro 7.3).

Capital Management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business plans 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 current financial assets.
The table below shows a decrease in the gearing ratio in 2012 compared to 2011, coming from a decrease in net debt (mainly due to a decrease in borrowings) and an increase in equity (through the profit of the year):

GROUP	December 31,	
	2012	2011
Borrowings	4,050.8	4,902.0
Cash and cash equivalents	(1,161.6)	(683.4)
Other current financial assets	(6.7)	(353.5)
Net debt	2,882.5	3,865.1
Equity	2,013.8	1,757.3
Gearing ratio	**1.43x**	**2.20x**

34. RECLASSIFICATIONS

In the consolidated and separate statements of financial position of 2011, an amount of Euro 43.3 and Euro 141.3 respectively has been reclassified from "Deferred revenue" to "Other non-current liabilities" for better presentation of the long term portion of deferred revenue.

In the consolidated income statement of 2011, an amount of Euro 44.4 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.

35. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after December 31, 2012 are as follows:

DEBT REFINANCING

GROUP

Private Bond Exchange Agreement under the Global Medium-Term Note Programme

On January 16, 2013, OTE PLC concluded a private bond exchange agreement under its Global Medium Term Note Programme by which it exchanged Euro 187.0 of the August 2013 Notes with a new issue of Euro 187.7 Notes ("New Notes") maturing in February 2015. The repurchased Euro 187.0 August 2013 notes have been cancelled. The New Notes were consolidated with the existing Euro 600.0 Notes issued in February 2008 and maturing in February 2015, which have a current coupon of 7.25%.

Euro 700.0 notes under the Global Medium-Term Note Programme

On February 7, 2013, OTE PLC issued new Euro 700.0, due February 7, 2018 Fixed Rate Notes under its Global Medium-Term Note Programme with an annual coupon of 7.875%, paid semi-annually.

The new notes contain a change of control clause which is triggered if an entity (other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise.

In the event that the clause is triggered OTE PLC is obliged to notify the bondholders, who may request (within 45 days) the repayment of the notes.

Tender Offer by OTE PLC under the Global Medium-Term Note Programme

On January 29, 2013, OTE PLC announced an invitation to holders of its outstanding Euro 1,250.0 August 2013 notes (the August 2013 Notes) and its outstanding Euro 500.0 April 2014 (the April 2014 Notes) to tender their Notes for purchase by OTE PLC for cash.

On February 8, 2013, OTE PLC announced the results of the Tender Offer. Consequently, on February 11, 2013, OTE PLC repurchased nominal amount of Euro 106.2 August 2013 Notes and nominal amount of Euro 92.5 April 2014 Notes. The tendered notes were surrendered for cancellation. As a result, the outstanding nominal amount of August 2013 Notes and April 2014 Notes is Euro 713.8 and Euro 407.5 respectively.

Euro 900.0 Revolving Credit Facility

On February 11, 2013 OTE proceeded with the repayment of Euro 400.0 under the Euro 900.0 Revolving Credit Facility (Bond Loan) that OTE had signed on February 2011 with a consortium of banks. The remaining portion of nominal amount of Euro 500.0 that matures on February 11, 2014 has been reclassified to the short-term portion of long-term borrowings. The current outstanding balance of the loan is Euro 490.1.

OTE

New intercompany loans between OTE PLC and OTE

On January 16, 2013, OTE signed a Euro 187.7 intercompany loan agreement with OTE PLC maturing on February 11, 2015. The loan bears a fixed interest rate.

On January 25, 2013, OTE signed a Euro 99.5 intercompany loan agreement with OTE PLC maturing on August 5, 2013. The loan bears a fixed interest rate.

On February 14, 2013, OTE signed a Euro 250.0 intercompany loan agreement with OTE PLC, maturing on February 7, 2018. The loan bears a fixed interest rate.

Prepayments of intercompany loans granted from OTE PLC

On January 16, 2013, OTE proceeded with a partial prepayment of a nominal amount of Euro 187.0 under the intercompany loan from OTE PLC maturing on August 1, 2013.

On February 15, 2013, OTE proceeded with partial prepayments of (i) a nominal amount of Euro 81.1 under the intercompany loan from OTE PLC maturing on August 1, 2013, (ii) a nominal amount of Euro 25.1 under the Euro 99.5 intercompany loan maturing on August 5, 2013 and (iii) a nominal amount of Euro 92.5 under the Euro 500 intercompany loan maturing in April 8, 2014.

Derivatives

On February 14, 2013, OTE proceeded with a partial unwind of Euro 92.5 under its interest rate swap agreement signed in April 2011. The unwind payment to be received by OTE was Euro 4.3. On February 19, 2013, OTE returned an amount of Euro 4.5 from the outstanding collateral under the existing Credit Support Annex.

NEW TAX LAW

On January 23, 2013 the new tax law 4110/23.01.2013 was set into force. The main changes are that according to the new tax law, the corporate income tax rate of legal entities is set at 26% for fiscal year 2013 onwards and the withholding tax rate on dividends approved after January 1, 2014 is set to 10%. The estimated positive impact from the remeasurement of the deferred tax position for the Group and the Company will be approximately Euro 50 and Euro 42, respectively.

SALE OF HELLAS SAT

On February 7, 2013 OTE announced the signing of an agreement to sell its 99.05% stake in Hellas Sat to Arabsat Cyprus Ltd, a 100% subsidiary of Arab Satellite Communications Organization. OTE will receive total proceeds of approximately Euro 208 from this sale, representing 99.05% of: a) the value of Hellas Sat amounting to Euro 157 and b) the cash held by Hellas Sat on the date of completion of the transaction, estimated at approximately Euro 53. In addition, OTE will receive Euro 7 as dividends. The transaction is expected to be completed in the second quarter of 2013 after all necessary procedures have been finalized and is subject to approval by the competent authorities.

LIQUIDATION OF OTE PROPERTIES

The liquidation process of OTE PROPERTIES was finalized on January 10, 2013, while its tax number was removed from the tax authorities' register on February 8, 2013.

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

AR.MAE 347/06/B86/10

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2012 TO DECEMBER 31, 2012

(Published in accordance with law 2190/1920, art.135 for Companies preparing annual consolidated and separate financial statements, in accordance with I.F.R.S.)

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.

Supervising Authority : Ministry of Development, Societe Anonyme and Credit Division
Company's Web Site : www.ote.gr
Date of approval of financial statements from the Board of Directors: February 27, 2013
The Certified Auditor : Marios Psaltis RN ICA(GR): 38081
Auditing Company : PricewaterhouseCoopers S.A. Certified Auditors - Accountants SOEL REG: No 113
Type of Auditor's Opinion : Unqualified

Composition of the Board of Directors:

1. Michael Tsamaz, Chairman and Managing Director, Executive Member
2. Dimitrios Tzouganatos,Vice-Chairman,Independent Non-Executive Member
3. Babis Mazarakis, Executive Member
4. Timotheus Höttges, Non - Executive Member
5. Klaus Müller, Non - Executive Member
6. Claudia Nemat, Non - Executive Member
7. Eustathios Anestis, Non - Executive Member
8. Nikolaos Karamouzis, Non - Executive Member
9. Michael Bletsas, Independent, Non - Executive Member
10. Panagiotis Tabourlos, Independent, Non - Executive Member
11.Vasileios Fourlis, Independent, Non - Executive Member

DATA FROM STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
ASSETS				
Property, plant and equipment	3,914.1	4,328.0	1,508.9	1,682.7
Intangible assets	1,520.1	1,505.5	50.0	31.8
Other non current assets	544.3	573.8	4,118.1	4,538.7
Inventories	111.4	125.0	16.5	21.9
Trade receivables	825.5	928.6	409.1	495.1
Other current assets	282.8	566.6	107.2	456.5
Cash and cash equivalents	1,161.6	683.4	392.3	156.0
Assets classified as held for sale	-	380.0	-	380.0
TOTAL ASSETS	**8,359.8**	**9,090.9**	**6,602.1**	**7,762.7**
EQUITY AND LIABILITIES				
Share capital	1,171.5	1,171.5	1,171.5	1,171.5
Other equity items	452.3	212.0	1,606.3	1,974.0
Equity attributable to shareholders of the parent (a)	1,623.8	1,383.5	2,777.8	3,145.5
Non-controlling interests (b)	390.0	373.8	-	-
Total equity (c) = (a) + (b)	**2,013.8**	**1,757.3**	**2,777.8**	**3,145.5**
Long-term borrowings	2,635.2	4,139.1	1,602.0	2,715.7
Provisions / Other non current liabilities	648.5	736.2	552.5	664.5
Short-term borrowings	1,415.6	762.9	795.5	280.7
Other current liabilities	1,646.7	1,695.4	874.3	956.3
Total liabilities (d)	**6,346.0**	**7,333.6**	**3,824.3**	**4,617.2**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**8,359.8**	**9,090.9**	**6,602.1**	**7,762.7**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2012	01.01-31.12.2011
Total revenue	4,680.3	5,038.3	1,704.0	1,912.2
Profit before taxes, investment and financial activities	**615.2**	**352.6**	**69.0**	**201.1**
Profit / (loss) before tax	609.3	115.1	(147.7)	(372.5)
Profit / (loss) after tax (A)	**501.6**	**(13.6)**	**(163.2)**	**(413.4)**
Attributable to:				
- Owners of the parent	476.4	119.7	(163.2)	(413.4)
- Non controlling interests	25.2	(133.3)	-	-
Other comprehensive income / (loss) after tax (B)	**(246.7)**	**217.5**	**(206.1)**	**244.0**
Total comprehensive income / (loss) after tax (A)+(B)	**254.9**	**203.9**	**(369.3)**	**(169.4)**
Attributable to:				
- Owners of the parent	238.7	339.4	(369.3)	(169.4)
- Non controlling interests	16.2	(135.5)	-	-
Basic earnings per share (in €)	**0.9719**	**0.2442**		
Proposed dividend per share (in €)			0.0000	0.0000
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**1,533.9**	**1,662.8**	**377.1**	**533.2**

DATA FROM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Total equity at the beginning of the year (01.01.2012 and 01.01.2011)	1,757.3	1,652.6	3,145.5	3,370.4
Total comprehensive income / (loss) after tax	254.9	203.9	(369.3)	(169.4)
Share-based payments	1.6	(2.6)	1.6	(2.6)
Dividends	-	(101.5)	-	(57.8)
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	4.9	-	4.9
Total equity at the end of the year (31.12.2012 and 31.12.2011)	**2,013.8**	**1,757.3**	**2,777.8**	**3,145.5**

DATA FROM STATEMENT OF CASH FLOWS (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2012	01.01-31.12.2011
Cash flows from operating activities				
Profit / (loss) before tax	609.3	115.1	(147.7)	(372.5)
Adjustments for:				
Depreciation, amortization and impairment	918.7	1,310.2	308.1	332.1
Share-based payment	1.6	(2.6)	0.3	(1.0)
Cost of early retirement program	123.0	69.0	123.0	27.1
Provision for staff retirement indemnities	22.2	22.2	19.4	20.1
Provision for youth account	(6.2)	9.9	(6.2)	9.9
Write down of inventories	7.7	20.9	-	6.3
Provision for doubtful accounts	117.1	135.0	21.4	24.5
Other provisions	2.7	(4.5)	2.5	(4.6)
Foreign exchange differences, net	1.4	(3.6)	-	(2.3)
Interest income	(15.2)	(22.2)	(8.7)	(11.5)
Dividend income	(3.9)	(27.4)	(41.9)	(28.6)
(Gains) / losses and impairments of investments	(225.1)	0.6	100.5	431.8
Release of EDEKT fund prepayment	-	35.2	-	35.2
Interest expense	248.7	290.1	166.8	184.2
Working capital adjustments:				
Decrease / (increase) in inventories	5.9	14.9	5.4	(0.3)
Decrease / (increase) in receivables	41.0	(86.9)	118.7	(25.1)
(Decrease) / increase in liabilities (except borrowings)	(56.7)	1.6	(77.8)	(12.5)
Plus/ (Minus):				
Payment of early retirement programs and voluntary leave scheme	(146.4)	(113.9)	(145.9)	(74.2)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(115.7)	(82.4)	(114.7)	(79.4)
Interest and related expenses paid	(246.7)	(284.5)	(172.3)	(174.0)
Income taxes paid	(116.5)	(188.5)	(24.5)	(20.4)
Net cash flows from operating activities (a)	**1,166.9**	**1,208.2**	**126.4**	**264.8**
Cash flows from investing activities				
Acquisition of subsidiary net of cash acquired	-	(10.5)	-	-
Purchase of financial assets	(719.5)	(435.4)	(677.4)	(435.0)
Sale or maturity of financial assets	1,060.9	93.7	1,018.8	93.6
Repayments of loans receivable	10.3	9.8	10.3	9.8
Purchase of property, plant and equipment and intangible assets	(554.3)	(716.5)	(157.7)	(181.4)
Restricted cash	(65.1)	-	-	-
Proceeds from disposal of subsidiaries / investments	380.0	-	380.0	-
Interest received	17.2	17.5	8.1	10.6
Dividends received	20.9	10.4	58.9	11.6
Return of capital invested in subsidiary	-	-	52.0	82.0
Net cash flows from / (used in) investing activities (b)	**150.4**	**(1,031.0)**	**693.0**	**(408.8)**
Cash flows from financing activities				
Proceeds from loans granted and issued	466.3	1,743.6	439.9	1,743.6
Repayment of loans	(1,298.9)	(2,142.1)	(1,022.6)	(1,579.7)
Dividends paid to Company's owners	(0.4)	(52.9)	(0.4)	(52.9)
Dividends paid to non-controlling interests	-	(43.7)	-	-
Net cash flows from / (used in) financing activities (c)	**(833.0)**	**(495.1)**	**(583.1)**	**111.0**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**484.3**	**(317.9)**	**236.3**	**(33.0)**
Cash and cash equivalents at the beginning of the year	**683.4**	**1,004.3**	**156.0**	**189.0**
Net foreign exchange differences	(6.1)	(3.0)	-	-
Cash and cash equivalents at the end of the year	**1,161.6**	**683.4**	**392.3**	**156.0**

ADDITIONAL DATA AND INFORMATION

1) The companies which are included in the annual 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 8 of the financial statements.

2) The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries and the results of the tax audits completed, are presented in Note 23 of the financial statements.

3) On January 25, 2012, the sale of OTE's 20% entire stake in TELEKOM SRBIJA was completed. Further details are presented in Note 8 of the financial statements.

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 December 31, 2012 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 88.9 million and € 29.6 million respectively and b) for the Company € 83.8 million and € 18.0 million respectively. The most significant outstanding legal cases are presented in Note 32 of the financial statements.

5) Number of employees at the end of the year: Group 27,330 (31.12.2011: 28,474), Company 8,750 (31.12.2011: 10,569).

6) Other comprehensive income / (loss) after tax for the year 2012 which was recognized directly in equity for the Group, relates to foreign currency translation € (36.0) million, actuarial gains € 1.5 million (net of deferred taxes) and the net movement of available for sale investments € (212.2) million (net of deferred taxes). As for the Company, it relates to actuarial gains € 5.4 million (net of deferred taxes) and the net movement of available for sale financial assets € (211.5) million (net of deferred taxes).

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 holds a 40.00% interest in OTE as of December 31, 2012.

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 year 2012, amounted to € 121.6 million and € 272.4 million, respectively. Interest expense for the year 2012 amounted to € 88.3 million. The outstanding balance of receivables and payables from/to related parties as of December 31, 2012 derived from current transactions amounted to € 80.3 million and € 190.8 million, respectively. The outstanding balance of payables to related parties from the loans received amounted to € 1,565.1 million. Dividend income from related parties amounts to € 38.0 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 year 2012, amount to € 5.5 million. Based on OTE's share option plan, until December 31, 2012, 2,814,651 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 year 2012 amounted to € 22.7 million and € 24.7 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of December 31, 2012 derived from operating transactions amounted to € 12.9 million and € 48.2 million, respectively.

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 34 of the financial statements.

11)The most signicant events that have occurred after December 31, 2012 are presented in the Note 35 of the financial statements.

Athens, February 27, 2013

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND GROUP CHIEF FINANCIAL OFFICER	GROUP GENERAL DIRECTOR OF FINANCIAL OPERATIONS	CHIEF ACCOUNTING OFFICER
MICHAEL TSAMAZ I.D. Number AB 516212	BABIS MAZARAKIS I.D. Number AE 096808 License Number 0021943	GEORGE MAVRAKIS I.D. Number T 004893	KONSTANTINOS VASILOPOULOS I.D.Number Π 529399 License Number 032033

VI. INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

The table below incorporates by reference the information of Article 10 of Law 3401/2005 regarding the Company, its shares and the securities market, which have been published and made available to the public during year 2012, as well as during the first months of 2013, in compliance with its obligations under Community and National Legislation.

General Shareholder Assemblies' Resolutions	
20/12/2012	EGM Resolutions- held on 20/12/2012.
15/06/2012	AGM Resolutions-held on 15/6/2012.
22/03/2012	EGM Resolutions-held on 22/3/2012.
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Invitations to General Shareholder Assemblies	
28/11/2012	Invitation to the Extraordinary Meeting of Shareholders of 20/12/2012.
24/05/2012	Invitation to the 60th Ordinary General Assembly of Shareholders of 15/6/2012.
29/02/2012	Invitation to the Extraordinary General Meeting of Shareholders of 22/3/2012.
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Voting Results	
21/12/2012	EGM Voting Results- held on 20/12/2012.
19/6/2012	AGM Voting Results-held on 15/6/2012.
26/3/2012	EGM Voting Results-held on 22/3/2012.
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Dividend	
16/10/2012	Unclaimed Dividends of Financial Year 2006.
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Corporate Actions	
18/02/2013	Announcement of Regulated Information- Listing and consolidation with existing Tranche Notes.
13/2/2013	Announcement of Regulated Information- OTE completes 2013 and 2014 Notes Tender Process.
08/02/2013	Announcement of Regulated Information- Agreement for the sale of Hellas Sat.
07/02/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
30/01/2013	Announcement of Regulated Information- OTE to raise Euro 700 million through 5-Year fixed coupon notes.
29/01/2013	Announcement of Regulated Information- Issue of New Eurobond and Announcement of a tender offer of existing bonds.
28/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
24/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
22/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
18/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
17/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
16/01/2013	Announcement of Regulated Information- Bond Exchange Agreement.
15/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
14/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
11/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
03/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
02/01/2013	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
31/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
24/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
21/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
21/12/2012	Announcement of Regulated Information- Liable Person's Transaction Notification of Mr. Konstantinos Ploumpis, Chief Regulatory Affairs Officer of the Company.
20/12/2012	OTE's Subsidiary Cosmo Bulgaria Mobile EAD Concludes syndicated Loan Agreement.
19/12/2012	Announcement of Regulated Information- Liable Person's Transaction Notification of Mr. Arvanitidis Giorgos, Deputy Chief Human Resources Officer of the Company.
19/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
18/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
17/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
13/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
12/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
10/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
06/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
04/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
03/12/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
30/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.

29/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
28/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
28/11/2012	Liable person's transaction Notification of Eleni Papadopoulou OTE Group Human Resources Officer.
27/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
26/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
23/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
22/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
21/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
20/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
19/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
15/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
13/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
09/11/2012	Announcement of Regulated Information- Greek Fixed Line Voluntary Exit Scheme.
09/11/2012	Announcement of Regulated Information – Bond Loan Extension.
08/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
08/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
01/11/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
29/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
22/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
19/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
18/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
17/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
16/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
15/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
11/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
10/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
09/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
08/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
05/10/2012	Announcement of Regulated Information- Piraeus Bank's Transaction Notification.
20/09/2012	Announcement of Regulated Information- Liable person's transaction Notification of Mr. Konstantinos Ploumpis, Chief Regulatory Affairs Officer of the Company.
19/07/2012	Announcement of Regulated Information-BoD member change- The Executive BoD member Mr Kevin Copp has submitted his resignation and Mr Charalambos Mazarakis was elected in replacement for the rest of the latter's tenure.
09/07/2012	Announcement of Regulated Information-Liable person's transaction Notification of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company.
28/06/2012	New OTE Group CFO- Mr Kevin Copp OTE Group Chief Financial Officer, will be leaving the Company and Mr Babis Mazarakis will assume its position since July 1, 2012.
22/06/2012	Announcement of Regulated Information-Liable person's transaction Notifications of Mr. Arvanitidis Giorgos, Deputy Chief Human Resources Officer of the Company.
21/06/2012	Announcement of Regulated Information-Liable person's transaction Notifications of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company.
20/06/2012	Announcement of Regulated Information-Liable person's transaction Notification of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company.
10/05/2012	Announcement of Regulated Information- In its six-months financial report for the period 01/01/2012-30/06/2012 the Company will reclassify from "Long-term borrowings" into "Short-term portion of long-term borrowings the remaining portion of its Euro 900 million Revolving Facility due February 2013.
12/04/2012	Announcement of Regulated Information-Liable person's transaction Notification of Mr. Georgios Polychronopoulos, Chief Executive Officer of OTESAT-Maritel.
01/03/2012	Announcement of Regulated Information-Liable person's transaction Notification of Mr. Konstantinos Vasilopoulos, Chief Accounting Officer of OTE SA.
27/1/2012	Announcement of Regulated Information-Completion of the sale of OTE's stake in Telekom Serbia- OTE received Euro 397 million in total, Euro 380 million from the share transaction and Euro 17 million for the dividend for fiscal year 2011.
19/1/2012	Announcement of Regulated Information-Organizational change
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	

Press Releases	
18/02/2013	Q4 and Full Year 2012 Results announcement- Conference Call Details.
28/01/2013	Q4 and Full Year 2012 Results Announcement Date.
07/01/2013	Announcement of Regulated Information- Successful Completion of OTE's Voluntary Exit Scheme.
21/12/2012	Management Changes.
03/12/2012	Draft Modifications of the Articles of Association.
09/11/2012	Announcement of Q3 2012 Financial Results.
29/10/2012	OTE Q3 2012 Financial Results announcement –Conference Call Details.
11/10/2012	Q3 2012 Results Announcement Date.
09/08/2012	Announcement of Q2 2012 Financial Results.
01/08/2012	OTE Q2 2012 Financial Results announcement- Conference call details.
18/07/2012	Q2 2012 Results Announcement Date.
20/06/2012	Extel Awards 2012-OTE was voted by international analysts and investors as the best Firm for Investor Relations in Greece, OTE's Group CFO, Mr. Kevin Copp, was voted the best CFO for Investor Relations, and OTE's IRO, Mr Dimitris Tzelepis was voted the best Investor Relations Professional in Greece, for the year 2012.
24/05/2012	Change of AGM Date.
10/05/2012	Announcement of Q1 2012 Financial Results.
25/04/2012	OTE Q1 2012 Financial Results Announcement- Conference Call Details.
10/04/2012	Q1 2012 Results announcement Date.
23/02/2012	Announcement of Q4 and Full Year 2011 Results.
23/02/2012	Financial Calendar 2012.
09/02/2012	OTE Q4 2011 Financial Results announcement- Conference call details.
27/01/2012	Q4 and Full Year 2011 results announcement date- on February 23, 2012.
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Transactions Notifications of the liable persons in compliance with L3340/2005 and 3/347/12.7.2005 Decision of the Hellenic Capital Market Commission	
Location on the company's website : www.ote.gr/ Company/Investor Relations/Corporate Governance/Transparency and Information Disclosure/ Transactions Notifications in compliance with L3340/2005	
Financial Results	
09/11/2012	Third Quarter 2012 – Press Release.
09/08/2012	Second Quarter 2012 – Press Release.
10/05/2012	First Quarter 2012 – Press Release.
23/02/2012	Fourth Quarter 2011 – Press Release.
Location on the company's website: www.ote.gr/ Investor Relations/ Financial Results/ Financial Results/ Financial Statements of OTe Group and OTE S.A.	
IFRS Reports- Figures and Information	
09/11/2012	Financial Data and Information–Third Quarter 2012.
09/11/2012	Interim Condensed Financial Statements (01/01/12-30/09/12) –Third Quarter 2012.
09/08/2012	Financial Data and Information–Second Quarter 2012.
09/08/2012	OTE Six Months Financial Report 30/06/12 – Second Quarter 2012.
10/05/2012	Financial Data and Information –First Quarter 2012.
10/05/2012	First Quarter 2012–First Quarter 2012.
23/02/2012	Financial Data and Information – Fourth Quarter 2011.
23/02/2012	Annual Financial Report 2011– Fourth Quarter 2011.
Location on the company's website: www.ote.gr/ Company/Investor Relations/ Financial Results/ Financial Statements of OTE Group and OTE S.A.	

Note: The Financial Statements, the Independent Auditor's Reports and the Reports of the Board of Directors can be found at the web page: www.ote.gr/ Company/Investor Relations/ Financial Results/ Financial Statements of OTE Group Companies and are available both in English and Greek.