HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

ANNUAL FINANCIAL REPORT

For the period
from January 1, 2013 to December 31, 2013

(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

STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS
(In accordance with article 4 par. 2 of Law 3556/2007)

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

1. Michael Tsamaz, Chairman and Managing Director

2. Babis Mazarakis, Board Member

3. Panagiotis Tabourlos, Board Member

We confirm that to the best of our knowledge:

a. The Annual Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2013 to December 31, 2013, 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, March 5, 2014

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 March 5, 2014.

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, 2013, 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, 2013 to December 31, 2013, the Company's strategy and objectives, the significant events which took place in 2013, 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 2013

OTE Group revenue from continuing operations decreased by 6.4% in 2013 compared to 2012 and reached Euro 4,054.1 million, mainly due to:

- decreased revenues from fixed business by 4.3%
- decreased revenues from mobile business by 8.1%, and
- decreased miscellaneous other revenues by 17.0%.

OTE's revenue reached Euro 1,557.2 million, reflecting a decrease of 8.6% compared to the prior year. This is a result of the decrease in revenues from fixed services by 8.5%, the decrease in revenues from mobile services by 14.3% and the decrease in miscellaneous other revenues by 9.9%.

The Group's operating expenses from continuing operations reached Euro 3,761.0 million and reflect a decrease of 0.6% compared to the prior year. This decrease is mainly due to the decrease in interconnection and roaming costs by 8.3%, in provision for doubtful accounts by 23.3%, in personnel costs by 10.2%, in commission costs by 2.9%, in maintenance and repairs by 4.5%, in marketing by 15.5% and in other operating expenses by 4.4%. These decreases were offset by the increase in costs related to early retirement programs by 121.5%, the increase in device costs by 8.7% and the increase in depreciation, amortization and impairment by 2.9%. **The Group's operating expenses from continuing operations before depreciation, amortisation and impairment and excluding costs related to early retirement programs and other restructuring costs** reached Euro 2,640.1 million in 2013 compared to Euro 2,843.7 million in 2012, reflecting a decrease of 7.2%.

The Company's operating expenses reached Euro 1,572.9 million in 2013 and reflect a decrease of 4.2% compared to the prior year. The decrease in operating expenses is mainly due to the following:

- 31.8% decrease in interconnection and roaming costs
- 4.7% decrease in provision for doubtful accounts
- 17.9% decrease in personnel costs
- 17.2% decrease in commission costs
- 39.3% decrease in device costs
- 16.4% decrease in marketing, and
- 8.7% decrease in other operating expenses.

These decreases were partially offset by the higher costs related to early retirement programs of Euro 250.9 million in 2013 due to the cost of the Voluntary Exit Scheme (VES) and an 11.5% increase in maintenance and repairs. **The Company's operating expenses before depreciation, amortisation and impairment and excluding costs related to early retirement programs** reached Euro 999.5 million in 2013 compared to Euro 1,211.6 million in 2012, reflecting a decrease of 17.5%.

As a result, **operating profit before financial activities of the Group from continuing operations** for 2013 reached Euro 335.4 million compared to Euro 574.5 million in 2012, reflecting a decrease of 41.6%. **Operating loss before financial activities of the Company** for the year 2013 reached Euro 5.1 million, compared to a profit of Euro 63.4 million last year.

The Group's operating profit before depreciation, amortization and impairment from continuing operations for 2013 reached Euro 1,177.9 million compared to Euro 1,392.9 million in 2012, reflecting a decrease of 15.4%. The respective margin on revenues reached 29.1% compared to 32.2% in the prior year. **Excluding costs related to early retirement programs and other restructuring costs, the Group's operating profit before depreciation, amortization and impairment from continuing operations** for 2013 reached Euro 1,456.3 million compared to Euro 1,515.9 million in the prior year, reflecting a decrease of 3.9%. The respective margin on revenues reached 35.9% compared to 35.0% in the prior year.

The Company's operating profit before depreciation, amortization and impairment for 2013 reached Euro 317.4 million compared to Euro 371.5 million in 2012, reflecting a decrease of 14.6%. The respective margin on revenues reached 20.4% compared to 21.8% in the prior year. **Excluding costs related to early retirement programs, the Company's operating profit**

before depreciation, amortization and impairment for 2013 amounted to Euro 568.3 million compared to Euro 494.5 million in the prior year, reflecting an increase of 14.9%. The respective margin on revenues reached 36.5% compared to 29.0% in the prior year.

In relation to **the Group's financial activities from continuing operations**, interest expense in 2013 was Euro 249.0 million, reflecting an increase of 0.7% compared to 2012. Interest income amounted to Euro 8.8 million for 2013, reflecting a decrease of 38.9% compared to the prior year. Dividend income amounted to Euro 0.4 million for 2013 representing the dividend from EDEKT, compared to Euro 3.9 million in the prior year representing the dividend from TELEKOM SRBIJA of that period. Gains from investments reached Euro 216.8 million in 2013 mainly representing the pre-tax gain from the sale of HELLAS SAT of Euro 62.2 million and the pre-tax gain from the sale of GLOBUL and GERMANOS TELECOM BULGARIA A.D. of Euro 154.2 million, compared to a pre-tax gain of Euro 225.1 million in the prior year, coming from the sale of OTE's 20% stake in TELEKOM SRBIJA. Foreign exchange differences resulted in gains of Euro 2.3 million in 2013 compared to Euro 1.3 million losses in the prior year, mainly due to variations of the foreign exchange rate of the Romanian RON.

Income tax (expense) of the Group from continuing operations was Euro 20.9 million in 2013, reflecting a decrease of 79.9% compared to the prior year, being significantly impacted by a positive amount of Euro 50.0 million due to the remeasurement of the deferred tax position of the Group, as a result of the change in the nominal tax rate in Greece from 20% to 26%.

Considering all the above, **the Group's net profit from continuing operations** of 2013 was Euro 293.9 million compared to Euro 465.4 million in the prior year.

Profit from discontinued operations in 2013 represents the Bulgarian operations of the Group which were disposed off in July 2013 and amounts to Euro 28.9 million compared to Euro 31.7 million in the prior year.

In 2013, **profits attributable to non-controlling interests** in the Group's income statement reached Euro 6.1 million from Euro 25.2 million in 2012, mainly due to the decreased profitability of ROMTELECOM.

As a result of all the above, **the Group's profit attributable to the owners of the parent** for the year 2013 amounted to Euro 316.7 million compared to Euro 471.9 million in the prior year.

The Group's cash flows from operating activities in 2013 decreased by 6.4% in comparison with the prior year, amounting to Euro 1,091.9 million (including Euro 55.7 million from discontinued operations). This decrease is mainly due to the increased payments for early retirement programs, income taxes and interest along with the decreased profitability, partially offset by the significant improvement of working capital and the decreased payments for staff retirement indemnities.

The Group's capital expenditure (CAPEX) from continuing operations for the year 2013 amounted to Euro 604.7 million from Euro 507.9 million in prior year, reflecting an increase of 19.1%. The increase is due to the increased capital expenditure from OTE, ROMTELECOM, COSMOTE ROMANIA and OTE ESTATE.

The Group's total debt as of December 31, 2013 was Euro 2,956.4 million compared to Euro 4,050.8 million at December 31, 2012, reflecting a decrease of 27.0%. The **Group's Net Debt** (interest bearing loans less cash and cash equivalents and other financial assets) at December 31, 2013, reached to Euro 1,495.6 million from Euro 2,879.3 million at December 31, 2012, reflecting a decrease of 48.1%. This decrease is mainly due to the repayment of loans and the increased cash position of the Group.

As of December 31, 2013, **the Group's net current assets** amounted to Euro 86.5 million compared to **net current liabilities** of Euro 685.8 million as of December 31, 2012, mainly due to the debt refinancing.

B. STRATEGY- OBJECTIVES

The management's goal is to transform OTE into a leading integrated high performance service organisation. The aspiration of OTE Group is to:

- Remain the undisputable market leader on Mobile and Fixed telephony services
- Safeguard its leading position in broadband (in both Fixed and Mobile), ICT, and Pay-TV services in the Greek market
- Deliver best services based on top quality networks offering 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, a big part of which has already been executed during 2012-2013.

Key achievements of the Transformation Program during 2013

The Transformation Program of 2013 has been structured along seven key pillars. The main focus was given towards the maximization of synergies (within OTE Group and also with Deutsche Telekom Group ("DT group") as well) and the simplification of the structure and procedures of the Group.

The major achievements per pillar during 2013 are:

1. Customer Experience & Commercial Excellence

The customer experience program continued in 2013 with main focus on the procedures of customer activation and fault-repair. Extra focus was given in the B2B area (Business / Enterprises segment) and also on the growing markets like pay TV (where customer base was doubled in a year) and ICT (where assignments of major projects were achieved). Additionally, the development of VDSL the in Fixed business, and 4G in the Mobile business, increased the competitiveness of the Company.

2. Operations Optimization

The radical restructuring of the operations with merge of the Fixed and Mobile areas (Technology division, Finance division) was successfully concluded while the simplification and the automation of procedures continued. In the meantime, the Group successfully concluded the transformation of its Real Estate services and continued the transformation of its technical services.

3. Human Resources

Despite the size of the Voluntary Exit program in 2012, the Company's operations were not affected. At the same time the design and execution of the Voluntary Exit program in 2013 exceeded expectations. The integrated structure between the Fixed and Mobile areas and the application of the new performance management tool in the Fixed area enhanced the new joint working culture.

4. Cost Reduction

Taking advantage of DT group knowhow, major actions were taken in order to reduce the operational costs, while a major element of the savings was the Voluntary Exit program in 2013, where Euro 94 million is estimated to be saved on a yearly basis.

5. Regulation

The effective management of the regulatory issues was reflected in the decisions of the National Regulator, resulting in the enhancement of the Company's position in the areas of retail prices (e.g. no regulation on the Voice services prices) and also in the area of new investments (e.g. pricing and development of VDSL).

6. New Generation of Access (NGA)

The Group was successful in the expansion of its VDSL and 4G coverage. In parallel, the mid/long-term plan for offering new generation services and technologies in both the Fixed and Mobile areas has been prepared, aiming to efficiently cover customer needs and enhance the competitiveness of the Group. At the same time the Group formulated its strategy and the framework in which it will participate in the public tender process for the rural networks.

7. Group Synergies

The synergies between the OTE group and the DT group were enhanced in both commercial and operational efficiency areas. The Group undertook the implementation of major DT group projects like the billing operations for T-mobile Netherlands, the responsibility for the implementation of IMS services (as center of excellence) and the project for testing Vectoring technology.

Based on those achievements, in 2013 OTE managed to achieve the substantial targets that it had set, such as:

- Significant reduction of Net Debt and securing its re-financing requirements
- Meeting its financial targets despite the market challenges
- Sustaining impressive results in the Fixed area with reduction of line losses by 26%, while sustaining the growth rate in broadband and doubling the customers in the TV segment
- Sustaining the leader position in Mobile segment by increasing its share by 1.2 pp.

Key objectives of the Strategic Program (Fixed and Mobile) for 2014

For 2014, the Group has developed a specific Strategic Program which will be the base not only for achieving the annual operational targets but also will lead to achieving the objective of a highly efficient and integrated organisation.

Like 2013, the focus will be the operational utilization of the Group synergies within the OTE group and also those within the DT Group.

The key pillars of the program during 2014 will be:

1. Revenue Transformation

Further development of VDSL & 4G services and also the focus on growing markets (TV, VDSL, ICT) will support the Group to compensate revenue losses due to the maturity of the traditional Voice services market. Enhancement of the products and services portfolio with digital services (like music, books, e-payment).

2. Defend Core Business

Defend the leading position in the Fixed and Mobile markets, despite aggressive competition offers, while enhancing the "Value for money" offers, further developing converged of 3play/4play offers (Fixed, Broadband, Mobile, TV) and exploiting the B2B market opportunities.

3. Customer Experience

Continuation of the Customer Experience program and enhancement of the Group's image. Customer oriented simplification of the procedures and development of loyalty programs.

4. Operational Optimization

Ongoing operational restructuring with on-line automated processes (e-sales, e-care, e-billing, e-company) and also the identification of alternative business models to empower operational efficiency. Continue the transformation program, to take full advantage of Fixed-Mobile synergies.

5. Cost Optimization

Continue the wide area programs for operational cost savings utilizing also expertise of the DT Group.

6. Network and Services Evolution

Further development of next generation networks in both Mobile and Fixed, in the content of a common strategy and in parallel kick-start the big IP-transformation program. Participation in the public tender for the rural networks development.

7. Performance Based Culture

Development of procedures and tools which will enhance and support the unified working culture with focus on efficiency and high performance.

C. SIGNIFICANT EVENTS OF THE YEAR 2013

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. The transaction was completed on March 26, 2013 after the approval by the competent authorities. The total consideration was Euro 208.4 million. In addition, OTE received Euro 7.0 million as dividends.

SALE OF GLOBUL AND GERMANOS TELECOM BULGARIA A.D.

On April 26, 2013, the Group announced the signing of an agreement to sell its 100.0% stake in GLOBUL and in GERMANOS TELECOM BULGARIA A.D. to Telenor Mobile Communications AS, the Norwegian telecom operator. The transaction was completed on July 31, 2013 after the approval by the competent authorities. The agreed consideration for the sale was Euro 717.0 million (enterprise value, to be adjusted for net debt and working capital), which was adjusted by Euro 53.8 million for the net debt and the changes in the working capital of the two entities based on estimated amounts as at the date the transaction was completed. The net amount of Euro 663.2 million was received on July 31, 2013. The pre-tax gain from the sale has been estimated at Euro 154.2 million and is reflected in the consolidated income statement of 2013.

VOLUNTARY LEAVE SCHEME

On November 7, 2013, OTE's Board of Directors approved a Voluntary Exit Scheme, mainly addressed to employees close to their retirement age. The Scheme was completed at the end of December 2013, when the employees who participated left the Company. The respective cost amounted to Euro 250.9 million and is recorded in in the consolidated and separate 2013 income statement.

DEBT REFINANCING

Euro 900.0 Revolving Credit Facility (Bond Loan)

On February 11, 2013, OTE proceeded with the repayment of Euro 400.0 million under this facility. On June 10, 2013, OTE proceeded with a repayment of Euro 200.0 million out of which Euro 67.0 million was cancelled and Euro 133.0 million remained committed. On July 1, 2013, OTE drew the above mentioned committed Euro 133.0 million. On October 4, 2013, OTE proceeded with the repayment of the remaining Euro 433.0 million, under the Revolving Credit Facility out of which Euro 333.0 million was cancelled and Euro 100.0 million remained committed. On November 11, 2013 the committed amount of Euro 100.0 million was cancelled.

Euro 225.0 European Bank for Reconstruction and Development Loan ("EBRD")

On July 24, 2013, COSMOTE ROMANIA signed a Euro 225.0 million loan arranged by the EBRD in order to finance the strategic growth of its broadband infrastructure through the renewal of spectrum licenses and the expansion of its 4th generation network. COSMOTE ROMANIA received Euro 75.0 million directly from the EBRD and Euro 150.0 million through a syndicated loan from commercial banks. The loan bears an interest rate of Euribor plus margin of 5.25% p.a. and it will be repaid gradually via an amortizing schedule with final maturity in April 2018. On August 22, 2013, COSMOTE ROMANIA drew the full amount of Euro 225.0 million under the loan. On October 25, 2013, COSMOTE ROMANIA repaid Euro 11.2 million under the loan along with the payment of accrued interest and commitment fees. The outstanding balance as of December 31, 2013, is Euro 209.8 million.

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 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.

Tender offer by OTE PLC under the Global Medium-Term Note Programme and repayment of bond

On January 29, 2013, OTE PLC announced an invitation to holders of its outstanding Euro 1,250.0 million August 2013 notes (the August 2013 Notes) and its outstanding Euro 500.0 million April 2014 notes (the April 2014 Notes) to tender their Notes for purchase by OTE PLC. As a result of this tender offer, on February 11, 2013, OTE PLC repurchased nominal amount of Euro 106.2 million under the August 2013 Notes and nominal amount of Euro 92.5 million under the 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 was reduced to Euro 713.8 million and Euro 407.5 million respectively.

Repayment of Euro 1,250.0 Notes due August 5, 2013

On August 5, 2013 OTE PLC proceeded with the full redemption of the remaining outstanding amount of Euro 713.8 million bond maturing that date, along with the payment of the accrued interest.

Bond buybacks by OTE PLC

In March, April and June 2013, OTE PLC proceeded with partial buybacks of a nominal amount of Euro 4.5 million, Euro 21.0 million and Euro 17.3 million, respectively under the April 2014 Notes. As a result, on December 31, 2013 the outstanding nominal amount of the April 2014 Notes was Euro 364.7 million and has been reclassified to the short-term portion of long-term borrowings.

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 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/or 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, 2013 amounts to Euro 1,460.8 million and Euro 438.0 million respectively and their debt amounts to Euro 2,956.4 million and Euro 2,134.4 million, respectively.

For the monitoring of the liquidity risk, the Group prepares cash flows forecasts 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, 2013, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 93%/7% (2012: 74%/26%). As of December 31, 2013, the total notional amount of the fixed to floating interest rate swap agreements was Euro 357.5 million. The post hedging fixed to floating ratio is 81%/19%.

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 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 2013 compared to 2012, coming from a decrease in net debt (due to a decrease in borrowings and an increase in cash and cash equivalents) and an increase in equity (through the profit of the year):

GROUP	December 31	
	2013	2012
Borrowings	2,956.4	4,050.8
Cash and cash equivalents	(1,444.3)	(1,161.6)
Other current financial assets	(16.5)	(9.9)
Net debt	1,495.6	2,879.3
Equity	2,295.7	1,988.8
Gearing ratio	**0.65x**	**1.45x**

d) Other risks

Regulatory framework

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

Potential impairment losses

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

Additional contributions to pension funds

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

Additional tax burdens

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

Macroeconomic conditions

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

Health risk

Based on rulings of the EU Scientific Committee (SCENIHR) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP), the current state of scientific knowledge does not correlate exposure of human population to electromagnetic fields lower than the proposed levels by ICNIRP, with negative impacts on public health. Relative research, conducted and assessed by the World Health Organization did not indicate any such correlation about potential health effects of electromagnetic radiation. However, OTE and COSMOTE recognize and respect public concerns, and adopt precautionary principles and policies for that purpose in all their Base Stations and wireless telecommunication stations. The levels of electromagnetic fields, in all Base Stations, comply with the suggested limits of the World Health Organization and ICNIRP, as well as the latest national limits set by Law 4070/2012 which are 60-70% of ICNIRP limits. In addition, all products placed in OTE retail stores and COSMOTE shops bear all necessary labels foreseen by national and EU legislation, while all phones sold operate within electromagnetic field safety limits (Specific Absorption Rate).

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 above the requirements of the Law
D. Board of Directors and Committees that consist of members of the Board of Directors - Other Administrative, Managerial or Supervising Corporate Bodies or Committees
E. General Assembly and Shareholders’ rights
F. 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 duly complies, regarding corporate governance practices, with the legislation in force and with the Corporate Governance Code of the Hellenic Federation of Enterprises ("SEV") as in force, as Hellenic Corporate Governance Code (HCGC) after its amendment by the Hellenic Corporate Governance Council, in October 2013.

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 and/or policies of the Company regulating its operations as described here below.

A. Statement of compliance with the Code of Corporate Governance

The Company complies with the specific practices for listed companies laid down in Hellenic Corporate Governance Code (HCGC), which can be found on the website http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf

B. Deviations from the Code of Corporate Governance and explanations

More specifically, as per March 5, 2014, the following deviations should be mentioned from the HCGC:
(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 HCGC 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) Neither the Articles of Incorporation nor the Regulation of Operations of the Board of Directors provide that the Independent Vice Chairman may request to 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 be available to the shareholders to discuss issues of corporate governance or 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 as the non-executive members represent the majority of the members (9 non-executive members whereof 5 independent non-executive) and as a result the decisions are taken after discussion, taking into account all members' opinions (Part A, paragraph 3.4 of the Code).
(3) No Committee has been 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 Assembly, 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 and therefore the Board does not give opinion on the independence of the proposed members. It is noted that the shareholders in case that in the General Assembly new Directors of the Board are to be elected, they are requested, on their discretion, to state the names of the proposed candidates and their CV, on the document for the appointment of their proxy holder that the Company makes available to the Shareholders (Part A paragraphs, 1.2,5.2, 5.4-5.8 and Part DII paragraph 2.1 subpar. 5th of the Code).
(4) There is no procedure for the evaluation of the efficiency of the Members of the Board of Directors, its Chairman (in this case the Independent Vice-Chairman to lead the evaluation process) and its Committees. The Company examines the compliance to this special procedure after drafting the relevant process (Part A, paragraph 3.4 and paragraph 7 of the Code).
(5) The new members of the Board of Directors receive an induction briefing regarding the corporate issues, yet there is no program on the continuing professional development. However, the members of the Board engage frequently with senior executives of the company, as every proposal submitted to the Board is accompanied with the presentation by the Head of the respective Business Unit and the members have the opportunity to communicate with the Managers. The members receive timely the proposals and the information, having the opportunity to request further clarifications and briefing by the competent managers (Part A paragraphs 6.5-6.6 of the Code).

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

(6) The Regulation of Operation of the Board of Directors does not explicitly provide for the engagement of independent external advisors, however the Board every time is was deemed necessary for the exercise of their duties, engages independent professional advisors, practice that has been followed in the past on respective occasions (Part A paragraph 6.8 of the Code).
(7) According to the terms of the Stock Option Plan (Plan), the Basic rights (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) 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 Rights (granted annually) converted into Vested Rights at 100% with the completion of the third year from the Grant Date. It is noted that there are no new Rights (either Basic or Additional to be granted, as according to the 3- year Plan, the Rights were granted in years 2008, 2009 and 2010 (Part C, paragraph 1.2 of the Code).
(8) Executive members of the Board of Directors contracts do not provide that the board may demand full or partial recovery of any bonuses awarded on the basis of misstated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses and misconduct. However the Company has established such control mechanisms ensuring that the financial statements are being drafted according to the IFRS and the best international practices in order to avoid any manipulation or falsification of the Company's financial statements (Part C paragraph 1.3 of the Code).
(9) The duties of the Compensation Committee do not include explicitly the examination and the submission of proposals regarding the total annual package of variable compensation in the Company or any business policy related to remuneration. (more specific information on the duties of the Compensation Committee Part D herein below) (Part C paragraph 1.7 of the Code).
(10) Procedure on electronic or by mail voting at the General Assemblies is not provided. 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).
(11) The Company does not publish summary of the minutes of the General Assembly of shareholders. However, immediately after the meeting a public announcement on the quorum of the General Assembly and its resolutions is issued. Within 5 days after the General Assembly, the voting results on each agenda item are available on the Company's website (Part DII paragraph 2.3 of the Code).
(12) The Secretary of the Board of Directors, the Chief Internal Auditor and the External Auditor attend the General Assembly, however there is no respective practice for the Board Members (Part DII paragraph 2.4 of the Code).

For the issues referred in this Statement as deviations from the Code of Corporate Governance of HCGC, 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 above the requirements of the Law

The Company and OTE Group has adopted, in May 2009 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 by the Company and 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 avoiding corruption and other conflicts of interest
- Policy on accepting and granting of benefits
- Policy on donations and sponsorships
- Events policy
- Policy on avoiding sexual harassment within OTE Group
- Anti-Trust policy
- Policy on employee relations within OTE Group
- Policy on pensions and risk benefits programs
- Policy on insurance and risk management

In 2013, the OTE CMS has been successfully reviewed by independent external auditors, who confirmed the effectiveness of the Company's compliance procedures and control mechanisms regarding, the avoidance of corruption in different units (Supplies, Sales, Internal Audit, Human Resources).
The effectiveness and the efficiency of the CMS is being supervised by the Compliance, ERM and Corporate Governance Committee (Information in Part D here below).

The Company has adopted the Policy on employee relations within OTE Group, in which, inter alia, it is stated that the Company undertakes every effort to create equal opportunities for all current and potential employees regardless of gender, origin, disability, sexual orientation, religion, union memberships and political orientation, etc. The companies of OTE Group take seriously into consideration the rule for non-discrimination based on gender and in 2010 have introduced a women's quota, which renders OTE a pioneer among large international companies. By the end of 2015, at least thirty percent of upper and middle management positions in the company are to be filled by women. In addition to broadening our talent pool, the above is expecting to add value to the company in the long term with greater diversity at management level.
Until December 31, 2013 the percentage of representation of each gender in the Board of Directors is 91% men and 9% women and in the Senior management positions is men 75% and women 25%.

D. Board of Directors and the Committees that consist of members of the Board of Directors – Other Administrative, Managerial or Supervising Corporate Bodies or Committees

1. Board of Directors (Role, Composition, 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 (2) 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 1/1/2013 until 31/12/2013, as well as the capacity of each member, including independent members, preserving such capacity:

Name	Capacity	Date of appointment and any re-appointment	End of Term
Michael Tsamaz	Chairman and CEO, Executive member	Appointment 3/11/2010 Re-appointment 15/6/2012	2015
Nikolaos Karavitis	Vice-Chairman, Non Executive member until 29/12/2013, Independent Non Executive member since 30/12/2013	Appointment 11/10/2013	2015
Dimitrios Tzouganatos	Vice-Chairman, Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	27/9/2013
Raphael Kübler	Non Executive member	Appointment 23/5/2013	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
Christos Kastoris	Independent Non Executive member	Appointment 11/10/2013	2015
Charalambos Mazarakis	Executive member	Appointment 19/7/2012	2015
Theodoros Matalas	Independent Non Executive member	Appointment 11/10/2013	2015
Stylianos Petsas	Non Executive member	Appointment 3/9/2013	2015
Panagiotis Tabourlos	Independent Non Executive member	Appointment 17/6/2004 Re-appointment 15/6/2012 (the most recent)	2015
Leonidas Filippopoulos	Independent Non Executive member	Appointment 11/10/2013	2015
Eustathios Anestis	Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	3/10/2013
Nikolaos Karamouzis	Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	12/8/2013
Michael Bletsas	Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	27/9/2013
Vasileios Fourlis	Independent Non Executive member	Appointment 23/6/2010 Re-appointment 15/6/2012	27/9/2013
Timotheus Höttges	Non Executive member	Appointment 6/12/2011 Re-appointment 15/6/2012	23/5/2013

As regards changes in the composition of the Board of Directors during 2013, the following should be noted:

- The member Mr. Timotheus Höttges submitted his resignation on 23/5/2013 and was replaced by Mr. Raphael Kübler.
- The member Mr. Nikolaos Karamouzis submitted his resignation on 12/8/2013 and afterwards (on 3/9/2013) was replaced by Mr. Stylianos Petsas.
- The Vice-Chairman Mr. Dimitrios Tzouganatos and the members Messrs. Eustathios Anestis, Michael Bletsas and Vasileios Fourlis submitted their resignations (on the dates mentioned in the above table) and on 11/10/2013 were replaced by Messrs. Christos Kastoris, Nikolaos Karavitis, Theodoros Matalas and Leonidas Filippopoulos, respectively, for the rest of their term of service. Mr. Nikolaos Karavitis was appointed as Vice-Chairman of the Board and he was designated as Non Executive member originally (on 11/10/2013) but afterwards, on 30/12/2013, by resolution of the Extraordinary General Assembly of Shareholders, following a proposal of the Shareholder Hellenic Republic, he was designated as Independent Non Executive member.

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

Michael Tsamaz *Chairman and Managing Director*
Mr Michael Tsamaz was appointed as Chairman and CEO of OTE on November 3, 2010. Mr. Tsamaz joined the OTE Group in 2001 and has been CEO of Cosmote Mobile Telecommunications SA (COSMOTE) since September 2007. Prior to COSMOTE, he assumed a number of senior roles within OTE, contributing to the turnaround of its international activities. He has also served on the Board of Directors of many OTE and COSMOTE subsidiaries. Prior to joining OTE, Mr. Tsamaz assumed marketing, sales and general management functions of increasing responsibility in multinational companies, including Vodafone Greece and Philip Morris Europe, building solid expertise in the telecommunications and consumer goods industries. Mr. Tsamaz holds a degree in Business Administration from the University of New Brunswick, Canada.

Nikolaos Karavitis *Vice-Chairman, Non-executive, Independent member*
Mr. Nikolaos Karavitis was born in 1959 and is Associate Professor of Public Finance in the Department of Public Administration of the Panteion University. He is a graduate of the University of Athens Economics Department and holds a master's degree in Economic Development and a Ph.D. in Public Finance from the University of Leicester, U.K. Mr. Karavitis has served as Senior Research Associate of the Council of Economic Advisors (Ministry of Finance) from 1989 to 1997 in the areas of fiscal policy and labor market. He held the position of Secretary General at the National Statistical Service from 1997 to 2004. He has been working as Research Associate in charge of the Public Sector Observatory of the Foundation of Economic and Industrial Research (IOBE) since 2010. Mr. Karavitis is the author of papers and books on various aspects of Public Finance, including public expenditure, tax policy, social security and public debt and deficit. Over the years he has served on a number of high-level committees in Greece and in the European Union, including the E.U. Economic Policy Committee (EPC), the E.U. Monetary Committee (EFC), the U.N. Statistical Commission (Vice-President) and the Statistical Program Committee (Eurostat). He speaks English and Spanish.

Charalambos Mazarakis *Executive Member*
Mr. Charalambos Mazarakis, born in 1964, has 20 years of professional experience, chiefly in senior management positions in Greece and abroad. Before joining OTE Group, on July 1st, 2012, as OTE Group Chief Financial Officer, Mr. Mazarakis was Group Chief Financial Officer (CFO) of the National Bank of Greece, which is listed on the Athens and New York Stock Exchanges and from 2008 until 2010 he was Group Chief Financial Officer (CFO) and Member of the Group Executive Committee of TITAN Cement Company, which is listed on the Athens Stock Exchange. From 1999 to 2008 Mr. Mazarakis served in various executive positions in Vodafone Group. Initially, he was Group CFO and Member of the BoD in Greece (1999-2006), then Chief Executive Officer (CEO) in Hungary (2006-2007) and in 2007 he returned to Greece as COO and Vice-Chairman of the BoD. During the period 1997-1999 he held the position of Finance Director and Member of the BoD at Georgia Pacific-Delica in Greece, while from 1992 until 1997 he worked as Financial Analysis Group Manager at Procter & Gamble, first in Athens and then in the European Headquarters in Brussels. Mr. Mazarakis holds a Bachelor's degree in Business Administration from the University of Piraeus (with distinction) and an MBA from the Ohio State University, The Fischer School of Business (with Wielder Scholar), where he was Teaching Assistant in Finance. He has been listed among the 30 most distinguished CFOs in Europe below 40 years old (2002, CFO Europe magazine).

Klaus Müller *Non-executive member*
Mr. Klaus Müller, born in 1965, has been a member of the Deutsche Telekom Group since 1997. Currently he holds the position of Senior Vice-President for Strategy Execution and Performance Management in DT's Board Area Europe. Until September 2011 he was COO of DT's mobile telephony subsidiary in FYROM and Deputy CEO of DT's fixed-line subsidiary in FYROM. Prior to that he was Executive Vice-President for DT Group Regulatory Strategy and from 2000 - 2005 he served as Director of Magyar Telekom's Wholesale Division. Mr. Müller holds a Diploma in Economics and a PhD in Political Economics from Nuremberg University, Germany.

Claudia Nemat *Non-executive member*
Mrs. Claudia Nemat, born in 1968, has been a member of the Board of Management of Deutsche Telekom AG since October 2011 and is responsible for the Board area Europe and the strategic steering of technology. Before joining Deutsche Telekom, Claudia Nemat spent 17 years working for the consultancy McKinsey&Company. In her last position there, she was responsible for the high-tech sector in Europe, the Middle East and Africa. In addition, Claudia Nemat was responsible for projects in the fields of information and communication technology integration (ICT), sustainable IT, as well as medical technology for international companies. As a consultant, Claudia Nemat also worked on corporate leadership and performance culture as well as on questions regarding the influence of diversity on a company's performance. Claudia Nemat studied physics at the University of Cologne, where she also once taught at the department of theoretical physics and mathematics.

Raphael Kübler *Non-executive member*
Dr. Raphael Kübler is a Senior Vice President Group Controlling at Deutsche Telekom AG where he is responsible for the financial planning, analysis and steering of the overall Deutsche Telekom Group as well as the financial management of central headquarters and shared services of the Deutsche Telekom Group, a position he has held since 2009. From 2003 to 2009, Mr. Kübler served as Chief Financial Officer of T-Mobile Deutschland GmbH, the mobile operations of Deutsche Telekom AG in Germany, where he executed various cost reduction programs, developed value-based steering mechanisms for sales and market investments, and implemented a new service oriented culture in all customer facing finance operations. In the years 2000-2003 Mr. Kübler was Senior Vice President Mergers&Acquisition of the Deutsche Telekom Group. Mr. Kübler presently serves on the supervisory boards of T-Systems International, T-Mobile USA, Inc. and Deutsche Telekom Kundenservices GmbH, the customer services subsidiary of Deutsche Telekom AG.

Stylianos Petsas *Non-executive member*
Mr. Stylianos Petsas is Officer in the Ministry of Finance and now Head of the Office of the Deputy Minister of Finance. During his service at the Ministry of Finance he has served, among other, as Head of the Revenues Unit of the General Government's Budget Directorate at the General Accounting Office, as Economic Counselor of Greece to the OECD, has

participated as national expert in Institution Building Programs of the European Commission (Twinning Projects) and has represented Greece in various EU Working Groups and Committees on EU Budget issues and on the Financial Perspectives 2007-2013 formulation. Mr Petsas has also served as member of Committees and working groups on issues such as the compensation system in the Public Sector and in Independent Administrative Authorities, the EU's own resources system, the reform of the Income Tax Code and the Procedures Tax Code. He has been member of the OECD's Economic and Development Review Committee (EDRC) Bureau, of the Governing Board of the European Studies New Scientists Union and the Graduates Union of the National School of Public Administration. Mr Petsas is a Graduate of the National School of Public Administration and holds Bachelor and Master's Degrees in International and European Economic Studies. In addition, he has published books and articles on fiscal policy, international economics, structural reforms and European integration issues. Mr Petsas speaks English and French, is married and has two daughters.

Panagiotis Tabourlos *Non-executive member , Independent*
Mr. Panagiotis Tabourlos is a graduate of the Piraeus University of Economics and holds a Master's degree in Business Administration from McGill University (Montreal, Canada). Since 1980, he worked as Financial Manager in various corporations, including Milchem International, Hilti SA, American Express and ICI. From 1990 to 2003 he worked for Pfizer/Warner Lambert SA, where immediately prior to his departure he held the position of Regional Financial Manager for Europe, Middle East and Africa. From June 2003 until April 2004 he held the position of Chief Financial Officer at OTE. From May 2004 until mid-October 2013 Mr. Tabourlos served as Financial Director for Frigoglass Group. Since then he holds the position of Director of Corporate Development at the same Group. Mr. Tabourlos is Chairman of OTE's Audit Committee and the audit committee's financial expert. Mr. Tabourlos is also Chairman of OTE's Compensation and Human Resources Committee, as well as member of Cosmote's Board of Directors.

Christos Kastoris *Non-executive member, Independent*
Mr. Christos Kastoris was born in 1950 and holds a BA in Electrical Engineering and a Ph.D. in Engineering from the University of Patras. From 1973 until 1976 he served as Research Assistant in the Electrical Engineering Department of the University of Patras and from 1976 to 1977 as Senior Lecturer in the School of Engineering of the University of Patras. From 1977 to 1980 he worked as specialized Engineer in the Transmission Systems at OTE's Research Department. From 1980 to 1987, Mr. Kastoris worked as Network Engineer as well as Head of the Call Centers in the Magnisia region. He served as Senior System Engineer in AXE exchanges of Ericsson/Intracom, from 1988 until 1992, and in AT&T in 1992. From 1992 to 1996 he headed the International Telecom Exchanges in Thessaloniki. From 1996 to 2006 he held the position of Regional Director of OTE in Thessalia. Mr Kastoris has published regarding telecoms and has participated in numerous relevant conferences. Mr Kastoris is a member of the Supervisory Board of the Technical Educational Institute of Thessaly. He speaks English, German and Turkish.

Theodoros Matalas *Non-executive member, Independent*
Mr. Theodoros Matalas, born in 1968, holds a BA in Civil Engineering from the University of Thrace, an MA in Economy and Law from the University of Athens. Mr. Matalas has been working as a Civil Engineer since 1994, has participated in numerous studies and has overseen a large number of private and public work projects. From 1996 to date, Mr. Matalas serves as General Director and Manager of the public educational Foundation 'Matalas Foundation'. From 2007 to 2009 he served as CEO of Agrogi SA and in 2009 as Secretary of the Labor Inspection Force. From 2012 to March 2013 he was member of the permanent committee of the former Workers' Housing Organization. Mr .Matalas has also served as president of the Hellenic-American Association, as Vice President of the European Association for Rural Development Institutions (AEIAR) and as Member of the Technical Chamber of Greece. He speaks English and German.

Leonidas Filippopoulos *Non-executive member, Independent*
Mr. Leonidas Filippopoulos was born in 1968, holds a BA in Business Administration and International Economic Relations from the University of Sofia and an MA in Business Administration from Middlesex University of London. Since January 2013, Mr Filippopoulos is Managing Director of the "Galaxy SA Tourist Hotel Businesses", where he has also served as member of the Board of Directors since 2004. In the past, he has served as Chairman of the Board of C.A.I.S.P.S. (Centre of Awareness, Information and Sensitization for Psychodrastic Substances), as financial consultant in TITANIUM S.A. and BNF Company and also as manager in a brokerage firm. He speaks English, Bulgarian and Russian.

In addition, the C.V. of the Company’s Secretary of the Board of Directors is hereby provided:

Konstantinos Paradeisis - *Secretary of the Company’s Board of Directors*
Mr Konstantinos Paradeisis was born in 1959 and holds a Bachelor’s degree in Business Administration from the Athens University of Economics and Business (former Athens School of Economics and Business). From 1977 to 1989 he served in various executive and operational departments of OTE S.A. Since then, he serves in the Company’s Board of Directors Secretariat and since 2000 he holds the position of the Secretary of the Company’s Board of Directors and its Committees (namely, Audit Committee and Compensation and Human Resources Committee). He has served as a member – acting chairman of the Company’s first instance Disciplinary Council and in his capacity as Secretary of the Company’s Audit

Committee, he participates in the meetings of the Company's Compliance, Enterprise Risks and Corporate Governance Committee.

The members of the current Board of Directors have notified the Company on the following professional engagements (including significant non-executive commitments in Companies or non-profit Organizations/Foundations).

MEMBERS	CORPORATE NAME	PROFESSIONAL ENGAGEMENT
Michael Tsamaz	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	CEO and Chairman of the BoD
	ROMTELECOM S.A.	Chairman of the BoD
	OTE INVESTMENT SERVICES S.A.	CEO and Chairman of the BoD
	OTE INTERNATIONAL INVESTMENTS LTD	Chairman of the BoD
	COSMOHOLDING ALBANIA S.A.	CEO and Chairman of the BoD
	EE Limited	BoD member
	Greek-German Commercial & Industrial Chamber	BoD member
	Greek-American Commercial Chamber	BoD member
	Foundation of Economic and Industrial Research (IOBE)	BoD member
Nikolaos Karavitis	Foundation of Economic and Industrial Research (IOBE)	Research Associate
	Panteion University	Associate Professor
Charalambos Mazarakis	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	BoD Member
	ROMTELECOM S.A.	BoD Member
	OTE- Estate	BoD Member
	OTE-Plc	BoD Member
Klaus Müller	Deutsche Telekom AG	Senior Vice-President for Strategy Execution and Performance Management
	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	BoD Member
	ROMTELECOM S.A.	BoD Member
Claudia Nemat	Deutsche Telekom AG	Member Board of Management - Europe & Technology
	Buyin SA	BoD Member
	Lanxess AG	Member of the Supervisory Board
Raphael Kübler	Deutsche Telekom AG	Senior Vice President Group Controlling
	T-Mobile US	BoD Member
	DT Holding BV	BoD Member
Stylianos Petsas	Ministry of Finance	Head of the Office of the Deputy Minister of Finance
Panagiotis Tabourlos	Frigoglass	Director of Corporate Development
	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	BoD Member
Christos Kastoris	Technical Educational Institute of Thessaly	Member of the Supervisory Board
Theodoros Matalas	Apsida Engineering SA	CEO and Chairman of the BoD
	Public Educational Foundation 'Matalas Foundation'	General Director and Manager
	Matalas Theodoros	Personal company
	J/V TSOUTSOS-MELKA ENERGY ALFA SA	Administrator
Leonidas Filippopoulos	Galaxy SA Tourist Hotel Businesses	CEO and Chairman of the BoD

It is noted that none of the Members of the Board of Directors participates in the Board of Directors of more than five (5) listed companies.

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.
- 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).

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

- 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 of the Board of Directors sets the agenda of the meetings, chairs the meetings of the Board and coordinates its works. He co-ordinates and directs the operations of the Board of Directors in general. In other respects the Chairman has the same rights and obligations as any other member of the Board of Directors, as well as those explicitly prescribed in Law, the Articles of Incorporation and the Regulation of Operations of the Board of Directors.

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 Board 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. Nikolaos Karavitis, is an independent non-executive member of the Board of Directors, following the resolution of the Extraordinary General Assembly of the Shareholders held on December 30, 2013.

1.6. During 2013, the Board of Directors met 29 times. In principle, the Board of Directors meets at least once a month.
The presences of each member of the Board of Directors during 2013 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	29	29	-
Nikolaos Karavitis	11	10	1
Dimitrios Tzouganatos	17	15	2
Raphael Kübler	21	18	3
Klaus Müller	29*	26	1
Claudia Nemat	29*	25	2
Christos Kastoris	11	11	-
Charalambos Mazarakis	29	29	-
Theodoros Matalas	11	11	-
Stylianos Petsas	13	13	-
Panagiotis Tabourlos	29	28	1

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Leonidas Filippopoulos	11	11	-
Eustathios Anestis	17	17	-
Nikolaos Karamouzis	15	7	8
Michael Bletsas	17	17	-
Vasileios Fourlis	17	13	4
Timotheus Höttges	8*	1	5

* 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 2 out of the 29 meetings that were held during 2013, because of the issue which was discussed in these 2 meetings.

1.7. In accordance with the business practice, apart from the initial information that is provided to the new members of the Board of Directors after their election, the members of the Board of Directors are briefed on issues related to the Company, during the meetings of the Board of Directors or after 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).

Also, the Members are informed by the OTE Group Chief Compliance, ERM and Insurance Offricer:
a. with the OTE Group Compliance Report on information about the planning and effectiveness of the operation of the Compliance Management System and the activities in its framework, including any deficiencies as well as for important compliance cases (cases/complaints) that come to the attention of the Company,
b. with the OTE Group Corporate Risks Report on information about the overview of corporate risks that have been identified as important (evaluation, risk assessment, need for measures, characterization of risk trends, early warning function), the operation of the Risk Management System as well as the activities carried out in its framework.

Moreover the Chief Internal Auditor, informs the members of the Board of Directors on issues under his competencies (here below under Part F “Internal control and risk management systems of the Company in relation to financial reporting process)”.

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 2013, the Ordinary General Assembly of Shareholders of OTE held on June 26, 2013 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:

A. 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 assumes 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 assumes the sojourn expenses, at the place where the meetings are held, for up to two overnight stays per transfer.

B. 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 place of their permanent residence, provided that it is within the country but outside the prefecture of the Company’s seat at a distance of more than one hundred and fifty (150) kilometers, and provided that these expenses are not covered by their employers, as follows:
- In the event of air transportation, OTE assumes the fare of an "economy class" ticket.
- OTE assumes the sojourn expenses of the abovementioned members, at the place where the meetings are held, for one overnight stay per travel.

Regarding the compensation of the executive members of the Board of Directors, see here below par. 1.9.

1.9. Policy and Principles regarding the determination of the remuneration of executive members of the Board of Directors & performance evaluation method and determination of the variable compensation.

For the executive members of the Board of Directors the following are implemented:

- compensation and benefit policies of the Company for the corresponding management level and
- any additional terms according to their employment contracts with the Company who have been approved by the Board and General Assembly.

More specifically, the Executive members of the Board are covered by private health insurance plan (including their dependants), for life and disability, they participate in a private pension plan, use company cars (with the respective services), and corporate mobile and fixed telephony programs, Internet and OTE TV. They also have the opportunity to participate in the savings program for their children (Youth Account), as well as to participate in the Fund for providing financial support to the employees.

Executive Board members receive an annual bonus (Management Bonus) according to the advanced system for the annual performance assessment, in force for all levels of employees, including the levels of the positions held by the members in the Company's Organization. Especially regarding the member of the Board that holds the position of the Managing Director, his participation in a Long-Term (three-year) Incentive Program is provided, as well as a Matched Share Plan according to which part of the annual reward (Management Bonus) is invested in shares (Mandatory Individual Investment).

The Company's annual performance assessment system for the middle and top managers, includes quantitative targets linked with the financial results of the Company, individual quantitative and qualitative targets (e.g. compliance with the guiding principles of corporate behavior).
Finally, the above managers participated in the OTE Stock Option Plan (2008-2010), and have the right to exercise the Rights that were granted untill 2010 and have become vested in accordance with the terms of the Plan.

1.10 In the OTE Group Code of Conduct and in the Group Policy on Avoiding Corruption and other conflicts of interest, 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 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.

Regarding transactions with related parties, the Company's Board of Directors has adopted the "OTE Group Transfer Pricing Regulation", which defines the required internal procedures for the implementation and enforcement of the rules on invoicing and documentation of transfer pricing between companies of OTE Group and their own affiliated companies. The Regulation sets the procedures to be followed and the compliance with this Regulation is subject to internal and external audits. Responsible for the implementation of this Regulation are the competent Tax Units and the Units responsible for the drawing up of contracts with the affiliated companies. Within the framework of the legislation in force, companies of OTE Group through their corporate bodies, adopt this Regulation, in order to follow the same procedure of documentation and to facilitate the compliance.

Moreover, transactions between DT, the Company's controlling shareholder, with affiliated companies are approved by the Board of Directors of the affiliated companies, as to their terms, validating this transaction is current and part of this company due course of business with third parties, and then they are submitted to the Board of Directors of OTE to confirm that the transaction is current (in this case, the Board of Directors do not assess the merits and the necessity of the contracts/transactions or their terms).

In addition, there are relevant provisions in the policies that have been adopted in the framework of the Compliance Management System of OTE Group, such as the Policy on Accepting and Granting of Benefits and the Policy on Insider Trading.

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 up to September 2013 consisted of the following members: Mr. Panagiotis Tabourlos (Chairman – Financial Expert), Mr. Dimitrios Tzouganatos (Member) and Mr. Vasileios Fourlis (Member).
Following the resignation of Messrs. Dimitrios Tzouganatos and Vasileios Fourlis, the Extraordinary General Assembly of the Shareholders on December 30, 2013, appointed Messrs. Nikolaos Karavitis and Christos Kastoris as new members of the Committee. Mr. Panagiotis Tabourlos remained as Chairman of the Committee – Financial Expert.

For the fiscal year 2013, by resolution of the Ordinary General Assembly of OTE Shareholders held on June 26, 2013, 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 2013, it held nine (9) meetings.

The presences of the Chairman and the members of the Audit Committee in its meetings during 2013 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	9	9	-
Dimitrios Tzouganatos	9	9	-
Vasileios Fourlis	9	8	1

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 2013, 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.
- Handling of complaints and allegations.

Furthermore, the Audit Committee during 2013 dealt with the review and assessment of the completeness, accuracy and precision of the Quarterly Compliance Reports - which include, among others, information on the handling and results of complaints and allegations – as well as the Quarterly Enterprise Risk Management Reports.

To ensure the independence of certified auditors, by resolution of the Board of Directors a "Policy and Procedures to ensure the independence of certified auditors as to providing Services to Companies of the OTE Group" has been approved.

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 separate and consolidated financial statements are reviewed.

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

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 Compensation and Human Resources Committee until August 2013 consisted of the following members: Mr. Nikolaos Karamouzis (Chairman), Mr. Charalambos Mazarakis (Member) and Mrs. Claudia Nemat (Member). Following the resignation of Mr. Nikolaos Karamouzis, the OTE Board of Directors on September 26, 2013 appointed Mr. Panagiotis Tabourlos as new Member and also Chairman of the Committee.

For the fiscal year 2013, by resolution of the Ordinary General Assembly of OTE Shareholders held on June 26, 2013, 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 2013 the Committee held four (4) meetings.

The presences of the Chairman and the members of the Compensation and Human Resources Committee in its meetings during 2013 are described in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Nikolaos Karamouzis	3	2	1
Claudia Nemat	4	4	-
Charalambos Mazarakis	4	4	-
Panagiotis Tabourlos	1	1	-

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 2013, the Committee, within the framework of its responsibilities, dealt with the following issues:

- Implementation of the Independent Services Agreement of the Managing Director of OTE S.A.
- Amendment of certain terms of the contract of the OTE Group Chief Financial Officer and payment of a variable pay.
- Specification of (i) the specific targets of the Annual Performance Bonus (VI) for the year 2013 and (ii) the specific targets of the years 2013, 2014 and 2015 of the Long Term Incentive Plan (LTI) for OTE Managing Director, for the 3-year assessment period 2013-2015.

3. Other Administrative, Managerial or Supervising Corporate Bodies or Committees

3.1. Management Meeting
By resolution of the Chairman of the Board of Directors & Managing Director the OTE Group Management Meeting has been established and operates with primary mission to coordinate and ensure the necessary cohesion in OTE SA and its affiliated companies, the resolution of material issues regarding the current management and the examination and decision on any other matter entrusted to the Meeting either from the Board of Directors or the Managing Director of the Company. The Meeting takes place weekly, it is chaired by the Managing Director or his Deputy appointed by his decision. In the Management Meeting participate, except for the Managing Director, the following executives: the OTE Group Legal Counsel, the OTE Group Chief Operating Officer, the OTE Group Chief Financial Officer, the OTE Group Chief Information Officer, the OTE Group Chief Human Resources Officer, the OTE Group Chief Technology Operations Officer, the General Director of Strategic Planning &Transformation, the General Director of International Activities of OTE Group, the Head of OTE Group Communication Division and any other managers that are being invited by the Chairman of the Management Meeting.

3.2 OTE Group Compliance, Enterpsise Risks and Corporate Governance Committee
By resolution of the Chairman of the Board of Directors & Managing Director, the OTE Group Compliance, Enterpsise Risks and Corporate Governance Committee has been established with primary mission the support, the audit and assurance of

the implementation of the Compliance and Risk Management Systems (CMS and RMS) and general corporate governance issues. Indicatively, the Committee designates the strategic issues regarding corporate governance, compliance and corporate risks, keeping abreast of best practices, monitors and reviews the implementation of RMS, CMS and supports business units in their risk analysis, ensuring efficient communication between employees and management about the RMS and CMS Programs. Proposes the appropriate measures/procedures and policies to the competent corporate bodies to be approved on the issues of its competences and supports the design of the implementation of these measures. Reviews the Reports and the results of CMS and RMS procedures and assess the completeness, accuracy and precision of the reports that are being submitted to the competent corporate bodies (quarterly or/and ad hoc), namely the Board of Directors and the Audit Committee. Members of the Committee are the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer (Committee's Chairman), the OTE Group Chief Internal Audit Officer, 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.

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 (5th) 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 those provided by law.

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 and 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 on the appointment of a proxy holder or on the recovation, 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. Same procedure is being followed In case a shareholder appoints a bank as a proxy holder.
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 par.3 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 of 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 fifteen (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 thirteen (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 one twentieth (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 six (6) days before the General Assembly, if the relevant request is communicated to the Board of Directors at least seven (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 extent that 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 which must be mentioned in the minutes.

Following a request of shareholders representing one fifth (1/5) of the paid-up share capital which is communicated to the Company five (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 2013:

Pursuant to the resolution of the Extraordinary General Assembly of the Shareholders dated December 30, 2013, according to L.4172/2013, it was approved the capitalization of the amount of €215,666,171.16 (of tax-free reserves from non-taxable profits of previous years, amounting to €253,724,907.25, after the deduction of the corresponding tax of €38,058,736.09), by increasing the nominal value of OTE S.A. share at the amount of €0.44. Following the above resolution, the amendment of par. 1 of article 5 (Share Capital) of the Company's Articles of Incorporation as well as the addition of sub-paragraph (h) to par. 2 of said article 5 of the Company's Articles of Incorporation were approved. More specifically, the Company's share capital amounted to one billion three hundred eighty seven million one hundred twenty five thousand six hundred Euros and eighty seven cents (€1,387,125,600.87) and is divided into four hundred ninety million, one hundred fifty thousand three hundred eighty-nine (490.150.389) ordinary registered shares of a nominal value of two Euros and eighty three cents (€2.83) each.

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

INTERNAL CONTROL SYSTEM (ICS)

OTE Group applies an internal control system (ICS) in order to ensure proper financial reporting, the effectiveness and efficiency of operations and adherence to legal requirements. OTE Group ICS is based on the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control – Integrated Framework.

OTE Group has established a standardized process for documenting and evaluating the ICS. The scope of the ICS is defined based on certain materiality levels (both quantitative and qualitative) to ensure that financial reporting risks are appropriately identified and assessed and internal controls are designed and applied on a continuous basis by the management and the personnel. The process contains two types of controls: a)"Principles" that provide the basic safeguards for financial reporting, compliance and operations and b) "Transaction level controls" that are focused on financial reporting risks.

Corporate Governance best principles and practices are embedded in the 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.

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, Enterprise Risk Management and Insurance Division, the Compliance, Enterprise Risks and Corporate Covernance Committee, the Compensation and Human Resources Committee as well as the Audit Committee.

RISK MANAGEMENT SYSTEM (RMS)

According to the 8th EU Company Law Directive on Statutory Audit (European Directive 2006/43/EC - article 41: "Three lines of defense model"), FERMA (Federation of European Risk Management Associations) and ECIIA (European Confederation of Institutes of Internal Auditing) introduced a guidance about monitoring the effectiveness of internal control, internal audit and risk management systems. Part of this system, in the Second line of defense, is the OTE Group Compliance, Enterprise Risk Management and Insurance General Directorate, which is responsible for the continuous development of the Early Warning, Compliance and Risk Management Systems, as well as adopting standards applicable to the entire Group in order to ensure their implementation methodically and consistently. Its key goal is to safeguard the OTE Group existence and maintain corporate success.

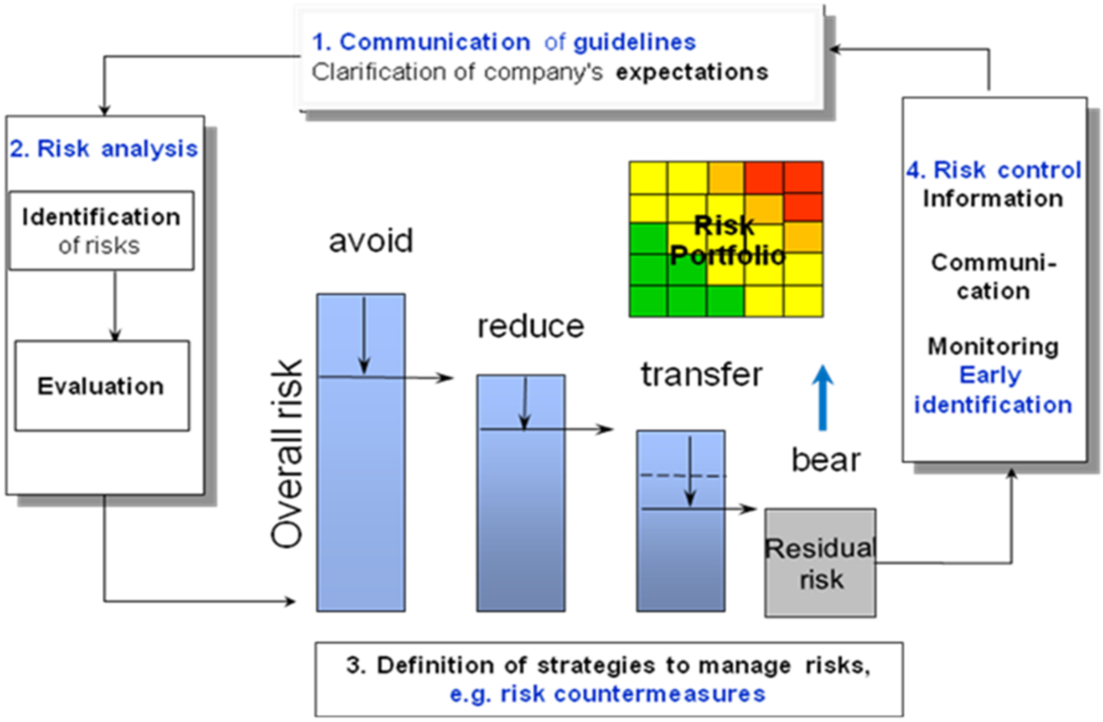
The operation of the OTE Group Enterprise Risk Management System, is based on the Internal Controls System, the COSO standard, developed by the Committee of Sponsoring Organizations of the Treadway Commission, recognized by the US Securities and Exchange Commission - SEC and the ISO 31000 "Risk management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

The RMS at OTE Group includes all the strategic, operational and organizational controls and monitoring measures used to manage risks by undertaking the following tasks:

- Ensuring that existing risks are systematically identified, analyzed and evaluated and that information relevant to risks and opportunities is promptly communicated to the respective decision-makers
- Providing prompt risk information (reporting), that could have a material impact on future business success, either financial impact and revenue loss or operational impact that involves company's activities.
- Recording OTE Group's response to mitigate recognized analyzed and communicated risks.
- Review options for mitigating and transferring risks to external risk takers (e.g insurance companies).
- Establish tolerance thresholds for each level of risk evaluation, triggering a reporting requirement when these are exceeded (a limit system).

Enterprise Risk Management (ERM) involves the adequate depiction of business risks, increasing the value of OTE Group. The Risk Landscape, which is a "risk map" of the organization's most critical risk areas, is used as a basis for optimized decisions. Enterprise Risk Management aims to manage risks to an acceptable level that has been determined by the Board of Directors and the senior management. ERM provides a framework for risk management, which involves identifying particular events or circumstances relevant to the organization's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy and monitoring progress.

The Risk Management process, also called RM loop, is performed in the following order:



The OTE Group Enterprise Risk Management Department facilitates and monitors the implementation of effective risk management practices by operational management and assists the risk owners in defining the target risk exposure and reporting adequate risk related information through the organization. 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 OTE Group ERM on a quarterly basis, submits the Enterprise Risk Management Report to the OTE GRC Committee for its review, evaluation and submission to the competent corporate bodies, namely the OTE Audit Committee and the Board of Directors.

External auditing provides assurance to the organization's shareholders, board and senior management regarding the true and fair view of the organization's financial statements. 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 Enterprise Risk Management Report which is submitted by the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer to the Board of Directors.

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 40.0% 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:

	2013		2012	
(amounts in millions of Euro)	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	74.8	66.4	90.7	87.2
OTE INTERNATIONAL INVESTMENTS LTD	0.9	3.9	0.4	4.0
HELLAS-SAT	0.1	0.2	0.4	1.3
COSMO-ONE	-	0.7	-	0.6
VOICENET	1.6	2.5	2.2	2.7
HELLASCOM	n/a	n/a	-	7.9
OTE SAT – MARITEL	0.6	0.7	0.9	1.2
OTE PLUS	0.5	52.0	0.4	35.3
OTE ESTATE	0.7	46.8	0.9	54.2
OTE-GLOBE	13.0	59.3	25.4	71.2
OTE ACADEMY	0.1	4.7	0.1	5.5
ROMTELECOM	-	0.4	0.1	0.4
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.2	0.5	0.1	0.9
TOTAL	**92.5**	**238.1**	**121.6**	**272.4**

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

	2013		2012	
(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)	21.0	24.7	22.7	24.7
TOTAL	**21.0**	**24.7**	**22.7**	**24.7**

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)	2013	2012
OTE PLC	125.8	88.3
TOTAL	**125.8**	**88.3**

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

(amounts in millions of Euro)	2013	2012
COSMOTE	0.6	-
HELLAS SAT	7.0	37.3
OTE SAT – MARITEL	-	0.7
EDEKT	0.4	-
TOTAL	**8.0**	**38.0**

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

	2013		2012	
(amounts in millions of Euro)	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	44.0	87.3	47.0	93.1
OTE INTERNATIONAL INVESTMENTS LTD	0.4	1.1	0.2	1.4
HELLAS-SAT	n/a	n/a	0.4	0.5
COSMO-ONE	0.1	0.2	-	0.3
VOICENET	0.6	1.1	0.6	0.8
HELLASCOM	n/a	n/a	0.1	2.9
OTE SAT – MARITEL	1.7	4.0	1.0	3.3
OTE PLUS	0.5	18.9	0.4	14.3
OTE ESTATE	0.6	11.0	1.0	13.5
OTE-GLOBE	14.8	54.9	28.9	59.3
OTE ACADEMY	0.4	1.6	0.5	0.6
ROMTELECOM	0.4	0.5	0.2	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.2	0.9	-	0.6
TOTAL	**63.7**	**181.5**	**80.3**	**190.8**

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)	2013		2012	
	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)	14.5	57.2	12.9	48.2
TOTAL	**14.5**	**57.2**	**12.9**	**48.2**

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

(amounts in millions of Euro)	Amounts owed by OTE	
	2013	2012
OTE PLC	2,217.0	1,565.1
TOTAL	**2,217.0**	**1,565.1**

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 6.2 million and Euro 5.5 million for the years 2013 and 2012, respectively.

As of December 31, 2013, 1,485,956 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, 2013 are as follows:

GROUP

On January 3, 2014, COSMOTE ROMANIA repaid in full its short-term financial liability amounting to Euro 10.1 million.

On February 12, 2014, the outstanding nominal amount of the Euro 787.7 million notes, maturing on February 12, 2015, was reclassified to the short-term portion of long-term borrowings.

COMPANY

On February 11, 2014, the outstanding nominal amount of the Euro 600.0 million and Euro 187.7 million intercompany loans from OTE PLC, maturing on February 11, 2015, were reclassified to the short-term portion of long-term borrowings.

ACQUISITION OF OWN SHARES

In January, February and up to March 4, 2014, OTE acquired 4,131,373 own shares representing the 0.84% of its share capital, with an average acquisition price of Euro 11.49 per share (absolute amount). These shares have been acquired solely in the context of the existing share option plan.

H. INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 16 par. 9a C.L. 2190/1920 REGARDING ACQUIRED OWN SHARES

(a) OTE has acquired own shares in the context of the existing Share Option Plan.
(b) During 2013, OTE acquired 1,475,314 own shares of a nominal value of Euro 4.2 million representing the 0.3% of its share capital. In October 2013, 277,355 vested rights were exercised and an equal number of shares of nominal value Euro 0.8 million, representing the 0.06% of OTE's share capital were transferred to the beneficiaries.
(c) The consideration of the 1,475,314 own shares acquired amounted in total to Euro 13.7 million and the consideration that the above beneficiaries of the plan had paid for the 277,355 shares transferred to them, amounted in total to Euro 1.6 million.
(d) As a result of the above transfer of 277,355 own shares to the beneficiaries of the plan, at December 31, 2013, the outstanding number of own shares held by OTE was 1,197,959 shares of a nominal value of Euro 3.4 million representing the 0.24% of its share capital.

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

(a) Share capital structure

The Company's share capital until December 30 2013, amounted 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), 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.

Pursuant to the resolution of the Extraordinary General Assembly of the Shareholders dated December 30, 2013, the Company's share capital was increased through the increase of the nominal value of each share, due to the capitalization of tax-free reserves. Following this increase, the Company's share capital amounts to one billion three hundred eighty seven million one hundred twenty five thousand six hundred Euros and eighty seven cents (Euro 1,387,125,600.87), 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 Euros and eighty three cents (Euro 2.83) each.

According to the Company's share registry as of December 31, 2013 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	205,057,305	41.84%
Private investors	38,819,927	7.92%
Treasury shares	1,197,959	0.24%
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, as in force.

(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 direct ownership in the share capital of the Company as of December 31, 2013, 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 40.0%, corresponding to 196,060,156 shares, with respective voting rights.

As of December 31, 2013, 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, i.e. the Hellenic Republic and DEUTSCHE TELEKOM AG, which was ratified 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 corporate 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 in accordance with the provisions of C.L. 2190/1920.

In particular, according to the provisions 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 Board of Directors 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.

<u>(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</u>

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 delegation 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.

In light of the above, the General Assembly of Shareholders decided on June 26, 2013 the approval of the acquisition by OTE S.A. of own shares, pursuant to article 16 of C.L. 2190/1920, as in force, up to one tenth (1/10) of its total paid-in share capital for a period of 24 months, at a maximum purchase price of Euro 30 and a minimum purchase price of Euro 2. The Board of Directors has delegated to the Chief Executive Officer the power to implement the respective decision of the General Assembly of buying own shares, along with the right to delegate further the respective power. More detailed information regarding own shares having been acquired by the Company are provided above at respective Chapter H bearing title "INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 16 par. 9a C.L. 2190/1920 REGARDING ACQUIRED COMPANY OWN SHARES".

(i) <u>Significant Group's agreements that are in force and are amended/ terminated upon a change in control applicable to OTE or a Group subsidiary</u>

The Group has entered into various loan agreements and bond issuance agreements in which a change of control clause applicable to OTE or a Group subsidiary is included. If the clause is activated the relevant company 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) <u>Euro 500.0 million and Euro 700.0 million notes under the Global Medium-Term Note Programme</u>
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.

2) Euro 787.7 million and Euro 900.0 million notes under the Global Medium-Term Note Programme:

- Euro 600.0 million maturing in February 2015 (after bond exchange on January 16, 2013 amounts to Euro 787.7 million) and
- Euro 900.0 million maturing in May 2016.

The Euro 900.0 million and Euro 787.7 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.

3) Euro 225.0 million Syndicated Loan arranged by the European Bank for Reconstruction and Development Loan (“EBRD”)
On July 24, 2013, Cosmote Romania signed a Euro 225.0 million loan arranged by the EBRD in order to finance the strategic growth of its broadband infrastructure through the renewal of spectrum licenses and the expansion of its 4th generation network.
The loan includes a change of control clause applicable to Cosmote Romania, Sunlight Romania Filiala, Telemobil, Germanos Telecom Romania (all referred to as “Obligors”), which is triggered if OTE ceases to own, directly or indirectly, at least 50% plus one share of the voting share capital of, or otherwise ceases to control any Obligor or Romtelecom. In the event that the clause is triggered, EBRD may at its option, by notice to Cosmote Romania, require the prepayment of the whole or any portion of the loan.

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-'.

On December 2, 2013, Standard & Poor's Ratings Services raised to 'BB-' from 'B+' its long-term corporate credit rating on OTE. At the same time, Standard & Poor's affirmed the 'B' short-term corporate credit rating on OTE. The outlook is stable. In addition, Standard & Poor's raised to 'BB-' from 'B+' its issue ratings on the debt issued by OTE PLC.

On December 3, 2013, Moody's Investors Service upgraded the corporate family rating (CFR) of OTE by two notches to B2 from Caa1. Concurrently, Moody's upgraded the company's probability of default rating (PDR) by three notches to B2-PD from Caa2-PD. In addition, Moody's has upgraded the senior unsecured ratings on the global medium-term note program (GMTN) and the global bonds issued by OTE PLC to (P)B2 from (P)Caa1 and to B2 from Caa1 respectively. The outlook on all the ratings remains stable.

(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

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, March 5, 2014

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 2013 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.

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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, 2013, 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.

Athens, 5 March 2014
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, 2013

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 41-105, were approved by the Board of Directors on March 5, 2014 and are signed by:

Chairman & Managing Director	Board Member & OTE Group Chief Financial Officer	OTE Group General Manager of Financial Operations	Accounting Director
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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ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 AND FOR THE YEAR THEN ENDED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 AND FOR THE YEAR THEN ENDED

STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	2013	2012[1]	2013	2012[1]
ASSETS					
Non-current assets					
Property, plant and equipment	4	3,278.9	3,914.1	1,356.4	1,508.9
Goodwill	5	506.0	567.1	-	-
Telecommunication licenses	6	474.8	448.0	2.7	3.6
Other intangible assets	7	506.6	505.0	139.3	46.4
Investments	8	0.1	1.2	3,538.5	3,731.8
Loans and advances to pension funds	20	110.9	117.1	110.9	117.1
Deferred tax assets	23	393.9	263.4	223.2	147.9
Other non-current assets	9	78.0	168.8	48.2	127.5
Total non-current assets		**5,349.2**	**5,984.7**	**5,419.2**	**5,683.2**
Current assets					
Inventories	10	97.0	111.4	16.7	16.5
Trade receivables	11	720.4	822.8	349.1	406.4
Other financial assets	12	16.5	9.9	11.4	1.9
Other current assets	13	228.5	210.5	104.3	108.0
Restricted cash	14	4.5	65.1	-	-
Cash and cash equivalents	15	1,444.3	1,161.6	426.6	392.3
Total current assets		**2,511.2**	**2,381.3**	**908.1**	**925.1**
TOTAL ASSETS		**7,860.4**	**8,366.0**	**6,327.3**	**6,608.3**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	16	1,387.1	1,171.5	1,387.1	1,171.5
Share premium	16	511.9	509.6	511.9	509.6
Treasury shares	16	(11.2)	-	(11.2)	-
Statutory reserve	17	347.2	347.2	347.2	347.2
Foreign exchange and other reserves	17	(157.9)	(165.3)	(11.3)	(22.2)
Changes in non-controlling interests	8	(3,315.2)	(3,321.5)	-	-
Retained earnings	17	3,158.4	3,057.3	393.1	746.7
Total equity attributable to owners of the Parent		**1,920.3**	**1,598.8**	**2,616.8**	**2,752.8**
Non-controlling interests	8	375.4	390.0	-	-
Total equity		**2,295.7**	**1,988.8**	**2,616.8**	**2,752.8**
Non-current liabilities					
Long-term borrowings	19	2,556.5	2,635.2	1,600.6	1,602.0
Provision for staff retirement indemnities	20	199.3	288.7	171.4	254.9
Provision for youth account	20	182.3	190.9	182.3	190.9
Deferred tax liabilities	23	68.1	84.1	-	-
Other non-current liabilities	21	133.8	111.2	161.9	133.1
Total non-current liabilities		**3,140.0**	**3,310.1**	**2,116.2**	**2,180.9**
Current liabilities					
Trade accounts payable		923.7	784.5	362.6	315.8
Short-term borrowings	22	11.0	1.4	167.0	128.0
Short-term portion of long-term borrowings	19	388.9	1,414.2	366.8	667.5
Income tax payable	23	82.8	31.6	38.1	-
Deferred revenue		147.4	174.9	80.3	89.1
Provision for voluntary leave scheme	20	237.9	134.4	237.9	134.4
Dividends payable	18	1.0	1.9	1.0	1.9
Other current liabilities	24	632.0	524.2	340.6	337.9
Total current liabilities		**2,424.7**	**3,067.1**	**1,594.3**	**1,674.6**
TOTAL EQUITY AND LIABILITIES		**7,860.4**	**8,366.0**	**6,327.3**	**6,608.3**

[1]Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).

INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro except per share data)	Notes	2013	2012[1,2]	2013	2012[1]
Continuing operations					
Revenue					
Fixed business:					
Retail services revenues		1,268.3	1,376.9	881.9	960.9
Wholesale services revenues		606.1	591.5	345.5	377.4
Other revenues		303.1	307.0	221.9	245.0
Total revenues from fixed business		**2,177.5**	**2,275.4**	**1,449.3**	**1,583.3**
Mobile business:					
Service revenues		1,489.8	1,654.8	-	-
Handset revenues		247.3	229.9	16.2	18.9
Other revenues		21.7	28.3	-	-
Total revenues from mobile business		**1,758.8**	**1,913.0**	**16.2**	**18.9**
Miscellaneous other revenues		**117.8**	**141.9**	**91.7**	**101.8**
Total revenues		**4,054.1**	**4,330.3**	**1,557.2**	**1,704.0**
Other operating income	25	42.3	29.3	10.6	2.1
Operating expenses					
Interconnection and roaming costs		(468.2)	(510.5)	(140.2)	(205.7)
Provision for doubtful accounts	11	(84.9)	(110.7)	(20.4)	(21.4)
Personnel costs		(821.5)	(914.5)	(444.5)	(541.3)
Costs related to early retirement programs	20	(272.4)	(123.0)	(250.9)	(123.0)
Commission costs		(168.7)	(173.7)	(12.0)	(14.5)
Device costs		(276.4)	(254.2)	(30.0)	(49.4)
Maintenance and repairs		(91.0)	(95.3)	(46.4)	(41.6)
Marketing		(113.0)	(133.7)	(24.4)	(29.2)
Other operating expenses, out of which:		(622.4)	(651.1)	(281.6)	(308.5)
Rental, leasing and facility costs		*(200.0)*	*(193.3)*	*(104.0)*	*(102.8)*
Third party fees and services		*(123.8)*	*(154.2)*	*(100.0)*	*(122.7)*
Other taxes and regulatory charges		*(72.1)*	*(79.6)*	*(22.2)*	*(23.5)*
Other sundry operating expenses		*(226.5)*	*(224.0)*	*(55.4)*	*(59.5)*
Total operating expenses before depreciation, amortization and impairment		**(2,918.5)**	**(2,966.7)**	**(1,250.4)**	**(1,334.6)**
Operating profit before financial activities and depreciation, amortization and impairment		**1,177.9**	**1,392.9**	**317.4**	**371.5**
Depreciation, amortization and impairment	4,6,7,8	(842.5)	(818.4)	(322.5)	(308.1)
Operating profit /(loss) before financial activities		**335.4**	**574.5**	**(5.1)**	**63.4**
Income and expense from financial activities					
Interest expense		(249.0)	(247.3)	(159.4)	(166.8)
Interest income		8.8	14.4	4.3	8.7
Foreign exchange differences, net		2.3	(1.3)	0.4	-
Dividend income	8	0.4	3.9	8.0	41.9
Gains /(losses) from investments and financial assets		216.8	225.1	(18.0)	225.1
Impairment of investments and other financial assets	12	0.1	-	0.1	(325.6)
Total profit /(loss) from financial activities		**(20.6)**	**(5.2)**	**(164.6)**	**(216.7)**
Profit /(loss) before tax		**314.8**	**569.3**	**(169.7)**	**(153.3)**
Income tax	23	(20.9)	(103.9)	31.7	(14.4)
Profit /(loss) for the year from continuing operations		**293.9**	**465.4**	**(138.0)**	**(167.7)**
Discontinued operations					
Profit for the year from discontinued operations (attributable to owners of the parent)	8	28.9	31.7	-	-
Profit /(loss) for the year		**322.8**	**497.1**	**(138.0)**	**(167.7)**
Attributable to:					
Owners of the parent		316.7	471.9	(138.0)	(167.7)
Non-controlling interests		6.1	25.2	-	-
Profit /(loss) for the year		**322.8**	**497.1**	**(138.0)**	**(167.7)**
Earnings per share from continuing operations attributable to owners of the parent					
Basic earnings per share	26	0.5873	0.8981		
Diluted earnings per share	26	0.5847	0.8981		

[1]Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).
[2]Adjusted due to disposal group according to IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 8).

The accompanying notes on pages 49-105 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	2013	2012[1]	2013	2012[1]
Profit / (loss) for the year		**322.8**	**497.1**	**(138.0)**	**(167.7)**
Other comprehensive income: **Items that will not be reclassified subsequently to profit or loss**					
Actuarial gains	20,21	16.1	1.2	10.0	5.9
Deferred taxes on actuarial gains		(4.0)	0.3	(2.5)	(0.5)
Deferred taxes on actuarial gains due to change in the tax rate		3.0	-	3.0	-
Total items that will not be reclassified subsequently to profit or loss		**15.1**	**1.5**	**10.5**	**5.4**
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(12.4)	(36.0)	-	-
Net movement in available for sale financial assets	9,12	0.5	(225.8)	0.4	(225.1)
Deferred taxes on net movement in available for sale financial assets		-	13.6	-	13.6
Total items that may be reclassified subsequently to profit or loss		**(11.9)**	**(248.2)**	**0.4**	**(211.5)**
Other comprehensive income / (loss) for the year		**3.2**	**(246.7)**	**10.9**	**(206.1)**
Total comprehensive income / (loss) for the year		**326.0**	**250.4**	**(127.1)**	**(373.8)**
Attributable to:					
Owners of the parent		324.1	234.2	(127.1)	(373.8)
Non-controlling interests		1.9	16.2	-	-
		326.0	**250.4**	**(127.1)**	**(373.8)**
Total comprehensive income attributable to owners of the parent arises from:					
Continuing operations		295.2	202.5	-	-
Discontinued operations	8	28.9	31.7	-	-
		324.1	**234.2**	**-**	**-**

[1]Adjusted due to amended IAS 19 “Employee benefits” (see Note 32).

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
Balance as at January 1, 2012[1]	**1,171.5**	**508.0**	**-**	**347.2**	**72.4**	**(3,321.5)**	**2,585.4**	**1,363.0**	**373.8**	**1,736.8**
Profit for the year	-	-	-	-	-	-	471.9	**471.9**	25.2	**497.1**
Other comprehensive income / (loss)	-	-	-	-	(237.7)	-	-	**(237.7)**	(9.0)	**(246.7)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(237.7)**	**-**	**471.9**	**234.2**	**16.2**	**250.4**
Share-based payment	-	1.6	-	-	-	-	-	**1.6**	-	**1.6**
Balance as at December 31, 2012[1]	**1,171.5**	**509.6**	**-**	**347.2**	**(165.3)**	**(3,321.5)**	**3,057.3**	**1,598.8**	**390.0**	**1,988.8**
Balance as at January 1, 2013	**1,171.5**	**509.6**	**-**	**347.2**	**(165.3)**	**(3,321.5)**	**3,057.3**	**1,598.8**	**390.0**	**1,988.8**
Profit for the year	-	-	-	-	-	-	316.7	**316.7**	6.1	**322.8**
Other comprehensive income / (loss)	-	-	-	-	7.4	-	-	**7.4**	(4.2)	**3.2**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**7.4**	**-**	**316.7**	**324.1**	**1.9**	**326.0**
Share capital increase (see Note 16)	215.6	-	-	-	-	-	(215.6)	**-**	-	**-**
Share-based payment (see Note 29)	-	2.3	-	-	-	-	-	**2.3**	-	**2.3**
Acquisition of treasury shares (see Note 16)	-	-	(11.2)	-	-	-	-	**(11.2)**	-	**(11.2)**
Net change of participation in subsidiaries (see Note 8)	-	-	-	-	-	6.3	-	**6.3**	(16.5)	**(10.2)**
Balance as at December 31, 2013	**1,387.1**	**511.9**	**(11.2)**	**347.2**	**(157.9)**	**(3,315.2)**	**3,158.4**	**1,920.3**	**375.4**	**2,295.7**

[1]Adjusted due to amended IAS 19 “Employee benefits” (see Note 32).

STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at January 1, 2012[1]	**1,171.5**	**508.0**	**-**	**347.2**	**183.9**	**914.4**	**3,125.0**
Profit / (loss) for the year	-	-	-	-	-	(167.7)	**(167.7)**
Other comprehensive income / (loss)	-	-	-	-	(206.1)	-	**(206.1)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(206.1)**	**(167.7)**	**(373.8)**
Share-based payment	-	1.6	-	-	-	-	**1.6**
Balance as at December 31, 2012[1]	**1,171.5**	**509.6**	**-**	**347.2**	**(22.2)**	**746.7**	**2,752.8**
Balance as at January 1, 2013	**1,171.5**	**509.6**	**-**	**347.2**	**(22.2)**	**746.7**	**2,752.8**
Profit / (loss) for the year	-	-	-	-	-	(138.0)	**(138.0)**
Other comprehensive income / (loss)	-	-	-	-	10.9	-	**10.9**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**10.9**	**(138.0)**	**(127.1)**
Share capital increase (see Note 16)	215.6	-	-	-	-	(215.6)	**-**
Share-based payment (see Note 29)	-	2.3	-	-	-	-	**2.3**
Acquisition of own shares (see Note 16)	-	-	(11.2)	-	-	-	**(11.2)**
Balance as at December 31, 2013	**1,387.1**	**511.9**	**(11.2)**	**347.2**	**(11.3)**	**393.1**	**2,616.8**

[1]Adjustment due to the amended IAS 19 “Employee benefits” (see Note 32).

STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	2013	2012[1,2]	2013	2012[1,2]
Cash flows from operating activities					
Profit / (loss) before tax		314.8	569.3	(169.7)	(153.3)
Adjustments for:					
Depreciation, amortization and impairment	4,6,7,8	842.5	818.4	322.5	308.1
Share-based payment	29	3.2	1.6	0.7	0.3
Costs related to early retirement programs	20	272.4	123.0	250.9	123.0
Provision for staff retirement indemnities	20	10.2	27.9	8.9	25.0
Provision for youth account	20	3.7	(6.2)	3.7	(6.2)
Write down of inventories	10	5.2	7.7	-	-
Provision for doubtful accounts	11	84.9	110.7	20.4	21.4
Other provisions		4.2	2.7	(2.1)	2.5
Foreign exchange differences, net		(2.3)	1.3	(0.4)	-
Interest income		(8.8)	(14.4)	(4.3)	(8.7)
Dividend income	8	(0.4)	(3.9)	(8.0)	(41.9)
(Gains) / losses investments and financial assets - Impairments		(216.9)	(225.1)	17.9	100.5
Interest expense		249.0	247.3	159.4	166.8
Working capital adjustments:					
Decrease / (increase) in inventories		(0.5)	0.1	(1.9)	5.4
Decrease / (increase) in receivables		(7.3)	58.4	99.6	118.7
(Decrease) / increase in liabilities (except borrowings)		122.6	(80.3)	(19.9)	(77.8)
Plus /(Minus):					
Payment for early retirement programs and voluntary leave scheme	20	(163.1)	(146.4)	(141.6)	(145.9)
Payment of staff retirement indemnities and youth account, net of employees' contributions	20	(106.7)	(115.7)	(105.5)	(114.7)
Interest and related expenses paid		(249.2)	(243.4)	(163.4)	(172.3)
Income taxes paid		(121.3)	(108.0)	(9.7)	(24.5)
Net cash flows from operating activities of discontinued operations		55.7	141.9	-	-
Net cash flows from operating activities		**1,091.9**	**1,166.9**	**257.5**	**126.4**
Cash flows from investing activities					
Acquisition of non-controlling interest	8	(10.2)	-	-	-
Purchase of financial assets	12	(226.4)	(719.5)	(75.0)	(677.4)
Sale or maturity of financial assets	12	229.6	1,060.9	75.0	1,018.8
Repayment of loans receivable		10.7	10.3	10.7	10.3
Purchase of property plant and equipment and intangible assets		(604.7)	(507.9)	(179.8)	(157.7)
Movement in restricted cash	14	58.8	(65.1)	-	-
Proceeds from disposal of subsidiaries /investments	8	717.0	380.0	202.8	380.0
Interest received		14.8	16.4	7.5	8.1
Dividends received	8	0.4	20.9	7.4	58.9
Return of capital invested in subsidiary	8	1.0	-	1.0	52.0
Net cash flows used in investing activities from discontinued operations		(30.7)	(45.6)	-	-
Net cash flows from investing activities		**160.3**	**150.4**	**49.6**	**693.0**
Cash flows from financing activities					
Acquisition of treasury shares		(6.0)	-	(6.0)	-
Proceeds from loans granted and issued	19	1,245.7	313.3	1,412.2	439.9
Repayment of loans	19,22	(2,201.2)	(1,298.9)	(1,678.1)	(1,022.6)
Dividends paid to Company's owners		(0.9)	(0.4)	(0.9)	(0.4)
Net cash from / (used in) financing activities from discontinued operations		(3.8)	153.0	-	-
Net cash flows used in financing activities		**(966.2)**	**(833.0)**	**(272.8)**	**(583.1)**
Net increase in cash and cash equivalents		**286.0**	**484.3**	**34.3**	**236.3**
Cash and cash equivalents, at the beginning of the year		**1,161.6**	**683.4**	**392.3**	**156.0**
Net foreign exchange differences		(3.3)	(6.1)	-	-
Cash and cash equivalents, at the end of the year	15	**1,444.3**	**1,161.6**	**426.6**	**392.3**

[1]Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).
[2]Adjusted due to disposal group according to IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 8).

1. CORPORATE INFORMATION

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

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

Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and as of December 31, 2013 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, 2013 and for the year then ended, were approved for issuance by the Board of Directors on March 5, 2014, and are subject to the final approval of OTE's General Assembly.

The total number of Group and Company employees as of December 31, 2013 and 2012 is as follows:

	GROUP	COMPANY
December 31, 2013	22,667	6,878
December 31, 2012	27,330	8,750

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	2013 GROUP's OWNERSHIP INTEREST	2012 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") (see Note 8)	Satellite communications	Cyprus	-	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") (see Note 8)	Telecommunication projects	Greece	-	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") (see below)	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%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	2013	2012
			GROUP's OWNERSHIP INTEREST	
S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE ROMANIA")	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO BULGARIA MOBILE EAD ("GLOBUL") (see Note 8)	Mobile telecommunications services	Bulgaria	-	100.00%
COSMO-HOLDING ALBANIA S.A. ("CHA") (see Note 8)	Investment holding company	Greece	100.00%	97.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC") (see Note 8)	Mobile telecommunications services	Albania	99.76%	97.21%
COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS") (see below)	Investment holding company	Cyprus	-	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. (see Note 8)	Retail services	Bulgaria	-	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
OTE PROPERTIES (see below)	Real estate	Greece	-	100.00%
HELLAS SAT S.A. (see Note 8)	Satellite communications	Greece	-	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%

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.

DISSOLUTION AND LIQUIDATION OF DIERGASIA

On June 21, 2013, the Extraordinary General Assembly of Shareholders of DIERGASIA (OTE PLUS's wholly owned subsidiary) decided to proceed with the dissolution and liquidation of DIERGASIA.

DISSOLUTION AND LIQUIDATION OF COSMOHOLDING CYPRUS

On July 9, 2013, the Extraordinary General Assembly of Shareholders of COSMOHOLDING CYPRUS (COSMOTE's wholly owned subsidiary) decided to proceed with the dissolution and liquidation of COSMOHOLDING CYPRUS. The dissolution and liquidation process was finalized on December 17, 2013.

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 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 31.

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. 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 provision 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. 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.

<u>Standards and Interpretations effective for the current financial year</u>

- **IAS 1 (Amendment) "Presentation of Financial Statements"**: 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"**: 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. The impact of this amendment is further explained in Note 32.

- **IAS 12 (Amendment) "Income Taxes"**: 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"**: 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.

- **IFRS 7 (Amendment) "Financial Instruments: Disclosures"**: The International Accounting Standards Board ("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 recognised financial liabilities, on the entity's financial position.

- **IFRIC 20 "Stripping costs in the production phase of a surface mine"**: This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. The interpretation does not apply to the Group and the Company.

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.

- **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".

Standards and Interpretations effective for periods beginning on or after January 1, 2014

- **IFRS 9 "Financial Instruments"**: (effective for annual periods beginning on or after January 1, 2015). IFRS 9 is the first Phase of the IASB's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Standard has not yet been endorsed by the EU.

- **IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39"**: (effective for annual periods beginning on or after January 1, 2015). The IASB has published IFRS 9 "Hedge Accounting", the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

- **IFRS 7 (Amendment) "Financial Instruments: Disclosures"**: (effective for annual periods beginning on or after January 1, 2015). The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

- **IAS 32 (Amendment) "Financial Instruments: Presentation"**: (effective for annual periods beginning on or after January 1, 2014). This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2014)

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). These standards are effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

- **IFRS 10 "Consolidated Financial Statements"**: IFRS 10 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"**: IFRS 11 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"**: IFRS 12 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.

- **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"**: IAS 28 "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 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, 2014). 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.

- **IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"**: (effective for annual periods beginning on or after January 1, 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 entity needs to make. These amendments have not yet been endorsed by the EU.

- **IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"**: (effective for annual periods beginning on or after January 1, 2014). This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. This amendment has not yet been endorsed by the EU.

- **IFRIC 21 "Levies"**: (effective for annual periods beginning on or after January 1, 2014). This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

- **IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"**: (effective for annual periods beginning on or after January 1, 2014). This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

- **IAS 19 (Amendment) "Employee Benefits"** (effective for annual periods beginning on or after July 1, 2014). These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after July 1, 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-2012 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- **IFRS 2 "Share-based payment"**: The amendment clarifies the definition of a 'vesting condition' and separately defines "performance condition" and "service condition".

- **IFRS 3 "Business combinations":** The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

- **IFRS 8 "Operating segments":** The amendment requires disclosure of the judgements made by management in aggregating operating segments.

- **IFRS 13 "Fair value measurement"**: The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

- **IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"**: Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

- **IAS 24 "Related party disclosures":** The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after July 1, 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-2013 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- **IFRS 3 "Business combinations"**: This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

- **IFRS 13 "Fair value measurement":** The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

- **IAS 40 "Investment property"**: The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

- **IFRS 1 "First-time adoption of International Financial Reporting Standards":** The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

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 transactions. 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.

Disposal of subsidiaries

When the group disposes of or ceases to have control or any retained interest in the subsidiary it is remeasured to its fair value at the date of disposal or when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

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 1 to 7 years.
TV broadcasting rights: The useful economic lives are 2 to 4 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 recognised 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	5 - 45 years	2.2% - 20%
Telecommunication equipment and installations:		
Telephone exchange equipment	8 years	12.5%
Radio relay stations	8 - 10 years	10% - 12.5%
Subscriber connections	8 - 10 years	10% - 12.5%
Local and international network	7 - 15 years	6.7% - 15%
Other	7 - 12.5 years	8% - 15%
Transportation equipment	3 - 11 years	9% - 33%
Furniture and fixtures	3 - 20 years	5% - 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 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. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Termination benefits 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, costs related to early retirement programs and other restructuring costs, (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 32.

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
31/12/2011								
Cost	50.0	961.7	13,006.8	47.0	504.2	375.0	71.4	15,016.1
Accumulated depreciation	-	(456.0)	(9,810.3)	(36.6)	(385.2)	-	-	(10,688.1)
Net book value 31/12/2011	**50.0**	**505.7**	**3,196.5**	**10.4**	**119.0**	**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**	**458.1**	**2,860.7**	**6.6**	**111.8**	**380.3**	**47.4**	**3,914.1**
31/12/2012								
Cost	49.2	1,005.5	13,115.7	39.6	471.2	380.3	47.4	15,108.9
Accumulated depreciation	-	(547.4)	(10,255.0)	(33.0)	(359.4)	-	-	(11,194.8)
Net book value 31/12/2012	**49.2**	**458.1**	**2,860.7**	**6.6**	**111.8**	**380.3**	**47.4**	**3,914.1**
Additions	-	41.3	471.0	2.1	20.0	343.1	24.1	901.6
Disposals and transfers - cost	(0.2)	(9.5)	(201.8)	(7.7)	(37.6)	(481.4)	-	(738.2)
Disposals and transfers - accumulated depreciation	-	7.4	194.0	6.6	22.7	-	-	230.7
Exchange differences - cost	-	(3.1)	(29.0)	(0.1)	(0.8)	(0.4)	(0.1)	(33.5)
Exchange differences - accumulated depreciation	-	2.6	24.6	0.1	0.7	-	-	28.0
Depreciation charge for the year - impairment	-	(40.0)	(617.1)	(2.2)	(21.0)	-	(7.1)	(687.4)
Discontinued operations - cost (see Note 8)	(2.1)	(49.3)	(1,034.6)	(5.0)	(17.7)	(6.6)	-	(1,115.3)
Discontinued operations - accumulated depreciation (see Note 8)	-	16.0	750.0	2.9	10.0	-	-	778.9
Net book value 31/12/2013	**46.9**	**423.5**	**2,417.8**	**3.3**	**88.1**	**235.0**	**64.3**	**3,278.9**
31/12/2013								
Cost	46.9	984.9	12,321.3	28.9	435.1	235.0	64.3	14,116.4
Accumulated depreciation	-	(561.4)	(9,903.5)	(25.6)	(347.0)	-	-	(10,837.5)
Net book value 31/12/2013	**46.9**	**423.5**	**2,417.8**	**3.3**	**88.1**	**235.0**	**64.3**	**3,278.9**

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

Property, plant and equipment includes investment property of Euro 71.4 as of December 31, 2013 (December 31, 2012: Euro 89.9), the fair value of which exceeds the above mentioned carrying amount.

Borrowing costs capitalized during the year ended December 31, 2013 and 2012 by the Group as part of the cost of qualifying assets amount to Euro 10.9 and Euro 8.2, respectively. The amounts were calculated based on an average rate of capitalization for the year ended December 31, 2013 and 2012 which was 7.6% and 7.0%, 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, 2013 is Euro 5.3 (December 31, 2012: Euro 6.2).

COMPANY	BUILDINGS	TELECOMMUNICATION EQUIPMENT	TRANSPORTATION MEANS	FURNITURE & FIXTURES	CONSTRUCTION IN PROGRESS	INVESTMENT SUPPLIES	TOTAL
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**
Additions	23.2	178.5	-	1.9	81.4	36.5	321.5
Disposals and transfers - cost	-	(120.4)	(5.6)	(25.2)	(193.0)	(21.1)	(365.3)
Disposals and transfers - accumulated depreciation	-	120.4	5.6	25.2	-	-	151.2
Depreciation charge for the year - impairment	(7.0)	(243.4)	(0.7)	(1.7)	-	(7.1)	(259.9)
Net book value 31/12/2013	**59.0**	**1,118.5**	**1.7**	**5.1**	**117.3**	**54.8**	**1,356.4**
31/12/2013							
Cost	92.7	7,637.9	32.0	104.8	117.3	54.8	8,039.5
Accumulated depreciation	(33.7)	(6,519.4)	(30.3)	(99.7)	-	-	(6,683.1)
Net book value 31/12/2013	**59.0**	**1,118.5**	**1.7**	**5.1**	**117.3**	**54.8**	**1,356.4**

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

Borrowing costs capitalized during the year ended December 31, 2013 and 2012 by OTE as part of the cost of qualifying assets amount to Euro 9.9 and Euro 8.2, respectively. The amounts were calculated based on an average rate of capitalization for the year ended December 31, 2013 and 2012 which was 7.9% and 7.0% respectively.

For the acquisition of the assets above, OTE has received government grants in the past the unamortized amount of which at December 31, 2013 is Euro 0.6 (December 31, 2012: Euro 1.5). There are no unfulfilled conditions or contingencies attached to these grants.

5. GOODWILL

Goodwill is analyzed as follows:

GROUP	2013	2012
Carrying value January 1	**567.1**	**569.2**
Foreign exchange differences	(0.8)	(2.1)
Disposal of GLOBUL and GERMANOS TELECOM BULGARIA A.D. (see Note 8)	(60.3)	-
Carrying value December 31	**506.0**	**567.1**

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	2012	Foreign exchange differences	Disposal of subsidiaries	2013
Greece	376.6	-	-	376.6
Albania	54.7	(0.3)	-	54.4
Romania	75.5	(0.5)	-	75.0
Bulgaria	60.3	-	(60.3)	-
TOTAL	**567.1**	**(0.8)**	**(60.3)**	**506.0**

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 2013	Greece	Romania	Bulgaria	Albania
Discount rate	10.48%	9.70%	-	10.20%
Rate of increase /(decrease) of revenue	(0.30)%	3.30%	-	0.60%
EBITDA margin (2014-2023)	36.0%-40.3%	31.1%-33.4%	-	38.6%-43.6%

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%

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, 2013, 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. Notwithstanding this, as of December 31, 2013, the recoverable amount for each cash generating unit when compared to the respective carrying value indicates that adequate headroom exists and any material change in the assumptions used would not result in the reduction of the carrying value of goodwill.

6. TELECOMMUNICATION LICENSES

The movement of telecommunication licenses is as follows:

GROUP	2013	2012
Net book value January 1	448.0	432.8
Additions	136.1	7.9
Advance payments for license	-	52.0
Transfers, cost	20.8	18.3
Transfers, accumulated amortization	(6.1)	(19.6)
Exchange differences, cost	(3.6)	(3.0)
Exchange differences, accumulated amortization	0.8	2.2
Amortization charge for the year	(37.6)	(42.5)
Write-offs, cost	(2.7)	(1.2)
Write-offs, accumulated amortization	1.3	1.1
Discontinued operations, cost (see Note 8)	(185.6)	-
Discontinued operations, accumulated amortization (see Note 8)	103.4	-
Net book value December 31	**474.8**	**448.0**
December 31		
Cost	762.6	797.6
Accumulated amortization	(287.8)	(349.6)
Net book value	**474.8**	**448.0**

COMPANY	2013	2012
Net book value January 1	3.6	4.2
Amortization charge for the year	(0.9)	(0.6)
Net book value December 31	**2.7**	**3.6**
December 31		
Cost	8.8	8.8
Accumulated amortization	(6.1)	(5.2)
Net book value	**2.7**	**3.6**

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

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 the remaining amount of Euro 127.9 was paid in June 2013.

7. OTHER INTANGIBLE ASSETS

The movement of other intangible assets is as follows:

GROUP	2013	2012
Net book value January 1	505.0	503.5
Additions	210.2	58.0
Disposals, cost	-	(1.8)
Disposals, accumulated amortization	-	1.5
Transfers, cost	(37.7)	96.4
Transfers, accumulated amortization	30.4	(52.5)
Exchange differences, cost	(1.1)	(2.5)
Exchange differences, accumulated amortization	0.8	2.1
Amortization charge for the year	(146.6)	(99.7)
Discontinued operations, cost (see Note 8)	(130.4)	-
Discontinued operations, accumulated amortization (see Note 8)	76.0	-
Net book value December 31	**506.6**	**505.0**
December 31		
Cost	1,333.0	1,292.0
Accumulated amortization	(826.4)	(787.0)
Net book value	**506.6**	**505.0**

COMPANY	2013	2012
Net book value January 1	46.4	27.6
Additions	154.6	34.3
Amortization charge for the year	(61.7)	(15.5)
Net book value December 31	**139.3**	**46.4**
December 31		
Cost	385.1	230.5
Accumulated amortization	(245.8)	(184.1)
Net book value	**139.3**	**46.4**

Other intangible assets mainly relate to the identifiable assets recognized as a result of the acquisition of GERMANOS during 2006 and certain capitalized TV broadcasting rights.

The identifiable assets recognized as a result of the acquisition of GERMANOS mainly relate 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 2013 consolidated income statement amounted to Euro 23.6 (2012: Euro 27.5). After the disposal of GERMANOS TELECOM BULGARIA A.D. (see Note 8) and the derecognition of the portion associated with GERMANOS TELECOM BULGARIA A.D. amounting to Euro 36.9, the net book value of the GERMANOS brand name as of December 31, 2013, amounted to Euro 230.1 (December 31, 2012: Euro 290.6).

Furthermore, during 2013, the Group and the Company recognized intangible assets amounting to Euro 151.4 and Euro 126.3, respectively, related to TV broadcasting rights eligible for capitalization. The respective amortization for the year 2013 amounted to Euro 53.0 and Euro 40.4 for the Group and the Company.

The remaining additions for the year mainly concern software acquired by the Group and the Company.

There are no intangible assets with indefinite useful life as of December 31, 2013 and 2012.

8. INVESTMENTS – BUSINESS COMBINATIONS

Investments are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
(a) Investments in subsidiaries	-	-	3,538.4	3,730.6
(b) Other investments	0.1	1.2	0.1	1.2
TOTAL	**0.1**	**1.2**	**3,538.5**	**3,731.8**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	2013	2012
COSMOTE	100.00%	Greece	2,762.9	2,760.4
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	401.9	401.9
HELLAS-SAT	-	Cyprus	-	194.7
COSMO-ONE	30.87%	Greece	0.5	0.5
VOICENET	100.00%	Greece	3.1	3.1
HELLASCOM	merged (see below)	Greece	-	4.4
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	-	-
OTE PLUS	100.00%	Greece	8.2	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	0.2
TOTAL			**3,538.4**	**3,730.6**

The movement of investments in subsidiaries is as follows:

	COMPANY	
	2013	2012
Balance at January 1	3,730.6	4,106.9
Share options granted to management of subsidiaries (see Note 29)	2.5	1.3
Sale of subsidiary	(194.7)	-
Impairment	-	(325.6)
Reduction of share capital of subsidiaries	-	(52.0)
Balance at December 31	**3,538.4**	**3,730.6**

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

SHARE OPTION PLAN

As described in Note 29, 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 2013 is Euro 2.5 (2012: Euro 1.3) 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.

MERGER OF OTE PLUS – HELLASCOM BY ABSORPTION

On July 19, 2013, the absorption of HELLASCOM by OTE PLUS was completed without any financial impact on the Company or the Group. In OTE's separate financial statements, the carrying value of its investment in HELLASCOM has been transferred to the carrying value of its investment in OTE PLUS.

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. The transaction was completed on March 26, 2013 after the approval by the competent authorities. The total consideration was Euro 208.4. In addition, OTE received Euro 7.0 as dividends.

HELLAS-SAT is included in the consolidated financial statements until the date the Group ceased to control that company (March 26, 2013).

The following table presents HELLAS SAT's condensed income statements for 2012 and for the period January 1, 2013 - March 26, 2013:

	1/1/2013 – 26/03/2013	2012
Total revenue	7.1	31.2
Operating expenses	(5.2)	(20.5)
Operating profit before financial activities	**1.9**	**10.7**
Total profit /(loss) from financial activities	(0.9)	1.6
Profit before tax	**1.0**	**12.3**
Income tax	(0.3)	(6.7)
Profit for the period / year	**0.7**	**5.6**

In the consolidated income statement, the gain from the sale was determined as the difference between the selling price less related expenses and the value of HELLAS-SAT's net assets at the date of disposal, adjusted for certain price adjustments and other provisions, the impact of which has been estimated.

The assets and liabilities of HELLAS-SAT at the date of disposal are as follows:

	26/03/2013
Assets	
Non-current assets	68.1
Cash and cash equivalents	49.4
Other current assets	11.1
Total Assets	**128.6**
Liabilities	
Long-term liabilities	5.7
Short-term liabilities	7.7
Total Liabilities	**13.4**
Net assets sold	**115.2**

	26/03/2013
Selling price	208.4
Disposal expenses, price adjustments and other provisions	(32.1)
OTE's share in HELLAS-SAT's net assets sold (99.05%)	(114.1)
Gain from sale of investment in the consolidated income statement (before tax)	**62.2**
Selling price	208.4
Less disposal expenses and settled price adjustments / provisions	(5.9)
Less cash and cash equivalents disposed	(49.4)
Net inflow from the sale of subsidiary in the consolidated statement of cash flows	**153.1**

The carrying amount of the non - controlling interests at the date of disposal was Euro 1.1.

SALE OF GLOBUL AND GERMANOS TELECOM BULGARIA A.D.

On April 26, 2013, the Group announced the signing of an agreement to sell its 100.00% stake in GLOBUL and in GERMANOS TELECOM BULGARIA A.D. to Telenor Mobile Communications AS, the Norwegian telecom operator. The transaction was completed on July 31, 2013 after the approval by the competent authorities. The agreed consideration for the sale was Euro 717.0 (enterprise value, to be adjusted for net debt and working capital), which was adjusted by Euro 53.8 for the net debt and the changes in the working capital of the two entities based on estimated amounts as at the date the transaction was completed. The net amount of Euro 663.2 was received on July 31, 2013. The completion accounts were finalized in November 2013, and as a result, the net debt and working capital was further adjusted by Euro 9.3, amount which was paid by the seller on December 2, 2013. Furthermore, an amount of Euro 3.7 relating to disposal expenses was paid within 2013.

The operations of this disposal group represent a separate geographical area of operations for the Group (mobile telecommunication services in Bulgaria) and a separate cash generating unit. As a result, its operations until the date of disposal have been treated as discontinued operations. The income statements, the statements of cash flows and the related notes for prior periods have been restated to conform to this presentation. Discontinued operations do not have a material effect in the Group's other comprehensive income. In the cash flow statement, the cash flows from the operating, investing and financing activities of this disposal group have been separated from the rest cash flows of the Group and reported as single line items under each activity.

The assets and liabilities of the disposal group at the date of disposal are as follows:

	31/07/2013
Assets	
Non-current assets	478.5
Cash and cash equivalents	86.6
Other current assets	85.4
Total Assets	**650.5**
Liabilities	
Long-term liabilities	160.8
Short-term liabilities	83.9
Total Liabilities	**244.7**
Net assets sold	**405.8**
Selling price	717.0
Disposal expenses, price adjustments and other provisions	(157.0)
OTE's share in GLOBUL and GERMANOS TELECOM BULGARIA A.D.'s net assets sold (100.00%)	(405.8)
Gain from sale of investment in the consolidated income statement (before tax)	**154.2**
Selling price	717.0
Less disposal expenses and settled price adjustments / provisions	(66.8)
Less cash and cash equivalents disposed	(86.6)
Net inflow from the sale of subsidiary in the consolidated statement of cash flows	**563.6**

Condensed income statements of the disposal group for 2012 and for the period January 1, 2013 – July 31, 2013 are presented in the table below (after the elimination of intercompany transactions):

	1/1/2013 – 31/7/2013	2012
Total revenue	200.1	350.0
Operating expenses without depreciation & amortization	(133.0)	(214.6)
Depreciation & amortization	(29.1)	(100.3)
Operating profit before financial activities	**38.0**	**35.1**
Total profit /(loss) from financial activities	(5.5)	(0.7)
Profit before tax	**32.5**	**34.4**
Income tax expense	(3.6)	(2.7)
Profit for the period / year	**28.9**	**31.7**

OTE does not have a direct participation in GLOBUL and in GERMANOS TELECOM BULGARIA A.D and therefore the above described transaction does not affect the separate financial statements of the Company.

Changes in non-controlling interests

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

	2013	2012
COSMOTE	3,132.2	3,132.2
GERMANOS	171.7	171.7
OTENET	12.3	12.3
HELLASCOM	-	(3.3)
OTE PLUS	(3.3)	-
HELLAS-SAT	-	1.2
VOICENET	1.1	1.1
AMC	1.2	6.3
TOTAL	**3,315.2**	**3,321.5**

On December 23, 2013, COSMOTE acquired the remainng 3% non-controlling interests in CHA from Telenor, for a total consideration of Euro 10.2. Following this acquisition, COSMOTE is the only shareholder of CHA and consequently, the Group's participation in AMC reached 99.76%.

The Group's non-controlling interests amounting to Euro 375.4 as of December 31, 2013 (December 31, 2012: 390.0), mainly relate to the 45.99% on Romtelecom's equity, which is owned by the Romanian State.

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Balance at January 1	1.2	1.2	1.2	1.2
Share capital reduction of EDEKT	(1.0)	-	(1.0)	-
Disposal of EDEKT	(0.1)	-	(0.1)	-
Balance at December 31	**0.1**	**1.2**	**0.1**	**1.2**

EDEKT (OTE's 40.0% ASSOCIATE)

On April 2, 2013, EDEKT's General Assembly of Shareholders, approved the reduction of its share capital by Euro 2.6. OTE's portion was Euro 1.0 and this amount was received in June 2013, reducing the carrying value of the investment to Euro 0.1. In 2013, the Company received Euro 0.4 as dividend from EDEKT. Furthermore, in August 2013, OTE disposed its 40% shareholding in EDEKT and the proceeds were Euro 0.3, resulting in a pre-tax gain of Euro 0.2.

DIVIDEND INCOME

The dividend income is analyzed as follows:

GROUP	2013	2012
EDEKT	0.4	-
TELEKOM SRBIJA	-	3.9
TOTAL	**0.4**	**3.9**

COMPANY	2013	2012
COSMOTE	0.6	-
HELLAS - SAT	7.0	37.3
OTE SAT - MARITEL	-	0.7
EDEKT	0.4	-
TELEKOM SRBIJA	-	3.9
TOTAL	**8.0**	**41.9**

9. OTHER NON-CURRENT ASSETS

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Loans and advances to employees	46.9	102.3	46.8	102.2
Guarantees	6.7	8.4	0.2	0.2
Other advanced payments / prepayments	11.6	8.5	-	-
Derivative financial instruments	-	24.5	-	24.5
Other financial assets	5.0	5.2	-	-
Other	7.8	19.9	1.2	0.6
TOTAL	**78.0**	**168.8**	**48.2**	**127.5**

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 2.34% and 2.09% for 2013 and 2012, 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 (see Note 20). The significant decrease in the outstanding receivable from loans and advances to employees at December 31, 2013 is due to the repayment of the loans from the employees who participated in OTE's Voluntary Exit Scheme in December 2013 (see Note 20).

Within 2013, the derivative financial instruments were reclassified in current other financial assets. The fair value adjustment of the other financial assets through other comprehensive income amounts to Euro (0.2).

10. INVENTORIES

Inventories are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Merchandise	72.0	81.1	13.6	10.9
Other materials	25.0	30.3	3.1	5.6
TOTAL	**97.0**	**111.4**	**16.7**	**16.5**

The write down of inventories for the Group and the Company for 2013 amounts to Euro 5.2 and nil respectively (2012: Euro 7.7 and nil) and is recorded in the consolidated and separate income statement in the line “Device costs”.

11. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Subscribers / Customers	1,344.4	1,536.0	711.0	774.3
Due from subsidiaries and related parties (see Note 28)	14.5	12.9	63.7	80.3
Unbilled revenue	104.7	101.1	48.3	65.5
	1,463.6	**1,650.0**	**823.0**	**920.1**
Less:				
Allowance for doubtful accounts	(743.2)	(827.2)	(473.9)	(513.7)
TOTAL	**720.4**	**822.8**	**349.1**	**406.4**

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Balance at January 1	(827.2)	(820.3)	(513.7)	(525.7)
Charge for the year	(84.9)	(110.7)	(20.4)	(21.4)
Write-offs	150.1	60.8	60.2	33.4
Sale of doubtful accounts to third parties	-	47.4	-	-
Charge for the year – discontinued operation	-	(6.4)	-	-
Disposal group	18.3	-	-	-
Foreign exchange differences	0.5	2.0	-	-
Balance at December 31	**(743.2)**	**(827.2)**	**(473.9)**	**(513.7)**

The aging analysis of trade receivables is as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Not impaired and not past due	473.4	532.5	271.5	305.2
Not impaired and past due:				
Up to 30 days	72.6	90.1	20.9	27.0
Between 31 and 180 days	88.6	103.8	38.7	49.7
More than 180 days	85.8	96.4	18.0	24.5
TOTAL	**720.4**	**822.8**	**349.1**	**406.4**

12. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Marketable securities:				
Held for trading – Bonds	3.4	3.4	-	-
Available for sale – Mutual funds	4.1	3.3	2.4	1.9
	7.5	**6.7**	**2.4**	**1.9**
Non – marketable securities:				
Interest rate swaps (see Note 19)	9.0	3.2	9.0	-
TOTAL	**16.5**	**9.9**	**11.4**	**1.9**

The movement of the marketable securities can be analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Balance at January 1	6.7	353.5	1.9	343.3
Additions of available for sale assets	226.4	719.5	75.0	677.4
Sales – maturities of available for sale assets	(226.4)	(1,060.9)	(75.0)	(1,018.8)
Transfer to other non-current assets	-	(5.5)	-	-
Foreign exchange differences	-	(0.1)	-	-
Gain / (loss) through income statement	0.1	0.2	0.1	0.2
Fair value adjustments through other comprehensive income	0.7	-	0.4	(0.2)
Balance at December 31	**7.5**	**6.7**	**2.4**	**1.9**

The interest rate swap of OTE PLC amounting to Euro 3.2 as of December 2012, was settled within 2013.

13. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Loans to Auxiliary fund, short-term portion (see Note 20)	11.7	10.5	11.7	10.5
Due from OTE Leasing customers (see Note 30)	25.5	25.5	25.5	25.5
Loans and advances to employees	6.4	6.3	5.9	6.3
Income tax receivable	43.9	48.2	12.6	31.5
Other prepayments	66.6	53.4	30.8	24.3
Dividends receivable	-	-	0.7	-
Other	74.4	66.6	17.1	9.9
TOTAL	**228.5**	**210.5**	**104.3**	**108.0**

14. RESTRICTED CASH

During 2013, most of the outstanding balance of the restricted cash of December 31, 2012 (Euro 65.1 mainly referring to the spectrum auction in Romania) was released. The remaining amount of Euro 4.5 as of December 31, 2013 mainly relates to guarantees.

The movement of the restricted cash can be analyzed as follows:

GROUP	2013
Balance at January 1	65.1
Release of restricted cash	(58.8)
Disposal group	(2.2)
Foreign exchange differences	0.4
Balance at December 31	**4.5**

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Cash in hand	2.0	2.8	0.8	0.8
Short-term bank deposits	1,442.3	1,158.8	425.8	391.5
TOTAL	**1,444.3**	**1,161.6**	**426.6**	**392.3**

16. SHARE CAPITAL – SHARE PREMIUM – TREASURY SHARES

On December 30, 2013, OTE's Extraordinary General Assembly approved the capitalization of reserves of an amount of Euro 253.7. The related tax expense (15%) amounted to Euro 38.1 and was charged in the 2013 income statement (see Note 23). The net (after tax) amount of Euro 215.6 was transferred to the share capital by increasing the nominal value of each share by Euro 0.44 (absolute amount). Following this capitalization, OTE's share capital as of December 31, 2013, amounted to Euro 1,387.1 (December 31, 2012: Euro 1,171.5), divided into 490,150,389 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share (December 31, 2012: Euro 2.39).

The share premium as of December 31, 2013 and 2012 amounted to Euro 511.9 and Euro 509.6, respectively, the increase (Euro 2.3) being the net change under the Group's Share Option Plan (see Note 29).

The following is an analysis of the ownership of OTE's shares as of December 31, 2013:

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	205,057,305	41.84%
Private investors	38,819,927	7.92%
Treasury shares	1,197,959	0.24%
TOTAL	**490,150,389**	**100.00%**

TREASURY SHARES

In October and December 2013, OTE acquired 1,475,314 own shares with an average acquisition price of Euro 9.28 per share (absolute amount). These shares have been acquired solely in the context of the existing share option plan (see Note 29). In October 2013, 277,355 vested rights were exercised and an equal number of shares were transferred to the beneficiaries. As a result, at December 31, 2013 the outstanding number of own shares held by OTE was 1,197,959 shares amounting to Euro 11.2.

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, 2013 and 2012, this reserve amounted to Euro 347.2. This statutory reserve cannot be distributed to shareholders.

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Reserve for available for sale financial assets	(0.5)	(1.0)	0.4	-
Foreign currency translation	(150.4)	(142.2)	-	-
Cumulative amount of actuarial losses recognized in equity	(14.8)	(30.9)	(21.1)	(31.1)
Deferred taxes on cumulative amount of actuarial losses recognized in equity	7.8	8.8	9.4	8.9
TOTAL	**(157.9)**	**(165.3)**	**(11.3)**	**(22.2)**

Retained earnings include undistributed taxed profits as well as untaxed and specially taxed reserves which, upon distribution, will be subject to income tax. The respective amounts for the Group and the Company as of December 31, 2013 are Euro 3,158.4 and Euro 393.1 respectively (December 31, 2012: Euro 3,057.3 and Euro 746.7 respectively).

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, 2013 was Euro 1.0 (December 31, 2012: Euro 1.9).

OTE's Board of Directors will propose to the Company's Ordinary General Assembly not to distribute dividends for the year 2013.

19. LONG-TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	2013	2012
(a) Syndicated loans	209.8	1,039.4
(b) Global Medium-Term Note Programme	2,735.6	3,010.0
Total long-term debt	**2,945.4**	**4,049.4**
Short-term portion	(388.9)	(1,414.2)
Long-term portion	**2,556.5**	**2,635.2**

(a) Syndicated Loans

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. The facility had a tenor of 2 years with an 1-year extension option at the discretion of the banks. On November 26, 2012, OTE exercised the extension option and banks whose commitment was in total Euro 500.0 (nominal value) consented to the extension. As a result, Euro 500.0 (nominal value) were extended for 1 year and the maturity was transferred to February 11, 2014.

On February 11, 2013, OTE proceeded with the repayment of Euro 400.0 under this facility. On June 10, 2013, OTE proceeded with a repayment of Euro 200.0 out of which Euro 67.0 was cancelled and Euro 133.0 remained committed. On July 1, 2013, OTE drew the above mentioned committed Euro 133.0. On October 4, 2013, OTE proceeded with the repayment of the remaining Euro 433.0, under the Revolving Credit Facility out of which Euro 333.0 was cancelled and Euro 100.0 remained committed. On November 11, 2013 the committed amount of Euro 100.0 was cancelled.

Euro 225.0 European Bank for Reconstruction and Development Loan (“EBRD”)

On July 24, 2013, COSMOTE ROMANIA signed a Euro 225.0 loan arranged by the EBRD in order to finance the strategic growth of its broadband infrastructure through the renewal of spectrum licenses and the expansion of its 4th generation network. COSMOTE ROMANIA received Euro 75.0 directly from the EBRD and Euro 150.0 through a syndicated loan from commercial banks. The loan bears an interest rate of Euribor plus margin of 5.25% p.a. and it will be repaid gradually via an amortizing schedule with final maturity in April 2018. On August 22, 2013, COSMOTE ROMANIA drew the full amount of Euro 225.0 under the loan. On October 25, 2013, COSMOTE ROMANIA repaid Euro 11.2 under the loan along with the payment of accrued interest and commitment fees. The outstanding balance as of December 31, 2013, is Euro 209.8.

The loan also includes three financial covenants tested on the Romanian mobile business consisting of the entities COSMOTE ROMANIA, GERMANOS TELECOM ROMANIA S.A., ZAPP and SUNLIGHT ROMANIA S.R.L. FILIALA, namely: (i)The ratio of cash available for debt service over senior debt should exceed 1.25:1 for 2014, 1.20:1 for 2015 and 2016 and 1.15:1 for 2017 (2013: Non-applicable), (ii) The ratio of EBITDA to net interest expense of senior debt should exceed 5:1 at all times, and (iii) The ratio of senior debt to EBITDA should not exceed 2.5:1 for 2013, 2.3:1 for 2014 and 2.0:1 for each subsequent year.

(b) Global Medium Term-Note Programme

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

As of December 31, 2013, the amount of the outstanding notes under the Global Medium-Term Note Programme is Euro 2,735.6 and is analyzed as follows:

- 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, 2013, the outstanding balance is Euro 366.8 including the hedge adjustment of Euro 2.3 (2012: Euro 513.4 and 15.1 respectively).
- Euro 787.7 notes (initial nominal value including New Notes as mentioned below) at a fixed rate of 7.25%, issued in February 2008, maturing on February 12, 2015. As of December 31, 2013, the outstanding balance is Euro 785.0 (2012: Euro 598.6).
- 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, 2013, the outstanding balance is Euro 892.0 (2012: Euro 890.7).
- Euro 700.0 notes (initial nominal value) at a fixed rate of 7.875%, issued in February 2013, maturing on February 7, 2018. As of December 31, 2013, the outstanding balance is Euro 691.8.

These notes are listed on the Luxembourg Stock Exchange.

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 and repayment of bond

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 notes (the April 2014 Notes) to tender their Notes for purchase by OTE PLC. As a result of this tender offer, on February 11, 2013, OTE PLC repurchased nominal amount of Euro 106.2 under the August 2013 Notes and nominal amount of Euro 92.5 under the 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 was reduced at Euro 713.8 and Euro 407.5 respectively.

Repayment of Euro 1,250.0 Notes due August 5, 2013

On August 5, 2013 OTE PLC proceeded with the full redemption of the remaining outstanding amount of Euro 713.8 bond maturing that date, along with the payment of the accrued interest.

Bond buybacks

In March, April and June 2013, OTE PLC proceeded with partial buybacks of a nominal amount of Euro 4.5, Euro 21.0 and Euro 17.3, respectively under the April 2014 Notes. As a result, on December 31, 2013 the outstanding nominal amount of the April 2014 Notes was Euro 364.7 and has been reclassified to the short-term portion of long-term borrowings.

Change of control clause

The Euro 900.0 and Euro 787.7 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 787.7 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 February 12, 2013.

The weighted average cost of debt of the Group's long-term borrowings for the years ended December 31, 2013 and 2012 was approximately 7.0% and 5.8%, respectively.

Derivatives

On April 8, 2011, OTE converted the Euro 500.0 fixed rate loan into floating via interest rate swap agreements. The swaps have been initially designated as fair value hedges both on parent company and group level. Within 2013 one of the swap agreements ceased to be effective and as a result is held as free standing swap. The fair value of the above mentioned swaps, is Euro 9.0 positive for OTE as of December 31, 2013 (2012: Euro 24.3) (see Note 12).

As of December 31, 2013, OTE had received a collateral of total Euro 9.3 (2012: Euro 23.5) under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps (see Note 24).

In February, March, April and June 2013, OTE proceeded with partial unwinds of Euro 142.5 in total, under the above interest rate swap.

In February and April 2013, OTE returned an amount of Euro 4.5 and Euro 9.7 respectively from the outstanding collaterals under the existing CSA. These amounts are presented in the statement of cash flows in “Repayments of loans”.

COMPANY	2013	2012
(a) Syndicated loans	-	889.5
(b) Intercompany loans from OTE PLC	1,967.4	1,380.0
Total long-term debt	**1,967.4**	**2,269.5**
Short-term portion	(366.8)	(667.5)
Long-term portion	**1,600.6**	**1,602.0**

(a) Syndicated loans

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. The facility had a tenor of 2 years 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 was in total Euro 500.0 (nominal value) consented to the extension. As a result, Euro 500.0 (nominal value) were extended for 1 year and the maturity was transferred to February 11, 2014.

On February 11, 2013, OTE proceeded with the repayment of Euro 400.0 under this facility. On June 10, 2013, OTE proceeded with a repayment of Euro 200.0 out of which Euro 67.0 was cancelled and Euro 133.0 remained committed. On July 1 2013, OTE drew the above mentioned committed Euro 133.0. On October 4, 2013, OTE proceeded with the repayment of the remaining Euro 433.0, under the Revolving Credit Facility out of which Euro 333.0 was cancelled and Euro 100.0 remained committed. On November 11, 2013 the committed amount of Euro 100.0 was cancelled.

(b) Intercompany loans from OTE PLC

The intercompany loans from OTE PLC as of December 31, 2013 are analyzed as follows:

- 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, 2013 is Euro 366.8 (2012: Euro 513.4) including a hedge adjustment of Euro 2.3 (2012: Euro 15.1).
- Loan of initial nominal value Euro 600.0, with a fixed rate, granted in February 2008, maturing in February 11, 2015. The outstanding balance as of December 31, 2013 is Euro 599.2 (2012: Euro 598.5).
- New loan of initial nominal value Euro 187.7, with a fixed rate, granted in January 2013, maturing on February 11, 2015. The outstanding balance as of December 31, 2013 is Euro 185.8.
- New bond loan of initial nominal value Euro 250.0, with a fixed rate, granted in February 2013, maturing on February 7, 2018. The outstanding balance as of December 31, 2013 is Euro 247.1.
- New bond loan of initial nominal value Euro 575.0, with a fixed rate, granted in October 2013, maturing on May 19, 2016. The outstanding balance as of December 31, 2013 is Euro 568.5.

Prepayments of intercompany loans granted from OTE PLC

On January 16, 2013 and on February 15, 2013, OTE proceeded with a partial prepayment of a nominal amount of Euro 187.0 and Euro 81.1 respectively, under the intercompany loan from OTE PLC maturing on August 1, 2013 (outstanding balance as December 31, 2012: Euro 268.1). As a result, the intercompany loan was fully repaid.

In February, March, April and June 2013, OTE proceeded with partial prepayments of a nominal amount of Euro 92.5, Euro 4.5, Euro 21.0 and Euro 17.3 respectively under the Euro 500.0 intercompany loan maturing in April 8, 2014. As a result, on December 31, 2013 the outstanding nominal amount of the Euro 500.0 intercompany loan was Euro 364.7 and has been reclassified to the short-term portion of long-term borrowings.

The weighted average cost of debt of the Company’s long-term borrowings for the years ended December 31, 2013 and 2012, was approximately 7.9% and 7.0% respectively.

Derivatives

On April 8, 2011, OTE converted the Euro 500.0 fixed rate loan into floating via interest rate swap agreements. The swaps have been initially designated as fair value hedges both on parent company and group level. Within 2013 one of the swap agreements ceased to be effective and as a result is held as free standing swap. The fair value of the above mentioned swaps, is Euro 9.0 positive for OTE as of December 31, 2013 (2012: Euro 24.3) (see Note 12).

As of December 31, 2013, OTE had received a collateral of total Euro 9.3 (2012: Euro 23.5) under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps (see Note 24).

In February, March, April and June 2013, OTE proceeded with partial unwinds of Euro 142.5 in total, under the above interest rate swap agreements.

In February and April 2013, OTE returned an amount of Euro 4.5 and Euro 9.7 respectively from the outstanding collaterals under the existing CSA. These amounts are presented in the statement of cash flows in “Repayment of loans”.

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. 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 commenced in 2013 and expected to 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.

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 2084/1992 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	2013	2012
Loans and advances to:		
Auxiliary Fund	1.3	1.6
Interest bearing loan to Auxiliary Fund (L. 3371/2005)	106.3	111.8
Interest-free loan to Auxiliary Fund (L. 3762/2009)	15.0	14.2
TOTAL	**122.6**	**127.6**
Loans and advances to:		
Auxiliary Fund	0.5	0.5
Interest bearing loan to Auxiliary Fund (L. 3371/2005)	9.7	9.6
Interest-free loan to Auxiliary Fund (L. 3762/2009)	1.5	0.4
Short-term portion (See Note 13)	**11.7**	**10.5**
Long-term portion	**110.9**	**117.1**

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 2013, Euro 4.3 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 2013, Euro 1.2 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	
	2013	2012[1]	2013	2012[1]
Current service cost	11.9	14.2	8.9	11.6
Loss / (gain) on settlement / curtailment / termination	(1.7)	0.3	-	-
Past service cost	-	13.4	-	13.4
P&L effect recorded in "Personnel costs"	**10.2**	**27.9**	**8.9**	**25.0**
P&L effect recorded in "Interest expense"	8.5	14.3	6.7	12.5
Total P&L effect	**18.7**	**42.2**	**15.6**	**37.5**

[1]Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).

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

	GROUP		COMPANY	
	2013	2012[1]	2013	2012[1]
Defined benefit obligation - beginning of the year	288.7	310.5	254.9	285.0
Current service cost	11.9	14.2	8.9	11.6
Interest cost	8.5	14.3	6.7	12.5
Actuarial (gains) / losses	(15.7)	20.6	(9.6)	15.9
Foreign exchange differences	-	(0.1)	-	-
Loss / (gain) on settlement / curtailment / termination	(1.7)	0.3	-	-
Prior service cost arising during the year	-	13.4	-	13.4
Disposal group	(1.7)	-	-	-
Benefits paid	(90.7)	(84.5)	(89.5)	(83.5)
Defined benefit obligation - end of the year	**199.3**	**288.7**	**171.4**	**254.9**

[1]Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Discount rate	2.0% - 5.4%	2.9% - 6.3%	3.25%	2.9%
Assumed rate of future salary increases	0% - 9.7%	0% - 9.7%	0% - 9.7%	0% - 9.7%
Inflation rate	0.8% - 3.0%	0.8% - 2.0%	0.8% - 1.8%	0.8% - 1.8%

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for staff retirement indemnities for the Company would decrease by about 11.3%. If the discount rate used in the valuation was 1% lower, then the defined benefit obligation for staff retirement indemnities for the Company would increase by about 13.6%. The duration of the liabilities in respect of the staff retirement indemnities for the Company as at the valuation date is equal to 12.6 years. The benefits payments expected to take place in 2014 for the Company amount to Euro 12.4.

(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:

GROUP and COMPANY	2013			2012		
	Post employment benefit	Other long term benefit	TOTAL	Post employment benefit	Other long term benefit	TOTAL
Current service cost	1.9	1.0	2.9	2.7	1.4	4.1
Actuarial gains	-	0.8	0.8	-	(10.3)	(10.3)
P&L effect recorded in "Personnel costs "	**1.9**	**1.8**	**3.7**	**2.7**	**(8.9)**	**(6.2)**
P&L effect recorded in "Interest expense"	1.9	0.9	**2.8**	4.9	2.3	**7.2**
Total P&L effect	**3.8**	**2.7**	**6.5**	**7.6**	**(6.6)**	**1.0**

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

GROUP and COMPANY	2013			2012		
	Post employment benefit	Other long term benefit	TOTAL	Post employment benefit	Other long term benefit	TOTAL
Defined benefit obligation - beginning of the year	89.2	41.1	**130.3**	121.4	57.2	**178.6**
Service cost-benefits earned during the year	1.9	1.0	**2.9**	2.7	1.4	**4.1**
Interest cost on defined benefit obligation	1.9	0.9	**2.8**	4.9	2.3	**7.2**
Actuarial losses / (gains)	0.2	0.8	**1.0**	(18.1)	(10.3)	**(28.4)**
Benefits paid	(12.4)	(3.6)	**(16.0)**	(21.7)	(9.5)	**(31.2)**
Defined benefit obligation - end of the year	**80.8**	**40.2**	**121.0**	**89.2**	**41.1**	**130.3**
Employee's accumulated contributions			**61.3**			**60.6**
Liability in the statement of financial position			**182.3**			**190.9**

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

GROUP and COMPANY	2013	2012
Discount rate	2.5%	2.3%
Assumed rate of general pay increases	0% - 9.7%	0% - 9.7%
Inflation rate	0% - 1.8%	0.8% - 1.8%

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for youth account would decrease by about 6.2%. If the discount rate used in the valuation was 1% lower, then the defined benefit obligation for youth account would increase by about 6.9%. The duration of the liabilities in respect of the Youth Account as at the valuation date is equal to 6.7 years. The benefits payments expected to take place in 2014 amount to Euro 5.6.

Risks

Regarding the risks associated with the above mentioned plans, these plans are unfunded and therefore no plan assets exist and hence asset volatility or similar risks (e.g. low returns, asset concentration etc.) do not exist. The risks associated with the existing plans relate to the actuarial assumptions that are used in determining the liability, that must be reflected in the financial statements, and comprise potential changes in bond yields, which determine the discount rate, and assumptions relating to the inflation rate and the rate of future salary increase that may affect the future cash flows of the plans.

Voluntary Leave Scheme

On November 7, 2013, OTE's Board of Directors approved a Voluntary Exit Scheme, mainly addressed to employees close to their retirement age. The Scheme was completed at the end of December 2013, when the employees who participated left the Company. The respective cost amounted to Euro 250.9 and is recorded in the line "Costs related to early retirement programs" in the consolidated and separate 2013 income statement.

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

GROUP and COMPANY	2013	2012
Balance at January 1	**134.4**	**149.2**
Payments during the year	(0.9)	(15.1)
Adjustment due to time value of money	-	0.3
Outstanding amount from OTE's 2013 Voluntary Leave Scheme	104.4	-
Balance at December 31	**237.9**	**134.4**

Other early retirement programs

In 2013, except for OTE, other entities of the Group applied early retirement programs, the total cost of which was Euro 21.5 and is recorded in the consolidated income statement of 2013, in the line "Costs related to early retirement programs".

Amounts paid during 2013, in relation to early retirement programs were Euro 163.1 for the Group and Euro 141.6 for the Company.

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.

21. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Asset retirement obligation	8.6	10.6	-	-
Provision for obligation of phone credits	7.2	12.7	7.2	12.7
Deferred revenue	35.6	37.9	33.6	37.8
Unpaid balance for renewal and acquisition of licences	39.5	37.7	-	-
Long term liabilities to group companies	-	-	80.5	80.6
Liability for TV broadcasting rights	38.5	-	38.5	-
Other	4.4	12.3	2.1	2.0
TOTAL	**133.8**	**111.2**	**161.9**	**133.1**

The actuarial gain recognized in the line “Actuarial gains” in the statement of comprehensive income for 2013 regarding the provision for phone credits amounts to Euro 0.6 (2012: Euro 3.7).

22. SHORT-TERM BORROWINGS

GROUP

The outstanding balance of short-term borrowings as of December 31, 2013 for the Group amounted to Euro 11.0 (December 31, 2012: Euro 1.4) and comprises of an overdraft facility of OTE PLUS amounting to Euro 0.9 as well as a financial liability of COSMOTE ROMANIA amounting to Euro 10.1.

During 2013, OTE PLUS repaid Euro 0.5 under its overdraft facility.

COMPANY

On January 25, 2013, OTE signed a Euro 99.5 intercompany loan agreement with OTE PLC maturing on August 5, 2013. The loan bore a fixed interest rate. On February 15, 2013, OTE repaid Euro 25.1 under this loan and on August 1, 2013, OTE repaid the total remaining amount of Euro 74.4.

In May, June and October 2013, OTE proceeded with the full repayment of the Euro 31.0, Euro 44.0 and Euro 53.0 intercompany loans.

On December 16, 2013, OTE signed a Euro 167.0 intercompany bond loan with OTE PLC maturing on November 28, 2014. The loan bears a fixed interest rate.

The outstanding balance of short-term borrowings as of December 31, 2013 for the Company is Euro 167.0 (December 31, 2012: Euro 128.0).

23. INCOME TAXES – DEFERRED TAXES

According to tax law 4110/2013 which was set into force on January 23, 2013, the corporate income tax rate of legal entities in Greece is set at 26% for 2013 onwards and the withholding tax rate on dividend distribution approved after January 1, 2014 is set to 10%. The positive impact from the remeasurement of the deferred tax position of the Group and the Company that was recorded in the income statement, amounted to Euro 50.0 and Euro 41.4 respectively.

Based on the new income tax law 4172/2013 as amended by law 4223/2013, intragroup dividends distributed from January 1, 2014 onwards are exempt from both income tax, as well as withholding tax provided that the parent entity holds a minimum participation of 10% for two consecutive years.

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 years 2011 and 2012 has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements. According to the relevant legislation, the financial years for which an audit tax certificate has been issued will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance. Based on decision 1236/2013 issued by the Ministry of Finance, financial year 2011 will be considered final on April 30, 2014. The tax audit for the financial year 2013 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

Taking into account the audit tax certificare process described above (where applicable), the table below presents the years for which the tax audit has not been performed/completed and, therefore, the Company's and its subsidiaries' tax liabilities for these open years have not been finalized:

COMPANY	Open Tax Years
OTE	2009 – 2010, 2013
COSMOTE	2010, 2013
OTE INTERNATIONAL INVESTMENTS LTD	2010 – 2013
COSMO-ONE	2010, 2013
VOICENET	2004 – 2010, 2013
OTE PLC	2011 – 2013
OTE SAT-MARITEL	2007 – 2010, 2013
OTE PLUS	2010, 2013
OTE ESTATE	2008 – 2010, 2013
OTE-GLOBE	2010, 2013
OTE INSURANCE	2010, 2013
OTE ACADEMY	2013
HATWAVE	1996 – 2013
OTE INVESTMENTS SERVICES S.A.	2010, 2013
ROMTELECOM	2006 – 2013
NEXTGEN	2008 – 2013
AMC	2011 – 2013
COSMOTE ROMANIA	2008 – 2013
GERMANOS	2010, 2013
E-VALUE S.A.	2010, 2013
GERMANOS TELECOM ROMANIA S.A.	2008 – 2013
SUNLIGHT ROMANIA S.R.L. -FILIALA	2008 – 2013
MOBILBEEEP LTD	2010 – 2013
CHA	2007 – 2010, 2013
COSMOHOLDING ROMANIA LTD	2009 – 2013
ZAPP	2009 – 2013
E-VALUE LTD	2010, 2013

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 ACADEMY has settled the unaudited tax year 2010 without any impact to the Group.
- The years 2005 – 2010 of OTE PLC are considered closed based on the UK tax legislation.
- COSMO-HOLDING CYPRUS (liquidated as described in Note 1) has been audited for tax purposes for the years 2006 - 2013 without any impact to the Group.
- The tax audit for the Company for the fiscal years 2009 and 2010 is in progress.
- The tax audit for COSMOHOLDING ALBANIA for the fiscal years 2007 - 2011 is in progress.
- The tax audit for VOICENET for the fiscal years 2004 - 2011 is in progress.
- The tax audit for AMC for the fiscal years 2011 - 2012 is in progress.

The major components of income tax expense for the years ended December 31, 2013 and 2012 are as follows:

	GROUP		COMPANY	
	2013	2012[1,2]	2013	2012[1]
Current income tax	100.9	110.8	5.0	3.6
Differences arising from tax audits	-	0.2	-	-
Tax related to capitalization of reserves (see Note 16)	49.7	-	38.1	-
Deferred income tax – Effect due to change in the income tax rate	(50.0)	-	(41.4)	-
Deferred income tax	(79.7)	(7.1)	(33.4)	10.8
Total income tax	**20.9**	**103.9**	**(31.7)**	**14.4**

[1] Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).
[2]Adjusted due to disposal group according to IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 8).

Income tax payable for the Group and the Company as of December 31, 2013 amounted to Euro 82.8 and 38.1, respectively (December 31, 2012: Euro 31.6 and nil, respectively).

A reconciliation between the income tax expense and the accounting profit multiplied by tax rates in force in Greece (2013: 26%, 2012: 20%) is as follows:

	GROUP		COMPANY	
	2013	2012[1,2]	2013	2012[1]
Profit / (loss) before tax	314.8	569.3	(169.7)	(153.3)
Statutory tax rate	26%	20%	26%	20%
Tax at statutory rate	81.8	113.9	(44.1)	(30.7)
Non-taxable and specially taxed income	(99.4)	(31.4)	(3.0)	(39.0)
Effect of different rates in foreign countries	(4.6)	(5.9)	-	-
Effect of changes to tax rates	(50.0)	-	(41.4)	-
Expenses non-deductible for tax purposes	35.1	26.4	14.9	15.3
Impairment loss in investments non-deductible for tax purposes	-	-	-	65.1
Tax losses for which no deferred tax asset was recognized	5.4	11.5	-	-
Tax related to capitalization of reserves (see Note 16)	49.7	-	38.1	-
Deferred tax on revaluation of land and buildings	-	(12.5)	-	-
Other	2.9	1.9	3.8	3.7
Income tax	**20.9**	**103.9**	**(31.7)**	**14.4**

[1] Adjusted due to amended IAS 19 "Employee benefits" (see Note 32).
[2]Adjusted due to disposal group according to IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 8).

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	2013	2012[1,2]	2013	2012[1,2]
Voluntary leave scheme	41.6	32.3	9.3	(4.5)
Staff retirement indemnities	49.7	50.9	0.3	(9.2)
Youth account	31.5	26.1	4.9	(6.1)
Employee benefits	17.0	13.7	3.3	(3.0)
Property, plant and equipment	98.3	84.5	13.1	9.4
Provisions	117.8	64.7	53.2	(3.6)
Tax losses	79.2	36.0	43.2	9.0
Deferred income	11.6	3.2	8.4	(0.7)
Other	23.2	20.6	2.7	1.1
Deferred tax asset (before offset)	**469.9**	**332.0**		
Offset of deferred tax liabilities	(76.0)	(71.9)		
Disposal group / discontinued operations		3.3		
Deferred tax asset (after offset)	**393.9**	**263.4**		
Deferred tax liabilities (before offset)				
Property, plant and equipment	(35.0)	(43.7)	8.7	12.9
Capitalized interest	(20.2)	(16.5)	(3.7)	1.3
Loan fees	(3.9)	(2.7)	(1.2)	(0.5)
Fair value adjustment on acquisition of subsidiaries	(74.7)	(65.5)	(9.2)	1.4
Accrued dividend income	-	-	-	3.4
Interest rate swaps	(1.7)	(1.9)	0.2	(0.3)
Other	(8.6)	(5.1)	(3.5)	(3.5)
	(144.1)	**(135.4)**		
To be offset against deferred tax asset	76.0	71.9		
Disposal group / discontinued operations		(20.6)		
Deferred tax liabilities (after offset)	**(68.1)**	**(84.1)**		
Deferred tax income / (expense)			**129.7**	**7.1**
Deferred tax assets, net	**325.8**	**179.3**		

	Statement of financial position		Income statement	
COMPANY	2013	2012[1]	2013	2012[1]
Voluntary leave scheme	41.5	32.3	9.2	(4.5)
Staff retirement indemnities	44.4	47.7	(3.3)	(9.6)
Youth account	31.5	26.1	4.9	(6.1)
Employee benefits	16.2	13.6	2.6	(2.9)
Provisions	87.0	62.7	24.3	(3.6)
Deferred income	4.1	3.8	0.3	(0.5)
Tax losses	54.0	11.4	42.6	11.4
Other	-	0.4	(0.4)	0.1
Deferred tax assets (before offset)	**278.7**	**198.0**		
Offset of deferred tax liabilities	(55.5)	(50.1)		
Deferred tax assets (after offset)	**223.2**	**147.9**		
Property, plant and equipment	(26.1)	(26.5)	0.4	3.5
Capitalized interest	(20.2)	(16.2)	(4.0)	1.2
Loan fees	(3.3)	(2.7)	(0.6)	(0.5)
Interest rate swaps	(1.7)	(1.9)	0.2	(0.3)
Accrued dividend income	-	-	-	3.4
Other	(4.2)	(2.8)	(1.4)	(2.4)
Deferred tax liabilities	**(55.5)**	**(50.1)**		
To be offset against deferred tax assets	55.5	50.1		
Deferred tax income / (expense)			**74.8**	**(10.8)**
Deferred tax assets, net	**223.2**	**147.9**		

[1] Adjusted due to amended IAS 19 “Employee benefits” (see Note 32).

[2]Adjusted due to disposal group according to IFRS 5 “Non-current assets held for sale and discontinued operations” (see Note 8).

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Deferred tax (net) – beginning of the year	179.3	158.5	147.9	145.6
Deferred tax charged to the income statement	129.7	7.1	74.8	(10.8)
Deferred tax through other comprehensive income	(1.0)	13.9	0.5	13.1
Deferred tax of disposal group / discontinued operations	17.3	(0.3)	-	-
Foreign exchange differences	0.5	0.1	-	-
Deferred tax (net) - end of the year	**325.8**	**179.3**	**223.2**	**147.9**

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
2014	2.1
2016	30.7
2017	40.1
2018	6.7
2019 and onwards	50.6
TOTAL	**130.2**

24. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Employer contributions	54.9	72.9	40.6	58.4
Payroll	46.4	51.2	23.6	26.1
Other taxes - duties	89.2	91.4	18.0	18.2
Interest payable	120.3	135.6	85.0	96.4
Provisions for litigation and other liabilities	126.9	88.9	106.1	83.8
Customer advances	30.3	30.0	17.1	21.1
Cash collateral on interest rate swaps (see Note 19)	9.3	23.5	9.3	23.5
Unpaid treasury shares	6.1	-	6.1	-
Expenses and provisions from disposal of assets	110.3	-	25.5	-
Other	38.3	30.7	9.3	10.4
TOTAL	**632.0**	**524.2**	**340.6**	**337.9**

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Balance at January 1	88.9	86.6	83.8	82.4
Addition during the year	46.9	7.4	27.6	4.1
Utilized	(4.9)	(3.0)	(3.2)	(1.1)
Unused amounts reversed	(3.4)	(2.1)	(2.1)	(1.6)
Disposal group	(0.6)	-	-	-
Balance at December 31	**126.9**	**88.9**	**106.1**	**83.8**

25. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Income from disposal of property, plant and equipment	18.0	1.7	8.4	0.5
Income from contract penalties	5.8	8.2	-	-
Income from investment property	7.9	9.1	-	-
Other	10.6	10.3	2.2	1.6
TOTAL	42.3	29.3	10.6	2.1

26. 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	2013	2012
Profit attributable to owners of the parent	**316.7**	**471.9**
Profit for the year from continuing operations (attributable to owners of the parent)	287.8	440.2
Profit for the year from discontinued operations (attributable to owners of the parent)	28.9	31.7
Weighted average number of shares for basic earnings per share	490,076,055	490,150,389
Share options	11,951,653	16,220,885
Weighted average number of shares adjusted for the effect of dilutions	492,178,735	490,150,389
Basic earnings per share	**0.6462**	**0.9628**
From continuing operations	0.5873	0.8981
From discontinued operations	0.0589	0.0647
Diluted earnings per share	**0.6435**	**0.9628**
From continuing operations	0.5847	0.8981
From discontinued operations	0.0588	0.0647

(Earnings per share are in absolute amounts)

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

27. 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, internet access services and TV services in Greece.
- COSMOTE group is a provider of mobile telecommunications services in Greece, Albania and Romania.
  Following the disposal of GLOBUL and GERMANOS TELECOM BULGARIA A.D. (see Note 8), the segment COSMOTE group does not include the operations of the entities operating in Bulgaria.
- ROMTELECOM is a provider of local, long-distance and international fixed-line voice telephony, internet access services and TV 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, costs related to early retirement programs and other restructuring costs; operating profit /(loss) and profit /(loss) for the year.

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

2013	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,464.9	1,748.2	586.8	254.2	4,054.1	-	4,054.1
Intersegment revenue	92.3	111.6	22.7	193.8	420.4	(420.4)	-
Interest income	4.3	16.2	2.1	236.0	258.6	(249.8)	8.8
Interest expense	(159.4)	(106.4)	(3.5)	(229.5)	(498.8)	249.8	(249.0)
Depreciation, amortization and impairment	(322.5)	(349.0)	(139.3)	(31.8)	(842.6)	0.1	(842.5)
Dividend income	8.0	-	-	-	8.0	(7.6)	0.4
Income tax	31.7	(61.1)	4.2	4.3	(20.9)	-	(20.9)
Operating profit / (loss)	(5.1)	284.7	8.4	47.3	335.3	0.1	335.4
Profit / (loss) for the year	(138.0)	286.6	13.7	58.9	221.2	72.7	293.9
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	568.3	647.6	159.3	81.1	1,456.3	-	1,456.3
Segment assets	6,327.3	3,802.3	1,034.1	4,464.6	15,628.3	(7,767.9)	7,860.4
Segment liabilities	3,710.5	2,050.6	223.9	3,333.2	9,318.2	(3,753.5)	5,564.7
Expenditures for segment assets	179.8	336.2	75.5	13.2	604.7	-	604.7

2012	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,582.5	1,927.1	597.5	223.2	4,330.3	-	4,330.3
Intersegment revenue	121.5	129.9	22.1	238.9	512.4	(512.4)	-
Interest income	8.7	8.2	2.7	215.9	235.5	(221.1)	14.4
Interest expense	(166.8)	(102.0)	(2.4)	(197.2)	(468.4)	221.1	(247.3)
Depreciation, amortization and impairment	(308.1)	(364.2)	(108.8)	(39.8)	(820.9)	2.5	(818.4)
Dividend income	41.9	-	-	-	41.9	(38.0)	3.9
Income tax	(14.4)	(71.5)	(4.4)	(13.6)	(103.9)	-	(103.9)
Operating profit	63.4	391.7	57.3	62.1	574.5	-	574.5
Profit / (loss) for the year	(167.7)	225.9	52.5	67.3	178.0	287.4	465.4
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	494.5	755.9	166.1	101.9	1,518.4	(2.5)	1,515.9
Segment assets	6,608.3	4,406.8	952.2	4,943.0	16,910.3	(8,544.3)	8,366.0
Segment liabilities	3,855.5	2,961.4	147.9	3,747.3	10,712.1	(4,334.9)	6,377.2
Expenditures for segment assets	157.7	277.1	57.5	15.6	507.9	-	507.9

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 3,155.0 (2012: Euro 3,563.9) 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	
	2013	2012	2013	2012
Greece	2,959.4	3,195.2	3,319.3	3,500.2
Albania	72.6	77.8	149.1	158.1
Bulgaria	-	-	-	466.0
Romania	1,016.6	1,032.8	1,297.9	1,239.5
Other	5.5	24.5	-	70.4
TOTAL	**4,054.1**	**4,330.3**	**4,766.3**	**5,434.2**

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.

28. 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 40.0% 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:

	2013		2012	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	74.8	66.4	90.7	87.2
OTE INTERNATIONAL INVESTMENTS LTD	0.9	3.9	0.4	4.0
HELLAS-SAT	0.1	0.2	0.4	1.3
COSMO-ONE	-	0.7	-	0.6
VOICENET	1.6	2.5	2.2	2.7
HELLASCOM	n/a	n/a	-	7.9
OTE SAT – MARITEL	0.6	0.7	0.9	1.2
OTE PLUS	0.5	52.0	0.4	35.3
OTE ESTATE	0.7	46.8	0.9	54.2
OTE-GLOBE	13.0	59.3	25.4	71.2
OTE ACADEMY	0.1	4.7	0.1	5.5
ROMTELECOM	-	0.4	0.1	0.4
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.2	0.5	0.1	0.9
TOTAL	**92.5**	**238.1**	**121.6**	**272.4**

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

	2013		2012	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	21.0	24.7	22.7	24.7
TOTAL	**21.0**	**24.7**	**22.7**	**24.7**

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

	Finance expense OTE	
	2013	2012
OTE PLC	125.8	88.3
TOTAL	**125.8**	**88.3**

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

	2013	2012
COSMOTE	0.6	-
HELLAS - SAT	7.0	37.3
OTE SAT - MARITEL	-	0.7
EDEKT	0.4	-
TOTAL	**8.0**	**38.0**

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

	2013		2012	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	44.0	87.3	47.0	93.1
OTE INTERNATIONAL INVESTMENTS LTD	0.4	1.1	0.2	1.4
HELLAS - SAT	n/a	n/a	0.4	0.5
COSMO-ONE	0.1	0.2	-	0.3
VOICENET	0.6	1.1	0.6	0.8
HELLASCOM	n/a	n/a	0.1	2.9
OTE SAT - MARITEL	1.7	4.0	1.0	3.3
OTE PLUS	0.5	18.9	0.4	14.3
OTE ESTATE	0.6	11.0	1.0	13.5
OTE-GLOBE	14.8	54.9	28.9	59.3
OTE ACADEMY	0.4	1.6	0.5	0.6
ROMTELECOM	0.4	0.5	0.2	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.2	0.9	-	0.6
TOTAL	**63.7**	**181.5**	**80.3**	**190.8**

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:

	2013		2012	
	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)	14.5	57.2	12.9	48.2
TOTAL	**14.5**	**57.2**	**12.9**	**48.2**

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

	Amounts owed by OTE	
	2013	2012
OTE PLC	2,217.0	1,565.1
TOTAL	**2,217.0**	**1,565.1**

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 6.2 and Euro 5.5 for the years 2013 and 2012, respectively.

As of December 31, 2013, 1,485,956 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, consulting services of technical nature to OTE and construction studies to its subsidiaries.

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 calls 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.

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.

29. 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 1st 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 "Personnel costs" with a corresponding entry in the Share Premium and are presented in the table below:

	GROUP		COMPANY	
	2013	2012	2013	2012
Expense arising from share-based payment transactions	3.2	1.6	0.7	0.3

For the options excercised during the year, the difference between the exercise price and the average acquisition cost of treasury shares, amounting to Euro 0.9 has reduced the Share Premium.

Further details of the plan are as follows:

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	16,220,885	11.92	17,829,196	11.41
Excercised	(277,755)	5.64	-	-
Forfeited / Canceled	(3,991,477)	17.13	(1,608,311)	14.65
Outstanding at the end of the year	**11,951,653**	**9.73**	**16,220,885**	**11.92**
Exercisable at the end of the year	11,951,653	9.73	10,529,883	15.32

Plan	Year of issuance	Options granted	Share price at grant date	Comments
Plans of COSMOTE group	Original grant dates range from 27/10/2005-31/10/2007	3,440,290	15.48	modified on 09/07/2008 and on 10/07/2009
2008 OTE plan	06/02/2008	3,141,620	21.38	modified on 09/07/2008 and on 10/07/2009
2009 OTE plan	06/03/2009	3,225,670	10.40	modified on 10/07/2009
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, 2013 is 2.1 years (December 31, 2012: 2.6 years).

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

30. 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 that an outflow of recourses will be required to settle the obligations and the respective amount can be reasonably estimated.

The most significant outstanding legal cases as at December 31, 2013, 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 after several postponements was scheduled for February 28, 2013 when it was cancelled.

Teledome S.A.: Teledome S.A. filed various lawsuits against OTE before the Athens Multi Member Court of First Instance.
The first lawsuit claiming an amount of Euro 1.6 for alleged damages incurred by it as a result of the application of non cost oriented interconnection charges by OTE was heard before the Court on June 6, 2007 and a new hearing was scheduled for November 5, 2014.The second lawsuit claiming Euro 3.6 for alleged damages incurred by it as a result of OTE's delay in delivering to it leased lines was heard on February 28, 2007 and the Court ordered factual investigation and reduced the claim to Euro 1.4. The investigator has already been appointed and the completion of the factual investigation is expected. Teledome filed a lawsuit of Euro 4.4 claiming alleged breach of contractual obligations arising out of disconnection of telecommunication services. The lawsuit was heard on March 6, 2008 and was rejected by the court. Teledome appealed against this decision and the hearing is pending. A lawsuit of Euro 2.2 for alleged suspension of its subscriber's number portability was rejected by the Court on January 25, 2007. Teledome appealed against it and its appeal was heard on November 26, 2009 when it was rejected. A lawsuit of Euro 2.4 for alleged suspension of its subscriber's number portability was rejected by the Court on 2006. Teledome appealed against it and its appeal was heard in 2007 when it was rejected. Finally, Teledome filed a lawsuit 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 in 2011, 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. Teledome appealed against this decision before the Supreme Court and the hearing has not been scheduled yet.

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 are scheduled to be heard by the Athens Multi Member Court on January 29, 2015.

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 175.7, claiming restitution for alleged illegal termination of services on June 30, 2008. The hearing of this case was held on May 30, 2013 and the decision is pending.

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 8.7 plus interest for breach of contract. The hearing by the Court, 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 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. Both OTE's appeal and K. Prinianakis S.A.'s appeals which were scheduled for September 27, 2012 were heard on May 23, 2013 and the decision is pending.
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. The case is at the stage of the factual investigation. DEP INFO appealed against the previous decision and the hearing was scheduled on February 3, 2014. 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. S.P COM S.A. appealed against this decision and the hearing is scheduled on September 25, 2014.
6. Evros Telecomunications S.A. filed a lawsuit against OTE before the Athens Multi-Member Court of First Instance claiming Euro 2.0 for alleged damages and customer base compensation. The case is scheduled to be heard on November 11, 2015.

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

Payphones Duties: In the prior years, the Municipality of Thessaloniki has charged OTE with duties and penalties of a total amount of Euro 17.2 for the installation and operation of payphones within the area of its responsibility. OTE disputed the above assessments and filed appeals before the competent administrative courts and prepaid 40% of the above duties and penalties in order to appeal, amount that will be refunded to OTE if the outcome will be favorable to the Company. These duties and penalties refer to the period 2001-2007 and 2010-2012. No duties and penalties have been charged for 2008-2009. In a few decisions that have been issued, most of them are accepting the position of the Municipality of Thessaloniki, as their judgment is founded in the previous telecommunications legal framework before 2006. Overall, the case is still pending.

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 hearing was scheduled 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 13, 2014.

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 before the 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. The case was scheduled to be heard on May 15, 2013 but was cancelled by initiative of the defendant.

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 was 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 been 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 on September 27, 2012. On October 18, 2012 the Claimant filed its Response on OTE's Defence. On January 25, 2013, the parties arranged a Case Management Conference with the judge to agree on the next steps of the trial and agreed to attempt to resolve the claim by mediation. On March 22, 2013, the parties concluded the conducted mediation with a settlement agreement, whereby OTE agreed to pay to Sparrowhack International Channels Ltd the amount of Euro 1.95, until May 15, 2013, whereas the latter finally and fully releases OTE from any and all claim and cause of action and will request the stay (pause) of the court proceedings thereupon.

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.

ALTEC TELECOMS TELECOMMUNICATION SYSTEMS S.A.: On December 31, 2013, ALTEC TELECOMS TELECOMMUNICATION SYSTEMS S.A. filed a lawsuit against OTE claiming Euro 42.8 plus interest for alleged illegal termination of provision of telecommunication services from OTE which resulted in its bankruptcy. The case is scheduled to be heard on June 6, 2016.

ROMTELECOM'S CUSTOM AUTHORITIES AUDIT

ROMTELECOM was subject to a custom authorities' audit focusing on import transactions during 2007-2009. The final decision of the custom authorities has been issued in the second quarter of 2013 without any penalty charged to ROMTELECOM.

The most significant lawsuits and administrative disputes regarding COSMOTE and its subsidiaries, as of December 31, 2013 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. Council of State's decision was issued, rejecting NTPC's appeal. COSMOTE will file a claim to the NTPC demanding the return of the respective sum.

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 and the hearing is has been set for April 29, 2014.

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 hearing was scheduled for January, 16 2014. The hearing took place on that date and the decision is pending. 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 January 20, 2014 NTPC notified VODAFONE's rejoinder to COSMOTE.

VIVA electronic Communications single-member Ltd: VIVA electronic Communications single-member Ltd filed a lawsuit against COSMOTE before the Athens multi-member civil Court of First Instance, claiming an amount of Euro 10.6 as damages for the allegedly illegal refusal by COSMOTE to allow to the claimant the provision of 2-step-dialing services through its network. The trial date has been set for April 29, 2015.

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. In December 2013 the Supreme Court ordered that the case is examined again by the Appeal 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 was obliged to submit a report by no later than 28 February 2013. In January 2014, the CAA issued its decision ruling that there was no abuse in the relevant market, however it recommended to the Albanian regulatory authorities further actions in relation to the respective market. The case is considered closed.

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 case is still 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 2014 and 2015.

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 case was heard on November 20, 2013, when it took place and the decision is pending.

HELLENIC COMPETITION COMMISSION (HCC): Following allegations from former franchisees of GERMANOS's commercial network alleging infringements of Competition Law, the HCC initiated an investigation in GERMANOS's franchise agreements. HTPC was also involved in these cases from the HCC, as jointly competent for the application of competition law in the telecommunications sector. GERMANOS is cooperating with the abovementioned Authorities throughout this process. On July 12, 2013, GERMANOS was served with a Statement of Objections by the Hellenic Competition Commission, drafted by the Rapporteur, alleging that GERMANOS had violated provisions of Competition Law (Law 3959/2011), during the years 1990-2013. The Statement of Objections also recommended that the HCC impose a fine in accordance with the provisions of Law 3959/2011. The Rapporteur's Statement of Objections is not binding on the HCC, whose final ruling will take into account all the relevant information submitted to it, including that from the parties concerned. GERMANOS filed written pleadings rejecting the allegations contained in the Rapporteur's Statement of Objections and the hearing before the HCC scheduled took place on September 23 and 24, 2013. On October 11, 2013, GERMANOS was served with the minutes of the abovementioned hearing and on October 17, 2013 GERMANOS submitted its written pleadings. HCC's decision is pending.

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 its Greek affiliated companies and a number of Greek government officials and other individuals, relating to the award of supply contracts to Siemens. 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 Agreement 8002/1997 with Siemens S.A and Siemens Teleindustries S.A. (now Unify A.E.),and various equipment orders pursuant to that framework Agreement. 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 Agreement. Framework Agreement 8002/1997 was signed on December 12, 1997 and related to the supply to OTE by Siemens of equipment and services 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 a Special 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. OTE 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 OTE employees. It is understood that, as part of the same investigation, a number of former OTE executives, have been charged for certain criminal offences, including receipt of bribes. OTE has been asked by the Special Investigating Judge to inform her of the amount of damage that OTE estimates to have suffered as the result of the implementation of the Framework Agreement 8002/1997 and the equipment orders pursuant to that Agreement. OTE following a relevant BoD approval has assigned the investigation of the abovementioned matter to an independent consultant, The consultant's report has been presented before OTE's BoD and it has been sent to the Special Investigating Judge. In the framework of the ongoing criminal proceedings regarding the Siemens case, the trial of a former Minister of Transport and Communications has started on December 12, 2013, before the Athens Court of Criminal Appeals, for the crime of money laundering, committed repeatedly and as a profession, which resulted in (or threatened) a damage against OTE's property. The trial of Codefendants of the former Minister for the same case has also started on the same day, before the same Court. On December 12, 2013, OTE has declared the Company's will to become a civil party in the above criminal proceedings in order to seek compensation for moral damages suffered by the Company due to the aforementioned crimes. The trial is still ongoing. OTE has also filed a lawsuit for damages before German Courts. 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. Both OTE and HTPC 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. The Council of State's decision rejected HTPC's appeal and partially rejected the Athens Court of Appeals' decision and referred the case to the Athens Court of Appeals for new hearing which was scheduled on February 13, 2014.

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 18, 2014.

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. Both OTE and HTPC appealed against this decision before the Council of State and the hearing was scheduled on February 25, 2014.

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 and 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 and the date of the hearing has not yet been determined.

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 fines were 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 and the appeal was heard on December 17, 2013 and the decision is pending.

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 Court rejected OTE's appeal. OTE appealed against this decision before the Council of State and the date of the hearing has not yet been determined.

On August 29, 2013, HTPC imposed a fine against OTE of total amount of Euro 1.0 following the complaints of HOL, Cyta, On Telecoms, Forthnet and Wind for delays in implementation requests and troubleshooting under the unbundled local loop access. OTE has appealed against this decision before the Council of State and the hearing is pending.

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	
	2013	2012	2013	2012
Capital commitments	72.1	246.3	49.7	47.9
Operating commitments	1,084.8	953.7	215.8	196.9
TOTAL	**1,156.9**	**1,200.0**	**265.5**	**244.8**

Included in the Group's capital commitments for 2012 was an amount of Euro 127.9 related to the spectrum licence 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 2014 with an annual rental rate of Euro 44.6, adjustable according to the contractual provisions.

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Up to 1 year	393.9	434.4	163.3	104.0
1 to 5 years	362.9	341.3	66.2	118.9
Over 5 years	400.1	424.3	36.0	21.9
TOTAL	**1,156.9**	**1,200.0**	**265.5**	**244.8**

31. 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

Fair value and 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.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

	Carrying Amount		Fair value	
GROUP	2013	2012	2013	2012
Financial Assets				
Trade receivables	720.4	822.8	720.4	822.8
Loans to Auxiliary Fund	122.6	127.6	144.1	157.2
Other loans	53.3	108.6	53.3	108.6
Restricted cash	4.5	65.1	4.5	65.1
Cash and cash equivalents	1,444.3	1,161.6	1,444.3	1,161.6
Financial Liabilities				
Long-term borrowings	2,556.5	2,635.2	2,738.8	2,376.7
Short-term borrowings and short-term portion of long-term borrowings	399.9	1,415.6	405.3	1,401.5
Trade accounts payable	923.7	784.5	923.7	784.5
Cash collateral on interest rate swaps	9.3	23.5	9.3	23.5

	Carrying Amount		Fair value	
COMPANY	2013	2012	2013	2012
Financial Assets				
Trade receivables	349.1	406.4	349.1	406.4
Loans to Auxiliary Fund	122.6	127.6	144.1	157.2
Other loans	52.7	108.5	52.7	108.5
Cash and cash equivalents	426.6	392.3	426.6	392.3
Financial Liabilities				
Long-term borrowings	1,600.6	1,602.0	1,709.1	1,585.8
Short-term borrowings and short-term portion of long-term borrowings	533.8	795.5	539.7	794.3
Trade accounts payable	362.6	315.8	362.6	315.8
Cash collateral on interest rate swaps	9.3	23.5	9.3	23.5

The fair value of cash and cash equivalents, trade receivables, other loans and trade accounts payable approximate their carrying amounts. The fair values of the remaining financial assets and financial liabilities are based on cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

As at December 31, 2013, the Group and the Company held the following financial instruments measured at fair value:

	Fair value		
GROUP	2013	2012	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	4.1	3.3	Level 1
Held for trading bonds	3.4	3.4	Level 1
Derivative financial instruments	9.0	27.7	Level 2

	Fair value		
COMPANY	2013	2012	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	2.4	1.9	Level 1
Derivative financial instruments	9.0	24.5	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 assets 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 / or 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, 2013 amount to Euro 1,460.8 and Euro 438.0 respectively and their debt amounts to Euro 2,956.4 and Euro 2,134.4, 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, 2013	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Total**
Medium term notes OTE PLC	544.8	941.4	1,774.2	3,260.4
Syndicated loan COSMOTE ROMANIA	44.4	44.1	173.1	261.6
Other borrowings	0.9	-	-	0.9
Trade accounts payable	923.7	-	-	923.7
TOTAL	**1,513.8**	**985.5**	**1,947.3**	**4,446.6**
December 31, 2012	**Less than 1 year**	**1 to 2 years**	**2 to 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	784.5	-	-	784.5
TOTAL	**2,433.0**	**1,165.4**	**1,763.5**	**5,361.9**

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, 2013: Euro 3,071.8
- As at December 31, 2012: Euro 3,478.3

COMPANY				
December 31, 2013	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Total**
Intercompany loans (OTE PLC)	655.8	891.5	901.3	2,448.6
Trade accounts payable	362.6	-	-	362.6
TOTAL	**1,018.4**	**891.5**	**901.3**	**2,811.2**
December 31, 2012	**Less than 1 year**	**1 to 2 years**	**2 to 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**

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, 2013, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 93%/7% (2012: 74%/26%). The analysis of borrowings by type of the interest rate is as follows:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Floating interest rate	210.7	1,040.8	-	889.5
Fixed interest rate	2,745.7	3,010.0	2,134.4	1,508.0
TOTAL	**2,956.4**	**4,050.8**	**2,134.4**	**2,397.5**

As of December 31, 2013, the total notional amount of the fixed to floating interest rate swap agreements was Euro 357.5. The post hedging fixed to floating ratio for the Group is 81%/19%.

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

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Profit before tax	12.3	1.2	4.3	(5.0)

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, the 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	2013	2012
+10%	30.9	45.2
-10%	(30.9)	(45.2)

As of December 31, 2013, subsidiaries of COSMOTE had a Euro 685.3 loan payable to COSMOTE (December 31, 2012: Euro 753.5) 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/Euro changes by 1%, the effect in total equity of the Group would be Euro 6.8 (2012: Euro 7.5).

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 significant decrease in the gearing ratio in 2013 compared to 2012, coming from a decrease in net debt (due to a decrease in borrowings and an increase in cash and cash equivalents) and an increase in equity (through the profit of the year):

GROUP	December 31	
	2013	2012
Borrowings	2,956.4	4,050.8
Cash and cash equivalents	(1,444.3)	(1,161.6)
Other current financial assets	(16.5)	(9.9)
Net debt	1,495.6	2,879.3
Equity	2,295.7	1,988.8
Gearing ratio	**0.65x**	**1.45x**

32. ADJUSTMENTS AND RECLASSIFICATIONS

Due to the amendment of IAS 19 regarding the immediate recognition of past service cost, OTE adjusted the profit, equity and provision for staff retirement indemnities in prior years as follows:

	2012	
PROFIT FOR THE YEAR	**GROUP**	**COMPANY**
Profit before the adoption of the amended IAS 19	501.6	(163.2)
Effect of the amended IAS 19	(5.6)	(5.6)
Adjustment of income taxes	1.1	1.1
Profit after the adoption of the amended IAS 19	**497.1**	**(167.7)**

	GROUP		COMPANY	
EQUITY	**31/12/2012**	**1/1/2012**	**31/12/2012**	**1/1/2012**
Equity before the adoption of the amended IAS 19	2,013.8	1,757.3	2,777.8	3,145.5
Effect of the amended IAS 19	(31.2)	(25.6)	(31.2)	(25.6)
Change in deferred tax assets recognized in the income statement	6.2	5.1	6.2	5.1
Equity after the adoption of the amended IAS 19	**1,988.8**	**1,736.8**	**2,752.8**	**3,125.0**

	31/12/2012	
PROVISION FOR STAFF RETIREMENT INDEMNITIES	**GROUP**	**COMPANY**
Provision before the adoption of the amended IAS 19	257.5	223.7
Effect of the amended IAS 19	31.2	31.2
Provision after the adoption of the amended IAS 19	**288.7**	**254.9**

In the consolidated and separate statements of financial position of 2012, an amount of Euro 2.7 has been reclassified from "Trade receivables" to "Other current assets" for better presentation.

In the consolidated and separate statement of financial position of 2012, an amount of Euro 4.8 has been reclassified from "Other non-current liabilities" to "Other current liabilities" for better presentation.

In the consolidated statement of financial position of 2012, an amount of Euro 42.6 has been reclassified from "Other current liabilities" to "Trade accounts payable" for better presentation.

In the consolidated and separate statement of financial position of 2012, an amount of Euro 17.0 has been reclassified from "Provision for voluntary leave scheme" to "Other current liabilities" for better presentation.

In the consolidated statement of financial position of 2012, an amount of Euro 3.2 has been reclassified from "Other current assets" to "Other financial assets" for better presentation.

The face of the consolidated and separate income statements has been amended for better presentation. The breakdown in the individual lines reflects now more detailed and relevant information, whereas the main lines (sums) remain the same. As a result, the consolidated and separate income statements of the comparative year have been adjusted accordingly.

33. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after December 31, 2013 are as follows:

GROUP

On January 3, 2014, COSMOTE ROMANIA repaid in full its short-term financial liability amounting to Euro 10.1.

On February 12, 2014, the outstanding nominal amount of the Euro 787.7 notes, maturing on February 12, 2015, was reclassified to the short-term portion of long-term borrowings.

COMPANY

On February 11, 2014, the outstanding nominal amount of the Euro 600.0 and Euro 187.7 intercompany loans from OTE PLC, maturing on February 11, 2015, were reclassified to the short-term portion of long-term borrowings.

ACQUISITION OF OWN SHARES

In January, February and up to March 4, 2014, OTE acquired 4,131,373 own shares representing the 0.84% of its share capital, with an average acquisition price of Euro 11.49 per share (absolute amount). These shares have been acquired solely in the context of the existing share option plan (see Note 29).

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

AR.MAE 347/06/B86/10

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2013 TO DECEMBER 31, 2013

(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: March 5, 2014
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. Nikolaos Karavitis,Vice-Chairman, Independent, Non-Executive Member
3. Babis Mazarakis, Executive Member
4. Klaus Müller, Non - Executive Member
5. Panagiotis Tabourlos, Independent, Non - Executive Member
6. Claudia Nemat, Non - Executive Member
7. Raphael Kübler, Non - Executive Member
8. Stylianos Petsas, Non - Executive Member
9. Christos Kastoris, Independent, Non - Executive Member
10. Theodoros Matalas, Independent, Non - Executive Member
11. Leonidas Filippopoulos, Independent, Non - Executive Member

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

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
ASSETS				
Property, plant and equipment	3,278.9	3,914.1	1,356.4	1,508.9
Intangible assets	1,487.4	1,520.1	142.0	50.0
Other non current assets	582.9	550.5	3,920.8	4,124.3
Inventories	97.0	111.4	16.7	16.5
Trade receivables	720.4	822.8	349.1	406.4
Other current assets	249.5	285.5	115.7	109.9
Cash and cash equivalents	1,444.3	1,161.6	426.6	392.3
TOTAL ASSETS	**7,860.4**	**8,366.0**	**6,327.3**	**6,608.3**
EQUITY AND LIABILITIES				
Share capital	1,387.1	1,171.5	1,387.1	1,171.5
Other equity items	533.2	427.3	1,229.7	1,581.3
Equity attributable to shareholders of the parent (a)	1,920.3	1,598.8	2,616.8	2,752.8
Non-controlling interests (b)	375.4	390.0	-	-
Total equity (c) = (a) + (b)	**2,295.7**	**1,988.8**	**2,616.8**	**2,752.8**
Long-term borrowings	2,556.5	2,635.2	1,600.6	1,602.0
Provisions / Other non current liabilities	583.5	674.9	515.6	578.9
Short-term borrowings	399.9	1,415.6	533.8	795.5
Other current liabilities	2,024.8	1,651.5	1,060.5	879.1
Total liabilities (d)	**5,564.7**	**6,377.2**	**3,710.5**	**3,855.5**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7,860.4**	**8,366.0**	**6,327.3**	**6,608.3**

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

	GROUP 01.01.2013 - 31.12.2013			GROUP 01.01.2012 - 31.12.2012			COMPANY	
	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL	01.01-31.12.2013	01.01-31.12.2012
Total revenue	4,054.1	200.1	4,254.2	4,330.3	350.0	4,680.3	1,557.2	1,704.0
Profit / (loss) before taxes, investment and financial activities	**335.4**	**38.0**	**373.4**	**574.5**	**35.1**	**609.6**	**(5.1)**	**63.4**
Profit / (loss) before tax	314.8	32.5	347.3	569.3	34.4	603.7	(169.7)	(153.3)
Profit / (loss) after tax (A)	**293.9**	**28.9**	**322.8**	**465.4**	**31.7**	**497.1**	**(138.0)**	**(167.7)**
Attributable to:								
- Owners of the parent	287.8	28.9	316.7	440.2	31.7	471.9	(138.0)	(167.7)
- Non controlling interests	6.1	-	6.1	25.2	-	25.2	-	-
Other comprehensive income / (loss) after tax (B)	**3.2**	**-**	**3.2**	**(246.7)**	**-**	**(246.7)**	**10.9**	**(206.1)**
Total comprehensive income / (loss) after tax (A)+(B)	**297.1**	**28.9**	**326.0**	**218.7**	**31.7**	**250.4**	**(127.1)**	**(373.8)**
Attributable to:								
- Owners of the parent	295.2	28.9	324.1	202.5	31.7	234.2	(127.1)	(373.8)
- Non controlling interests	1.9	-	1.9	16.2	-	16.2	-	-
Basic earnings per share (in €)	**0.5873**	**0.0589**	**0.6462**	**0.8981**	**0.0647**	**0.9628**		
Proposed dividend per share (in €)							0.0000	0.0000
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**1,177.9**	**67.1**	**1,245.0**	**1,392.9**	**135.4**	**1,528.3**	**317.4**	**371.5**

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

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Total equity at the beginning of the year (01.01.2013 and 01.01.2012)	1,988.8	1,736.8	2,752.8	3,125.0
Total comprehensive income / (loss) after tax	326.0	250.4	(127.1)	(373.8)
Share-based payments	2.3	1.6	2.3	1.6
Acquisition of own shares	(11.2)	-	(11.2)	-
Net change of participation in subsidiaries	(10.2)	-	-	-
Total equity at the end of the year (31.12.2013 and 31.12.2012)	**2,295.7**	**1,988.8**	**2,616.8**	**2,752.8**

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

	GROUP		COMPANY	
	01.01-31.12.2013	01.01-31.12.2012	01.01-31.12.2013	01.01-31.12.2012
Cash flows from operating activities				
Profit / (loss) before tax	314.8	569.3	(169.7)	(153.3)
Adjustments for:				
Depreciation, amortization and impairment	842.5	818.4	322.5	308.1
Share-based payment	3.2	1.6	0.7	0.3
Costs related to early retirement programs	272.4	123.0	250.9	123.0
Provision for staff retirement indemnities	10.2	27.9	8.9	25.0
Provision for youth account	3.7	(6.2)	3.7	(6.2)
Write down of inventories	5.2	7.7	-	-
Provision for doubtful accounts	84.9	110.7	20.4	21.4
Other provisions	4.2	2.7	(2.1)	2.5
Foreign exchange differences, net	(2.3)	1.3	(0.4)	-
Interest income	(8.8)	(14.4)	(4.3)	(8.7)
Dividend income	(0.4)	(3.9)	(8.0)	(41.9)
(Gains) / losses and impairments of investments	(216.9)	(225.1)	17.9	100.5
Interest expense	249.0	247.3	159.4	166.8
Working capital adjustments:				
Decrease / (increase) in inventories	(0.5)	0.1	(1.9)	5.4
Decrease / (increase) in receivables	(7.3)	58.4	99.6	118.7
(Decrease) / increase in liabilities (except borrowings)	122.6	(80.3)	(19.9)	(77.8)
Plus/ (Minus):				
Payment of early retirement programs and voluntary leave scheme	(163.1)	(146.4)	(141.6)	(145.9)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(106.7)	(115.7)	(105.5)	(114.7)
Interest and related expenses paid	(249.2)	(243.4)	(163.4)	(172.3)
Income taxes paid	(121.3)	(108.0)	(9.7)	(24.5)
Net cash flows from operating activities of discontinued operations	55.7	141.9	-	-
Net cash flows from operating activities (a)	**1,091.9**	**1,166.9**	**257.5**	**126.4**
Cash flows from investing activities				
Acquisition of non-controlling interest	(10.2)	-	-	-
Purchase of financial assets	(226.4)	(719.5)	(75.0)	(677.4)
Sale or maturity of financial assets	229.6	1,060.9	75.0	1,018.8
Repayment of loans receivable	10.7	10.3	10.7	10.3
Purchase of property, plant and equipment and intangible assets	(604.7)	(507.9)	(179.8)	(157.7)
Movement in restricted cash	58.8	(65.1)	-	-
Proceeds from disposal of subsidiaries / investments	717.0	380.0	202.8	380.0
Interest received	14.8	16.4	7.5	8.1
Dividends received	0.4	20.9	7.4	58.9
Return of capital invested in subsidiary	1.0	-	1.0	52.0
Net cash flows used in investing activities from discontinued operations	(30.7)	(45.6)	-	-
Net cash flows from investing activities (b)	**160.3**	**150.4**	**49.6**	**693.0**
Cash flows from financing activities				
Acquisition of treasury shares	(6.0)	-	(6.0)	-
Proceeds from loans granted and issued	1,245.7	313.3	1,412.2	439.9
Repayment of loans	(2,201.2)	(1,298.9)	(1,678.1)	(1,022.6)
Dividends paid to Company's owners	(0.9)	(0.4)	(0.9)	(0.4)
Net cash flows from /(used in) financing activities from discontinued operations	(3.8)	153.0	-	-
Net cash flows used in financing activities (c)	**(966.2)**	**(833.0)**	**(272.8)**	**(583.1)**
Net increase in cash and cash equivalents (a) + (b) + (c)	**286.0**	**484.3**	**34.3**	**236.3**
Cash and cash equivalents at the beginning of the year	**1,161.6**	**683.4**	**392.3**	**156.0**
Net foreign exchange differences	(3.3)	(6.1)	-	-
Cash and cash equivalents at the end of the year	**1,444.3**	**1,161.6**	**426.6**	**392.3**

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 March 26, 2013, the sale of OTE's entire stake (99.05%) in HELLAS SAT was completed. On July 31, 2013, the sale of the Group's 100.00% stake in GLOBUL and in GERMANOS TELECOM BULGARIA A.D. 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 at December 31, 2013 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 126.9 million and € 34.8 million respectively and b) for the Company € 106.1 million and € 23.0 million respectively. The most significant outstanding legal cases are presented in Note 30 of the financial statements.
5) Number of employees at the end of the period Group 22,667 (31.12.2012: 27,330), Company 6,878 (31.12.2012: 8,750).
6) Other comprehensive income / (loss) after tax for the year 2013 which was recognized directly in equity for the Group, relates to actuarial gains € 15.1 million (net of deferred taxes), foreign currency translation € (12.4) million and the net movement of available for sale investments € 0.5 million (net of deferred taxes). As for the Company, it relates to actuarial gains € 10.5 million (net of deferred taxes) and the net movement of available for sale financial assets € 0.4 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, 2013.
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 2013, amounted to € 92.5 million and € 238.1 million, respectively. Interest expense for the year 2013 amounted to € 125.8 million. The outstanding balance of receivables and payables from/to related parties as of December 31, 2013 derived from current transactions amounted to € 63.7 million and € 181.5 million, respectively. The outstanding balance of payables to related parties from the loans received amounted to € 2,217.0 million. Dividend income from related parties amounts to € 8.0 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 2013, amount to € 6.2 million. Based on OTE's share option plan, until December 31, 2013, 1,485,956 stock optionshave 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 2013 amounted to € 21.0 million and € 24.7 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of December 31, 2013 derived from operating transactions amounted to € 14.5 million and € 57.2 million, respectively.
9) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
10) Due to the amendment of IAS 19, certain adjustments have been made in the profit, equity and provision for staff retirement indemnities in prior periods. Furthermore, certain reclassifications have been made for better presentation, with no impact on the equity or the results of the Group and the Company. These adjustments and reclassifications are presented in Note 32 of the financial statements.
11) The most signicant events that have occurred after December 31, 2013 are presented in Note 33 of the financial statements.

Athens, March 5, 2014

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER	OTE GROUP GENERAL MANAGER FINANCIAL OPERATIONS	ACCOUNTING DIRECTOR
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 2013, as well as during the first months of 2014, in compliance with its obligations under Community and National Legislation.

General Shareholder Assemblies' Resolutions	
30/12/2013	EGM Resolutions – held on 30/12/2013
26/06/2013	AGM Resolutions – held on 26/06/2013
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Invitations to General Shareholder Assemblies	
09/12/2013	New Invitation to the Extraordinary General Meeting of Shareholders – Change of Date
26/11/2013	Invitation to the Extraordinary General Meeting of Shareholders of 18/12/2013
05/06/2013	Invitation to the Annual Ordinary General Meeting of Shareholders
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Voting Results	
02/01/2014	EGM Voting Results – held on 30/12/2013
28/6/2013	AGM Voting Results – held on 26/06/2013
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Dividend	
29/11/2013	Unclaimed Dividends of Financial Year 2007
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Corporate Actions	
04/03/2014	Announcement of regulated information – Buyback of own shares
28/02/2014	Announcement of regulated information – Buyback of own shares
27/02/2014	Announcement of regulated information – Buyback of own shares
26/02/2014	Announcement of regulated information – Buyback of own shares
25/02/2014	Announcement of regulated information – Buyback of own shares
24/02/2014	Announcement of regulated information – Buyback of own shares
21/02/2014	Announcement of regulated information – Buyback of own shares
20/02/2014	Announcement of regulated information – Buyback of own shares
19/02/2014	Announcement of regulated information – Buyback of own shares
17/02/2014	Announcement of regulated information – Buyback of own shares
14/02/2014	Announcement of regulated information – Buyback of own shares
13/02/2014	Announcement of regulated information – Buyback of own shares
10/02/2014	Announcement of regulated information – Buyback of own shares
07/02/2014	Announcement of regulated information – Buyback of own shares
06/02/2014	Announcement of regulated information – Buyback of own shares
05/02/2014	Announcement of regulated information – Buyback of own shares
04/02/2014	Announcement of regulated information – Buyback of own shares
30/01/2014	Announcement of regulated information – Buyback of own shares
28/01/2014	Announcement of regulated information – Buyback of own shares
23/01/2014	Announcement of regulated information – Buyback of own shares
22/01/2014	Announcement of regulated information – Buyback of own shares
21/01/2014	Announcement of regulated information – Buyback of own shares
20/01/2014	Announcement of regulated information – Buyback of own shares
17/01/2014	Announcement of regulated information – Buyback of own shares
16/01/2014	Announcement of regulated information – Transaction Notification of Mr Stefanos Theocharopoulos, Chief Technology and Operations Officer of OTE Group
16/01/2014	Announcement of regulated information – Buyback of own shares
15/01/2014	Announcement of regulated information – Buyback of own shares
14/01/2014	Announcement of regulated information – Buyback of own shares
13/01/2014	Announcement of regulated information – Transaction Notification of Mr Stefanos Theocharopoulos, Chief Technology and Operations Officer of OTE Group
13/01/2014	Announcement of regulated information – Buyback of own shares
10/01/2014	Announcement of regulated information – Buyback of own shares
08/01/2014	Announcement of regulated information – Buyback of own shares
07/01/2014	Announcement of regulated information – Completion of OTE 's voluntary exit schemes
07/01/2014	Announcement of regulated information – Transactions' Notification of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company
03/01/2014	Announcement of regulated information – Buyback of own shares
02/01/2014	Announcement of regulated information – Buyback of own shares
31/12/2013	Announcement of regulated information – Buyback of own shares
31/12/2013	Announcement of regulated information – Transaction Notification of Mr Vasilopoulos Christos, Section Manager

	of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
30/12/2013	Announcement of regulated information – Transaction Notification of Messers Arvanitidis Georgios, Deputy Chief Human Resources Officer of OTE S.A., Katsantonis Dimitrios, Senior Manager of OTE S.A., Zamanis Dimitrios, Senior Manager of OTE S.A., Papatriantafyllou Dimitrios, Senior Manager of OTE S.A. and Dimitropoulos Konstantinos, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
30/12/2013	Announcement of regulated information – Buyback of own shares
24/12/2013	Announcement of regulated information – Buyback of own shares
23/12/2013	Announcement of regulated information – Transaction Notification of Messers Arvanitidis Georgios, Deputy Chief Human Resources Officer of the Company and and Mr Fousianis Nikolaos, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
23/12/2013	Announcement of regulated information – Transaction Notification of Ms Elena Papadopoulou, Chief Human Resources Officer of OTE Group
19/12/2013	Announcement of regulated information – Transaction Notification of Mr Georgios Mavrakis, General Manager of Financial Operations of OTE Group
17/12/2013	Announcement of regulated information – Transaction Notification of Mr Stefanos Theocharopoulos, Chief Technology and Operations Officer of OTE Group
16/12/2013	Announcement of regulated information – Transaction Notification of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company
06/12/2013	Announcement of regulated information – Transaction Notification of Mr Mr Vlatakis Emmanouil, Section Manager of COSMOTE –MOBILE TELECOMMUNICATIONS S.A.
05/12/2013	Announcement of regulated information – Transaction Notification of Mrs. Kyritsi Triantafyllia, Senior Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
04/12/2013	Announcement of regulated information – Transaction Notification of Mr Zamanis Dimitrios, Senior Manager of OTE S.A.
03/12/2013	Announcement of regulated information – Transaction Notification of Mr Zamanis Dimitrios, Senior Manager of OTE S.A.
02/12/2013	Announcement of regulated information – Transaction Notification of Mr Vlachos Evangelos, Senior Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
28/11/2013	Announcement of regulated information – Transaction Notification of Messers Petrica Christian George, Director at Cosmote Romania S.A., Katsantonis Dimitrios, Senior Manager of OTE S.A. and Sardanidis Stefanos, Senior Manager of OTE S.A.
27/11/2013	Announcement of regulated information – Transaction Notification of Mr Tagaras Theofanis, Section Manager of COSMOTE – MOBILE TELECOMMUNICATIONS S.A.
26/11/2013	Announcement of regulated information – Transaction Notification of Mr Koutsianas Fotios, Director of OTE S.A.
21/11/2013	Announcement of regulated information – Transaction Notification of Messers Vasilopoulos Ioannis, Senior Manager of OTE S.A. and Fousianis Nikolaos, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
19/11/2013	Announcement of regulated information – Transaction Notification of Messers Athanasopoulos Georgios-Dimitrios, Senior Manager of OTE S.A., Katsantonis Dimitrios, Senior Manager of OTE S.A., Ms Karachaliou Athanasia, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A. and Dionysopoulos Nikitas, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
15/11/2013	Announcement of regulated information – Transaction Notification of Messers Louros Spyridon, Director of OTE S.A., Kontogiannis Dimitrios, Senior Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A., Vlachos Evangelos, Senior Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A., Kirkalas Stylianos, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A. and Skarmoutsos Konstantinos, Section Manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A.
14/11/2013	Announcement of regulated information – Voluntary Exit Schemes for OTE employees
14/11/2013	Announcement of regulated information – Transaction Notification of Messers Dermitzakis Ioannis, Section manager of OTE S.A., Tokmakidis Michalis, Section manager of COSMOTE MOBILE TELECOMMUNICATIONS S.A. and Ms. Matathia Anna, Director of OTE S.A.
13/11/2013	Announcement of regulated information – Liable's persons transactions notification
11/11/2013	Announcement of regulated information – Transfer of own shares
23/10/2013	Announcement of regulated information – Buyback of own shares
22/10/2013	Announcement of regulated information – Buyback of own shares
21/10/2013	Announcement of regulated information – Buyback of own shares
18/10/2013	Announcement of regulated information – Buyback of own shares
15/10/2013	Announcement of regulated information – Buyback of own shares
11/10/2013	Announcement of regulated information – BOD members' change – The BoD of the Company elected as new members, Messers Christos Kastoris (Independent, Non-executive member), Theodoros Matalas (Independent, Non-executive member), Leonidas Filippopoulos (Independent, Non- executive member) and Nikolaos Karavitis (Non-executive member), in replacement of the resigned members Messers Dimitrios Tzouganatos (Independent, Non-executive member), Michail Bletsas (Independent, Non-executive member), Vassilios Fourlis (Independent, Non-executive member), and Efstathios Anestis (Non Executive member), for the rest of latters' tenure

11/10/2013	Announcement of regulated information – Buyback of own shares
03/09/2013	Announcement of regulated information – BOD member change - Mr Nikolaos Karamouzis, non-executive member of OTE's BoD submitted its resignation and in his replacement the BoD elected Mr Stylianos Petsas as new, non-executive member, for the rest of Mr Karamouzis's tenure
31/07/2013	Announcement of regulated information – OTE concludes Globul sale to Telenor
24/07/2013	Announcement of regulated information – Cosmote Romania concludes €225 million loan led by EBRD to up 4G investments
02/07/2013	Announcement of regulated information – Transaction Notification of Mr. Michael Tsamaz, Chairman of the BoD and Chief Executive Officer of the Company
27/06/2013	Announcement of regulated information – Buyback of own shares
04/06/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
03/06/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
31/05/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
29/05/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
28/05/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
24/05/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
24/05/2013	Announcement of regulated information – Eurobank Ergasias SA Bank's transactions' notification
23/05/2013	Announcement of regulated information – BOD member change – Mr Timotheus Höttges, non executive member of the BoD submitted its resignation and in his replacement the BoD elected Mr. Raphael Kübler as new member (non executive) of the BoD for the rest of Mr Höttges's tenure
16/05/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
02/05/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
01/05/2013	Announcement of regulated information – Buyback of own shares
30/04/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
29/04/2013	Announcement of regulated information – Buyback of own shares
29/04/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
26/04/2013	Announcement of regulated information – Globul Sale
26/04/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
25/04/2012	Announcement of regulated information – Piraeus Bank's Transaction Notification
19/04/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
03/04/2013	Announcement of regulated information – Completion of the sale of Hellas Sat
28/03/2013	Announcement of regulated information – Transaction Notification of Mr Stefanos Theocharopoulos, CEO of Romtelecom and Cosmote Romania
27/03/2013	Announcement of regulated information – OTE Group inform on its exposure to Cypriot Banking sector
13/03/2013	Announcement of regulated information – Transaction Notification of Mr Gabritsos George, Chief Officer of Business Unit OTE TV
12/03/2013	Announcement of regulated information – Management changes
08/03/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
07/03/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
07/03/2013	Announcement of regulated information – Transaction Notification of Mr Stefanos Theocharopoulos, CEO of Romtelecom and Cosmote Romania
04/13/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
01/03/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
27/02/2013	Announcement of regulated information – Piraeus Bank's Transaction Notification
18/02/2013	Announcement of regulated information – Listing and consolidation with existing tranche notes
13/02/2013	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
07/01/2013	Announcement of regulated information – Successful completion of OTE 's voluntary exit scheme
03/01/2012	Announcement of regulated information – Piraeus Bank's transaction notification

02/01/2013	Announcement of regulated information – Piraeus Bank's transaction notification
Location on the company's website: www.ote.gr/ Company/ Investor Relations/ Newsroom	
Press Releases	
17/02/2014	OTE Q4 and full year 2013 results announcement - Conference Call details
05/02/2014	Q4 and Full Year 2013 Results Announcement Date
29/01/2014	Announcement concerning the increase of the share capital by increasing the nominal value of the share
15/01/2014	Announcement concerning the participation in an Open Public International Tender
27/12/2013	Announcement concerning BoD's Proposal on Items 6 and 7 of the EGM of 30/12/2013
13/12/2013	Announcement concerning draft amendment of the Articles of Incorporation
07/11/2013	Announcement of Q3 2013 Financial Results
16/10/2013	OTE Q3 2013 Financial Results announcement – Conference Call Details
08/10/2013	Q3 2013 Results Announcement Date
08/08/2012	Announcement of Q2 2013 Results
23/07/2013	Q2 2013 Results Announcement – Conference Call Details
09/07/2013	Q2 2013 Results Announcement Date
25/06/2013	Significant awards for OTE at the annual Extel rankings – OTE was was rewarded with high rankings for its performance, for a second time in a row, in the 2013 Thomson Reuters Extel Europe Investor Relations Survey. OTE's Group CFO, Mr. Babis Mazarakis, was voted by the European analysts the best CFO for Investor Relations, and OTE's IRO, Mr Dimitris Tzelepis was voted, for a second time in a row and for the fourth time since 2007, the best Investor Relations Professional in Greece
11/06/2013	Announcement concerning draft amendment of the Articles of Incorporation
08/05/2013	Announcement of Q1 2013 Financial Results
25/04/2013	OTE Q1 2013 Financial Results Announcement – Conference Call Details
19/04/2013	Q1 2013 Results announcement date – on 8th May 2013
28/02/2013	Announcement of Q4 and Full Year 2012 Results
27/02/2013	Financial Calendar 2013
18/02/2013	OTE Q4 2012 Financial Results announcement – Conference call details
28/01/2013	Q4 and Full Year 2012 results announcement date – on 28th February 2013
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	
07/11/2013	Third Quarter 2013 – Press Release
08/08/2012	Second Quarter 2013 – Press Release
08/05/2013	First Quarter 2013 – Press Release
28/02/2013	Fourth Quarter 2012 – Press Release
Location on the company's website: www.ote.gr/ Investor Relations/ Financial Results/ Financial Statements of OTE Group and OTE S.A.	
IFRS Reports- Figures and Information	
07/11/2013	Financial Data and Information – Third Quarter 2013
07/11/2013	Interim Condensed Financial Statements (01/01/13 – 30/09/13) – Third Quarter 2013
08/08/2013	Financial Data and Information – Second Quarter 2013
08/08/2013	OTE Six Months Financial Report 30/06/13 – Second Quarter 2013
08/05/2013	Financial Data and Information – First Quarter 2013
08/05/2013	Interim Condensed Financial Statements (01/01/13 – 31/03/13) – First Quarter 2013
28/02/2013	Financial Data and Information – Fourth Quarter 2012
28/02/2013	Annual Financial Report 2012 – Fourth Quarter 2012
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 Annual Reports of the Board of Directors can be found (after their approval) at the web page: www.ote.gr/ Company/ Investor Relations/ Financial Results/ Financial Statements of OTE Group Companies.